
PURPOSE

This policy item defines the master contract process for both private child placing agencies (CPAs) and child caring institutions (CCIs).

DEFINITIONS

Bridges

Computer system used by the Michigan Department of Health and Human Services (MDHHS) for both benefit and assistance programs, as well as authorizing providers.

Bureau of Grants and Purchasing (BGP)

A department within MDDHS responsible for the procurement of goods and services for the department, as well as issuing all direct human services contracts that provide services to clients.

Bureau of Out-of-Home Services (BOHS)

The Bureau of Out-of-Home Services is responsible for the oversight of the following program areas: Juvenile Justice, Recruitment and Retention, Child Welfare Medical and Behavioral Health, Child Welfare Licensing, Foster Care, Guardianship, Adoption, and the Michigan Children's Institute.

Child Caring Institution (CCI)

Agencies that provide foster care services in structured residential settings appropriate to the youth's needs.

Child Placing Agency (CPA)

Agencies contracted with and funded by MDHHS to provide foster care services including placement of youth, recruitment and retention of foster homes, and all required services to children and families.

Division of Child Welfare Licensing (DCWL)

The Division of Child Welfare Licensing conducts onsite inspections to determine compliance with state law and licensing rules, provides technical assistance and consultation to improve the quality of service and investigates complaints alleging violations of licensing rules or law. The DCWL is also responsible for ensuring regulated agencies and facilities follow state law and licensing rules.

Family First Prevention Services Act (FFPSA)

Authorizes optional title IV-E funding for mental health, substance abuse, and in-home parent skill-based programs for children or youth who are candidates for foster care, pregnant or parenting youth in foster care, and the parents or kin caregivers of those children and youth. See [Title IV-E Prevention Program](#).

The Electronic Case Management System

Statewide comprehensive case management computer system designed to automate the delivery of child welfare and juvenile justice services.

Statewide Integrated Governmental Management Application (SIGMA)

SIGMA is the state's current enterprise-wide financial system that performs all financial activities, including budgeting, accounting, payments, and business and grant opportunities.

PROCESS

The DCWL licenses both CPAs and CCIs. Once licensed, a provider identification number is assigned in both Bridges and the electronic case management system, and the provider type is set up as a non-paid provider until a contract is established.

Agencies interested in pursuing a contract with MDHHS for administration of foster care, adoption, or residential treatment must complete the contractor application and submit as indicated. The [DHS-5336, Contracting with Children's Services Agency for Foster Care, Adoption and Residential Services](#) application can be found on the [MDHHS Contractor Resources](#) website.

BOHS will review the provider's program description, type, and location. Submission of an application does not guarantee that BOHS will grant a contract.

Note: Caseworkers must not place children with providers that are not contracted by MDHHS, or that do not have an established rate.

Based on the contractor's program and service category, MDHHS will assign a rate based on the latest actuarial rate calculations. Preset rates are based on both legislative appropriations and actuarial services. MDHHS will assign the contractor's rate based on the contractor's program and service category.

After the application has been approved, BOHS will send the following information to the provider:

- Details explaining SIGMA and the [registration website](#). The provider must be a registered vendor/customer on the SIGMA system before a contract request is submitted.
- Information about and how to access the electronic case management system.
- [Publication 843, Foster Care Provider Payment Handbook](#).

Once BOHS has verified SIGMA registration, BOHS completes a requisition (RQN) in SIGMA. The contract request flows through the SIGMA approval path to the BGP for the contract to be written.

BOHS notifies multiple business units of the agency information, contract number, primary service population, and the anticipated contract start date:

- Federal Compliance Division (FCD).
- Appropriate Program Office.
- The DCWL.
- The electronic case management system, including Database Application Security (DSA).
- Regional Placement Unit (RPU) for residential providers, or Juvenile Justice Assignment Unit (JJAU) if for juvenile youth or dual ward.
- MDHHS Provider Management.

BOHS will communicate with the provider regarding the process for accessing and utilizing the electronic case management system.

On the contract effective date, BGP changes the provider's contract status in the electronic case management system as well as [FOM 905-5, Rates for Child Care Institutions and PAFC Providers](#), from non-contracted to a contracted program.

BGP will give the provider's name, Bridges provider number, the electronic case management system provider number, the DCWL license number, Federal Employee Identification Number (FEIN),

and contract effective date to Provider Management Unit (PMU) and request that PMU:

- End-date the non-paid service type.
- Enroll provider with a paid service type.
- Set the provider title IV-E indicator to YES or NO.

