

Status of Performance-Based Contracting Model Fourth Quarter Report

(FY2020 Appropriation Act - Public Act 67 of 2019)

September 30, 2020

Sec. 503. (1) *In accordance with the final report of the Michigan child welfare performance-based funding task force issued in response to section 503 of article X of 2013 PA 59, the department shall continue to review, update, or develop actuarially sound case rates for necessary child welfare foster care case management services that achieve permanency by the department and private child placing agencies in a prospective payment system under a performance-based funding model.*

(2) *By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations committees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office a report on the full cost analysis of the performance-based funding model. The report shall include background information on the project and give details about the contractual costs covered through the case rate.*

(3) *In accordance with the final report of the Michigan child welfare performance-based funding task force issued in response to section 503 of article X of 2013 PA 59, the department shall continue an independent, third-party evaluation of the performance-based funding model.*

(4) *The department shall only implement the performance-based funding model into additional counties where the department, private child welfare agencies, the county, and the court operating within that county have signed a memorandum of understanding that incorporates the intentions of the concerned parties in order to implement the performance-based funding model.*

(5) *The department, in conjunction with members from both the house of representatives and senate, private child placing agencies, the courts, and counties shall continue to 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 quarterly reports 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.*

(6) *From the funds appropriated in part 1 for the performance-based funding model pilot, the department shall continue to work with the West Michigan Partnership for Children Consortium on the implementation of the performance-based funding model pilot. The consortium shall 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. The consortium shall operate an integrated continuum of care structure, with services provided by both private and public agencies, based on individual case needs. The consortium shall*

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demonstrate significant organizational capacity and competencies, including experience with managing risk-based contracts, financial strength, experienced staff and leadership, and appropriate governance structure.



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The Michigan Department of Health and Human Services (MDHHS) has continued its collaboration with Kent County MDHHS staff and the Kent County provider community involved in the West Michigan Partnership for Children (WMPC) to support the Kent County pilot.

The performance-based case rate funding model is intended to improve outcomes for children and families; allow for the effective allocation of resources to promote local service innovation, create service efficiencies, and incentivize service providing agencies to be accountable for achieving performance standards. The funding model reinforces positive outcomes and reinvests savings for continued improvements in foster care service delivery.

Data Overview

The outcomes monitored include the Child and Family Services Review (CFSR) federal measures, Modified Implementation, Sustainability, and Exit Plan (MISEP), and contracted measures. The WMPC is meeting:

- **8 out of the 13** identified permanency performance measures. This is an increase from last quarter which was 7 out of 13.
- **1 out of the 6** identified well-being performance measures. This is the same as last quarter.
- **5 out of the 7** identified safety performance measures. This is an increase from last quarter which was 3 out of 7.

The detailed quarterly performance measures for are included in the attachment titled *Fiscal Year 2020 Quarter Three Performance Report*.

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Expenses- Cash Basis	FY2018	FY2019	FY2020 Q1	FY2020 Q2	FY2020 Q3	FY2020 Projected Spending Compared to FY2019
Foster Care Administration	\$15,240,083	\$15,610,709	\$2,477,158	\$2,985,022	\$1,743,125	↓
Caregiver Maintenance Expenses	\$3,648,410	\$4,643,238	\$740,149	\$810,073	\$705,644	↓
Enhanced Foster Care Maintenance & Administration	\$1,053,168	\$3,448,756	\$618,800	\$579,221	\$482,058	↓
Residential Expenses	\$10,525,555	\$9,042,917	\$2,366,914	\$2,448,294	\$2,296,826	↑
Shelter Expenses	\$1,167,662	\$1,247,024	\$279,224	\$228,945	\$174,537	↓
Ancillary Services	\$1,325,453	\$1,399,903	\$194,227	\$254,355	\$165,301	↓
Adoption Administration	\$1,337,245	\$1,648,892	\$123,804	\$486,584	\$245,398	↓

Key Innovations and Status Updates

- WMPC continued to operate in a deficit for most of the third quarter of FY20 for its programmatic expenses. In a report from September 3rd 2019, MDHHS's project management consultant, Public Consulting Group (PCG), and PCG's contracted actuary, Lewis & Ellis, 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 FY20, 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 \$6.5 million as of mid-June 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 Children's Services Agency (CSA) leadership, the Michigan State Legislature, and State Budget Office (SBO) to highlight the urgency and need for solutions. As of the last day of FY20 Q3, WMPC received a cash advance of \$7.25 million which allowed WMPC to pay down its payable balance. Although this addressed the immediate fund crisis, MDHHS CSA, the Legislature, and SBO continue to work towards a sustainable solution for a rate restructure.
- WMPC received 34 referrals in Q3; half of the number of referrals received in the second quarter of FY20. This is a significantly lower number of referrals than what WMPC included in its FY20 budget. COVID-19 state mandated closures of mandatory reporters to include schools and day care centers contributed to a lower number of referrals to MDHHS Centralized Intakes. Due to the front-loaded structure of the case rate, this

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parlayed into a revenue loss for WMPC, exacerbating the cash flow issues.

- WMPC received a \$300,000 grant outside the case rate from MDHHS to fund Foster Care Supportive Visitation beginning on April 1, 2020. The increase from \$100,000 to \$300,000 allowed for a second contract to be awarded to Samaritas. WMPC increased the allocation for D.A. Blodgett –St. John’s, the current provider, and Samaritas, the new provider, began serving families in June.
- Implementation of Enhanced Foster Care continues to contribute to a slight decrease in placements in residential settings. Between April and June 2020, the number of days children spent in residential placements has decreased by 4% compared to the previous quarter.
- WMPC’s performance and quality improvement team continues to analyze performance data and engage with its network providers monthly to discuss key performance measures, data quality, outcome measures, and quality improvement plans. WMPC also meets with providers on a quarterly basis to assess performance against the contract as a condensed review of contract compliance and achievement of outcomes. (Refer to attachment *Fiscal Year 2020 Quarter Three Performance Report*)
- During quarter three, WMPC’s clinical liaison received over 90 screening referrals and subsequent consultations leading to 18 formal assessments and 40 youth connected to open-access services.
- WMPC ceased board recruitment efforts in the third quarter due to concerns about cashflow and sustainability. WMPC will resume recruitment efforts to fill three vacant board slots to meet its objective of having members representative of the diversity of the community and to allow for a non-provider quorum.
- WMPC’s Diversity, Equity, and Inclusion (DEI) committee led WMPC’s team through group processing of the recent tragic deaths of Breonna Taylor, Ahmaud Arbery, and George Floyd and helped craft WMPC’s anti-racist statement in response. The DEI committee, in consultation with Inclusive Performance Strategies, WMPC’s equity consultant, developed inclusion filters for WMPC’s use in communications and events to ensure the different situatedness of those who receive the communications and attend events is considered. The DEI Committee also led WMPC through different events to celebrate Juneteenth, and WMPC made Juneteenth a WMPC holiday.
- Due to the Governor’s Stay Home, Stay Safe executive order, face to face contact between foster children, parents, caregivers, and case managers stopped in March, and the numbers of children returning home dramatically decreased. Virtual visits between parties began in April and continued throughout the quarter. Through the State’s Rapid Reunification effort in April, 36 Kent County youth were identified to have reunification as their goal as well as having unsupervised visitation with at least one parent. WMPC network providers completed case reviews and case conferenced to discuss barriers to immediate reunification. Through their efforts, 72% (26) of these identified youth were reunified with their families by July 2020.

