

Kent County program creates incentives for foster care providers

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"Be the Turning Point" by the Kent County Coalition stands near Plante Moran during ArtPrize Eight in Grand Rapids on Monday, Sept. 26, 2016. Using portraits of children and families in the foster care system, the piece encourages people to consider becoming a foster parent. (Neil Blake | MLive.com)

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GRAND RAPIDS, MI -- The state is launching a pilot program in Kent County next month intended to test a [performance-based funding model](#) for foster care and adoption service providers.

The five-year funding pilot will launch on Oct. 1, the Michigan Department of Health and Human Services announced in a press release.

"Performance-based funding will reinforce positive outcomes for children and allow us to reinvest savings into the Kent County child welfare system to pay for continued improvements," Director Nick Lyon said in a statement.

The West Michigan Partnership for Children, responsible for management of the foster care system in Kent County, will receive twice-yearly advance payments to cover the cost of providing services.

That differs from the current model, in which a flat rate is provided per child, per day they receive foster care services.

The new funding model creates an incentive for service providers to either reunify children with their families more quickly or, if the home is unsafe, to expedite the process of finding them an adoptive home.

[Kent County developing model to privatize foster care; state may follow plan](#)

Kent County Child Welfare Director Savator Selden-Johnson said providing funding on the front end rather than the back end also allows providers to be more proactive, flexible and creative in quickly providing the right services to the right children.

"This way the agency will have those dollars on the front end and they can make decisions about those services and providers themselves," Selden-Johnson said.

The pilot program will serve all 880 children currently in Kent County's foster care system and potentially those who enter the system in the future as well, she said. Generally, the system services children between the ages of 0-18 who fall under court jurisdiction because of an abuse or neglect action.

Statewide, there are [nearly 13,000 children in foster care](#) and 300 children who still need an adoptive family, according to the Michigan Department of Health and Human Services.

The ultimate goal is to provide services to children and family that enable the children to exit the foster care system and reunify with their parents, MDHHS spokesperson Bob Wheaton said.

Only in cases where it's determined it's not safe for a child to return home does the system seek a court order to terminate parental rights. That only happens in a "very small percentage" of Child Protective Services cases, Wheaton said.

But the evidence suggests children often remain in the foster care system longer than they should.

"We know children across the state are in foster care systems for a year, 18 months, 24 months," Selden-Johnson said.

Such lengthy periods have been observed to result in parents and children become "disillusioned" and "disconnected," she said. The longer they remain in the system, Selden-Johnson said, they tend to participate less in their prescribed treatment plan, which can result in unfavorable outcomes.

The federal Children and Family Services Reviews, conducted by the Children's Bureau, have identified that issue, Selden-Johnson said, and have pushed for child welfare systems like Kent County's to work toward reducing the periods of time children spend in the system.

The performance-based model will hopefully help providers accomplish that goal, she said.

"This is the premise," Selden-Johnson said.

Under the pilot program, the West Michigan West Michigan Partnership for Children will be paid per case every six months, with that rate decreasing each six-month period a case remains in the system. The partnership is responsible for allocating and tracking funds with individual service providers.

The decreasing case rate provides an incentive to process cases more quickly, and gives the authority to allocate any excess funds how they see fit, MDHHS program coordinator Nancy Rostoni said.

If a provider achieves its goals for a client in three months but was paid for six months, Rostoni said, it can choose to invest that money back in services or set it aside to help subsidize services for children who remain in the system longer.

"How they allocate those funds are kind of up to them," she said.

In Kent County, the department and the West Michigan Partnership for Children will oversee services from five different providers:

- Bethany Christian Services
- Catholic Charities of West Michigan
- D.A. Blodgett-St. Johns
- Samaritas

- Wellspring Lutheran Services

Selden-Johnson said the current funding level can slow down the process, since approvals need to be sought at various levels for things like psychological evaluations.

The pilot program instead provides funding to agencies on the front end, trusting the performance-based model will prompt them to use those funds to achieve the best possible outcomes for children in the system.

Performance dashboards will measure things like the length of time children are out of their homes, time in the foster care system, how many times they are moved and the types of homes or facilities in which they are placed.

"There are a number of data points that we want to measure," Selden-Johnson said.

Those data points will hopefully help Kent County and MDHHS determine whether their hypothesis is correct -- that the new performance-based funding model improves outcomes for local children and families.

A third-party independent evaluation of the pilot will be conducted to assess outcomes and cost effectiveness.

The Michigan Legislature in 2013 initiated plans to develop a child welfare performance-based funding model and a 2014 task force report indicated such a model was feasible.

Rostoni said similar efforts have been tried before in Nebraska, Texas, Missouri, Florida, Kansas and elsewhere. But differing funding methods in other cases mean comparing those programs to Kent County's pilots would be an unfair comparison.

Selden-Johnson is hopeful that Kent County might someday serve as an example for other foster care systems across the state and nation.

"It is the premise or belief or hypothesis that a performance-based funding model will improve outcomes for families and kids," she said. "It's a pilot to see, does this work? Does this improve outcomes for children in foster care?"

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