

Status of Performance-Based Contracting Model

(FY2021 Appropriation Act - Public Act 166 of 2020)

March 1, 2021

Sec. 504. (1) *From the funds appropriated in part 1, the department shall continue the master agreement with the West Michigan Partnership for Children Consortium for the fourth year of the planned 5-year agreement to pilot a performance-based child welfare contracting pilot program. The consortium shall consist of a network of affiliated child welfare service providers that will accept and comprehensively assess referred youth, assign cases to members of its continuum or leverage services from other entities, and make appropriate case management decisions during the duration of a case.*

(2) *As a condition for receiving the funding in part 1, the West Michigan Partnership of Children Consortium shall maintain a revised contract agreement with the department that supports the transition to a global capitated payment model. The capitated payment amount shall be based on historical averages of the number of children served in Kent County and for the costs per foster care case. The West Michigan Partnership for Children Consortium is required to manage the cost of the child population it serves. The capitated payment amount shall be reviewed and adjusted no less than twice during the current fiscal year or due to any policy changes implemented by the department that result in a volume of placements that differ in a statistically significant manner from the amount allocated in the annual contract between the department and the West Michigan Partnership for Children as determined by an independent actuary as well as to account for changes in case volumes and any statewide rate increases that are implemented. The contract agreement requires that the West Michigan Partnership for Children Consortium shall maintain the following stipulations and conditions:*

(a) *That the service component of the capitated payment will be calculated assuming rates paid to providers under the pilot program are generally consistent with the department's payment policies for providers throughout the rest of this state.*

(b) *To maintain a risk reserve of at least \$1,500,000.00 to ensure it can meet unanticipated expenses within a given fiscal year.*

(c) *That until the risk reserve is established, the West Michigan Partnership for Children Consortium shall submit to the department a plan for how they will manage expenses to fit within their capitated payment revenue. The department shall review and approve any new investments in provider payments above statewide rates and norms to ensure they are supported by offsetting savings so that costs remain within available revenue.*

(d) *To cooperate with the department on an independent fiscal analysis of costs incurred and revenues received during the course of the pilot program to date.*

(3) By March 1 of the current fiscal year, the consortium shall provide to the department and the house and senate appropriations subcommittees on the department budget a report on the consortium, including, but not limited to, actual expenditures, number of children placed by agencies in the consortium, fund balance of the consortium, and the outcomes measured.

Status of Performance-Based Contracting Model

The attached report information was provided to the Michigan Department of Health and Human Services by the West Michigan Partnership for Children (WMPC) identifying the status of implementation and actual costs of the performance-based child welfare contracting consortium.



Status of Performance-Based Contracting Model

The Michigan Department of Health and Human Services (MDHHS) and West Michigan Partnership for Children (WMPC) completed three fiscal years (Fiscal Year 2018 - Fiscal Year 2020) of the Kent County child welfare-funding pilot on September 30, 2020 and its first quarter of its fourth year on December 31, 2020.

WMPC currently receives the majority of its funding through an annual grant agreement with the MDHHS which contains State of Michigan General Fund dollars, pass-through dollars from federal grants to the State, and Kent County child care funds. WMPC has a subcontract with Network 180 for a Clinical Liaison position and a Parent Planner. WMPC also manages a grant from the Michigan Health Endowment Fund to implement the trauma-informed Sanctuary Model through the Kent County Child Welfare system.

Number of Children Placed by Agencies in the Consortium

During Fiscal Year (FY) 2020, WMPC placed 203 children with the five private foster care agencies and discharged 307 children. Foster care services were provided for 1,005 children in fiscal year 2020.

WMPC intakes declined significantly in fiscal year 2020, down to 203 from 421 in FY 2019. The decrease in intakes was in line with statewide trends. The number of intakes was far less than what WMPC's budget was based on. The front-loaded structure of the case rate was a factor that contributed to a substantial revenue loss for WMPC, exacerbating pre-existing cash flow issues.

Actual Revenue and Expenditures

For the twelve-month period ending September 30, 2020, on an accrual basis, WMPC received \$42,210,656 in revenue and had expenses of \$36,709,691. Note, however, that \$4,150,000 of the revenue received was attributable to FY 2019 WMPC expenditures.

Fund Balance

WMPC operated in a deficit for most of fiscal year 2020 for its programmatic expenses. In a report from September 3, 2019, MDHHS's project management consultant, Public Consulting Group (PCG), and PCG's contracted actuary, Lewis & Ellis (L&E), recommended a retrospective adjustment in the amount of \$6.42 million and a prospective case rate adjustment in the amount of seven percent beginning in fiscal year 2020, to account for expenses not included in the original case rate methodology. The true-up funds and case rate adjustment were not provided and WMPC's payable balance continued to grow, exceeding \$5 million as of the end of the year with the five PAFC partner agencies bearing most of the risk. WMPC owed each of the five agencies approximately a million dollars, prompting discussions within their Boards of Directors about how long they could continue partnering with WMPC without a solution to fund the model. This was a point of ongoing concern for WMPC's Board of Directors and Leadership Team which had regular conversations with MDHHS leadership, the Michigan State Legislature, and State Budget Office (SBO) to highlight the urgency and need for solutions.

Status of Performance-Based Contracting Model

During the final quarter of the fiscal year, a supplemental appropriations act, 2020 PA 144, was signed into law. Section 402 of that act allocated funding for WMPC to recognize prior-year cash advances and costs related to a restricted payment model. As a condition for receiving these funds, WMPC was required to enter into a revised contract agreement with DHHS to support the transition to a new capitated allocation funding model to go into effect in FY 2021. Funding for a \$1.5 million risk reserve for WMPC was also appropriated to ensure unanticipated future expenses can be covered.

Historically, MDHHS paid WMPC an \$820 semi-annual payment for each child in its care. Given the fluctuating monthly referral numbers and seasonal trends, this made budgeting for its administration and cashflow fluctuations challenging for WMPC. For this reason, L&E recommended that \$2 million be allocated for administrative expenses in FY 2020, independent of the case rate payments. The \$2 million was cut during the State of Michigan's FY 2020 budget negotiations but was restored by the end of the first quarter of the fiscal year and paid in February 2020.

Consortium Personnel

In April 2020, WMPC hired an additional part-time Parent Planner. In October 2019, Network 180 provided a grant to WMPC for unspent funds from a Substance Abuse and Mental Health Services Administration (SAMHSA) grant to be used toward a Parent Planner. The Parent Planner is a part-time position filled by a person with experience as a caregiver of children in the Kent County Child Welfare System, receiving Network 180 services, and/or in the Juvenile Justice system.

Contracts

WMPC worked collaboratively with the Family Reunification Program (FRP) leaders and foster care agency subcontractors to revise the FRP to address barriers in the contract. A standardized assessment was added which are linked with the tiers of the intensity of service each family needs. A Request for Proposal was sent out for this program and Wellspring Lutheran Services was awarded the contract.

Consortium Performance Measures

Adjusted and additional performance measures designed with MDHHS went into effect for FY 2020. Several benchmarks were revised to include incremental yearly increases, which was more realistic given Kent County and statewide historical performance. Along with these additions and adjustments, WMPC continues to be held accountable for all the state Key Performance Indicators and federal Child and Family Services Review data measures.

The COVID-19 Pandemic had an impact on performance and in some cases the ability to accurately report on performance. Performance before the pandemic was strong in several areas but ended up below the set target due to various factors. Performance was profoundly affected in some areas and minimally affected in others. (See Appendix 1, FY2020 WMPC Annual Network Performance Report)

Status of Performance-Based Contracting Model

Monitoring and Evaluation

In FY 2020, WMPC continued to support the external evaluation of the performance-based child welfare system lead by Westat (See Appendix 2, Michigan 3rd Annual Report Executive Summary). WMPC's Director of Performance and Quality Improvement (PQI) held monthly calls with evaluation stakeholders to support the process and outcomes evaluation. The Director of PQI also supported the process evaluation by sending relevant documentation to the evaluation stakeholders. The Director of PQI providing quarterly performance reports and other relevant performance reports to the evaluation stakeholders.

In September 2020, Westat team members came to Kent County and interviewed the WMPC team, local DHHS, many of the private agency foster care staff, and local court personnel. These interviews will be part of their process evaluation and be part of their annual report.

The Division of Child Welfare Licensing (DCWL) conducted the annual audit of WMPC in May of 2020. Following the audit, WMPC maintained its regular two-year license. In October 2020, the MDHHS Division of Continuous Quality Improvement also conducted an annual performance review of contractual performance measures.

WMPC maintains its Network Provider accreditation through the Council on Accreditation.

Governance

WMPC's Board of Directors continues to be comprised of the Chief Executive Officer (CEO) or a delegate from each of the five, private agency consortium member agencies as well as seven community members that assure diversity in race, ethnicity, gender, age, professional disciplines, and the inclusion of persons with lived experience in the child welfare system.

Two provider board members resigned from their respective agencies, and subsequently stepped off the WMPC Board (Jim Paparella, D.A. Blodgett-St. Johns; Chris Slater, Catholic Charities West Michigan). Jeremiah Hawkins, Chief Programs Officer at D.A. Blodgett-St. Johns and Alisa Otto, Chief Programs Officer at Catholic Charities West Michigan, were added to the board to represent their agencies.

Dr. Nkechye Ezech, Executive Director of the Early Learning Neighborhood Collaborative and Kayla Morgan, a former foster youth and founder and owner of Resilient Roots, a trauma-informed yoga practice resigned from WMPC's Board. WMPC has four board slots to fill to have seven members representative of the diversity of the community and to allow for a non-provider quorum.

Appendices

- *Appendix 1 – FY2020 WMPC Network Annual Performance Report*
- *Appendix 2 – Third Annual PBFM Evaluation Report Executive Summary*



WMPC Network Performance Report

Fiscal Year 2020

Report Date: November 13, 2020

Total Youth in Care

1,005 FY19
1,270

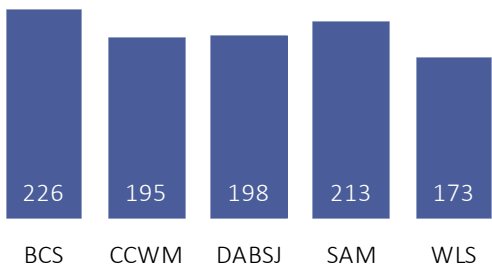
Youth Entering Care

203 414

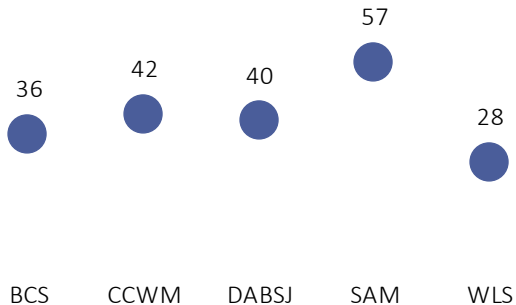
Youth Discharged

307 426

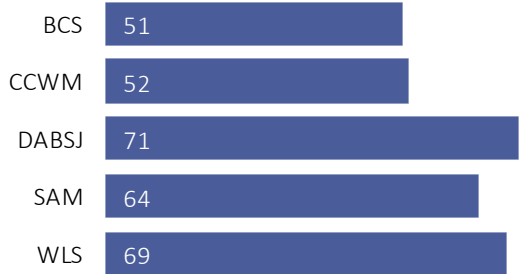
In Care by Agency



Entering Care by Agency



Discharged by Agency



Entering Care by Month

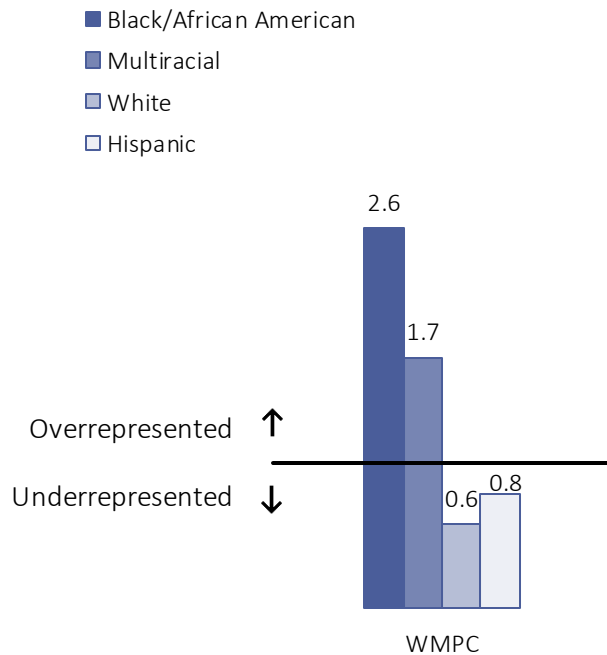


Youth in Care Source: Mindshare Active Children Dashboard 10/1/19 - 9/30/20; Accessed 10/19/20; Youth Discharge Source: Mindshare Case Closing List 10/1/19 - 9/30/20; Accessed 10/19/20; Entering Care Source: Mindshare CPN Intake List 10/1/19 - 9/30/20; Accessed 10/20/20
 BCS=Bethany Christian Services; CCWM=Catholic Charities West Michigan; SAM=Samaritas West; DABSJ=DA Blodgett St John's; WLS=Wellspring Lutheran Services Kentwood.