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Attachment:

- Fiscal Year 2020 Quarter Three Performance Report



WMPC Network Performance Report

FISCAL YEAR 2020
QUARTER 3

Youth Entering Care

34

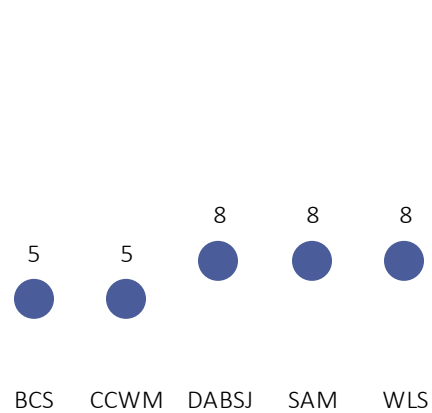
Youth Discharged

49

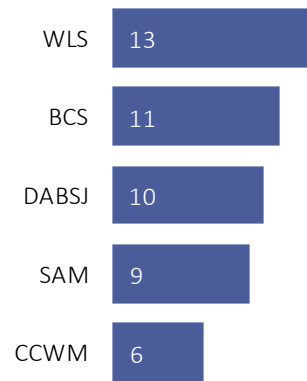
Total Youth in Care

787

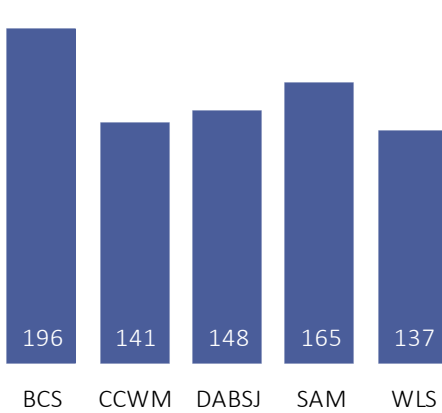
Entering Care by Agency



Discharged by Agency



In Care by Agency



Entering Care by Month

WMPC

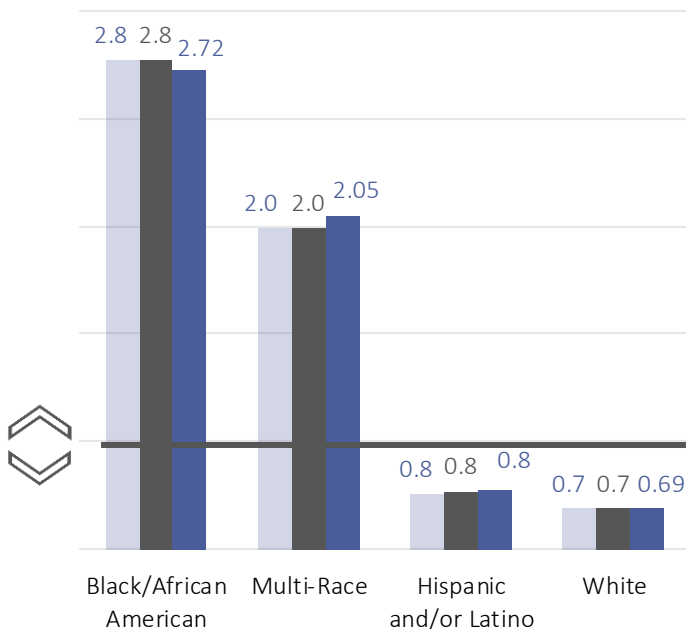
■ FY19 WMPC
■ FY20 Q2
■ FY20 Q3

10
9
15

Overrepresentation
 Underrepresentation

April May June

Racial Disproportionality



Youth in Care and Youth Discharged Source: Mindshare Active Child List, date range 4/1/2020-6/30/2020;

Youth Entering Care Source: Master Monthly Tracker, CPNSpreadsheet, updated 4/30/2020;

Racial Disproportionality: Mindshare, Active Child List, date range 4/1/2020-6/30/2020; U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Permanency, Well-being, and Safety are three best interest principles that are areas of focus for the West Michigan Partnership for Children foster care network in Fiscal Year 2020. To monitor progress toward these principles, network contract measures, ISEP rules, and federal measures are outlined in this quarterly report.

PERMANENCY *Reunification Community Placements*

- Worker-Parent Contacts*
 - Parent-Child Contacts*
 - Worker-Child Contacts
 - Worker-Supervisor*
 - Permanency in 12 Months for Children Entering Care
 - Permanency in 12-23 Months
 - Permanency in 24+ Months
 - Placement Stability
 - Re-entry to Care in 12 Months
 - Reduced Days in Care in Residential
 - Reduced Days in Care in Emergency Shelter
 - Reduced Percentage of Children First Placed in Shelter
 - Adoption Disruptions
- Network compliance in Q3*
 - Network incompliance*

WELL-BEING *Stability Family Connections Community Connections*

- Increased In County Placements
- Community Placements
- Initial Medical Exams
- Yearly/Periodic Medical Exams
- Initial Dental Exams
- Yearly Dental Exams

SAFETY *Safety in Foster Care*

- Initial Service Plans
- Updated Service Plans
- Plan Approvals
- Licensed Foster Homes
- New Relative Licenses
- Relative Placements
- Maltreatment in Care



*Performance reports for these measures are do not currently capture visits occurring through alternative methods

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.

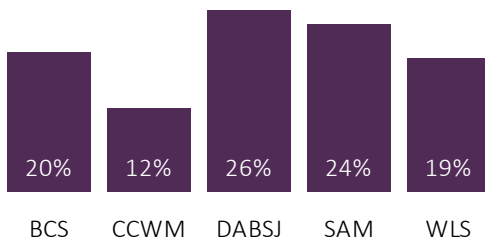
Case workers' timely, monthly face-to-face contacts with parents of children who have a permanency goal of reunification increase by 12% from the previous year OR at least 85% of the possible monthly face-to-face contacts occur within the time frame.

Network Quarterly Performance

The overall network performance decreased 3% in Quarter 2 to 70% of visits completed. Agency performance varied.

