

The membership agencies of AACFA wish to thank the committee for this opportunity to discuss the fiscal concerns that we are facing in regards to the implementation of the Michigan Statewide Automated Child Welfare Information System (MiSACWIS).

We also wish to reaffirm that our membership agencies remain dedicated to all efforts aimed at improving service delivery to Michigan children and families and we are equally committed to maintaining a strong partnership with the Michigan Department of Health and Human Services.

As stated by the Michigan Department of Human Services (MDHS) - The goal of MiSACWIS is to offer an improved case management tool for child welfare in Michigan, especially for Children's Protective Services (CPS), foster care and adoption cases. The new system aims to make it easier to:

- Monitor all cases.
- Track both the case progress and the services offered to clients.
- Ensure better safety for children in care.

On April 30, 2014 – The Michigan Department of Human Services (DHS) implemented the launch of its system but as we near April 2015 private /contracted agencies are still not being paid for services rendered in 2014. Unfortunately this trend has continued into 2015.

- Our membership agencies continue to manage increased service demands while operating with limited funds.
- Agencies are not being paid for services rendered.
- Our agencies are currently waiting on over \$12,000,000 in past due payments.
- Increased service demands are negatively impacting worker retention.
- Agencies have added additional employees, man hours and resources in order to navigate the new system. (all unfunded)
- Failure to pay for service rendered is placing a tremendous burden on our business models which in turn, directly threatens an agencies solvency, and jeopardizes service delivery and positive outcomes.
- Our contracts are performance based – without adequate funding it is impossible to continue to achieve the successful performance standards that our vulnerable children and families deserve.
- Failure to meet performance objectives jeopardizes our contract status.
- We are asking that the Michigan Department of Health and Human Services adopt a policy to directly pay its contractors for services rendered.
- Payment owed to providers should not exceed 60 days.