Disproportionality is the underrepresentation or overrepresentation of a racial or ethnic group compared to its percentage of the total population. WMPC used the total population of Black/African American, Multiracial, Hispanic, and White children ages 0-18 living in Kent County to understand the disproportionality of children in WMPC's care in FY2020.

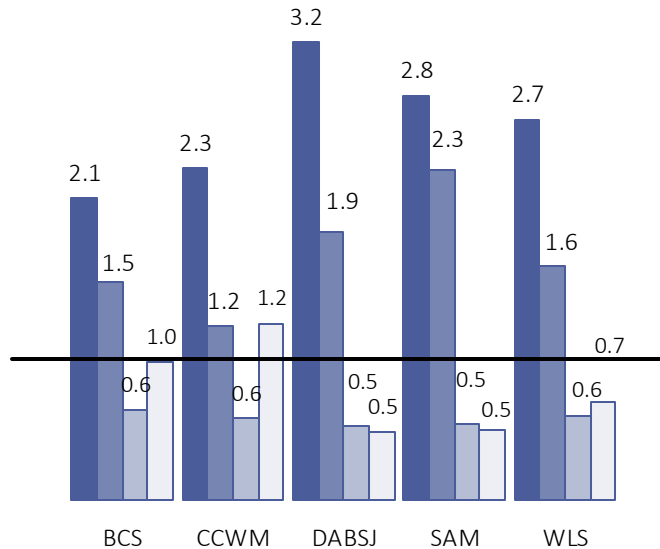
Racial Disproportionality In Care

WMPC had 1,005 children in foster care this fiscal year. Black and Multiracial children were over-represented compared to the general population's percentage of Black and Multiracial children.



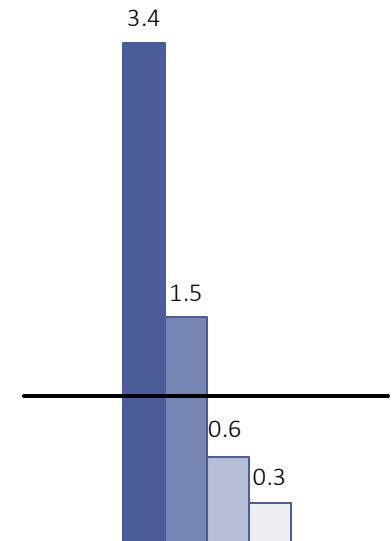
Disproportionality By Agency

Racial disproportionality varied slightly between agencies' children in foster care compared to the general population. Black children were far overrepresented for each agency, while White and Hispanic children were underrepresented.



Disproportionality in Intakes

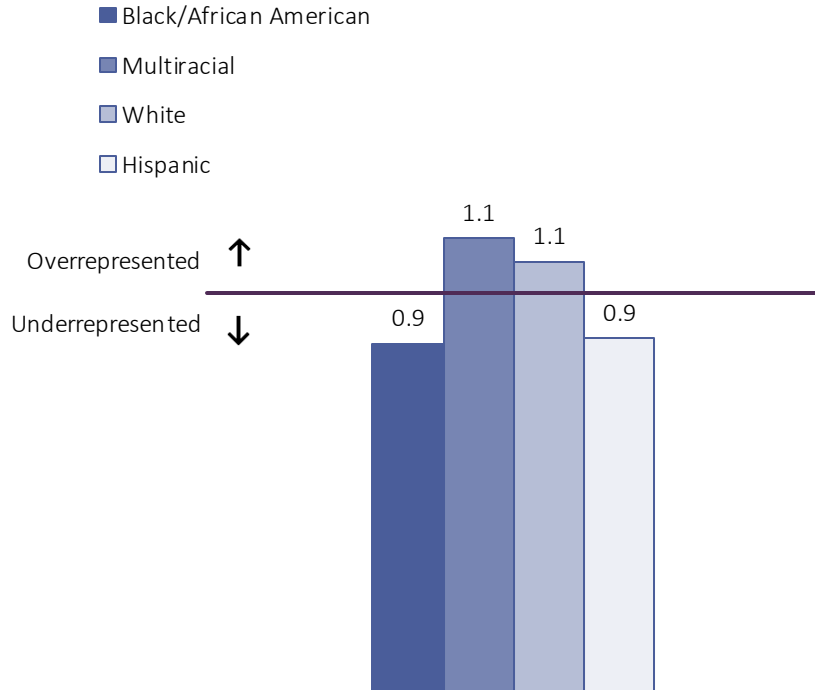
Black youth were represented nearly three and a half times the rate of the total population in the county. This disproportionality index for intakes is higher than it is for Black children in care, which suggests the disproportionality rate could be increasing if intakes continue this way. White and Hispanic children coming into care were underrepresented.



WMPC used the population of children in care to understand the disproportionality of children discharging foster care for the fiscal year.

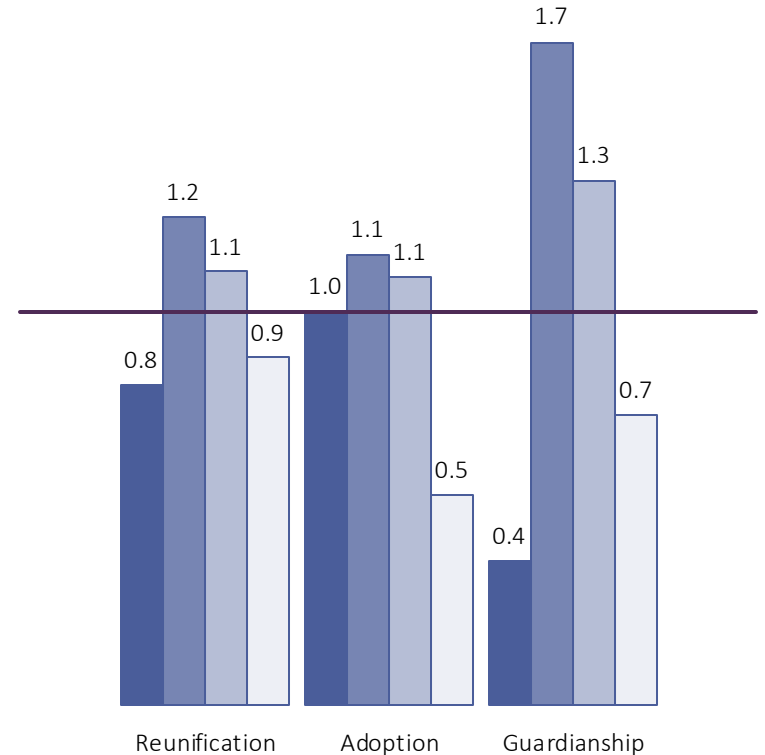
Disproportionality in Discharges

WMPC had 307 children discharge from foster care this fiscal year. Black children and Hispanic children are discharged at a lower proportion than the representation of Black and Hispanic children in foster care.



Disproportionality in Discharge Reasons

Black children were underrepresented in reunifications and guardianships compared to the representation of Black children in foster care. Hispanic children were underrepresented in every discharge type, while Multiracial and White children were slightly overrepresented in each type.



State and Local Guidance Affecting MISEP Measures

In March 2020, guidance was released for Michigan Department of Health and Human Services (MDHHS) and contracted child placing agency Children's Protective Services (CPS), foster care, and juvenile justice caseworkers regarding conducting face to face contacts, parenting time, and sibling visits for children and families in response to COVID-19 health concerns. From March 25, 2020 to April 25, 2020, guidance restricted in-person visits, stating that no in-person worker contacts or parenting time visits should occur, but allowable virtual alternatives were required. On April 24 Governor Whitmer issued an updated Executive Order which allowed some activities to resume. As a result, agencies, caregivers, and parents were provided new guidance with safety protocols for face-to-face contacts for healthy families, but virtual conferences remained an allowable alternative. This guidance remained in effect until June when the stay home order was lifted. Local agencies were advised to create and follow individual plans to resume face to face visits safely with families.

Social Work Contacts

While virtual alternatives were used throughout the network to complete visits, data warehouse reports do not include virtual contacts. The following contract measures were directly affected by MDHHS policy changes: worker-child, worker-parent, parent-child, and return home children case contacts. In addition to the measures affected by guidance from MDHHS, agencies implemented work from home policies which had an impact on worker-supervisor contacts, which began occurring virtually instead of face-to-face and were not counted in data warehouse reports.















Medicals and Dentals

While there were no policy changes for PAFC's requirements for children's initial and periodic medical and dental appointments, MDHHS sent several issuances guiding agencies as medical and dental offices were not providing routine care into June 2020. Staff were instructed to document when well-child appointments are canceled or unable to be scheduled with the reason of "COVID-19." In June, a communication issuance was released to urge agencies to begin rescheduling these appointments as offices re-opened for routine appointments. However, performance was affected in following months as offices may have had a backlog of patients and agencies may have been overwhelmed in scheduling canceled appointments in addition to upcoming appointments.







Service Plans

Adjusting to remote work may have affected initial service plan timeliness, updated service plan timeliness, and service plan approval timeliness for some agencies.








Permanency

Measure	FY2020	Benchmark	Achieved?
Worker-parent Contacts	66%	71%	
Worker-supervisor Contacts	65%	95%	
Parent-child Contacts	45%	55%	
Worker-child Contacts	97%	95%	
Days in Residential	- 5%	-8%	
Days in Emergency Shelter	- 35%	-2%	
Children First Placed in Shelter	21%	25%	
Adoption Disruptions	0%	<5%	
Adoption Finalizations	33%	80%	
Permanency in 12-23 Months	39.5%	45.9%	
Permanency in 12 Months	18.2%	24%	
Permanency in 24+ Months	48.3%	31.8%	
Placement Stability	3.25	4.44	
Re-Entry to Care in 12 Months	3.2%	8.1%	

Well-being

Measure	FY2020	Benchmark	Achieved?
In County Placements	65%	68%	
Community Placements	89%	94%	
Initial Medical Exams	73%	85%	
Periodic Medical Exams	78%	95%	
Initial Dental Exams	75%	90%	
Periodic Dental Exams	62%	95%	

Safety

Measure	FY2020	Benchmark	Achieved?
Initial Service Plans	89%	95%	
Update Service Plans	96%	95%	
Plan Approvals	91%	95%	
Relative Placements	38%	38%	
Licensed Foster Homes	92	89	
New Relative Licensed Homes	30	45	
Maltreatment in Care	12.95 / 5.39	9.67	

Monitored Measures

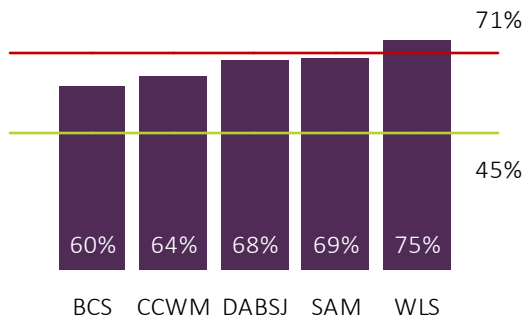
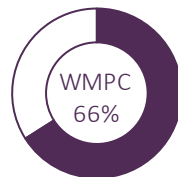
WMPC Contract:

At least 82 percent of parents whose children have a permanency goal of reunification and are supervised by the Grantee, shall have face-to-face contact by the assigned caseworker in accordance with the guidelines in FOM by the end of FY22 with annual goals of 71 percent in FY20, 76 percent in FY21, and 82 percent in FY22.

