



Michigan House

DHS Appropriations Committee

Section 515 & Performance-Based Funding Work to Date



Providing Help. Creating Hope.



March 3, 2015

Presentation Overview

- Introductions
- Brief History
- Performance Drivers
- Current Status

Section 515 – FY2013

The department, in conjunction with court and county personnel and representatives of the private child welfare agencies operating in Kent County, shall conduct a work group that will identify a plan for implementing a pilot program to privatize all foster care and adoption services, except for child protective services, in Kent County by September 30, 2013.

Section 503 – FY2014

The department, in conjunction with members from both the House of Representatives and Senate, shall carry out a workgroup to review the feasibility of establishing performance-based funding for all public and private child welfare services providers. By March 1, 2014, the Department shall provide a report on the findings of the workgroup to the Senate and House appropriations subcommittees on the budget, the Senate and House Standing Committees on families and human services, and the Senate and House fiscal agencies and policy offices.

Section 515 Outcomes

- Report Provided Completed in September 2013
- 100% Purchase of Service Completed by early September 2014
- Certain Funding Components of Recommendations Implemented by HB5507 & SB975
- Michigan Child Welfare Performance Based Funding Final Report built on the Kent County Section 515 Report

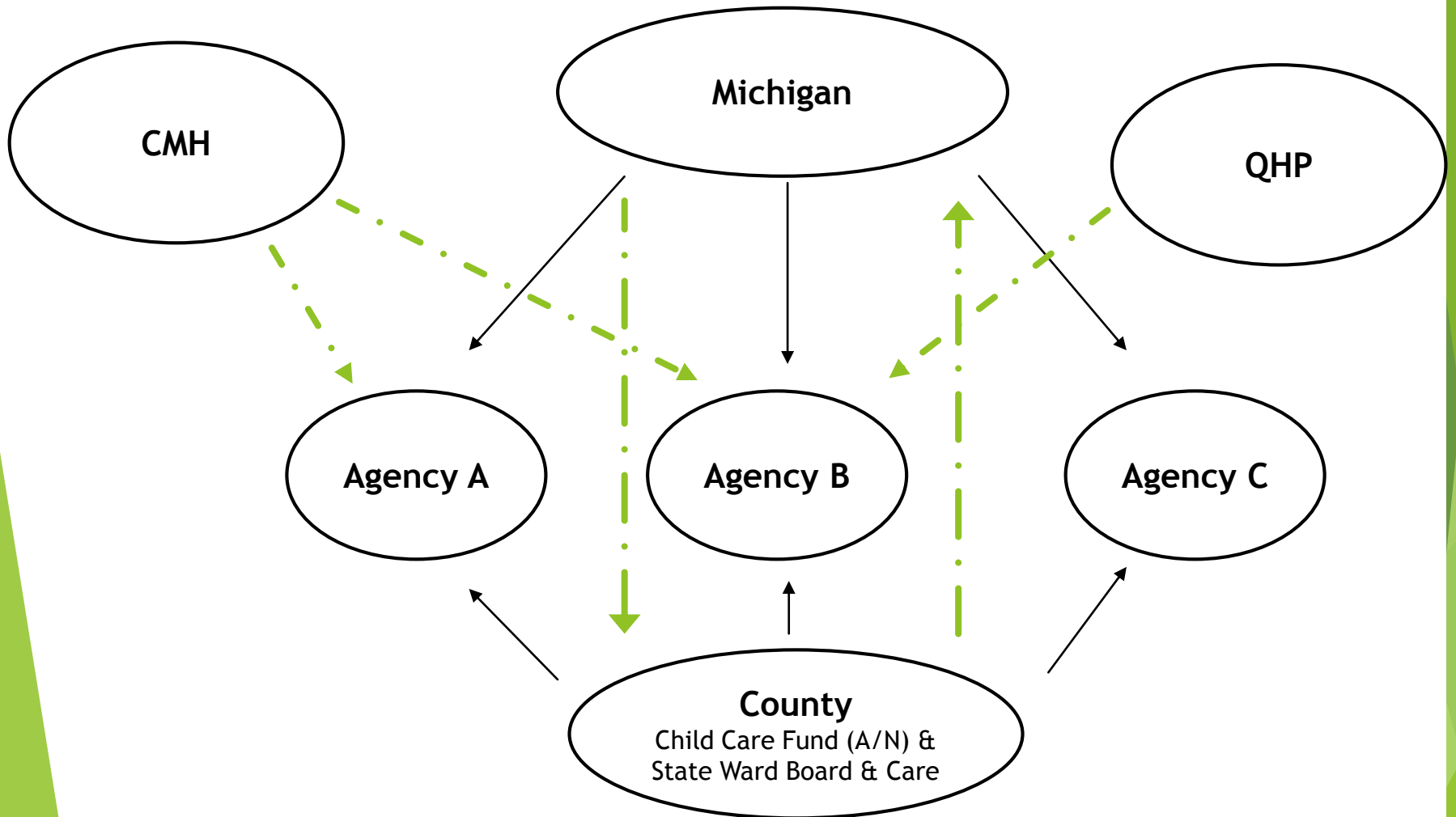
Section 503 Outcomes

- Report Delivered on February 24, 2014
- Certain Recommendations Implemented by HB5507, SB974 & SB975.
- Kent County Pilot Moving Forward with Due Diligence

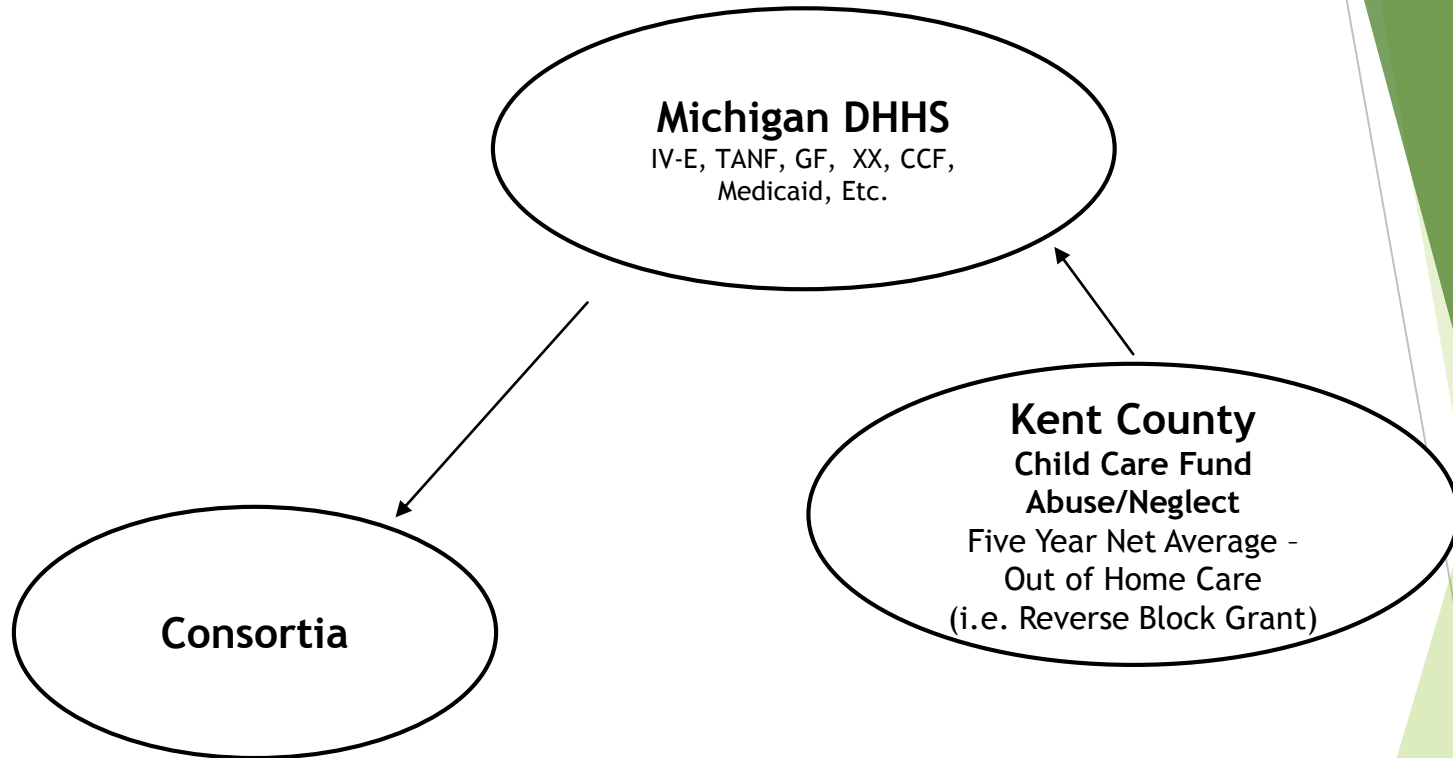
What Drives Performance?

