

# Status of Performance-Based Contracting Model

(FY 2017 Appropriation Act - Public Act 268 of 2016)

**June 1, 2017**

**Sec. 503(6).** *The department, in conjunction with members from both the house of representatives and senate, private child placing agencies, the courts, and counties shall implement the recommendations that are described in the workgroup report that was provided in section 503 of article X of 2013 PA 59 to establish a performance-based funding for public and private child welfare services providers. The department shall provide a quarterly report on the status of the performance-based contracting model to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices.*



Michigan Department of  
Health & Human Services

RICK SNYDER, GOVERNOR  
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# **Status of Performance-Based Contracting Model Third Quarter Report**

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 funding model. MDHHS has collaborated with Kent County MDHHS staff and the Kent County provider community involved in the West Michigan Partnership for Children (WMPC) to continue moving the Kent County pilot forward.

MDHHS and WMPC worked together to identify a timeline that will take the pilot through to full implementation:

7/1/16: Start Phase 1: Infrastructure Building  
1/1/17: Start Phase 2: Operationalization:  
5/1/17: Start Phase 3: Testing  
10/1/17: Start Phase 4: Service Delivery (full implementation)

Phase 2, Operationalization, continued through the third quarter and Phase 3, testing commenced on May 1, 2017.

Recent accomplishments include:

## **WMPC Infrastructure Planning**

- Hired a Chief Executive Officer for the WMPC.
- Drafted position descriptions and a hiring plan for the remaining WMPC staff positions.
- Finalized WMPC policies with MDHHS.
- Finalized the comprehensive logic model and theory of change for the pilot.
- Established a contract with Mindshare Technology.
- Secured office space.
- Drafted a communication plan to meet the needs of stakeholders.
- Commenced interviewing firms for cost effective management of technology needs, public relations and human resources.
- Chief Executive Officer began meeting with local stakeholders.
- Initiated collaborative work on Performance and Quality Improvement (PQI) processes.
- Began planning for local service contracting.

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## **MDHHS Contracting, Oversight, Claiming and State Plan**

- Westat conducted site visits to gather baseline data the week of March 27, 2017.
- MiSACWIS (Michigan's Statewide Automated Child Welfare Information System) coding and testing is on track for timely implementation.
- Drafted local oversight processes for fiscal and child welfare program monitoring.
- Continued drafting cost allocation plan amendment narrative and backup documentation.
- Actuarial rate development services provided by Public Consulting Group and partner Lewis & Ellis, Inc. continued over the third quarter including analyzing updated cost data which lead to a "refreshed" case rate recommendation.
- Finalized WMPC master contract.
- Finalized program, financial and oversight policies.
- Data share agreement with WMPC and Mindshare Technology signed and executed.