Case workers' timely, monthly face-to-face contacts with parents of children who have a permanency goal of reunification increase by 12% from the previous year OR at least 85% of the possible monthly face-to-face contacts occur within the time frame.

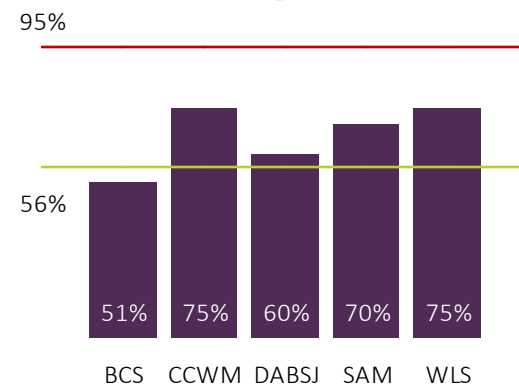
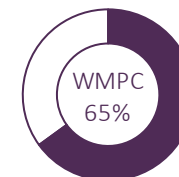
At least 95% of supervisors shall meet at least monthly with each assigned case worker to review the status and progress of each case on the worker's caseload.

Network Annual Performance Worker-Parent



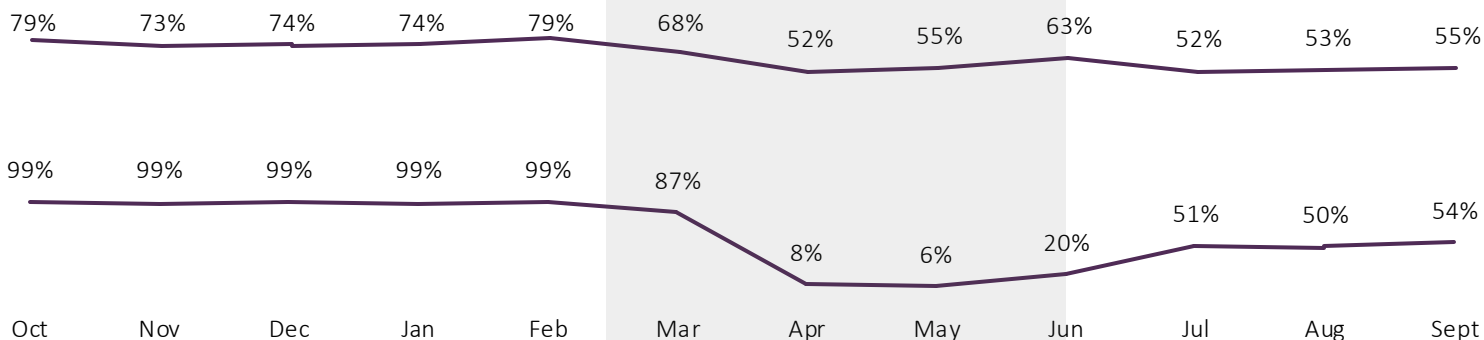
Worker-Supervisor

MISEP/Target

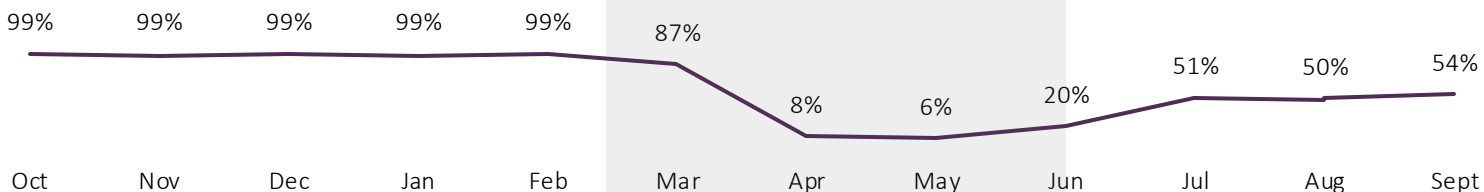


Network Monthly Performance

Worker-Parent



Worker-Supervisor



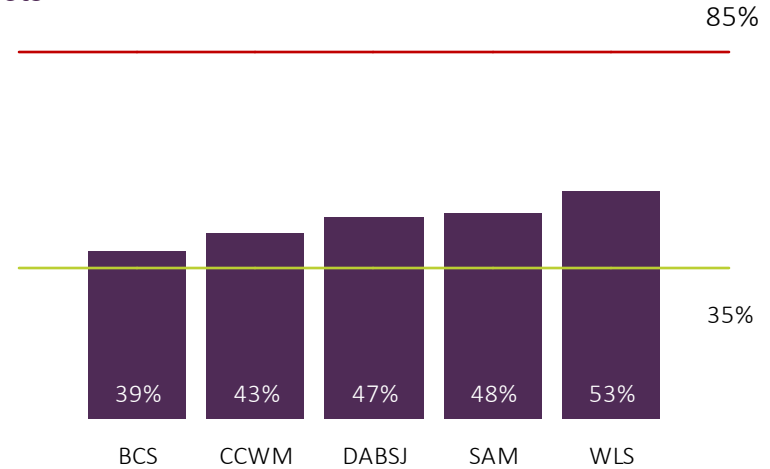
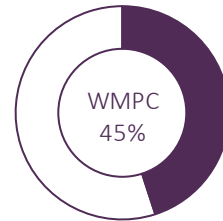
Monitored Measures

WMPC Contract:

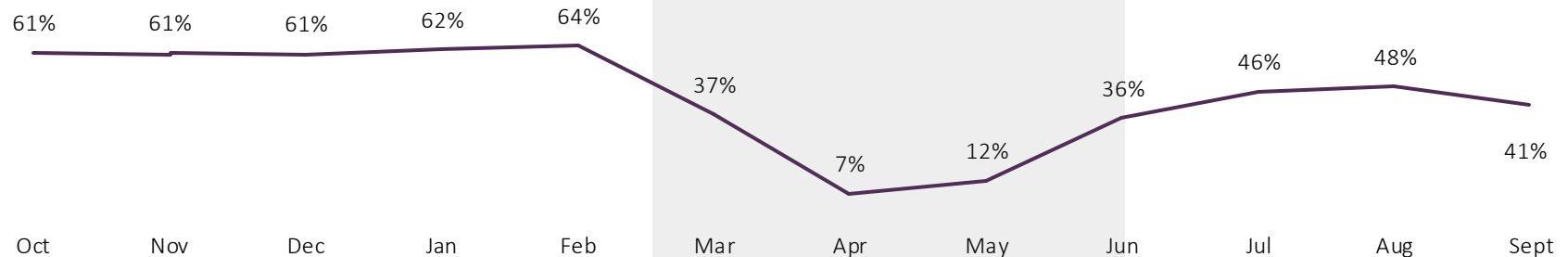
At least 65 percent of children supervised by the Grantee with a goal of reunification shall have visitation with their parent(s) in accordance with the guidelines in FOM 722-06I Policy by the end of FY22 with annual goals of 55 percent in FY20, 59 percent in FY21, and 65 percent in FY22.

Network Annual Performance Parent-Child Contacts

MISEP



Agency Monthly Performance



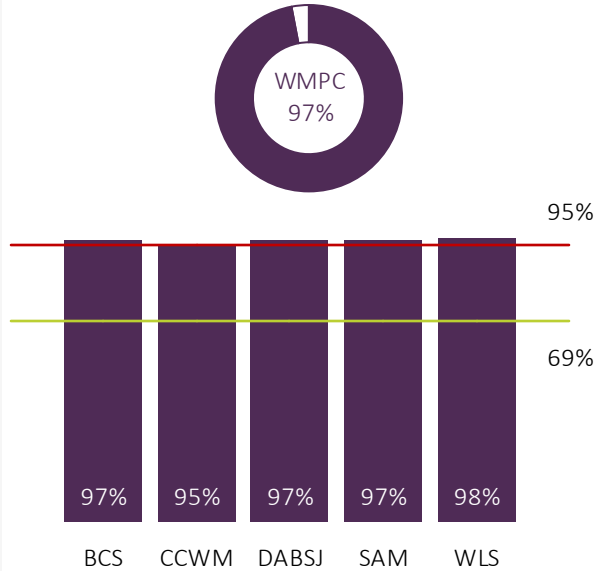
MISEP



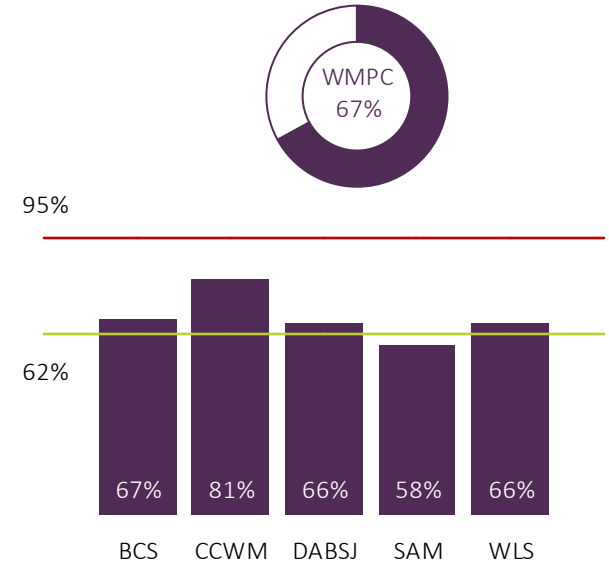
Monitored Measures

ISEP Standard:
At least 95% of children will be visited by their assigned worker.

