

Status of Performance-Based Contracting Model Second Quarter Report

(FY2020 Appropriation Act - Public Act 67 of 2019)

June 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:

- **7 out of the 13** identified permanency performance measures. This is a decrease from last quarter which was 11 out of 14.
- **1 out of the 6** identified well-being performance measures. This is a decrease from last quarter which was 2 out of 6.
- **3 out of the 7** identified safety performance measures. This is the same as last quarter.

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

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

Key Innovations and Status Updates

- WMPC continued to operate in a deficit in the second 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. WMPC has not received the true-up or case rate adjustment as of the end of the second quarter of FY20 and thus has depended on cash advances from MDHHS to manage its cashflow.
- The February supplemental did not include the retrospective adjustments recommended by Lewis and Ellis.
- WMPC intakes increased slightly in the second quarter of FY20 but remain significantly lower than what was budgeted. Due to the front-loaded structure of the case rate, this parlayed into a revenue loss for WMPC, exacerbating the cash flow issues.
- WMPC notified the CSA director on March 4, 2020 that WMPC had a critical cashflow position of \$207,000 cash on hand and \$4 million in payables.
- WMPC received a \$300,000 grant outside the case rate from MDHHS to fund Foster Care Supportive visitation. The increase from \$100,000 to \$300,000 allowed for a second contract to be awarded to Samaritas. The current provider's allocation increased, and 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 January and March 2020, the number of days children spent in residential placements has decreased by 3% compared to the previous

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three months.

- 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 Two Performance Report*)
- In February, WMPC pulled together a cohort of more than 40 child welfare system leaders and WMPC staff to participate in a five-day training on the Sanctuary Model. Next steps include identifying training teams within each agency/system and training staff on the model.
- WMPC hired a Parent Planner in March.
- During quarter two, WMPC's clinical liaison received over 80 screening referrals, which resulted in more than 20 formal assessments and over 80 clinical consultations.
- Doug Booth, Chief Operating Officer of Health Net West Michigan joined WMPC's Board in March. WMPC must 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.

Attachments:

- Fiscal Year 2020 Quarter Two Performance Report



WMPC Network Performance Report

FISCAL YEAR 2020
QUARTER 2

Youth Entering Care

58

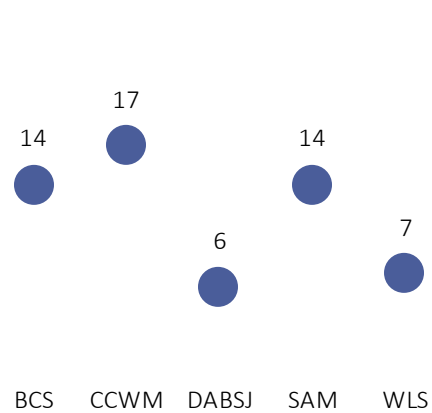
Youth Discharged

68

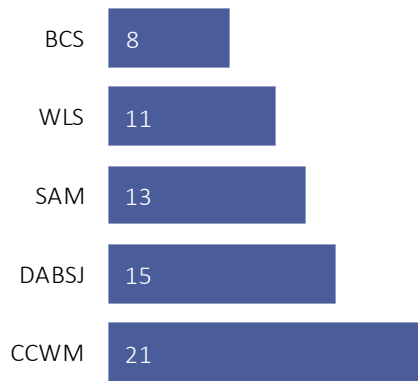
Total Youth in Care

834

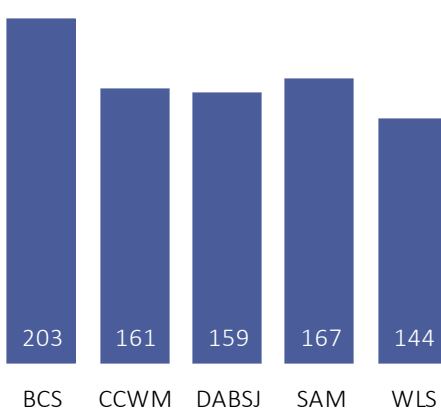
Entering Care by Agency



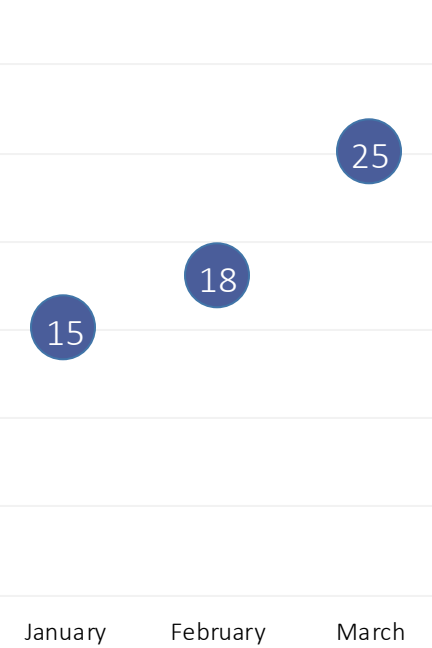
Discharged by Agency



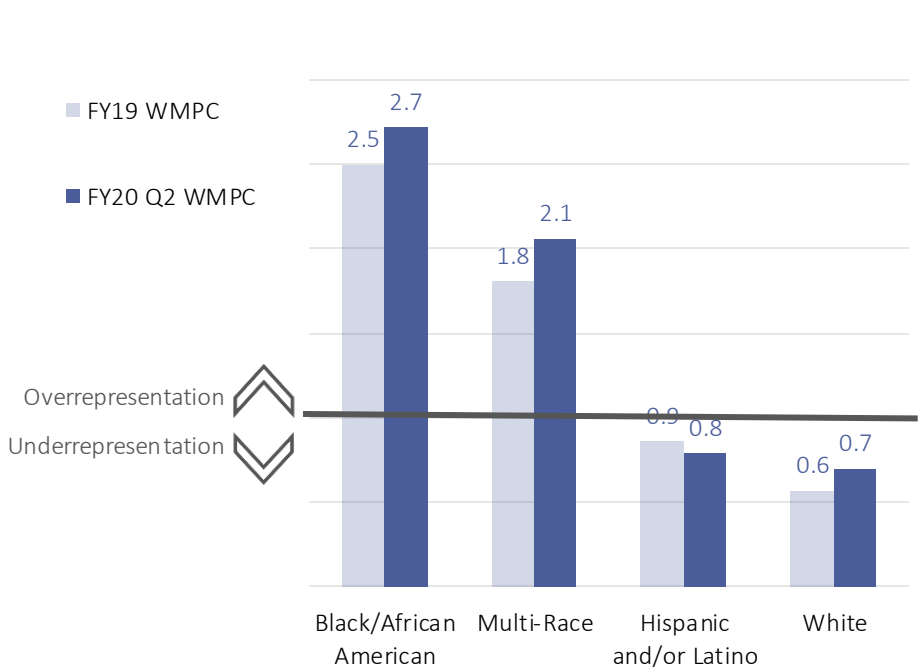
In Care By Agency



Entering Care by Month



Racial Disproportionality



Youth in Care and Youth Discharged Source: Mindshare Active Child List, date range 1/1/2020-3/31/2020;