BGP will communicate the provider's signed contract status to:

- The electronic case management system DSA.
- FCD.
- The DCWL.
- BOHS.

**DETERMINATION
FOR TITLE IV-E
Child Caring
Institution (CCI)**

The DCWL consultant will complete the [MDHHS-5986, Review of Child Caring Institution \(CCI\) Title IV-E Eligibility](#), and a title IV-E analysis will be completed.

The DCWL and FCD will review the MDHHS-5986 initially to determine if the CCI is title IV-E eligible. The MDHHS-5986 is then to be completed by the DCWL at license renewal. If the results differ from previous years, another joint review of the CCIs title IV-E eligibility will be completed by FCD and the DCWL.

**OUT-OF-STATE
PROCEDURE
Residential
Providers**

MDHHS may only place a child in a CCI in another state when all potential in-state providers have declined admission to the child. All youth placed in out-of-state facilities or homes must be placed through the Interstate Compact on the Placement of Children (ICPC). All out-of-state residential placement providers must have a contract with MDHHS prior to accepting placement of a child and be qualified residential treatment programs (QRTPs) regardless of whether the other state is certifying their residential placements as part of the federal Family First Prevention Services Act (FFPSA) programming. Out-of-state providers must meet the same QRTP requirements as in-state providers.

The DCWL does not require out-of-state providers to become licensed with the State of Michigan. BOHS will verify the provider has a current license for residential services in the provider's state. Out-of-state providers must also register with SIGMA.

FCD coordinates the process for setting up the out-of-state provider in Bridges using the provider FEIN which will generate a Bridges number and that in turn generates an electronic case management system number.

The out-of-state provider must provide BOHS a rate letter on agency letterhead that includes:

- The provider's FEIN.
- The daily rate for each youth.
- Any other educational costs associated with the placement.
- The signature of the provider's CEO or other designee.

BOHS will:

- Send a memo to the MDHHS Children's Services Agency director requesting approval of the rate.
- Enter the provider's rate in the electronic case management system as a non-contracted rate until the contract is issued.
- Enter all information into a SIGMA RQN to issue a contract.

Note: Some states will not allow an ICPC placement until a contract is executed with the out-of-state provider and some states will allow the placement before a contract can be executed.

The out-of-state provider is given information regarding the MiFoster IVR payment system and how to approve rosters via phone on a bi-weekly basis.

Foster Care and Adoption Providers

The initial request for an out of state child placing agency must come from the local DHHS office and be sent to the [FCD](mailto:MDHHS-FederalComplianceDivision@michigan.gov) mailbox (MDHHS-FederalComplianceDivision@michigan.gov).

FCD obtains the appropriate license for the provider and coordinates with the BOHS analyst as needed to establish the master contract where appropriate.

After BOHS approves the application, FCD will send the provider information on the following:

- Details explaining SIGMA and the [registration website](#). The provider must be a registered vendor/customer on the SIGMA system before a contract request is submitted.
- Information about and how to access the electronic case management system.
- [Publication 843, Foster Care Provider Payment Handbook](#).

Once BOHS has all necessary information and has verified SIGMA registration, BOHS completes an RQN in SIGMA with an approved [DTMB-3625, Request for Orders or Payments](#) and approved rate if not the standard CPA rate. The contract request flows through the SIGMA approval path and eventually lands in BGP, which writes the contract.

BOHS informs the following MDHHS offices of the new contract, the contract number, agency information, the primary population identified, and the contract anticipated start date:

- FCD, which will reply with title IV-E indicator YES/NO.
- Foster Care Program Office.
- The electronic case management system.

BOHS will communicate with the provider regarding the process for accessing and utilizing the electronic case management system.

On the contract effective date, BGP changes the provider's contract status in the electronic case management system as well as [FOM 905-5, Rates for Child Care Institutions and PAFC Providers](#), from non-contracted to a contracted program.

BGP will give the provider's name, Bridges provider number, the electronic case management system provider number, the DCWL license number, FEIN, and contract effective date to the PMU and request that PMU:

- End-date the non-paid service type.

- Enroll provider with a paid service type.
- Set the provider IV-E indicator to YES or NO.

BGP will communicate the provider's signed contract status to:

- The electronic case management system DSA.
- FCD.
- The DCWL.
- BOHS.

The electronic case management system Security updates the contract list in the electronic case management system which enables the DHHS DSA staff to add users to the specific contracts.

POLICY CONTACT

Questions about this policy may be directed to the [Child Welfare Policy](#) mailbox (Child-Welfare-Policy@michigan.gov).