Network Quarterly Performance Worker-Child

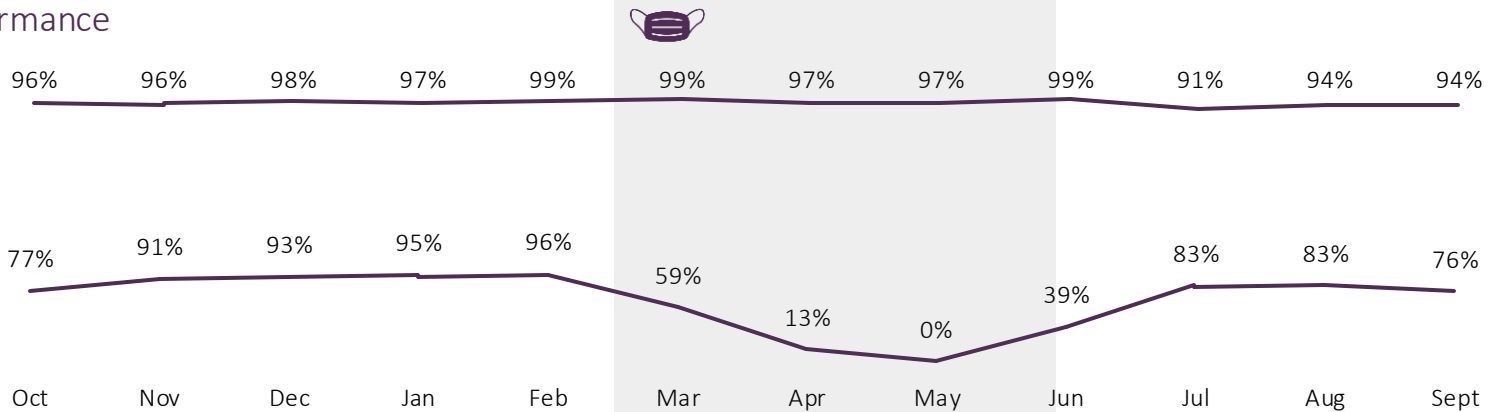


Return Home Children

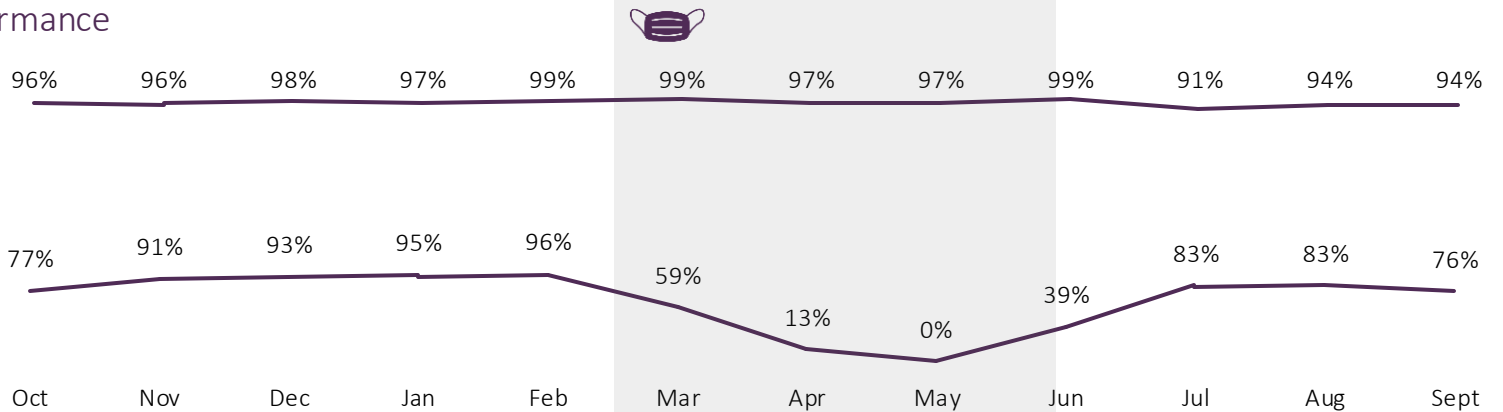


Agency Annual Performance

Worker-Child



Return Home Children



Monitored Measures

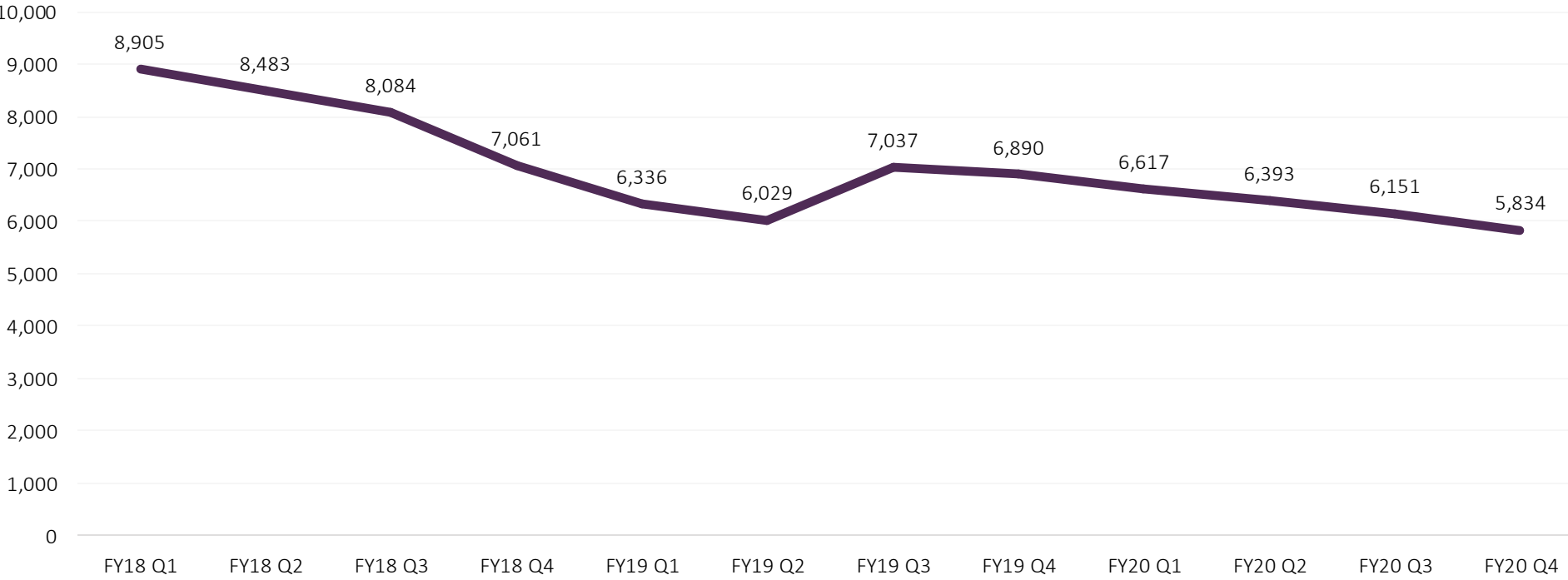
WMPC Contract:

The total number of days children placed in residential care will reduce by 8 percent in FY20.

Days in Residential Care Performance by Quarter

The total number of days in residential placements decreased in every quarter since FY19 Q3. The total number of days in FY20 20 was 24,876 days, down from 26,205 days in FY2019. Unfortunately, this annual decrease was 5 percent, which did not reach the goal of reducing days by 8 percent.

WMPC's total days in residential placements has declined significantly since the beginning of FY2018.



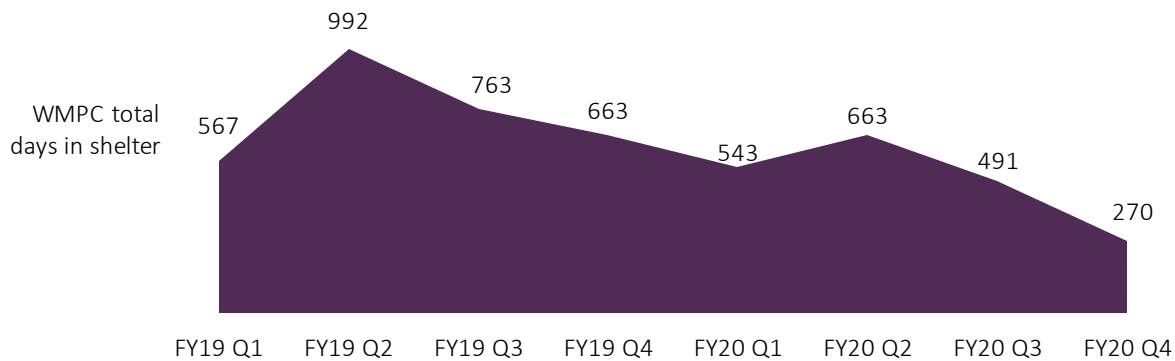
Monitored Measures

WMPC Contract:

The total number of days children placed in emergency shelter will reduce by 2 percent in FY20.
 The percentage of children for whom shelter is their first placement will not exceed 25 percent by the end of FY20.

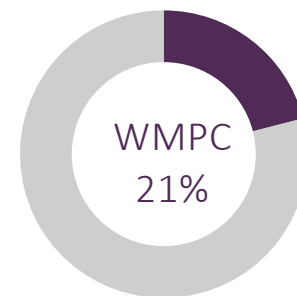
Days in Shelter Performance by Quarter

The network achieved its goal by decreasing the number of days in shelter 35% this fiscal year. The total number of days was 3095 in FY2019 and 1999 in FY2020.



Network First Placement Shelter Performance

With just 9 of 42 youth in shelter as their first placement, the network reached the fiscal year goal of having fewer than 25% of youth with shelter as their first placement in care.



First Placement Shelter Performance by Agency

Agency shelter usage varied across the network agencies in FY20. DABSJ had the highest proportion of their youth in shelter as their first placement, while BCS had the fewest total youth and the fewest youth in shelter as their first placement. CCWM had the most youth in shelter this fiscal year.





PERMANENCY

Adoption Disruptions, Adoption Dissolutions, Days to Adoption

Monitored Measures

WMPC Contract:

Of all children in care on the first day of a 12-month period who had been in care continuously between 12 and 23 months, what percent discharged to permanency within 12 months of the first day? The national standard is 45.9%, and higher is better for this measure.

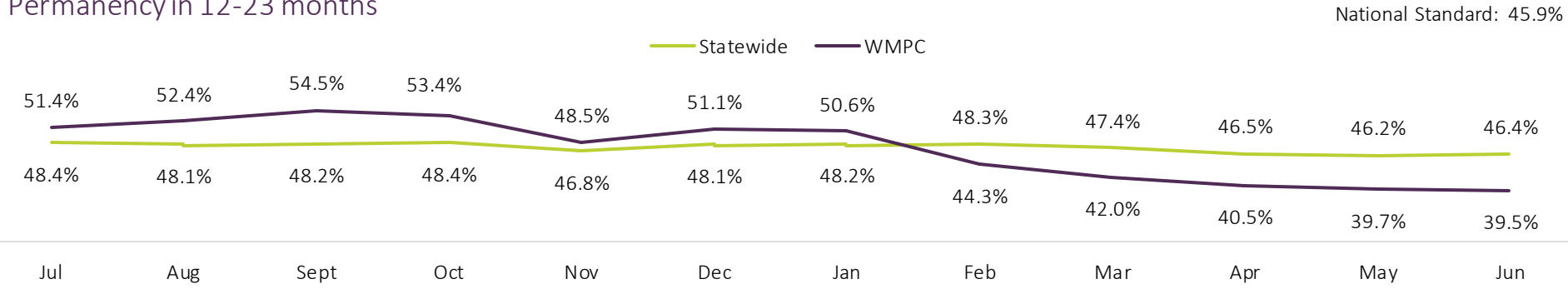
Adoption Disruptions

0% *There were no adoption disruptions in the network between October 1, 2019 and September 30, 2020.*

Adoption Finalizations

33% *of children available for adoption on September 30, 2019 achieved adoption by September 30, 2020. Missing the target of 80%.*

Permanency in 12-23 months



Days in Residential Source: MindShare CCI Placement Dashboard, data retrieved on 4/29/2020.
 Adoption Disruption Source: Agency self-reported.

Monitored Measures

WMPC Contract

At least 24 percent of children shall achieve permanency within 12 months for children entering foster care, as defined in the CFSR, in FY20. The national standard is 42.7%, and higher is better for this measure.

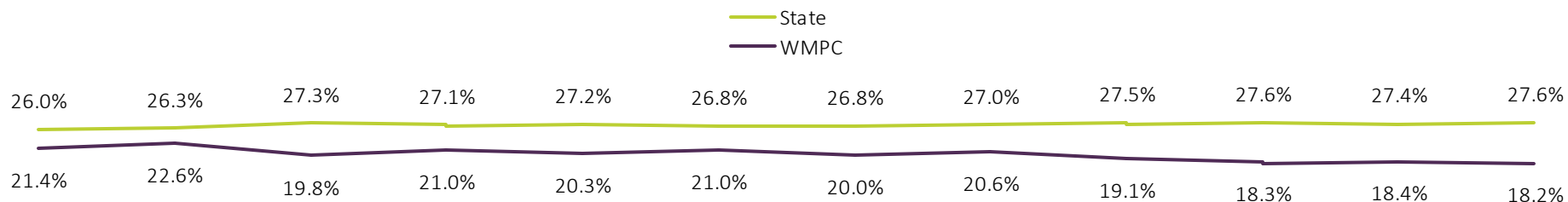
Performance Outcome Measures

Permanency in 12 months for children in care 24 months or more

Of all children in care on the first day of a 12- month period, who had been in care continuously for 24 months or more, what percent discharged to permanency within 12 months of the first day? The national standard is 31.8%, and higher is better for this measure.