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

Racial Disproportionality: Mindshare, Active Child List, date range 1/1/2020-3/31/2020; U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

BCS=Bethany Christian Services; CCWM=Catholic Charities West Michigan; SAM=Samaritas West; DABSJ=DA Blodgett St John's; WLS=Wellspring Lutheran Services Kentwood.

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		<i>Reunification</i>	<i>Community Placements</i>
⊗	Worker-Parent Contacts		✓ <i>Network compliance in Q2</i>
⊗	Parent-Child Contacts		⊗ <i>Network incompliance</i>
✓	Worker-Supervisor Contacts		
⊗	Worker-Child Contacts		
⊗	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		

WELL-BEING		<i>Stability</i>	<i>Family Connections</i>	<i>Community Connections</i>
✓	Increased In County Placements			
⊗	Community Placements			
⊗	Initial Medical Exams			
⊗	Yearly/Periodic Medical Exams			
⊗	Initial Dental Exams			
⊗	Yearly Dental Exams			

SAFETY		<i>Safety in Foster Care</i>
⊗	Initial Service Plans	
✓	Updated Service Plans	
⊗	Plan Approvals	
✓	Licensed Foster Homes	
✓	Relative Placements	
⊗	Maltreatment in Care	

Case Contacts and Parenting Time Visits

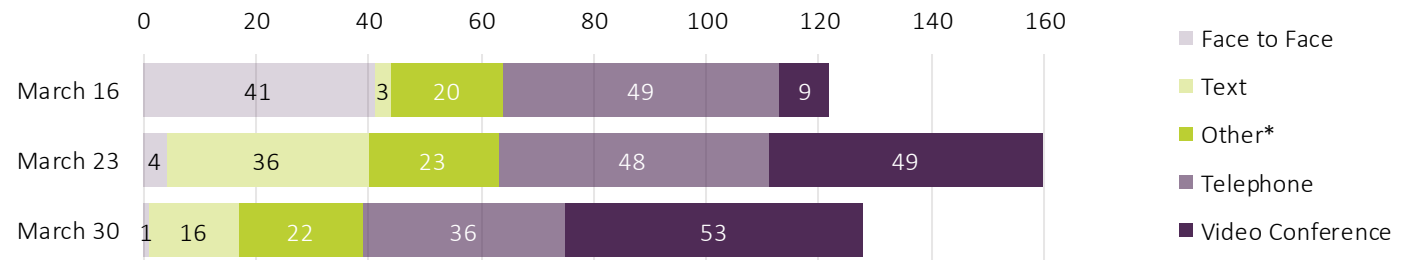
Guidance was released twice in the month of March for Michigan Department of Health and Human Services (MDHHS) and contracted child placing agency Children’s Protective Services (CPS), foster care, and juvenile justice caseworkers regarding conducting face to face contacts, parenting time, and sibling visits for children and families in response to COVID-19 health concerns.

March 18, 2020 | This issuance stated that “in-person worker contacts are not required to occur, unless necessary to determine or respond to child safety or an unmet health need of a child. Required contacts must still occur using an allowable alternative.” Parenting time visits had similar guidance to worker contacts, but stated “if staff, caregivers, and parents are agreeable to having in-person parenting time and sibling visits, this contact may still occur in person provided everyone in the foster parent and birth parents home are pre-screened.”

March 25, 2020 | An updated guidance restricted in-person visits, stating that no in-person worker contacts or parenting time visits should occur, but allowable virtual alternatives were required.

WMPC expects a decrease in worker-child, worker-parent, and parent-child contact performance between March 18 and March 31, which will impact FY2020 Quarter 2 performance. Infoview reports do not count virtual visits, additional data is reported to compensate for this measure.

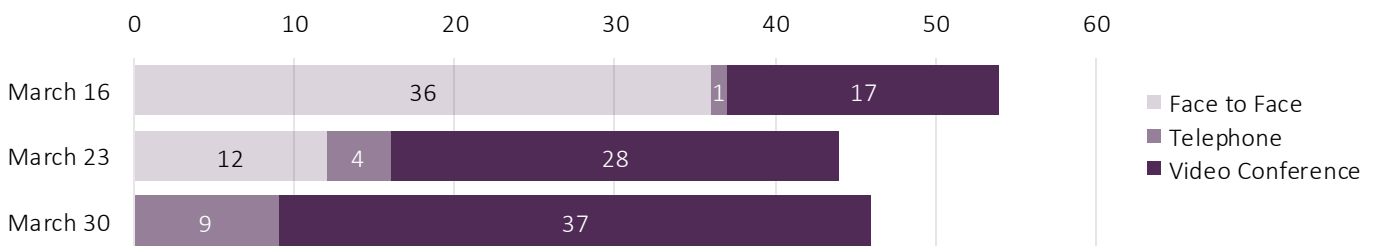
Network Case Contacts for March



Overall, the total number of case contacts increased in the second week as contacts transitioned to virtual only, then decreased for the last week of the quarter. Video conferences and phone calls were the most used form of alternative contacts made. Face to face contacts decreased the most.

*Other types include: documentation, e-mail, mail, and facsimile.

Network Parenting Time for March



Parenting time visits decreased slightly from the first to third week of virtual requirements. Face to face contacts decreased to zero while video conferences became the vast majority of visit types.

