



STATE OF MICHIGAN  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

NICK LYON  
DIRECTOR

October 23, 2015

The Honorable Jim Marleau, Chair  
Senate Appropriations Subcommittee on DHHS  
Michigan State Senate  
Lansing, Michigan 48933

The Honorable Rob VerHeulen, Chair  
House Appropriations Subcommittee on DHHS  
Michigan House of Representatives  
Lansing, Michigan 48933

Dear Senator Marleau and Representative VerHeulen:

This report is provided pursuant to the Department of Human Services' (DHS') Fiscal Year 2015 Appropriations Act, PA 252 of 2014, Article X, section 503(7). This section requires the department submit a quarterly report on the status of the implementation of a performance-based contracting model that establishes performance-based funding for public and private child welfare services providers.

The Michigan Department of Health and Human Services (MDHHS) continues to lead and utilize the Child Welfare Partnership Council to ensure stakeholder involvement in the development of a performance-based model. MDHHS has begun to meet quarterly with the directors of the proposed consortium agency West Michigan Partnership for Children (WMPC) to ensure the collaborative development of the pilot in Kent County. MDHHS and involved stakeholders and contractors continued to meet during the past quarter to operationalize the proposed model for Kent County, including identifying the outcomes and metrics that will be used to measure performance and ensure integration with the state's child welfare case practice model and continuous quality improvement plan. MDHHS is assessing the structural changes within the department that need to occur to support the model. Efforts continue to map tasks and decision making necessary to ensure the agencies and department are able to execute necessary functions for the model to operate as envisioned in Kent County.

The contracted project management provided by Public Consulting Group has substantially increased productivity in driving, tracking and monitoring model development. Actuarial services provided by Public Consulting Group continued over the past quarter, resulting in the development of four case rate options for MDHHS to consider for use in the Kent County

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model. A Request for Proposal has also been finalized for contracted independent, third party evaluator services and MDHHS expects the contract to be awarded before March 1, 2016.

If you have any questions, please contact Steve Yager, Children's Services Agency executive director, at (517) 241-9859.

Sincerely,



Nick Lyon  
Director

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c: Senate and House Appropriations Subcommittees on DHHS  
Senate and House Fiscal Agencies  
Senate and House Policy Offices  
Senate and House Standing Committees on Families and Human Services