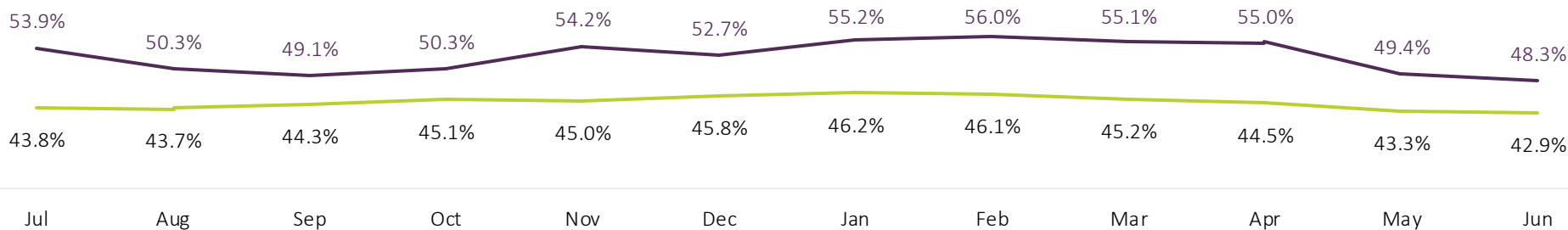
Permanency in 12 months

National Standard: 42.7%
WMPC Contract: 24%



Permanency in 24+ months

National Standard: 31.8%



Monitored Measures

Federal Performance Outcomes Measures

Placement Stability

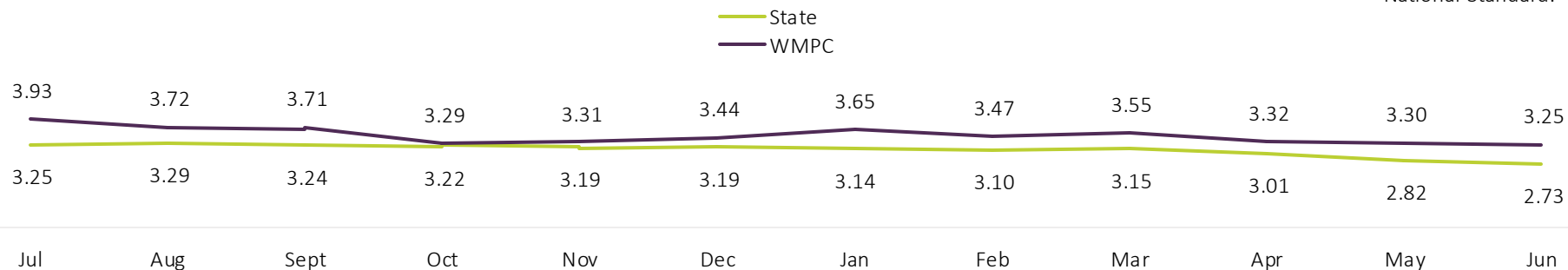
Of all children who enter care in a 12- month period, what is the rate of placement moves, per 1,000 days of foster care? The national standard is 4.44, and lower is better for this measure.

Re-entry to Foster Care in 12 Months

Of all children who enter care in a 12- month period, who discharged within 12 months to reunification, live with relative, or guardianship, what percent re-entered care within 12 months of their discharge? The national standard is 8.1%, and lower is better for this measure.

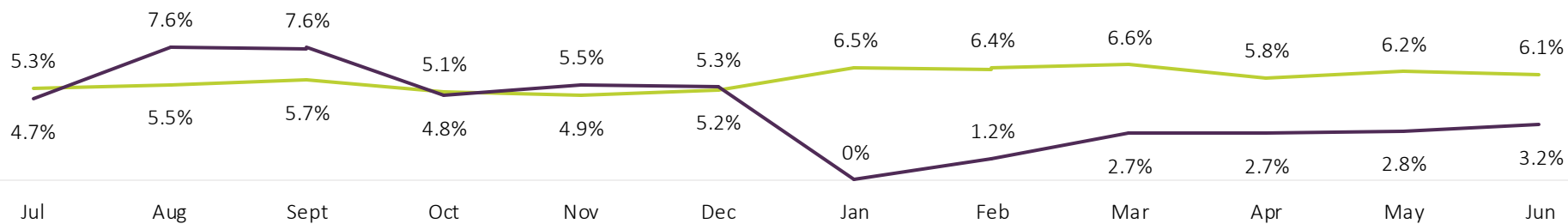
Placement Stability

National Standard: 4.44



Re-entry to Foster Care in 12 Months

National Standard: 8.1%



Source: NCANDS stability cohort July 2019 – June 2020, prepared by DTMB in October 2020.

NCANDS re-entry measure based on entry cohort of July 2019 – June 2020, prepared by DTMB in October 2020.

Monitored Measures

WMPC Contract

In County Placements

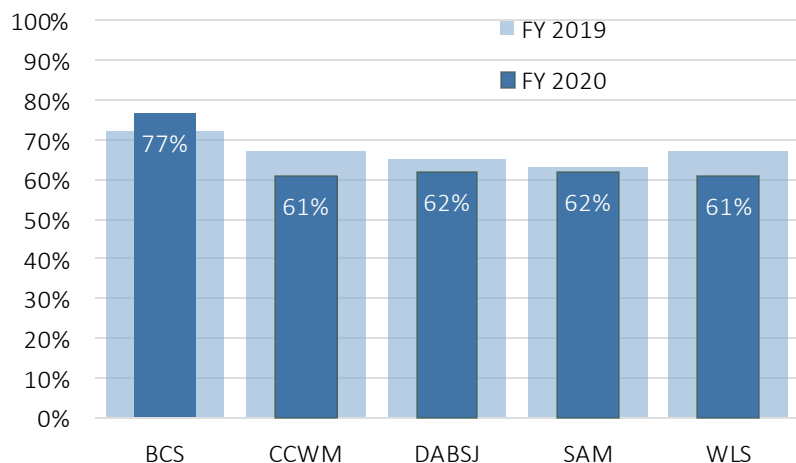
Of all placements supervised through the Grantee, 72 percent of placements will occur in Kent County by the end of FY22, with annual increases of 2 percent in FY20, 2 percent in FY21, and 2 percent in FY22.

Community Placements

The percentage of days WMPC network children placed in community-based foster care in the most family-like setting increases by 3% from the previous year OR the percentage of days WMPC network children placed in community-based foster care in the most family-like setting will meet or exceed 94%.

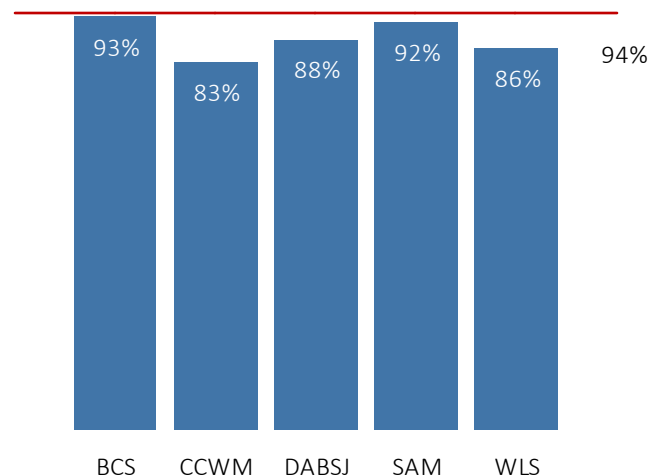
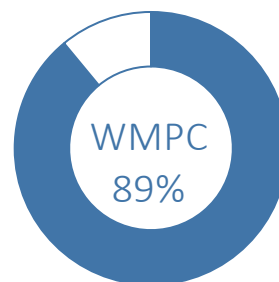
In County Placements

Bethany was the only organization to surpass their FY2019 performance for youth in Kent county placements. The total network in county placements was 65%, failing to meet the goal of 68% for the fiscal year.



Community Placements

Youth in WMPC's care experienced 89% of their days in community placements, missing the benchmark by 5% in 2020.





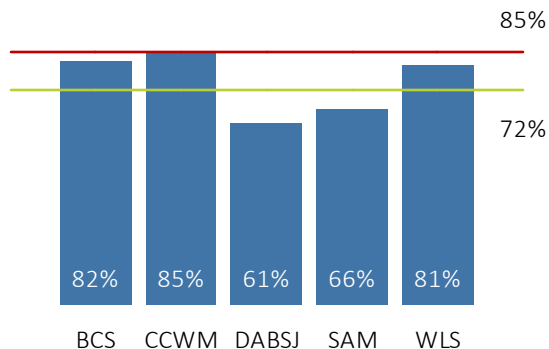
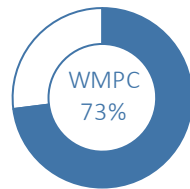
Monitored Measures

ISEP Standard:

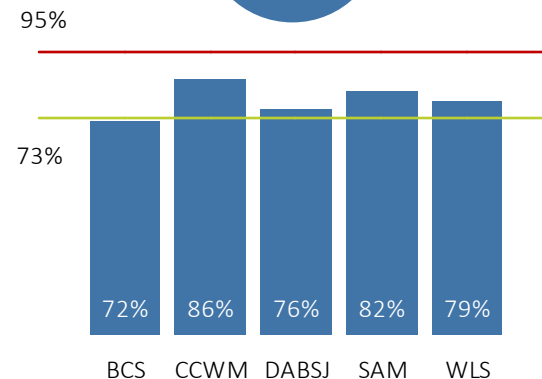
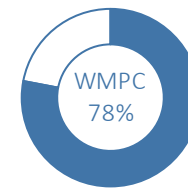
At least 85% of children will have an initial medical examination within 30 days of removal.

Following an initial medical examination, at least 95% of children shall receive periodic medical examinations and screenings according to the guidelines set forth by the American Academy of Pediatrics.

Network Quarterly Performance Initial Medical Exams

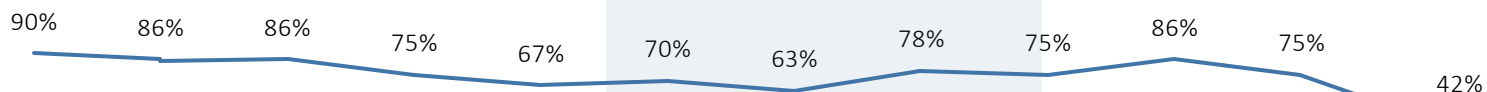


Periodic Medical Exams

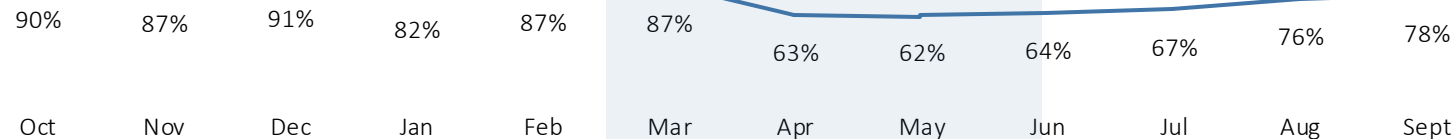


Agency Annual Performance

Initial Medical Exams



Periodic Medical Exams



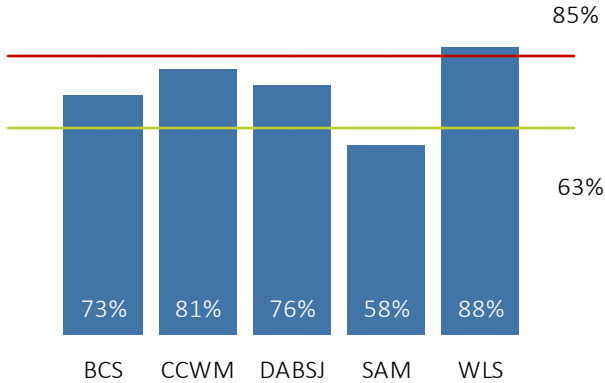
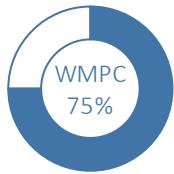
Monitored Measures

MISEP Standard:

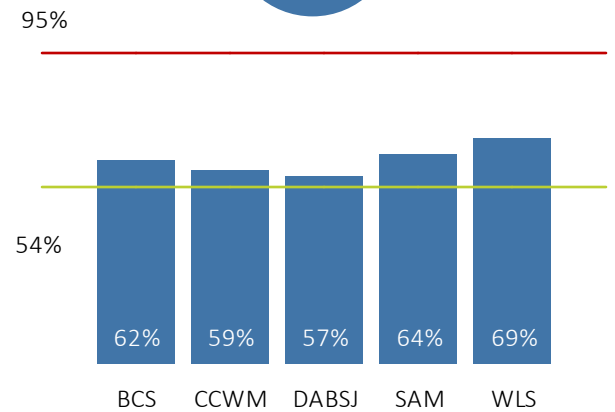
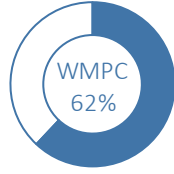
At least 90% of children shall have an initial dental examination within 90 days of removal unless the child has had an exam within six months prior to placement or the child is less than four years of age.