Monitored Measures

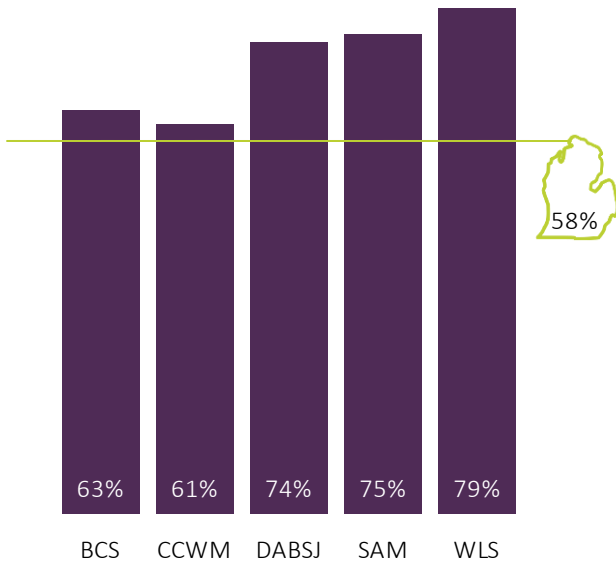
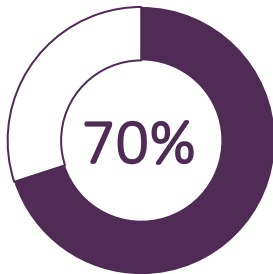
WMPC Contract:

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.

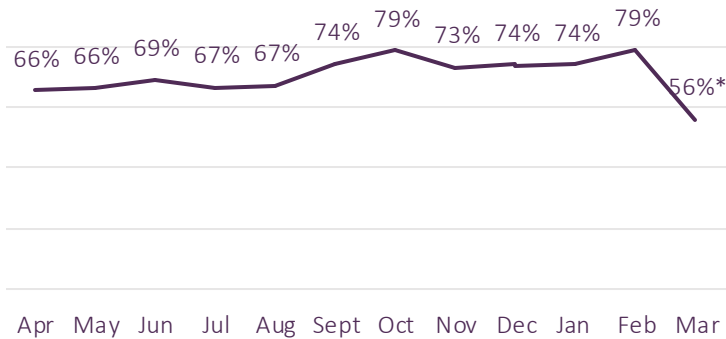
Network Quarterly Performance

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



Agency 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 month of March, as in-person visits were limited and then prohibited. While virtual methods are expected, these do not currently show in Infoview reports.

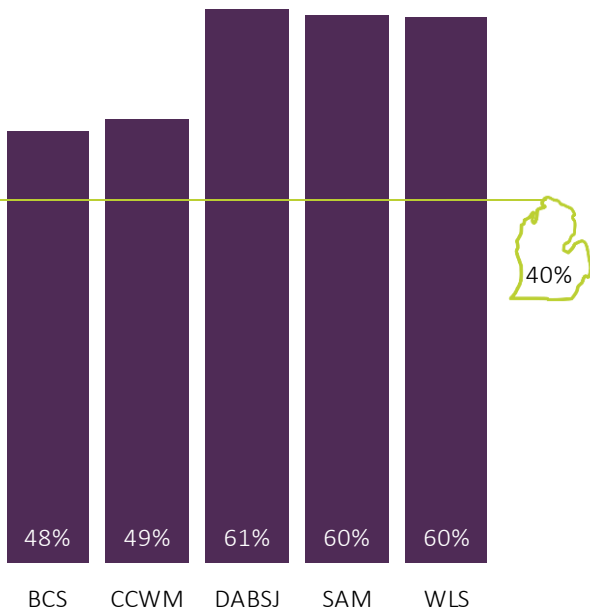
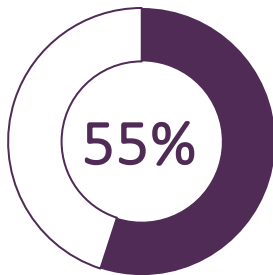
Monitored Measures

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.

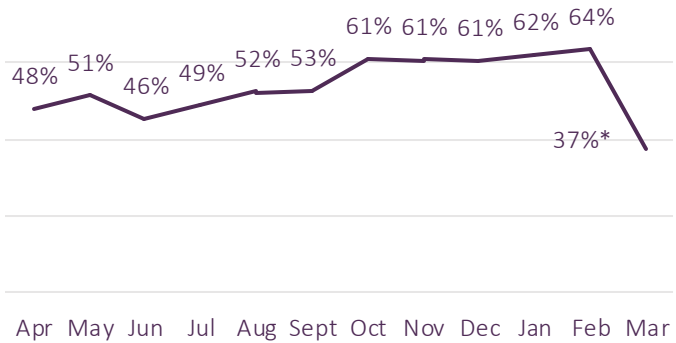
Network Quarterly Performance

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.



Agency 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 month of March, as in-person visits were limited and then prohibited. While virtual methods are expected, these do not currently show in Infoview reports.

Worker-Child and Worker-Supervisor Contacts

Monitored Measures

ISEP Standard:

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

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

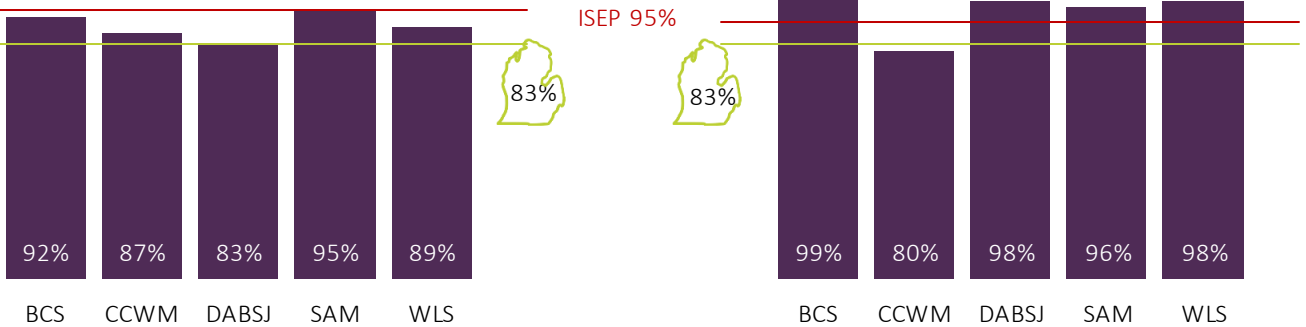
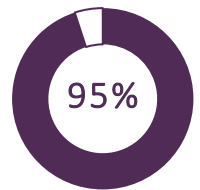
Worker-Child

Network performance decreased 5% in Quarter 2.



