

Section 515  
100% Purchase of Service  
Demonstration Project

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***Michigan House***  
*DHS Appropriations*  
*Committee*

*October 9, 2013*

1

**Agenda**

- Introductions and Expectations
- Project Overview
- Questions & Answers

2

## **Context of the Plan**

- **Roughly 900 Children in Care**
  - 400-500 in Foster Care
  - 70-80 in Residential Setting
  - Remainder in In-Home Care
- **DHS Child Care Fund averages over \$11 Million**
- **85% - 90% of Cases are Managed by Private Agencies**

3

## **Project Scope**

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.

4

## **Project Guiding Principles**

- Sustain a youth and family focus
- Ensure the safety of all stakeholders
- Provide the right care at the right time
- Respect the roles of all participants within the system
- Implement funding models that best ensure affordable levels of care
- Embed transparency
- Use collaborative, evidence-based, continually-improving models
- 'No rejections; No ejections'

5

## **Project Goals**

- Provide better outcomes for youth
- Increase the use of community support systems
- Embed local points of control for serving local needs without compromising the integrity of system wide principles
- Transform our focus from a process orientation to a service orientation

6

## Current System Gaps

- Direct DHS management of children in care & foster homes.
- Contractual language that does not permit a single agency case manager for certain placements.
- A lengthy administrative approval process for necessary assessments and flexible treatment choices.
- A need to provide earlier entry points to the system that would increase the chances of family preservation.
- A need to develop and/or expand specialized care settings.
- Complexity of reimbursements using multiple funding sources.

7

## Two Phases

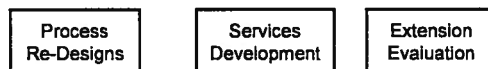
### Phase One

#### *Strengthen Purchase of Services*



### Phase Two

#### *Enhance & Extend Purchase of Services*



8

## **Social Welfare Act**

- New Section w/in Act
- Goals:
  - Equitable Funding Structure
  - Outcome Driven
  - Stable Source of In-Home Care/Prevention Funds

9

## **Care Management Entity**

- New Section w/in Act
- Goals:
  - User Friendly System to Braid Funding
  - Outcome Driven w/Capitated Rates
  - Increased Prevention Opportunities

10

## **Assessments**

- More Timely & Flexible Approvals
- Market Rate Payments

11

## **Other Significant Changes**

- Revised ADR Payments
- Service Developments
  - Community Based Group Homes
  - Modified Treatment Foster Care Program
- DHS Becomes a System Manager instead of a Case Manager

12

## **Phase II**

- Further Process Redesigns for Family Preservation, Reunification & Recruitment Implementation
- Service Development for Shelter Foster Homes & Mobile Response Teams
- Extend Model Depending on Evaluation Outcomes