At least 95% of applicable children shall have a dental examination at least every 12 months.

Network Quarterly Performance Initial Dental Exams

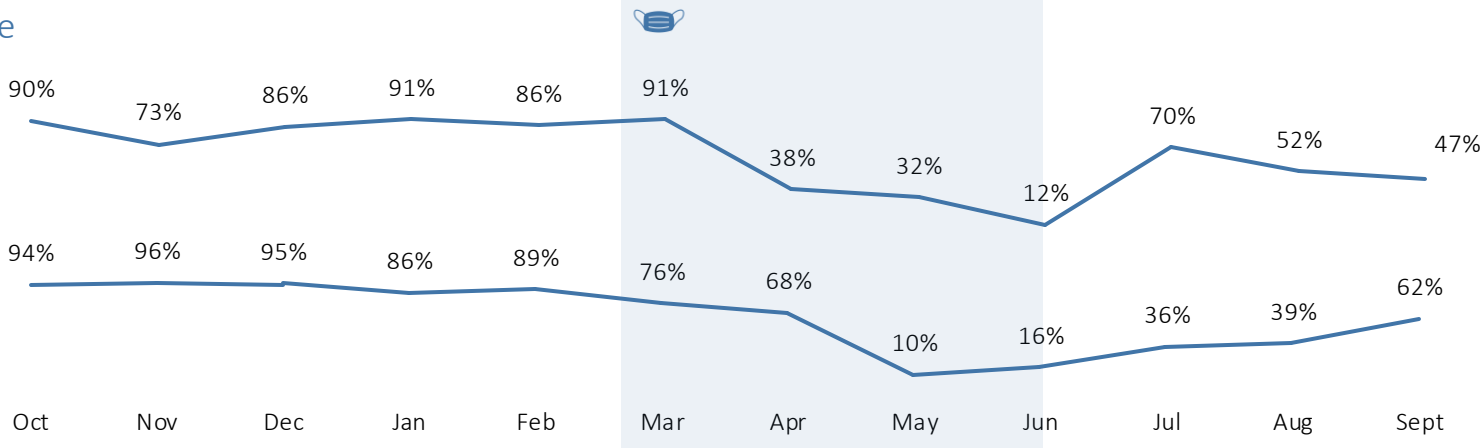


Periodic Dental Exams

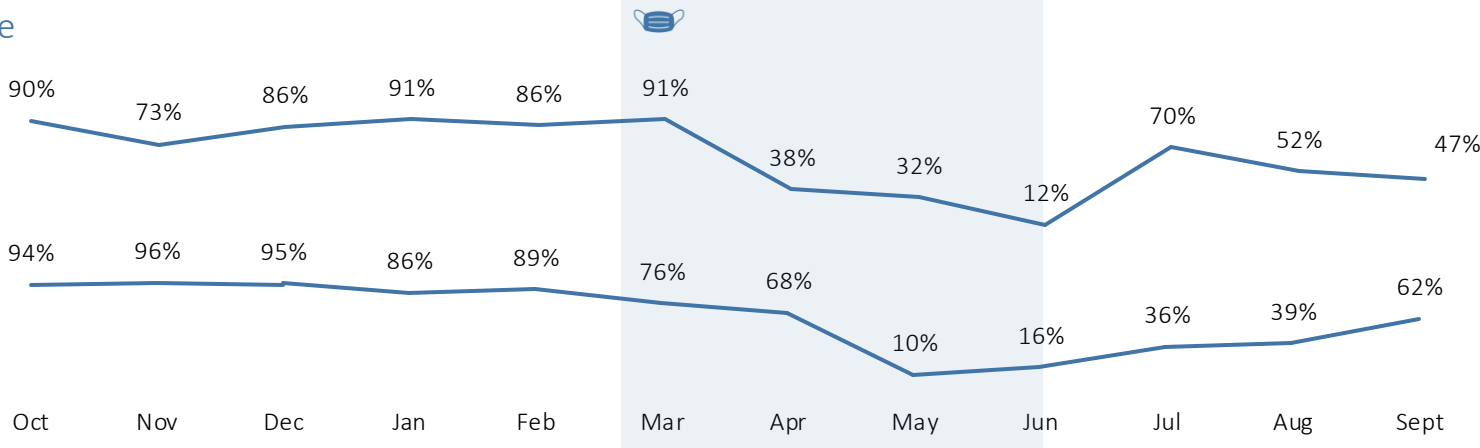


Agency Annual Performance

Initial Dental Exams



Periodic Dental Exams



Source: MiSACWIS Medical Exam Timeliness Info View Report, retrieved October 30, 2020; MDHHS Children's Services Agency - MMR Scorecard statewide performance, October 2019–September 2020

Initial Service Plans, Updated Service Plans, and Plan Approvals

Monitored Measures

ISEP Standard:

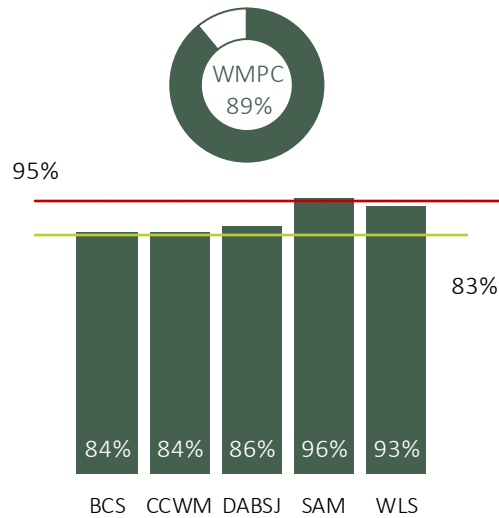
At least 95% of children shall have an initial service plan completed within 30 days of entry into foster care and quarterly thereafter.

At least 95% of children shall have a service plan updated quarterly.

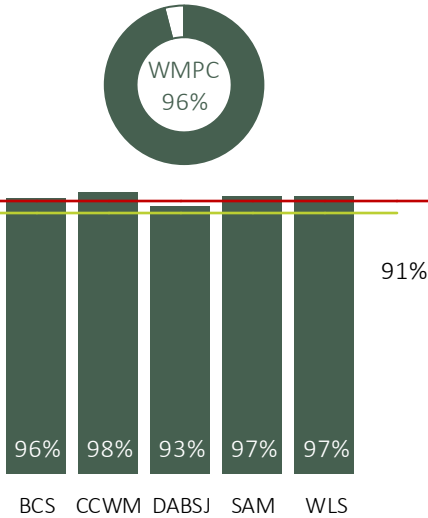
At least 95% of children shall have a case service plan approved within 14 days of case worker submission to the supervisor for review.

Network Quarterly Performance

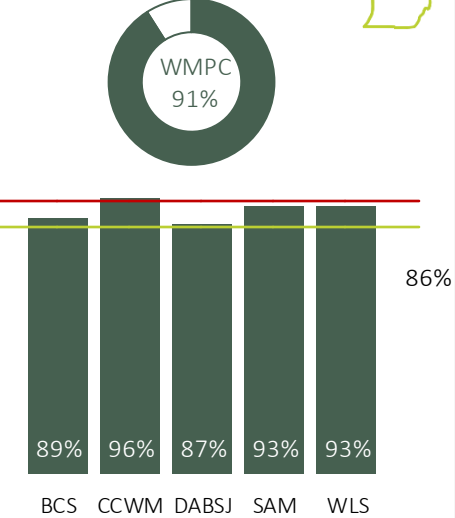
Initial Service Plans



Updated Service Plans



Plan Approvals

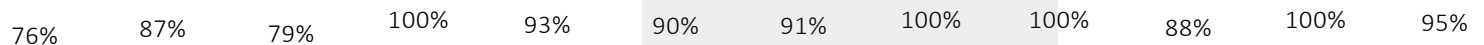


MISEP

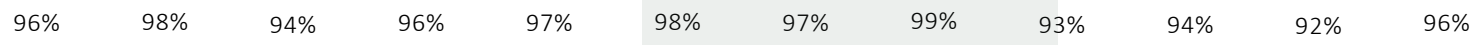


Agency Annual Performance

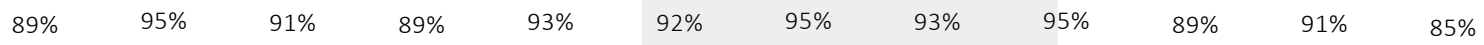
Initial Service Plans



Updated Service Plans



Plan Approvals



Relative Placements, Licensed Foster Homes, New Relative Licensed Homes

Monitored Measures

WMPC Contract

Relative Placements

The percentage of days children placed in relative care increases by **6%** from the previous year OR at least **35%** of all children served by the WMPC network are in relative care each year.

Licensed Foster Homes

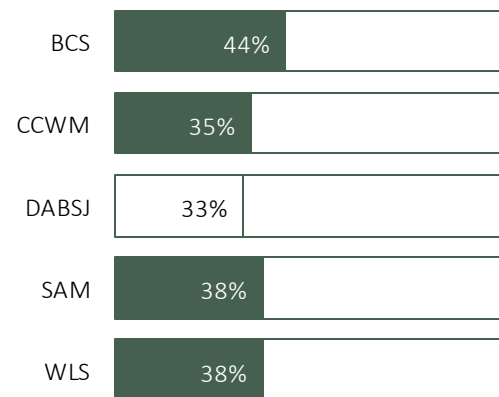
The WMPC network will license the number of foster homes required to meet or exceed their benchmark for total number of licensed homes as determined by the Kent County AFPRR licensing calculator.

New Relative Licensed Homes

Relatives successfully completing the licensing process will increase 30 percent by the end of FY2022. The Grantee shall achieve the following annual goals at the conclusion of each fiscal year: 10 percent increase in FY20, 10 percent increase in FY21, and 10 percent increase in FY22.

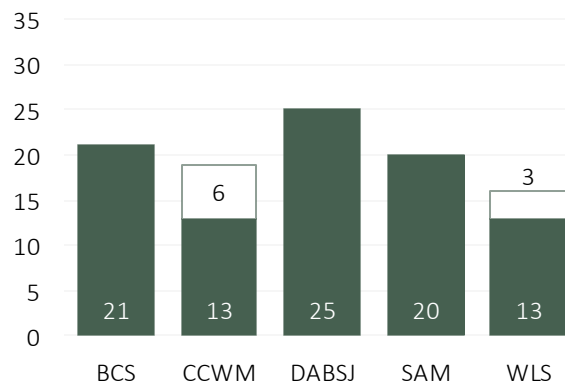
Relative Placements

Four agencies exceeded the benchmark of 35%. The network performance is at 38% for FY20.



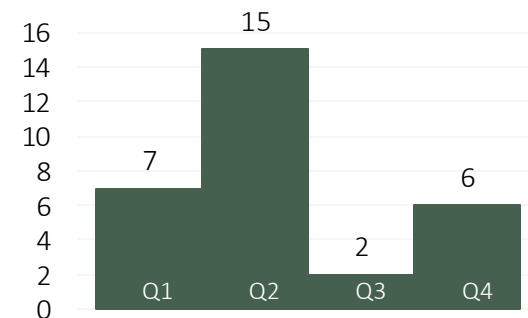
Licensed Foster Homes

Three of five agencies reached or surpassed their goals of licensures completed during the fiscal year.



New Relative Licensed Homes

The network reported 30 total new licensed relative homes in 2020, failing to meet the goal by 15 homes.



Relative Placements Source: Mindshare Incentive Three Dashboard, data retrieved 11/4/2020

Licensed Foster Homes Source: Non-related Foster Home Dashboard MDHHS, September 2020 and FY End.