Worker-Supervisor

Network performance decreased 4% in Quarter 2.



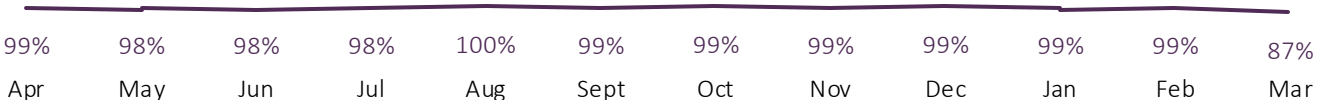
*Policy changes related to COVID-19 beginning March 18, 2020 had an impact on worker-child contacts for the month of March, as in-person visits were limited and then prohibited. While virtual methods are expected, these do not show in Infoview reports. So far, worker-supervisor contacts have been minimally impacted by the recent COVID-19 policy changes.

Agency Annual Performance

Worker-Child



Worker-Supervisor



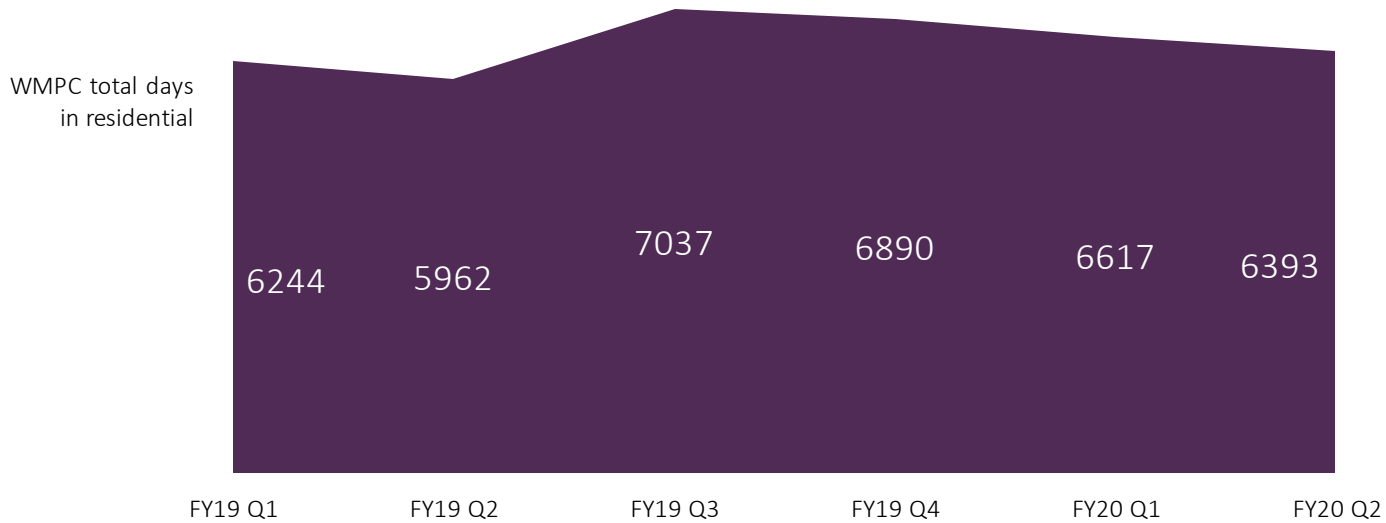
Monitored Measures

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 was lower in FY20 Q2 than it was in the previous three quarters. The network had an 4% decrease in residential days from FY19 Q4 to FY20 Q1, and another 3% decrease from FY20 Q1 to Q2.



Adoption Disruptions

0%

There were no adoption disruptions in the network between October 1, 2019 and March 31, 2020

Monitored Measures

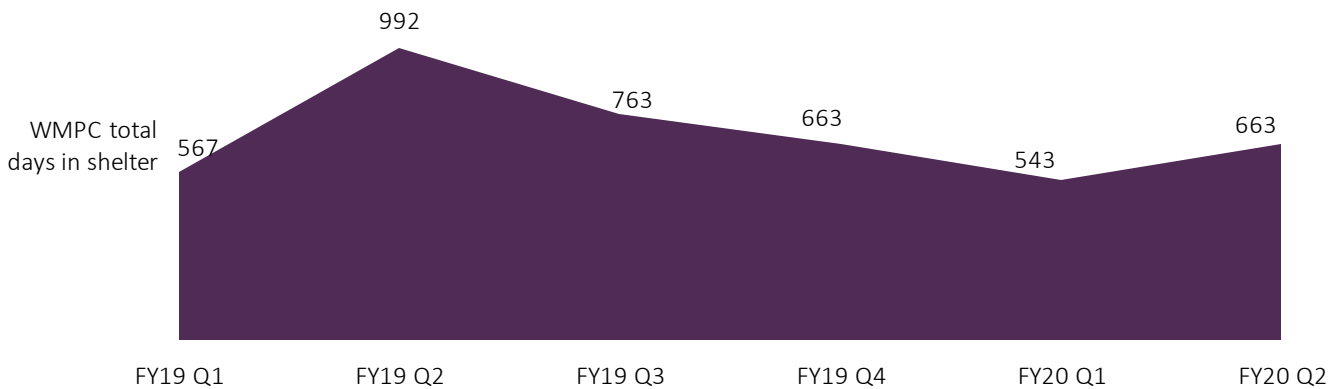
WMPC Contract:

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's number of days in shelter increased by 22% from FY20 Q1 to Q2.



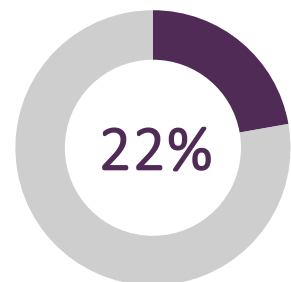
First Placement Shelter Performance by Agency

Agency shelter usage varied across the network agencies for the first two quarters in FY20. WLS had the highest proportion of their youth in shelter as their first placement, while SAM and BCS did not have any youth with shelter as their first placement.



Network First Placement Shelter Performance

With just 6 of 27 youth in shelter as their first placement in FY20, the network as a whole reached the goal for the first two quarters.