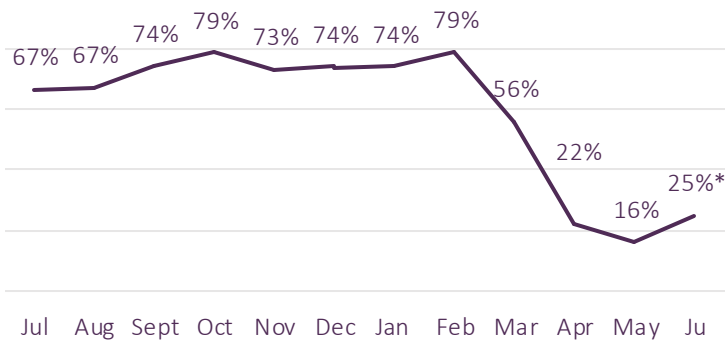


FY20 Goal 71%



Network Annual Performance

Network performance was similar in January and February to the previous four months, and experienced a significant decline in March.



*Policy changes related to COVID-19 beginning March 18, 2020 had an impact on worker-parent contacts for the starting in March, as in-person visits were limited and then prohibited. While visits through alternative methods are expected, these do not currently show in Infoview reports.

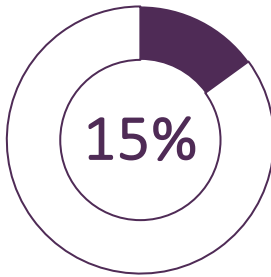
Monitored Measures

WMPC Contract:

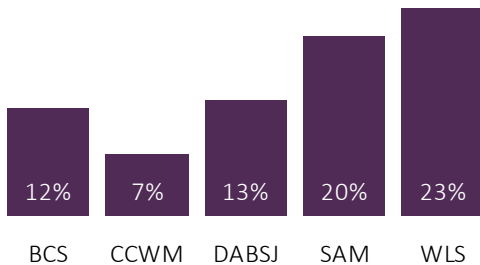
At least 65 percent of children supervised by the Grantee with a goal of reunification shall have visitation with their parent(s) in accordance with the guidelines in FOM 722-061 Policy by the end of FY22 with annual goals of 55 percent in FY20, 59 percent in FY21, and 65 percent in FY22.

Network Quarterly Performance

The overall network performance increased 1% in Quarter 2 to 55% of visits completed. Agency performance varied, but those performing higher in worker-parent visits also performed higher in parent-child visits.

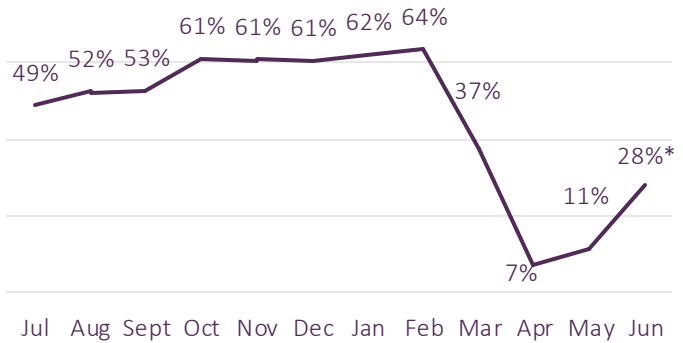


FY20 Goal 55%



Network 12 Month Performance

Performance remained consistent in January and February compared to Q1, until March when the agencies experienced a significant decrease which impacted this quarter's total performance.



*Policy changes related to COVID-19 beginning March 18, 2020 had an impact on parent-child contacts for the starting in March, as in-person visits were limited and then prohibited. While visits through alternative methods are expected, these do not currently show in Infoview reports.

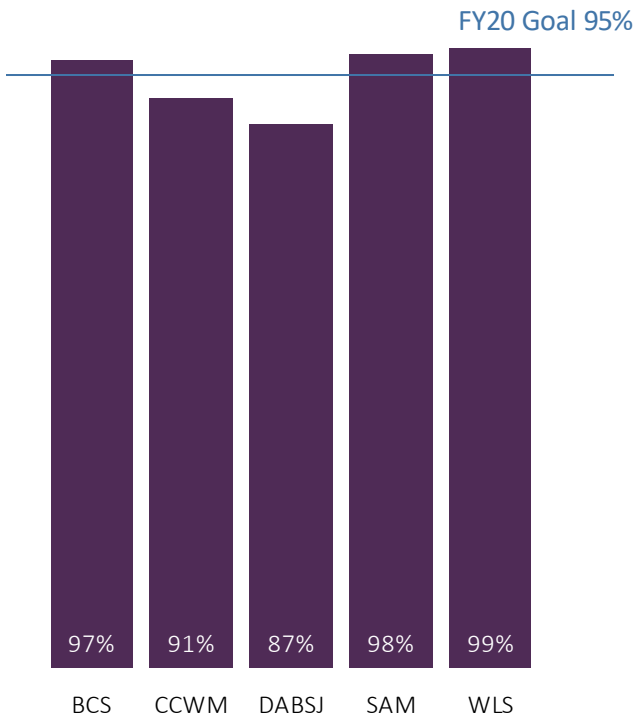
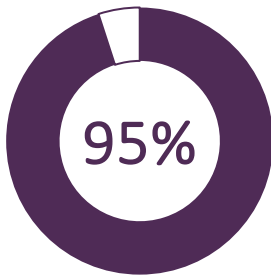
Monitored Measure

WMPC Contract:

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

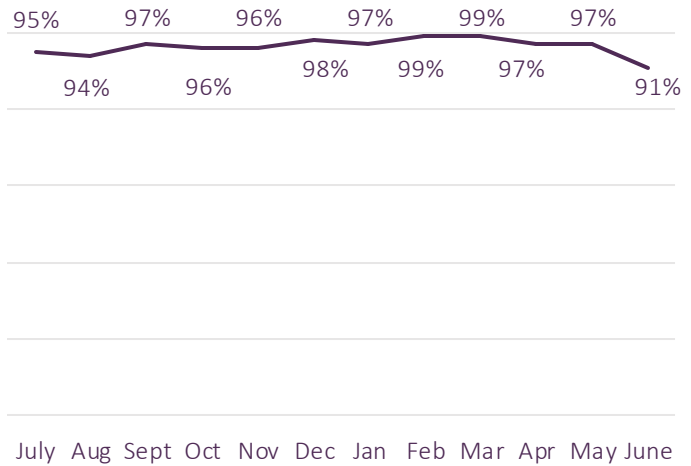
Network Quarterly Performance Worker-Child

Performance for Quarter 3 met the target of 95%.



Network 12 Month Performance

Performance has remained consistently strong despite challenges presented by the pandemic.



*Policy changes related to COVID-19 beginning March 18, 2020 had an impact on parent-child contacts starting in the month of March, as in-person visits were limited and then prohibited. Visits occurring through alternative methods are captured through ad hoc performance reports from MDHHS central office.