Mindshare Agency Homes Table – 10/1/2019 – 9/30/2020; Accessed 10/25/20

Monitored Measures

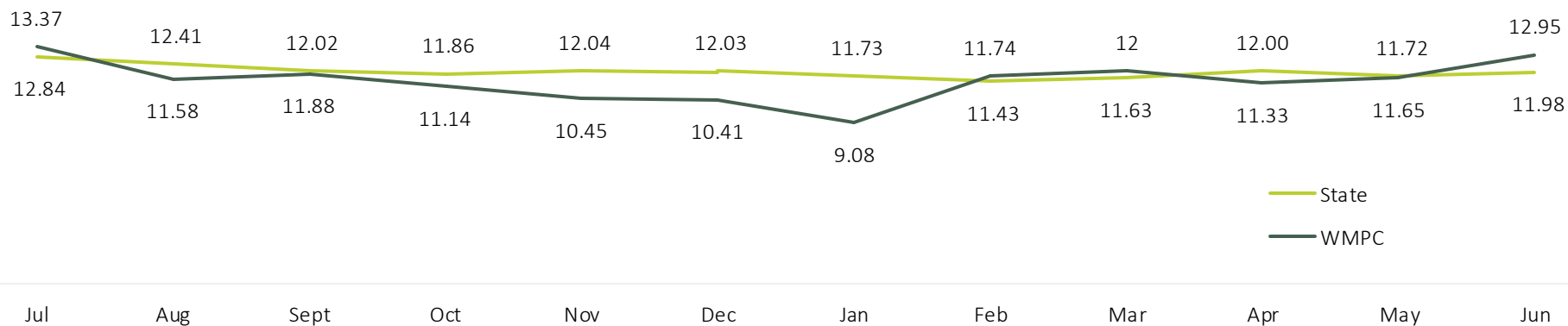
Performance Outcome Measures (lower is better)

Of all children in care during a 12-month period, the rate of maltreatment in care shall not exceed 9.67, as defined in the federal Child and Family Service Review, Round 3 (CFSR).

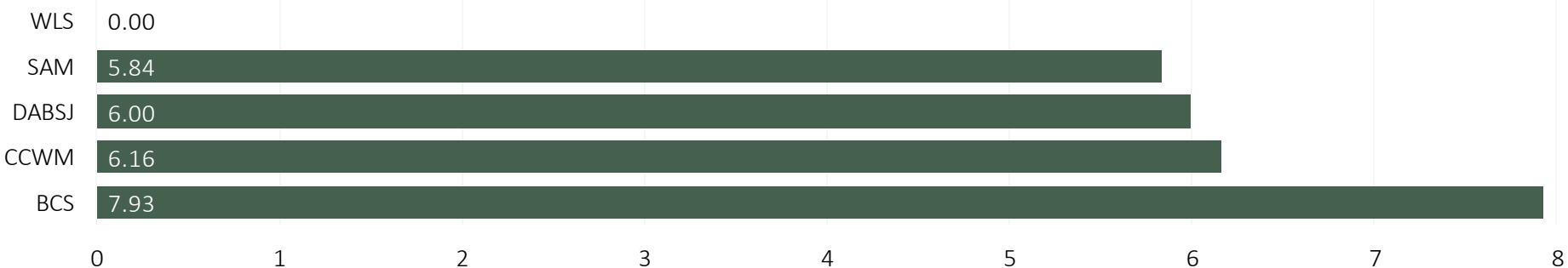
WMPC and Michigan Performance

FY2020 performance is measured with a cohort from July 1, 2018 to June 30, 2019.

National Standard: 9.67



Agencies' MIC Rates in FY2020



Source: NCANDS entry cohort July 2018 – June 2019, prepared by DTMB in October 2020.

Executive Summary

E.1 Overview

The Michigan Legislature, through Public Act 59 of 2013, Section 503, convened a task force to determine the feasibility of establishing performance-based funding for public and private child welfare service providers. A recommendation from the task force called for a pilot project to plan and implement the new funding model, as well as an independent evaluation of the pilot to assess the planning and implementation required of such a project, the cost effectiveness, and the child and family outcomes associated with it. The latter was awarded to Westat and its partners in 2016 and includes process (Westat) and outcome (University of Michigan School of Social Work) components and a cost study (Chapin Hall).

The West Michigan Partnership for Children (WMPC), an organization comprising five private Kent County-based service agencies, is implementing a performance-based case rate funding model (Kent Model). This year, the evaluation team completed the third year of a rigorous five-year evaluation comparing foster care costs, processes, and outcomes related to the Kent Model with those of counties implementing the per diem model; this is the third annual evaluation report, covering the period from November 2018 – October 2019. The outcome and cost components of the evaluation compare the Kent Model to per diem model implementation across the state, while the process evaluation provides contextual information about foster care service planning and implementation in Kent County and two comparison counties (Ingham and Oakland). For the current report, the process evaluation focused solely on Kent County.

E.2 Methodology

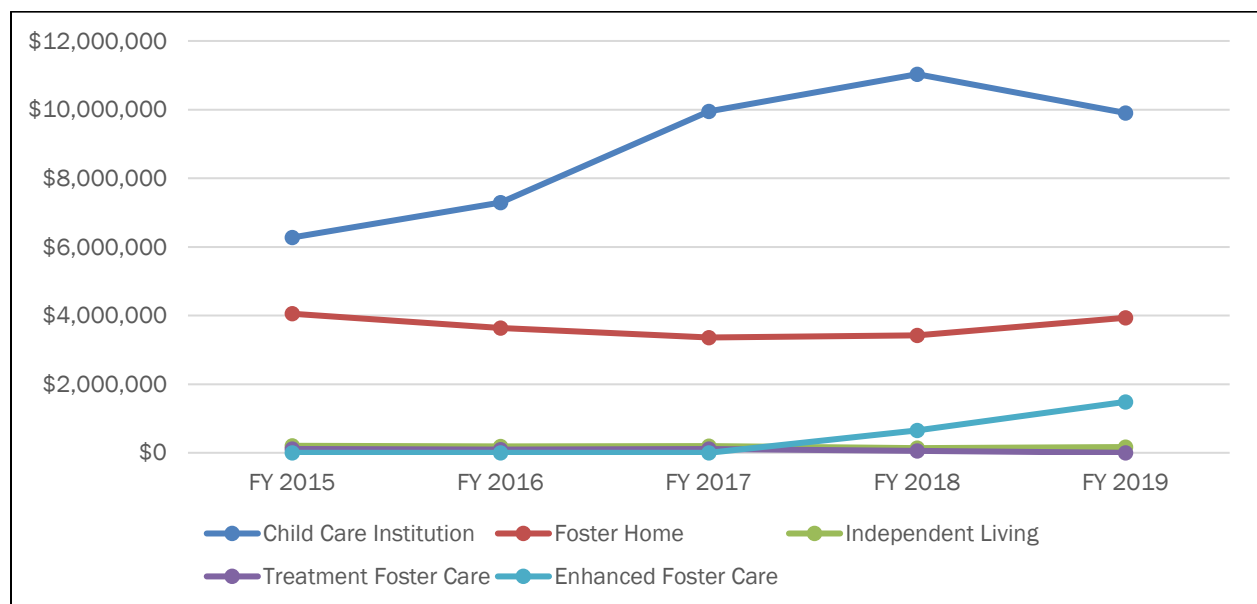
The outcome and cost studies are based on a matched comparison design. This design allows administrative outcome (safety, permanency, and well-being) and cost data associated with the Kent Model to be compared with those for the per diem model using matched comparison groups drawn from across the state and developed using propensity score matching. The process evaluation is based on a case study approach. The evaluation team collected qualitative data on topics that would increase understanding on *how* service provision and array, as well as agency policies, have changed as a result of Kent Model implementation.

E.3 Cost Study

The cost study is designed to understand the fiscal effects of Kent Model implementation using primarily system-level and child-level fiscal and placement data from Kent County. The cost study team examined system-level expenditure and revenue trends in Kent County for the three-year baseline period (FY 2015 through FY 2017) and the first two years post-implementation (FY 2018 and FY 2019). The analysis also assessed the extent to which case rates that were applied to individual child and family services equal the total program and service expenditures for the services provided to those children and families. Sources of administrative data are: (1) MiSACWIS payment data, (2) MiSACWIS placement data, (3) WMPC Actual Cost Reporting Workbook and Accruals Detail, (4) BP 515 Payment Workbook, and (5) Trial Reunification Payments.

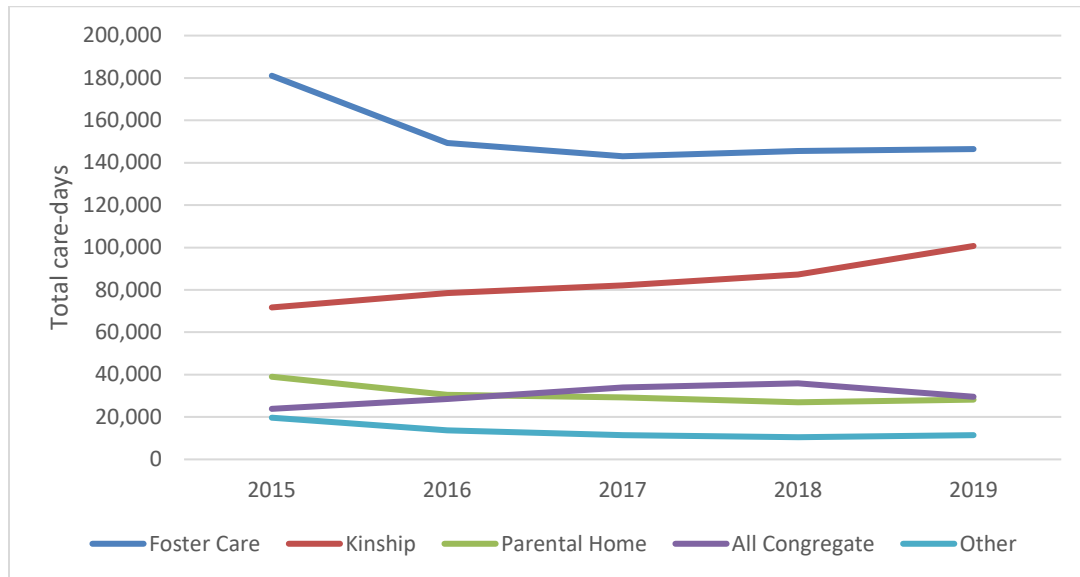
Expenditures Trends. Overall, total out-of-home private agency expenditures have been increasing in Kent County since FY 2016. Placement maintenance expenditures increased each year from FY 2015 through FY 2018 (Figure E-1). Child Care Institution (CCI) placement maintenance expenditures increased by 59 percent from FY 2015 to FY 2017, and by 11 percent from FY 2017 to FY 2018. In FY 2015, congregate care maintenance costs made up 59 percent of all placement maintenance costs, but in FY 2018 that proportion grew to 72 percent.

Figure E-1. WMPC-related placement maintenance expenditure trends by placement setting



Placement Days. Care-day utilization increased slightly in FY 2018 and again in FY 2019, compared to the three years prior to WMPC implementation. Congregate care and detention showed the largest total decrease in care days when comparing FY 2018 to FY 2019, decreasing by 18 percent and 48 percent, respectively. Foster care days stayed about the same (1% increase) in FY 2019 compared to 2018, while kinship care days increased by 15 percent (Figure E-2).

Figure E-2. Care-day utilization by state fiscal year¹



Average Daily Maintenance Unit Cost. In Kent County, for out-of-home placements, the average daily cost per care day increased each observable year from FY 2015 through FY 2019 (Table E-1). The largest increase in average daily unit cost occurred during the baseline period, when it increased by 47 percent. The average daily unit cost continued rising after the implementation period began, but at a slower pace, with a 7 percent increase in FY 2018, followed by a 2 percent reduction in FY 2019.^{2,3}

¹ Congregate care in this figure includes both shelter and detention.

² Based on information provided by DHHS, family foster care per diem rates are \$17.24 for children aged 0-12 and \$20.59 for children aged 13-18. There is also a difficulty of care supplement ranging from \$5-\$18 a day depending on the child's age and whether or not they are medically fragile. In future reporting periods, further analysis will be made into the difference between these figures and the foster home average daily cost presented below. MDHHS FOM 905-3. Foster Care Rates: Foster Family Care and Independent Living – Effective 10/1/2012. <https://dhhs.michigan.gov/OLMWEB/EX/FO/Public/FOM/905-3.pdf#pagemode=bookmarks>.