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

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 12-23 months

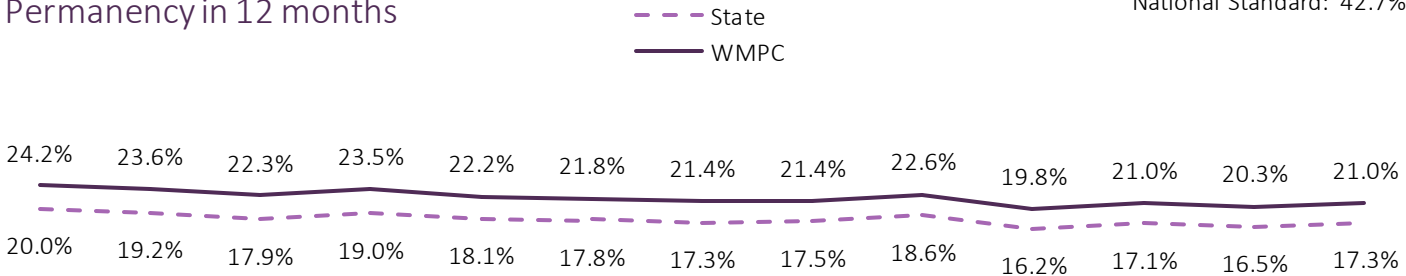
Of all children in care on the first day of a 12- month period who had been in care continuously between 12 and 23 months, what percent discharged to permanency within 12 months of the first day? The national standard is 45.9%, and higher is better for this measure.

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.

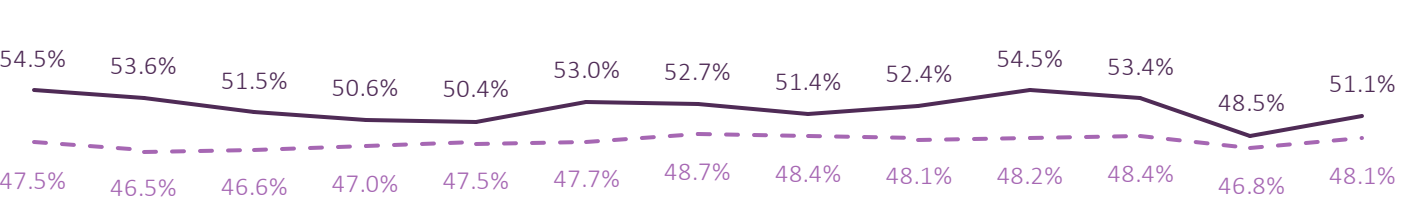
Permanency in 12 months

National Standard: 42.7%



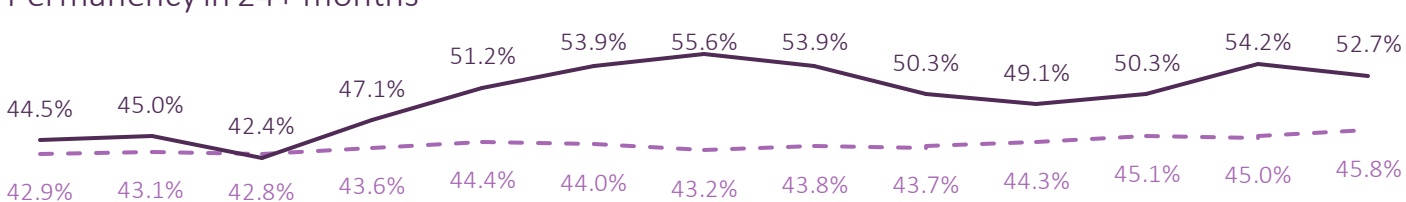
Permanency in 12-23 months

National Standard: 45.9%



Permanency in 24+ months

National Standard: 31.8%



Monitored Measures

Federal Performance Outcomes Measures

Placement Stability

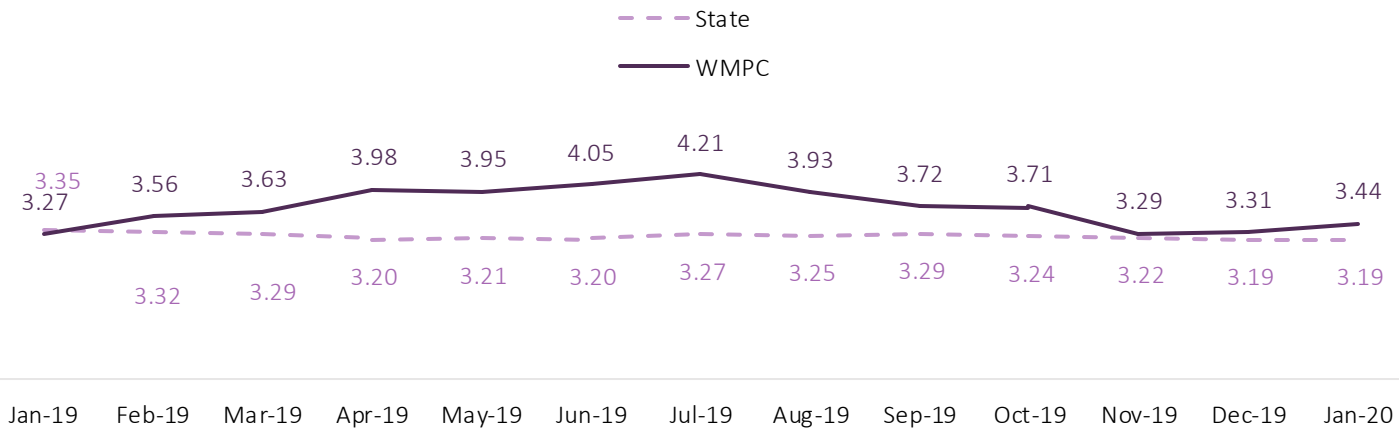
Of all children who enter care in a 12- month period, what is the rate of placement moves, per 1,000 days of foster care? The national standard is 4.44, and lower is better for this measure.

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.