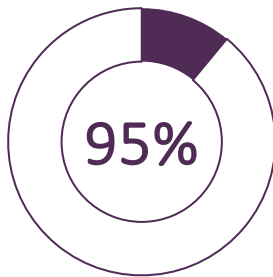
Monitored Measure

WMPC Contract:

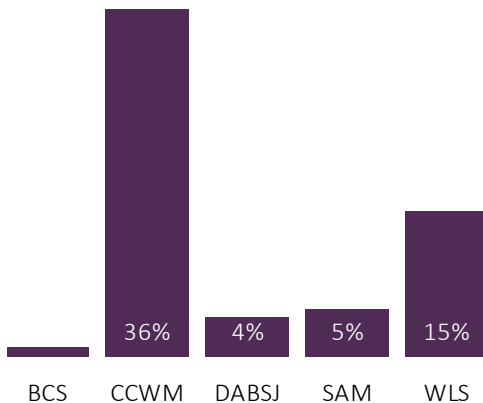
At least 95% of supervisors shall meet at least monthly with each assigned case worker to review the status and progress of each case on the worker's caseload.

Network Quarterly Performance Worker-Supervisor

Performance for Quarter 3 met the target of 95%.

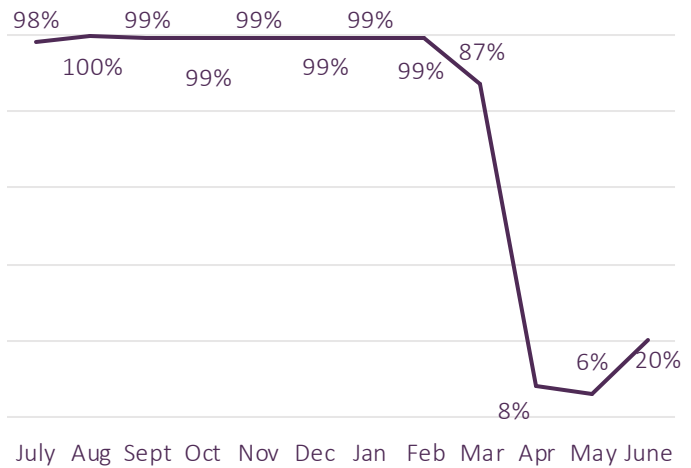


FY20 Goal 95%



Network 12 Month Performance

Performance has remained consistently strong despite challenges presented by the pandemic.



*Policy changes related to COVID-19 beginning March 18, 2020 had an impact on parent-child contacts starting in the month of March, as in-person visits were limited and then prohibited. Visits occurring through alternative methods are captured through ad hoc performance reports from MDHHS central office.

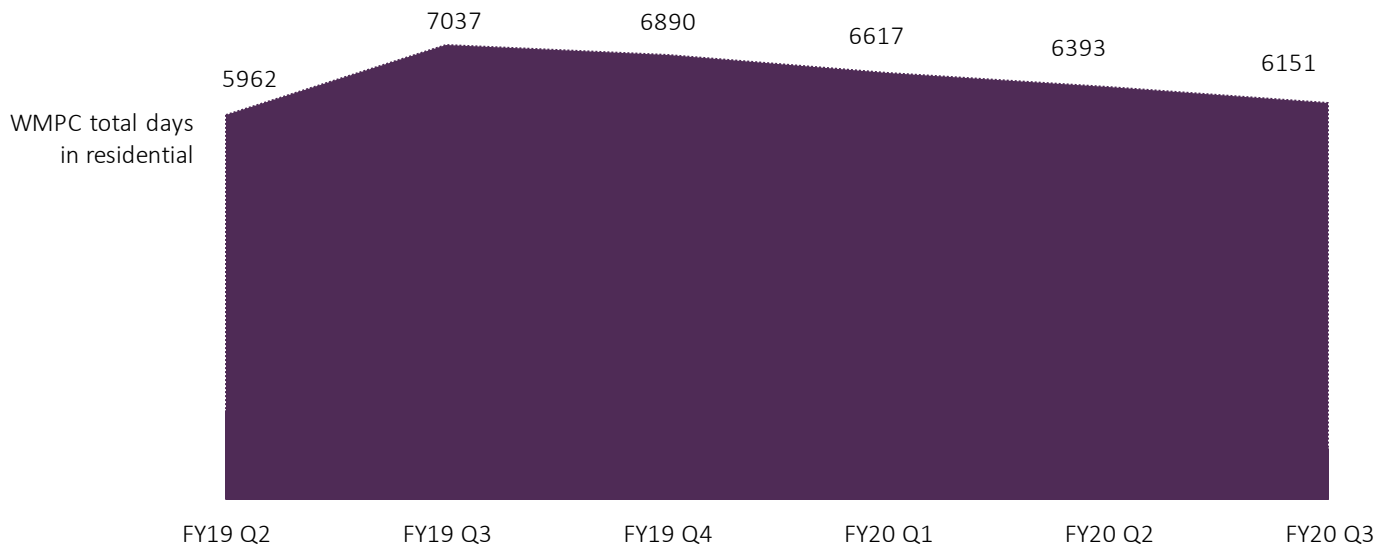
Monitored Measures

WMPC Contract:

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

Days in Residential Care Performance by Quarter

The number of days in residential placements was lower in FY20 Quarter 3 than it was in the previous five quarters. The total number of days in residential care has decreased by over 10% from FY19 Quarter 4.



Adoption Disruptions

0%

There were no adoption disruptions in the network between October 1, 2019 and June 30, 2020.

Monitored Measures

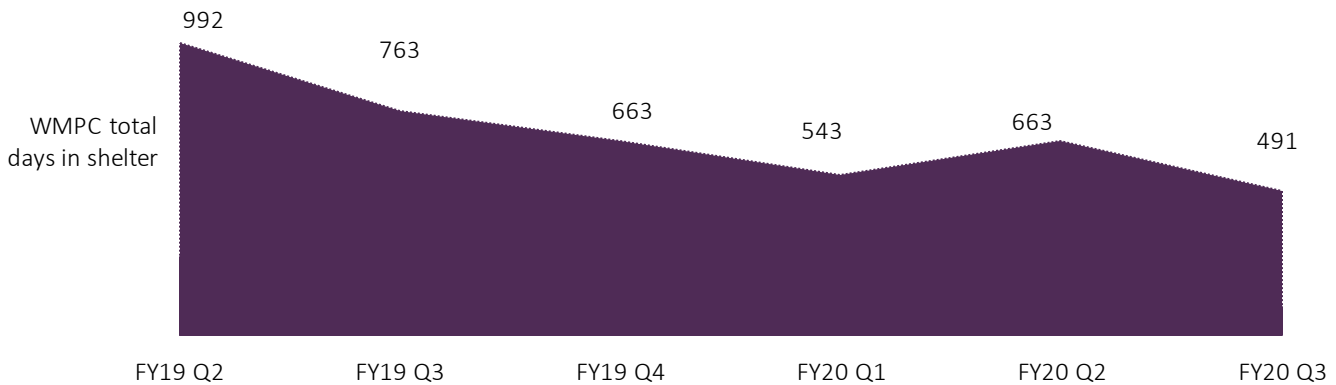
WMPC Contract:

The total number of days children placed in emergency shelter will reduce by 2% in FY20.