- Quality Assessment
- Diverse Service Array w/Payment Flexibility
- Continuous Quality Improvement via Real-Time Data
- Accountability through Key Metrics with Pre-determined Incentives & Disincentives
- Community Based Services that Support Children & Families beyond the Foster Care System (Courts, Schools, Police, Arts, Recreation, Faith, others)
- Quality Prevention Services

Current Funding Structure



Proposed Funding Structure

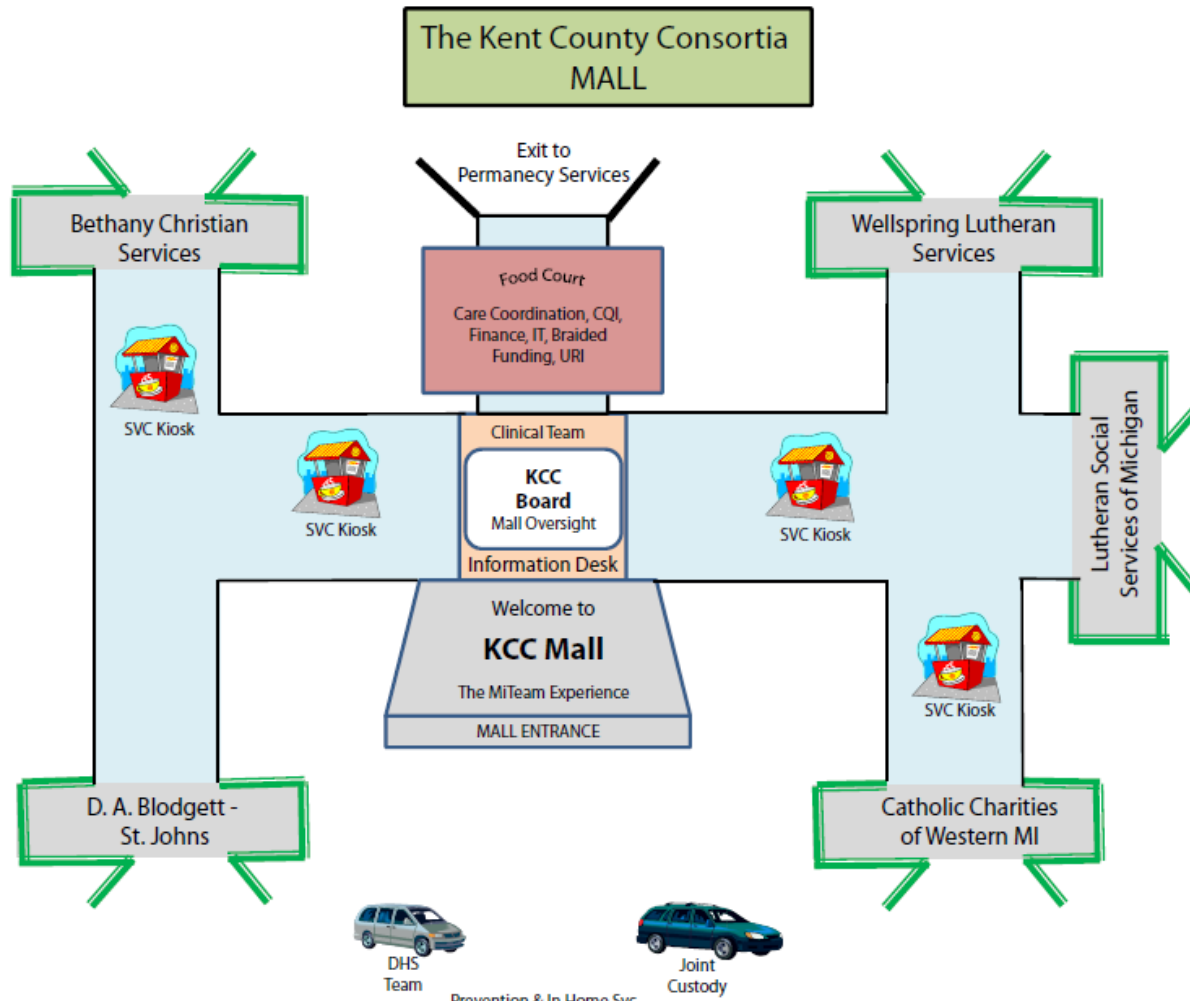


Actuary Process Key Concepts

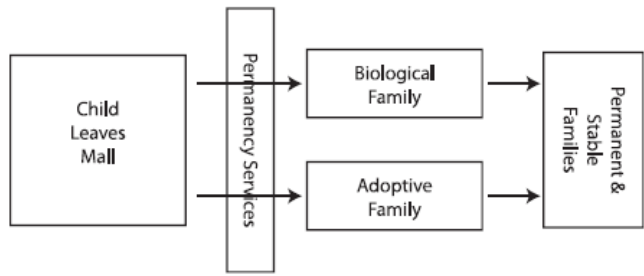
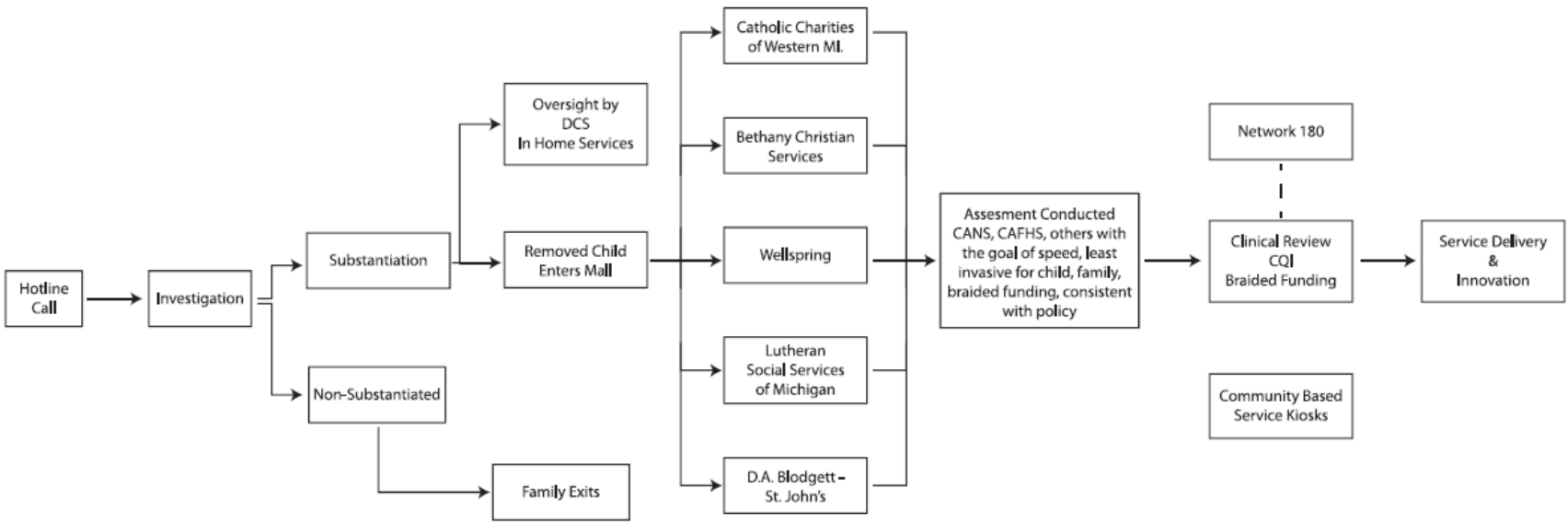
- Prospective Rate
- Tiered Payments
- Stop Loss Provisions and/or Carve-Outs
- Medicaid – How much of it is in or out? Is it Behavioral Health and/or Physical Health?

Consortia Development

Anchor CEO's	Child Welfare Partnership Council Convening Body				Mall CEO
	NETWORK 180	KENT COUNTY ADMINISTRATION	17TH CIRCUIT COURT	DHS	
	Responsible for MSA, CFSR, Broad System Outcomes / acct., Leverage Comm. Resources				



Functional Case Transfer



One Time Start Up Costs

Best Practice Recommendations

- Start-Up Funding for Necessary Development Time
- Risk Pool Corridor Funding
- Funding for Upgraded Technology

Third-Party IT Platform

Florida Experience

- Real Time Data Drives Performance
- Predictive Analytics
- Reduced Staff Turnover
- Improved Child Outcomes