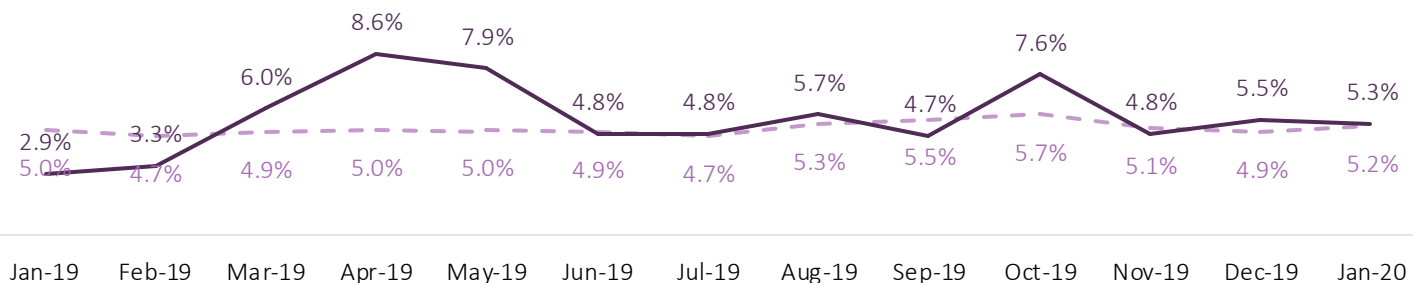
Placement Stability

National Standard: 4.44



Re-entry to Foster Care in 12 Months

National Standard: 8.1%



In County Placements and Community Placements

Monitored Measures

WMPC Contract

Increased In County Placements

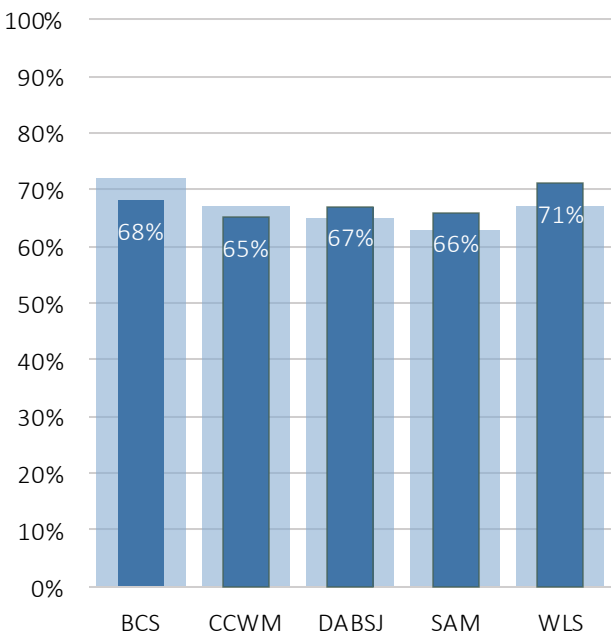
Of all placements supervised through the Grantee, 72 percent of placements will occur in Kent County by the end of FY22, with annual increases of 2 percent in FY20, 2 percent in FY21, and 2 percent in FY22.

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%**.

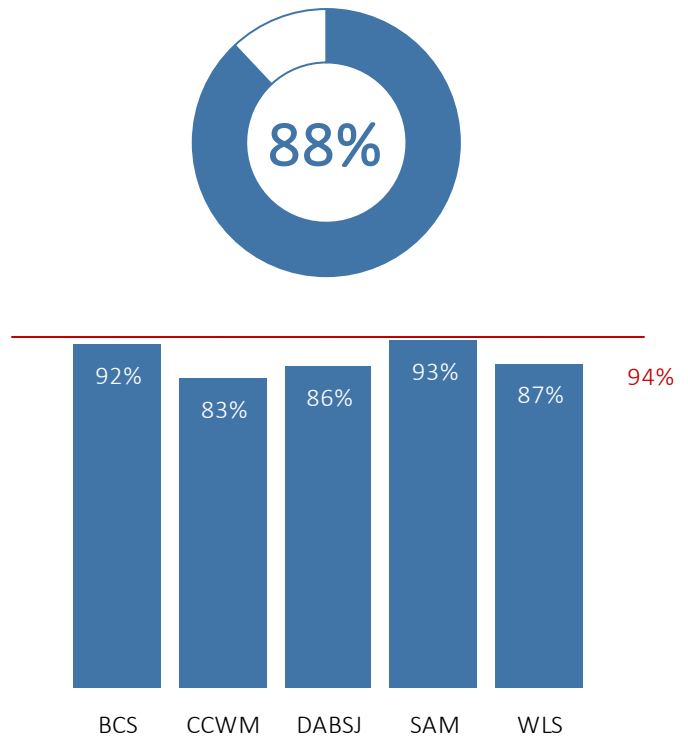
In County Placements

In the first two quarters of FY2020, DABSJ, SAM and WLS surpassed their FY2019 performance of children placed in Kent County. DABSJ and WLS both increased their percentages from FY20 Q1 to Q2 as well.



Community Placements

Agencies' youth experienced 88% of their days in community placements, missing the benchmark by 6% in Quarter 2.



Monitored Measures

ISEP Standard:

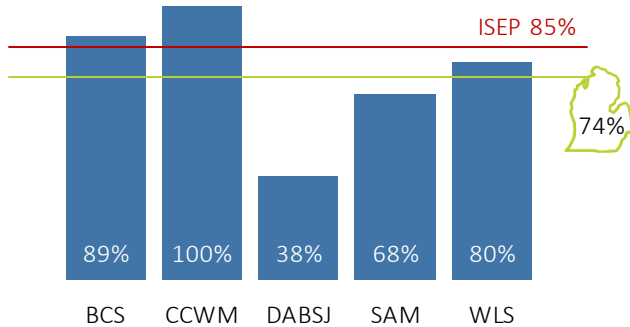
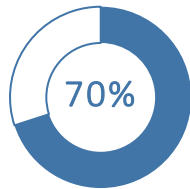
At least 85% of children will have an initial medical examination within 30 days of removal.

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

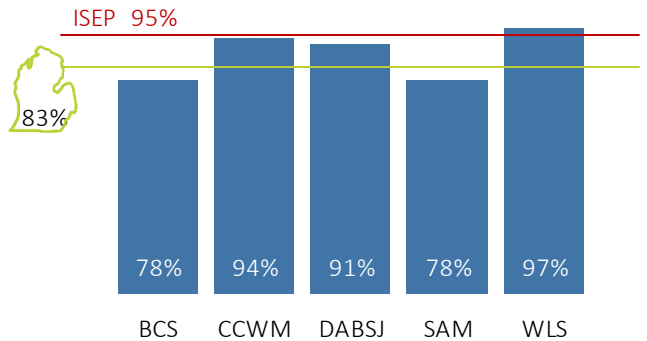
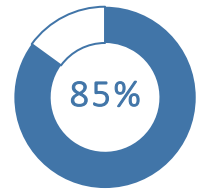
Initial Medical Exams

Network performance decreased 11% in Quarter 2 to 70%.