The percentage of children for whom shelter is their first placement will not exceed 25% by the end of FY20.

Days in Shelter Performance by Quarter

The network's number of days in shelter was lower in FY20 Quarter 3 than it was in the previous five quarters. The network has decreased the total number of days children spend in shelter by over 25% since FY19 Quarter 4.



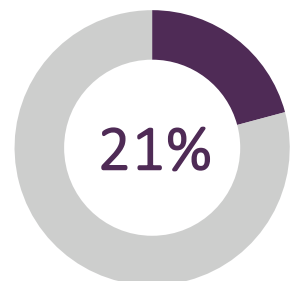
First Placement Shelter Performance by Agency

In FY20 year-to-date, 10 children were placed in shelter as their first placement.



Network First Placement Shelter Performance

With just 10 of 48 youth in shelter as their first placement in FY20, the network as a whole reached the goal for the first three quarters in FY 20.



Permanency in 12 Months, 12-23 Months, and 24+ Months

Monitored Measures

WMPC Contract

At least 24% 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

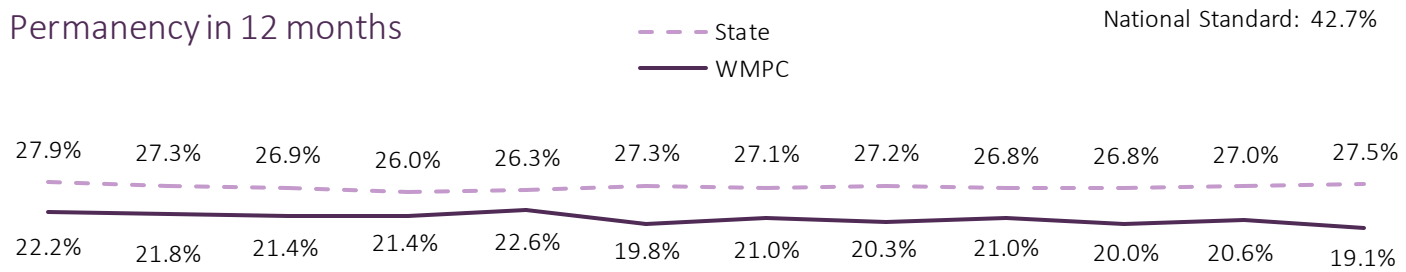
Permanency in 12 months for children in care 12-23 months

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.

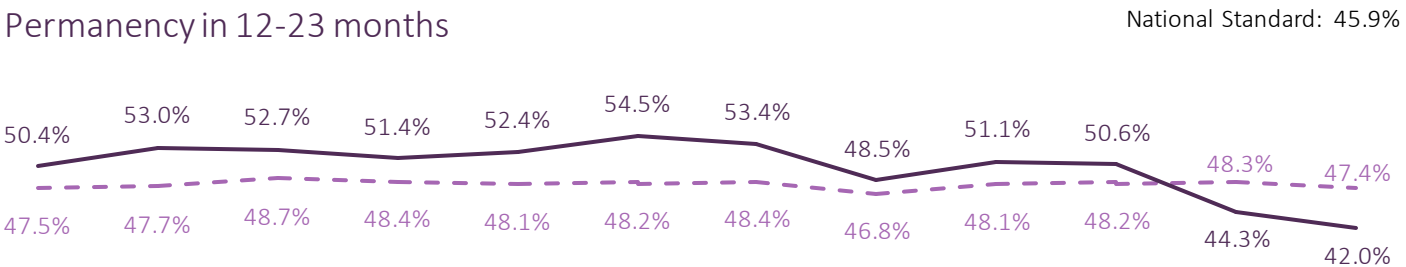
Permanency in 12 months for children in care 24 months or more

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.

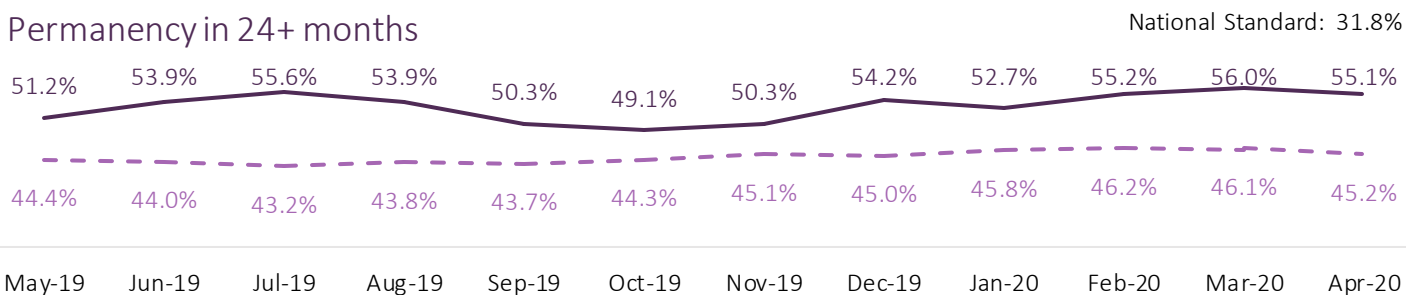
Permanency in 12 months



Permanency in 12-23 months



Permanency in 24+ months



Monitored Measures

Federal Performance Outcomes Measures

Placement Stability

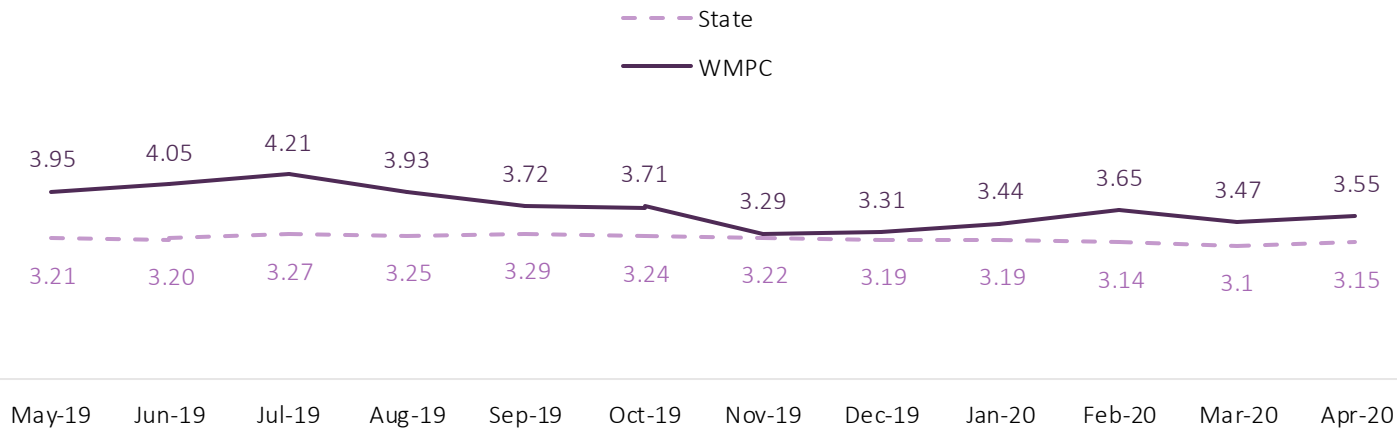
Of all children who enter care in a 12- month period, what is the rate of placement moves, per 1,000 days of foster care? The national standard is 4.44, and lower is better for this measure.