³ CCI per diem rates range from \$190-\$600, with an average of \$265. https://www.michigan.gov/mdhhs/0,5885,7-339-71551_7199---,00.html.

Table E-1. WMPC-related average daily unit cost for out-of-home placements for all foster home and congregate care placements

All placement types					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Total Placement Maintenance Costs	\$10,639,361	\$11,488,928	\$14,029,588	\$15,299,844	\$15,490,002
Care Days	335,292	300,502	299,798	306,129	316,494
Average Daily Unit Cost	\$31.73	\$38.23	\$46.80	\$49.98	\$48.94
Foster home (includes TFC & EFC)					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Total Placement Maintenance Costs	\$4,161,059	\$3,733,650	\$3,470,245	\$4,131,880	\$5,418,069
Care Days	181,051	149,345	143,055	145,503	146,460
Average Daily Unit Cost	\$22.98	\$25.00	\$24.26	\$28.40	\$36.99
Congregate care (includes emergency shelter and detention)					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Total Placement Costs	\$6,273,571	\$7,289,628	\$9,950,832	\$11,031,751	\$9,903,666
Care Days	25,669	29,751	34,650	37,046	30,199
Average Daily Unit Cost	\$244.40	\$245.02	\$287.18	\$297.79	\$327.95

E.4 Outcome Study: Safety, Permanency, and Stability

The outcome study team examined whether children served by WMPC (through the Kent Model) achieved significantly better outcomes than children in the matched comparison group (identified using propensity score matching).

Safety. The study team examined data on two safety measures: (1) maltreatment in care and (2) maltreatment recurrence. Overall, 21.1 percent of children experienced maltreatment in care. There were no statistically significant differences between children served in Kent County and children with similar characteristics served by private agencies in other Michigan counties. Analysis of data on maltreatment recurrence indicated that there were no statistically significant differences between children served in Kent County and children in the matched comparison group.

Permanency. For children who entered foster care after 10/1/2017, a similar percentage of children in the comparison and Kent Model groups exited care (39.7% vs. 40.30%). Children in Kent County who entered care after 10/1/2017, and exited, tended to stay fewer days in care on average (Table E-2). This difference in length of stay (LOS) is statistically significant.

Table E-2. Exited or still in care

Group	Exit status	N	%	LOS Median	LOS Mean	LOS SD
Comparison, entered care after 10/01/2017	In care	522	59.70%	355	353	196
	Exited	353	40.30%	848	612	411
Comparison, in care prior to 10/01/2017 (legacy)	In care	174	22.10%	260	371	204
	Exited	612	77.90%	838	690	424
Kent, entered care after 10/01/2017	In care	564	60.30%	651	2,026	440
	Exited	371	39.70%	355	353	196
Kent, in care prior to 10/01/2017 (legacy)	In care	123	15.10%	848	612	411
	Exited	690	84.90%	260	371	204

In terms of the timing of exits to permanency, a higher percentage of children in Kent County who entered foster care after 10/1/2017 achieved permanency within six and 12 months of entering care relative to the comparison group (15.1% vs. 7.1%, 22.7% vs. 18.5%). For the majority of children who entered care after 10/1/2017, discharges were exits to reunification (Table E-3). Children in Kent County are significantly more likely to exit to reunification and significantly less likely to exit to adoption as compared with children in the comparison group.

Table E-3. Permanency categories by study group

Group	Adoption	Guardianship	Living with other relatives	Reunification with parents or primary caretakers
Comparison, entered care after 10/01/2017	19.0% (56)	4.1% (12)	1.0% (3)	75.9% (223)
Comparison, in care prior to 10/01/2017	60.1% (310)	5.6% (29)	0% (0)	34.3% (177)
Kent, entered care after 10/01/2017	12.2% (38)	4.5% (14)	2.6% (8)	80.8% (252)
Kent, in care prior to 10/01/2017	50.7% (307)	9.9% (60)	1.0% (6)	51.2% (232)

Reunification and adoption comprise the two most common types of permanency overall. Children in Kent County who entered after 10/1/2017 exited to reunification significantly faster than those in the comparison group (229 vs. 317 days).

Placement Stability. Minimization of placement changes while in foster care increases the likelihood that children maintain continuity in their living arrangement and stability of caregivers. Of

all children in Michigan who entered care after 10/1/2017, children in Kent County were significantly less likely to experience two or more placements (51% vs. 57.1%) (Table E-4).⁴

Table E-4. Placement stability

Group	<2 changes	2+ changes	Total
Comparison, entered care after 10/01/2017	42.7% (374)	57.1% (500)	875
Comparison, in care prior to 10/01/2017	20.6% (162)	79.1% (622)	786
Kent, entered care after 10/01/2017	47.4% (443)	51.0% (477)	935
Kent, in care prior to 10/01/2017	3.32% (27)	96.4% (784)	813
Missing = 20			
Total	1,484	538	3,409

E.5 A Case Study: The Nature and Practice of Child Welfare in Kent County, Michigan

Through the process evaluation, the study team is using a case study approach to *describe* the context of child welfare services in Kent County, under the Kent Model, and to understand trends in outcomes and costs within this context. During the current evaluation year, the case study focused only on Kent County. During an on-site visit, the process evaluation team conducted 30 interviews and focus groups with public child welfare and private agency leadership, as well as samples of supervisors and caseworkers from all aspects of the child welfare system (i.e., Child Protective Services investigation and ongoing services, foster care case management, and adoption services). Interviews were also conducted with stakeholders from the court and mental health systems, representatives from the Kent County Administrator’s office, and WMPC staff. Interviews and focus groups covered a range of topics, such as the MiTEAM practice model, case management, and interagency collaboration.

Model Shifts and Changes. Financial considerations dominated the second year of Kent Model implementation. The average cost-per-case for the first year of implementation was 29 percent higher than the projected case rate. Several factors were identified as possible contributors to expenses in the first year of implementation. WMPC made several changes to reduce expenses, including reducing the private agency staffing rate, removing the incentive payments for subcontractor performance measures, changing the enhanced foster care (EFC) rate structure from

⁴ Performance could not be assessed for 20 children due to missing placement setting data.

tiered to fixed, and developing stricter guidelines for EFC utilization. Cost patterns were still being examined as this report was completed.

Child Welfare Service Delivery Under the Kent Model. At the end of the first year and continuing into the second year of Kent Model implementation, interview and focus group respondents reported observing more efficient service delivery, more timely receipt of services by families, and more opportunities for flexible and innovative case planning. Private agency staff continued to report a perception of increased speed and efficiency for most service approvals in the second year of implementation, which they attributed to the WMPC Care Coordination structure. However, agency staff also described implementation challenges, such as complications with approvals for certain services and WPMC Care Coordination staffing changes.

Interagency Collaboration. As the newest partner in the community, WMPC has become an active participant in all areas of child welfare collaboration. Respondents from public and private partner agencies expressed appreciation for the WMPC's transparency, advocacy, and energy dedicated to collaboration. Additionally, respondents at all levels described substantial improvements in the collaborative relationship among staff in Kent County DHHS and the private agencies from previous years, particularly in relation to the transfer of cases between agencies (e.g., more face-to-face interaction) and responsiveness to questions and requests.

Respondents reported mixed reactions when asked about collaboration with child welfare agency partners. Agency staff reported that Kent County judges continue to be supportive and engaged with regard to the Kent Model and the WMPC. However, respondents continue to report that bureaucracy remains a barrier to effective collaboration with Network180. To counter this issue, WMPC and Network180 jointly established a second Network180 liaison position to help private agency caseworkers navigate the Clinical Pathways assessment and service referral processes. Respondents uniformly agreed that having two liaisons has been helpful in assisting caseworkers access mental health services for parents and children.

Enhanced Foster Care (EFC). Interview and focus group respondents’ feedback suggested EFC is one of the most influential programs WMPC introduced to Kent County. It encourages relatives and other foster parents to care for children who might otherwise have been placed in a residential facility.

“I’ve been in child welfare for so long...they tried to do that program a lot of different times with different names and just a different model. I feel with the implementation of WMPC and that oversight, it happened... [It] has been more significant, I think, of a support than any other service that I’ve seen in a long time.”

–Private agency supervisor

In its second year of implementation, interview and focus group respondents described how valuable EFC has been to private agency staff and most importantly to foster and biological parents. Many of the benefits mentioned last year were also noted by respondents this year. For example, the added support EFC provides helps preserve foster placements, allowing foster parents (including kin) to maintain their relationship with youth⁵ in their care . Some respondents also reported having more success moving youth out of residential care and placing them with foster parents because they are able to offer supports and services designed to help foster parents manage children’s exceptionalities.

One substantial change to the EFC program in the past year was that limitations were imposed on the number of children and youth in foster care permitted to use the service due to financial constraints. The restrictions have presented challenges and led to frustration among agency staff. For example, children and youth with very high needs cannot utilize EFC if the agency has reached its limit, and staff who were hired to work as EFC caseworkers had to shift their caseload to include traditional foster cases.

E.6 Summary and Conclusions

Summary of Findings. Westat and its partners, University of Michigan School of Social Work and Chapin Hall at the University of Chicago, completed the third year of a rigorous five-year evaluation of the Kent Model. The evaluation’s three components (cost, outcome, and process) enable the study team to closely examine fiscal trends, child outcomes, and contextual factors associated with Kent Model implementation.

⁵ The term “youth” is used to refer to children across the age continuum, from young children to older youth.

Cost study data indicate that Kent County's child welfare expenditures increased steadily over time beginning during the baseline period (three years prior Kent Model implementation) and plateauing in FY 2019. During interviews for the process evaluation, WMPC staff reported that the average cost-per-case for the first year of implementation was substantially higher than the case rate originally projected. They also described efforts over the past year to reduce costs (e.g., reduce the rate for private agency staff), which may explain cost study findings indicating that costs increased over time and then plateaued in FY 2019.

Cost study findings also revealed that there was a substantial decrease in CCI placement care days and, relatedly, a decrease in the average daily cost per day, between fiscal years 2018 and 2019. During interviews and focus groups with agency staff and partners, respondents described numerous benefits of the EFC model, which became a service option in Kent County during the first full year of Kent Model implementation. Increased reliance on EFC services was also associated with increased costs for these types of services. For example, 65 percent of the \$1.3 million increase in foster home maintenance expenditures in FY 2019 was attributed to EFC maintenance payments.

After two full years of Kent Model implementation, child outcome findings remained consistent over time. Specifically, after one and two years of implementation, there were no statistically significant differences between children in Kent County and children in the matched comparison group relative to safety (maltreatment in care or recurrence of maltreatment). However, children in Kent County were significantly more likely than similarly matched children in other Michigan counties to have stability in their foster care placements and to achieve permanency (among children who entered foster care after 10/1/17). During the last two years, interview and focus group respondents have described foster family recruitment and retention as challenging. However, they described strategies to overcome the challenges and aspects of the Kent Model that have helped them with recruitment and retention efforts (e.g., MDHHS subsidies for relative caregivers even if they have not received foster home licensure).

Taken together, the findings indicate that successful family engagement requires appropriate and timely training, financial or other resources, and ongoing and targeted support. Although implementation of the Kent Model has introduced challenges, agency staff and partners in Kent County described aspects of the model that have improved agency processes and practices that may be associated with observed changes in costs and outcomes.

Next Steps. During the next year of the evaluation, the evaluation team will examine costs, outcomes, and processes associated with the third full year of Kent Model implementation and changes over time. The next evaluation report will include process findings for Kent County and the two comparison counties for the process evaluation—Ingham and Oakland counties. Inclusion of the comparison counties will enable the evaluation team to observe and document key differences in policies, procedures, and practices that have emerged as central to the Kent Model.

The evaluation team will continue to collect and analyze expenditure trends and data on child outcomes. As noted in the cost study chapter of the current report, the number of children entering care remained fairly stable through FY 2018 before declining slightly in FY 2019, while the median duration in care increased over time. The next report will include child-level changes in expenditures and revenue in more detail to further analyze this trend.