Periodic Medical Exams

Network performance decreased 4% in Quarter 2 to 85%.



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 in the last weeks of March. This may have had an impact on monthly and quarterly performance.

Monitored Measures

ISEP Standard:

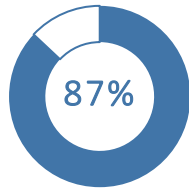
At least 90% of children shall have an initial dental examination within 90 days of removal unless the child has had an exam within six months prior to placement or the child is less than four years of age.

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

Network Quarterly Performance

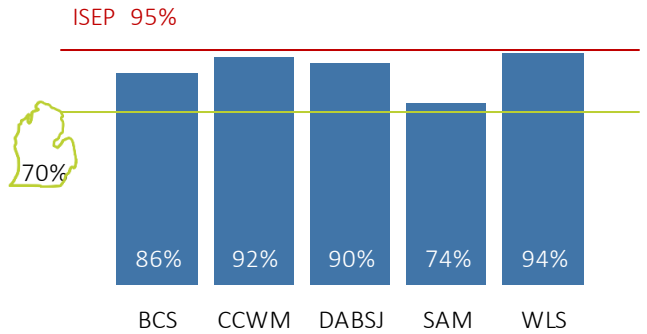
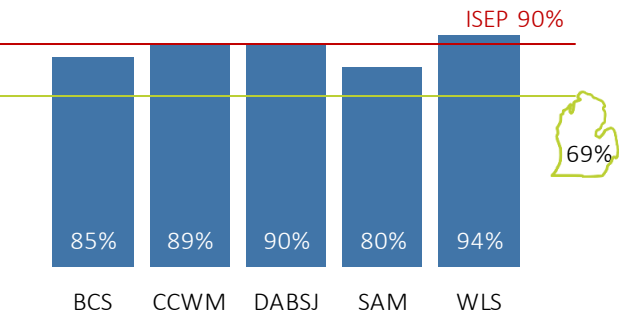
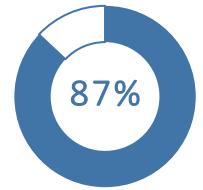
Initial Dental Exams

Network performance increased 3% in Quarter 2 to 87%.



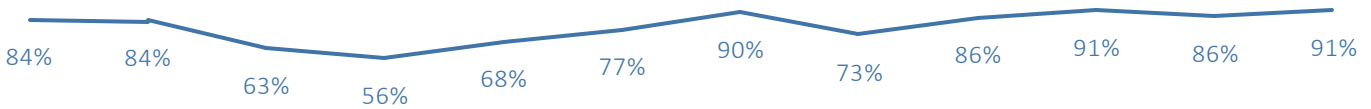
Periodic Dental Exams

Network performance decreased 13% in Quarter 2 to 87%.



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 in the last weeks of March. This may have had an impact on monthly and quarterly performance.

Initial Service Plans, Updated Service Plans, and Plan Approvals

Monitored Measures

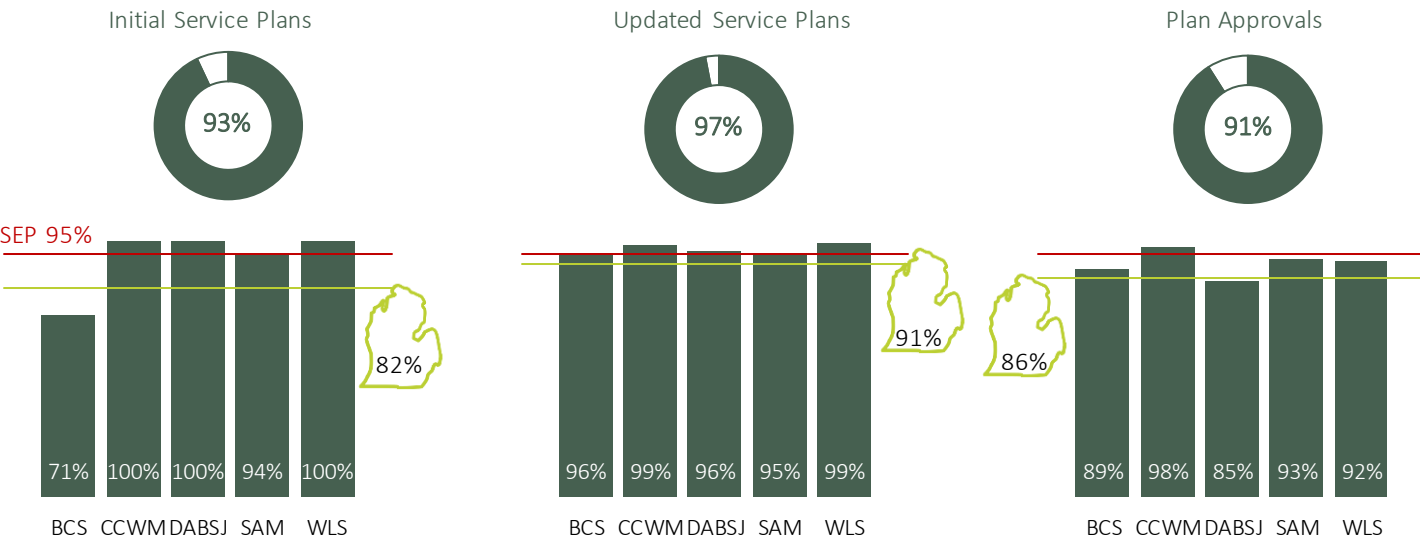
ISEP Standard:

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.

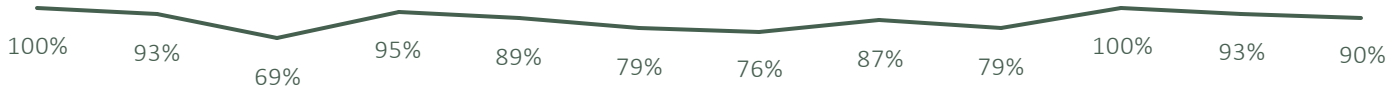
At least 95% of children shall have a case service plan approved within 14 days of case worker submission to the supervisor for review.