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.

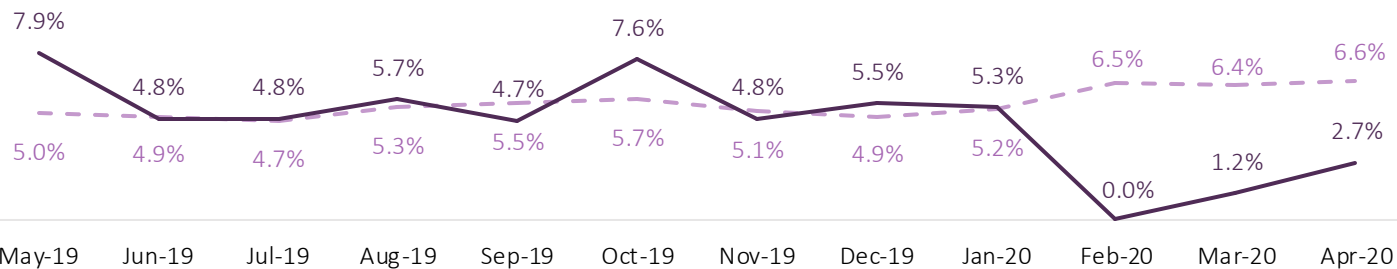
Placement Stability

National Standard: 4.44



Re-entry to Foster Care in 12 Months

National Standard: 8.1%



In-County Placements and Community Placements

Monitored Measures

WMPC Contract

Increased In-County Placements

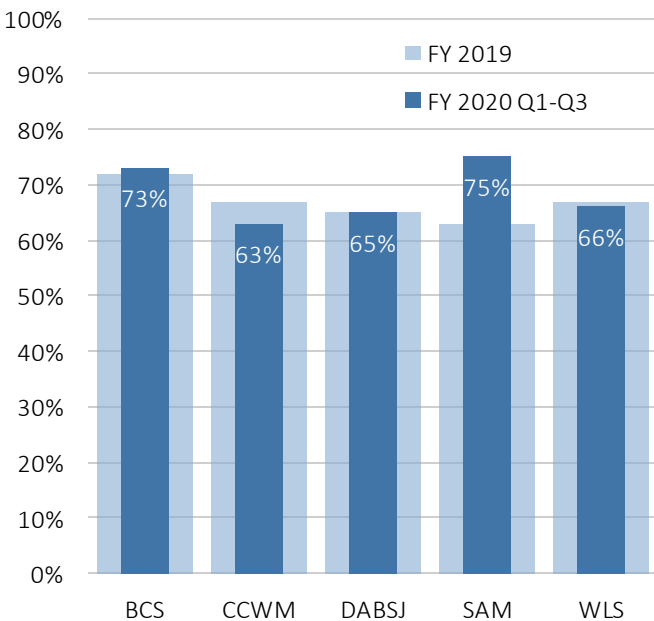
Of all placements supervised through the Grantee, 72% of placements will occur in Kent County by the end of FY22, with annual increases of 2% in FY20, 2% in FY21, and 2% in FY22.

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%.

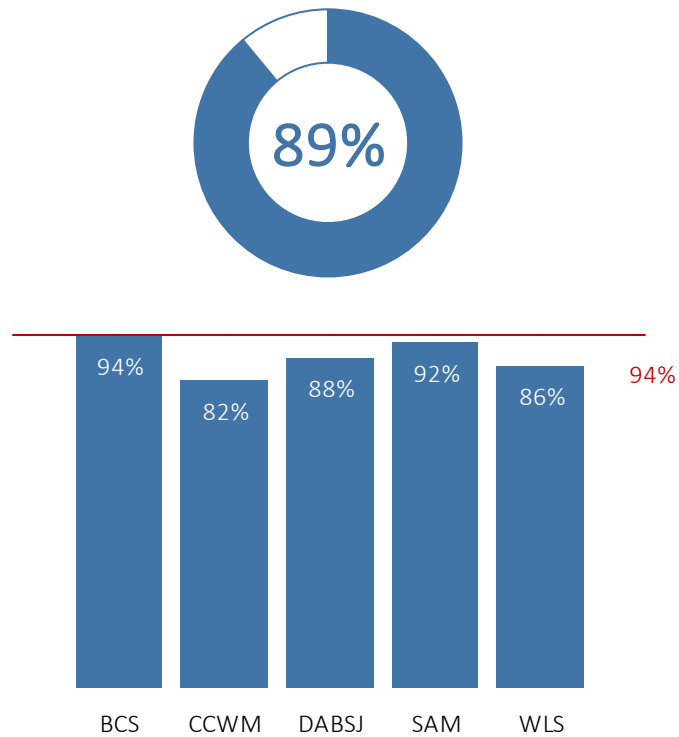
In-County Placements

Performance for the network in quarter 3 is at 70%. SAM had the highest percentage of youth placed in-county among the network providers.



Community Placements

89% of total days children spent in foster care in quarter 3 were spent in community placements. There is notable variance between agencies.



In-County Placements Source: Mindshare internal analysis, 7/26/2020

Community Placements Source: Mindshare Incentive One Dashboard, data retrieved 7/15/2020

Monitored Measures

ISEP Standard:

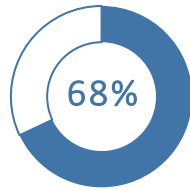
At least 85% of children will have an initial medical examination within 30 days of removal.

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.

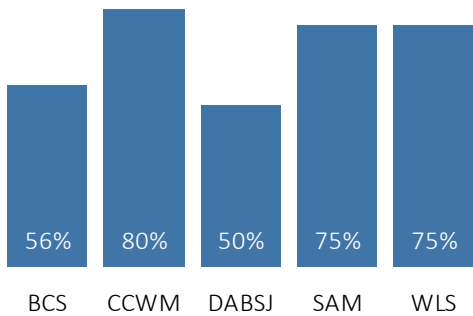
Network Quarterly Performance

Initial Medical Exams

Network performance remained consistent from Quarter 2 to Quarter 3.