Network Quarterly Performance

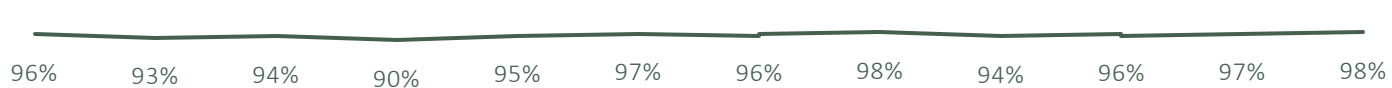


Agency Annual Performance

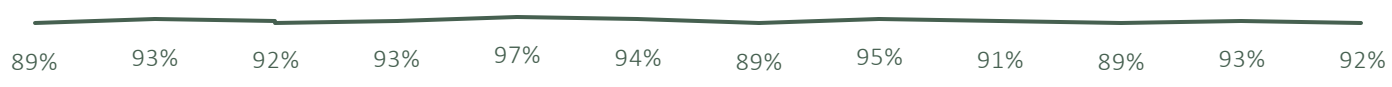
Initial Service Plans



Updated Service Plans



Plan Approvals



Relative Placements, Relative Licensing, Licensed Foster Homes

Monitored Measures

WMPC Contract

Relative Placements

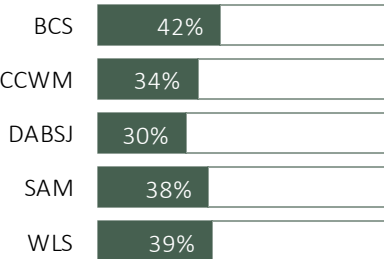
The percentage of days children placed in relative care increases by **6%** from the previous year OR at least **35%** of all children served by the WMPC network are in relative care each year.

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.

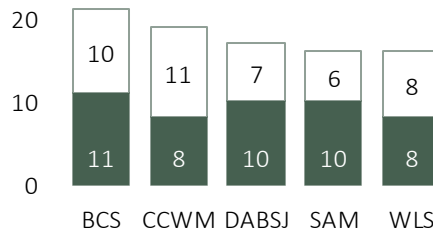
Relative Placements

Three of five agencies exceeded the benchmark of 35%.



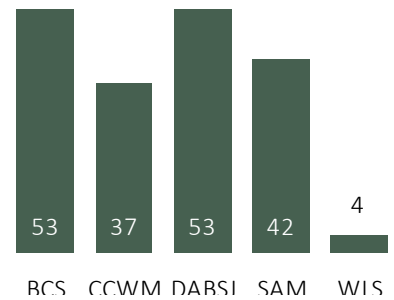
Licensed Foster Homes

Four of five agencies are on track to reach their goals with at least 50% of licensures completed in the first two quarters. The network currently has 77 homes in the licensing process, and licensure takes an average of 184 days.



Licensing Inquiries

The agencies reported 189 inquiries about becoming licensed from January to March 2020. Inquiries varied widely.



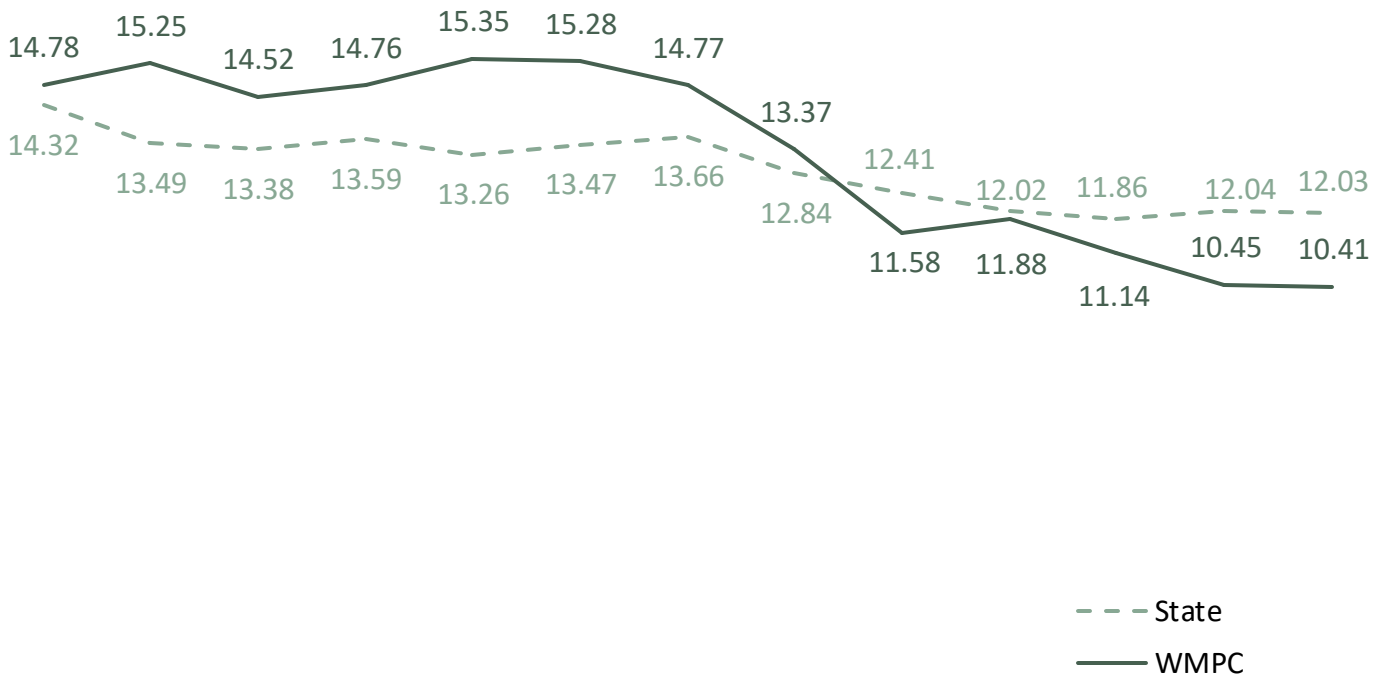
Monitored Measures

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



Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19 Nov-19 Dec-19 Jan-20