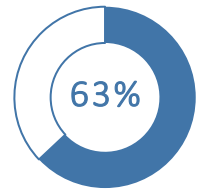


ISEP 85%

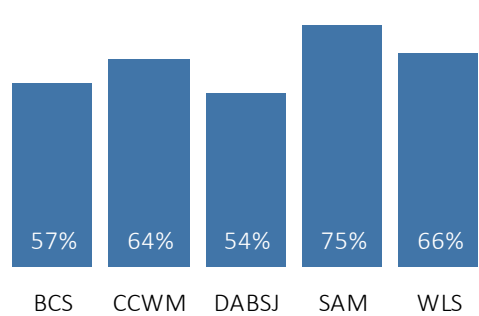


Periodic Medical Exams

Network performance decreased drastically from Quarter 2 to Quarter 3.



ISEP 95%



Agency Annual Performance

Initial Medical Exams



Periodic Medical Exams



*Due to community actions to prevent the spread of COVID-19, medical appointments may have been canceled by medical offices or families. This may have had an impact on monthly and quarterly performance.

Monitored Measures

ISEP Standard:

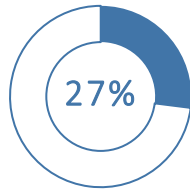
At least 90% of children shall have an initial dental examination within 90 days of removal unless the child has had an exam within six months prior to placement or the child is less than four years of age.

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

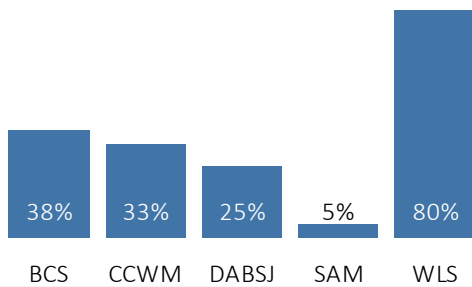
Network Quarterly Performance

Initial Dental Exams

Network performance decreased drastically in Quarter 2 compared to 87% the previous quarter

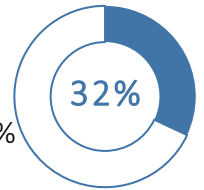


ISEP 90%

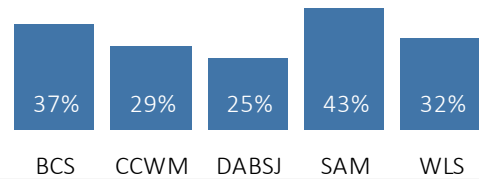


Periodic Dental Exams

Network performance decreased drastically from 87% in Quarter 2.

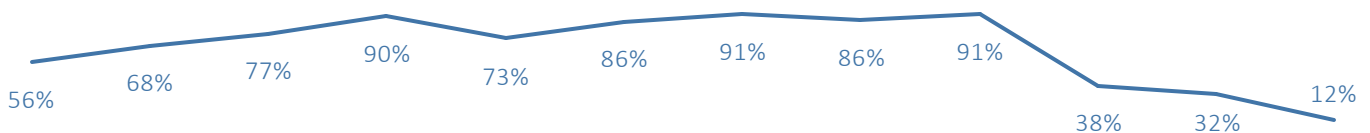


ISEP 95%

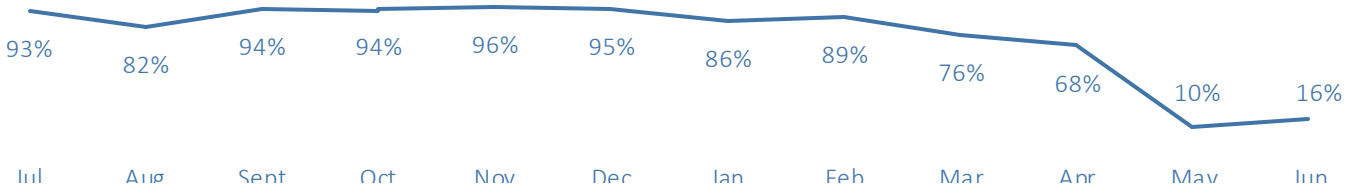


Agency Annual Performance

Initial Dental Exams



Periodic Dental Exams



*Due to community actions to prevent the spread of COVID-19, medical appointments may have been canceled by medical offices or families. This may have had an impact on monthly and quarterly performance.

Initial Service Plans, Updated Service Plans, and Plan Approvals

Monitored Measures

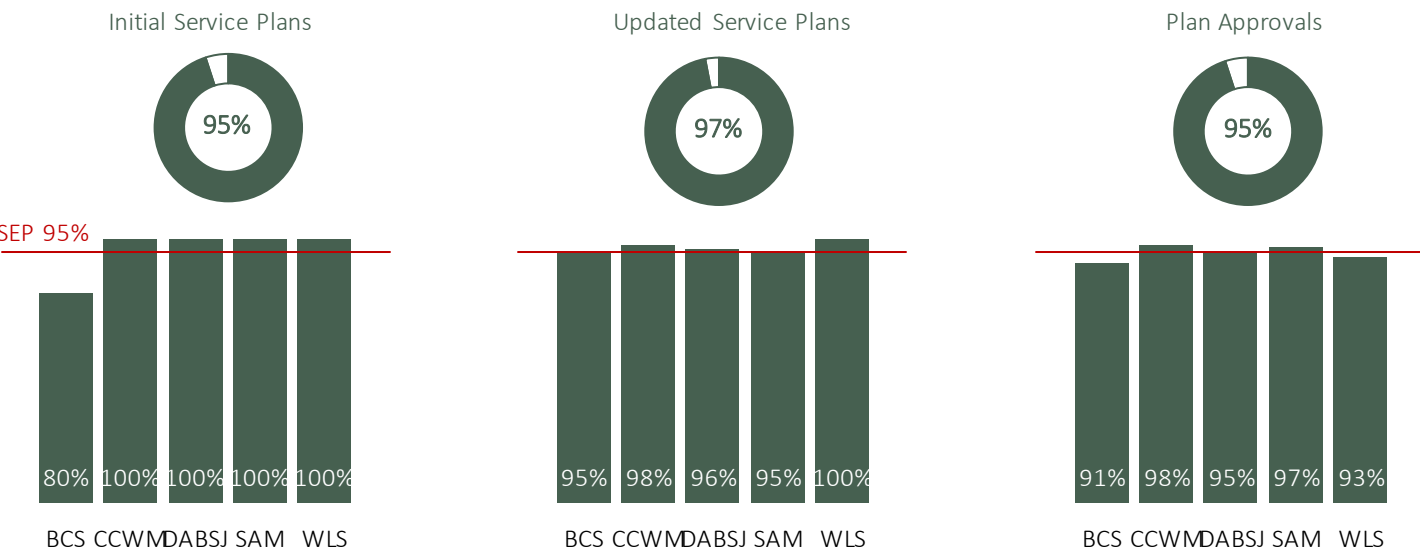
ISEP Standard:

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.

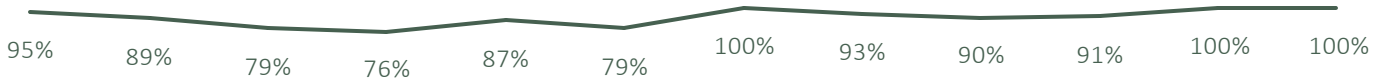
At least 95% of children shall have a case service plan approved within 14 days of case worker submission to the supervisor for review.

Network Quarterly Performance



Agency Annual Performance

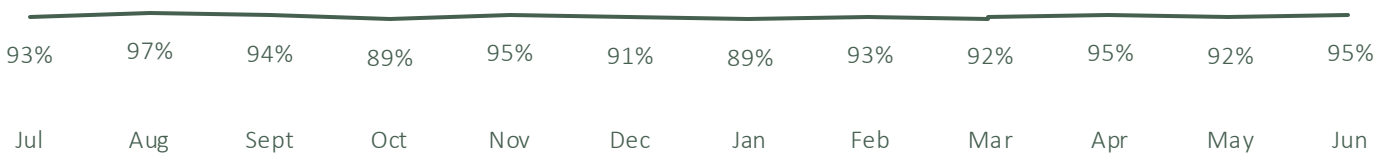
Initial Service Plans



Updated Service Plans



Plan Approvals



Relative Placements, Relative Licensing, Licensed Foster 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.

Relative Licensing

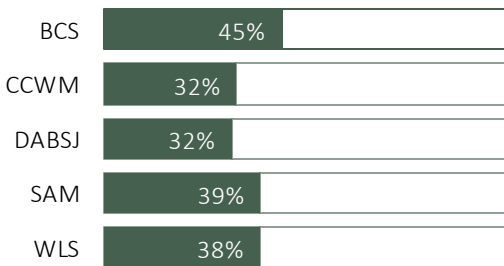
Relatives successfully completing the licensing process will increase by 10% in FY20.

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.

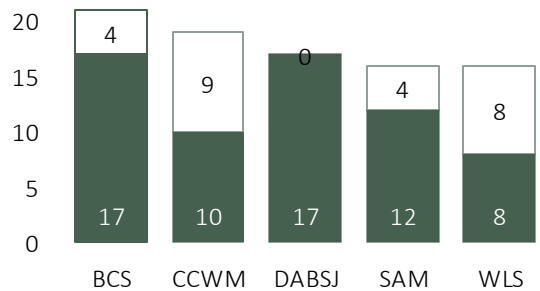
Relative Placements

38% of all days children spent in care were with relative caregivers in Quarter 3. The network exceeded the benchmark of 35%.



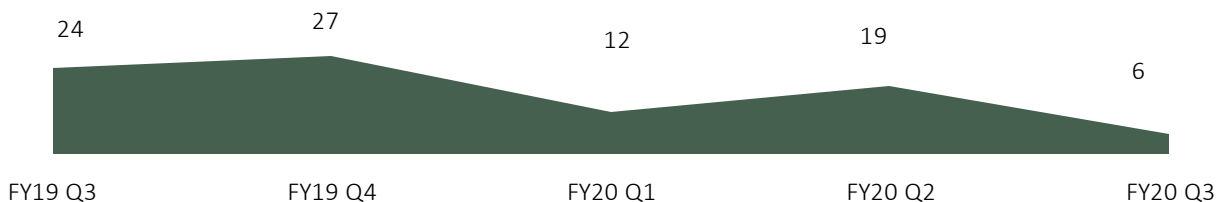
Licensed Foster Homes

Three of the five agencies are on track to meet their annual targets. DABSJ has already met their target for the year. The average days to licensure is 186 days, slightly above the target of 180 days. 71 foster enrollments are currently in the licensure process.



Relative Licensing

The number of relative homes licensed has decreased throughout the last several quarters, hitting a two-year quarterly low in FY20 Quarter 3.



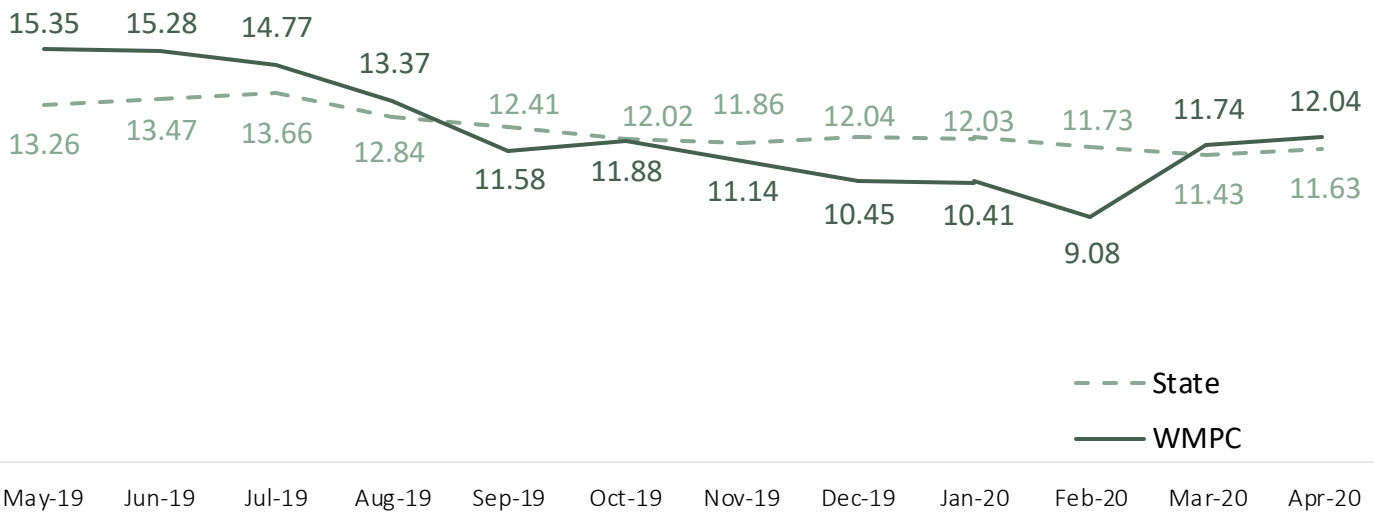
Monitored Measures

Performance Outcome Measures

Of all children in care during a 12-month period, the rate of maltreatment in care shall not exceed 8.5, as defined in the federal Child and Family Service Review, Round 3 (CFSR).

WMPC and Michigan Performance

National Standard: 9.67



Agency Performance FY2020 Year-To-Date

National Standard: 9.67

