

A Report to the Nebraska Children's Commission

Foster Care Reimbursement Rate Committee

Submitted by
Nebraska Families Collaborative
April 1, 2014

NFC guiding principles for rate implementation of LB 530:

1. The driving force of implementing this change process should be to ensure the stability and continuity of care for foster children. System changes must be done flexibly to ensure placement stability and permanency for children. For these reasons, foster parents and Child Placing Agencies (CPAs)ⁱ should be held financially harmless while implementing these system changes.
2. Implemented changes in foster parent reimbursements and CPA rates must be consistent within the legal parameters and legislative intent of LB 530 (see LB 530 citations).
3. The new aged-based rates are the *minimum* standard for foster care reimbursement rates in Nebraska. Foster parents may receive reimbursement *higher* than these minimum rates based upon the best interests of the child or historical placement agreements that occurred prior to July 1, 2014. As the Nebraska Caregiver Responsibility Tool (NCR) is an untested tool, both DHHSⁱⁱ and NFC must be able to over-ride the tool if determined to be in the child's best interests. NFC also recommends that this variable be taken into consideration when determining adoption subsidies during this transition period.
4. Consistent with LB 530, existing NFC CPA-based rates should not be decreased. (Note: DHHS CPA rates are \$32 [Level 1], \$50 [Level 2], and \$69 [Level 3] per day.)
5. CPA payments, while not decreasing, must be "unbundled" into three categories so that tracking of Title IV-E expenses can be accurately reported. These categories are: administrative, program support, and maintenance. CPA rates should be increased to compensate for any increase in CPA costs due to implementation of either age-based rates or level of care (LOC) rates.

6. Foster parents should not be subjected to a decrease in foster care reimbursements for children placed in their care prior to July 1, 2014, unless it is based on a Nebraska Caregiver Responsibility (NCR) Tool re-assessment beginning February 1, 2015, or thereafter.
7. Contingent upon DHHS providing necessary financial data to CPAs, CPAs must be classified as sub-recipients. CPAs receiving \$500,000 or more of federal funding must complete an A-133 annual audit.
8. NFC must receive an increase in its contract funding for SFY 2015 in order to compensate for the financial impact of LB 530 implementation.

NFC IMPLEMENTATION TIMELINE:

- March 2014: Letter sent to all Child Placing Agencies (CPAs) and foster parents announcing the implementation of the Nebraska Caregiver Responsibility (NCR) Tool.
- April 2014: All Family Permanency Specialists (FPSs) are trained in the use of the Child and Adolescent Needs and Strengths (CANS) Tool. (Note: CANS training has already been announced to all FPS staff and scheduled throughout April.)
- May 2014: One webinar training session regarding the NCR Tool will be scheduled in early May. The session will be 1½ hours in length and administered by DHHS. (Note: A final version of the NCR Tool is not yet available.)
- June 2014: Two (2) additional webinar training sessions regarding the NCR Tool are scheduled in June 2014.
- July 2014: Implementation of the NCR and CANS tools begins. (Note: There has not yet been a decision about whether NFC will be required to have all youth scored on the NCR Tool by July 2014.)
- Ongoing NFC will conduct an ongoing audit and Continuous Quality Improvement process post-implementation of the NCR Tool to evaluate its impact on foster children, foster parents, and CPAs.

SUPPLEMENTAL MATERIALS:

1. LB 530 Excerpts
2. NFC Foster Care CPA Rates (eff. July 2010)
3. NFC Foster Care Rate Analysis (eff. July 2014)
4. DHHS Letter to Providers & Foster Parents Re: Foster Care Rates (Feb. 28, 2014)
5. NFC Letter to Child Placing Agencies (Mar. 4, 2014)
6. NFC Letter to Kinship Families (Mar. 31, 2014)

ⁱ Nebraska Families Collaborate is a licensed Child Placing Agency.

ⁱⁱ “DHHS” refers to the Nebraska Department of Health and Human Services.

Selected Provisions of Nebraska Law Relative to Foster Care Reimbursement Rates

43-4214

(2) The Legislature further finds that Nebraska's foster care system has begun to stabilize. In recognition of the essential contributions of foster parents and foster care providers to foster children in Nebraska, it is the intent of the Legislature to continue existing contractual arrangements for payment. . . Neb. Rev. Stat. § 43-4214(2) (2013 Supp.)

(3) It is the intent of the Legislature:

...

c) To ensure that contracted foster care service provider agencies do not pay increased rates out of budgets determined in contracts with the Department of Health and Human Services prior to any change in rates; Neb. Rev. Stat. § 43-4214 (3) (c) (2013 Supp.)

43-4217

(1) . . . In making recommendations to the Legislature, the committee shall use the then-current foster care reimbursement rates as the beginning standard for setting reimbursement rates. The committee shall adjust the standard to reflect the reasonable cost of achieving measurable outcomes for all children in foster care in Nebraska. The committee shall (a) analyze then-current consumer expenditure data reflecting the costs of caring for a child in Nebraska, (b) identify and account for additional costs specific to children in foster care, and (c) apply a geographic cost-of-living adjustment for Nebraska. The reimbursement rate structure shall comply with funding requirements. . . Neb. Rev. Stat. § 43-4217 (1) (2013 Supp.)



Agency Foster Care Rates by Supplemental Level Rates
Effective date: July 1, 2010

Level	Per diem	Per month (30.42 days/mo.)
Basic		
0-5 years	\$27	\$818
6-12 years	\$32	\$965
13-18 years	\$36	\$1,079
Minimal		
0-5 years	\$32	\$982
6-12 years	\$38	\$1,159
13-18 years	\$43	\$1,296
Moderate		
0-5 years	\$39	\$1,186
6-12 years	\$46	\$1,401
13-18 years	\$51	\$1,566
Intensive		
0-5 years	\$54	\$1,636
6-12 years	\$64	\$1,932
13-18 years	\$71	\$2,160

<p>Pre-Assessment Rate: \$38.00 per day regardless of age (first 10 days of placement)</p>
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NFC Foster Care Rate Analysis - Kinship Foster Care

Current Rates (January 2014)				
Actual Foster Care Payments from FamCare System	Average Number of Youth	Total January 2014 Payments	Average Payment/month per Age group	Average Payment/Day per Age Group
Ages 0 - 5	240	78,155	325	10.49
Ages 6 - 11	158	62,196	394	12.71
Ages 12 - 18	146	73,715	505	16.30
Total Current Kinship Population	544	214,067	393	12.69

With New Base Rates Beginning 7/1/14				
^*Calculated by Applying New Base Rates to be Implemented on 7/1/14 to actual population and number of care days from January, 2014	Average Number of Youth	Total Projected Payments**	Average Payment/month per Age group	Average Payment/Day per Age Group
Ages 0 - 5	240	149,770	623	20.10
Ages 6 - 11	158	113,153	717	23.13
Ages 12 - 18	146	118,901	815	26.29
Total Current Kinship Population	544	381,825	702	22.64

Current Total Monthly Payments	214,067
Projected Total Monthly Payments Beginning 7/1/14	381,825
Increase to Kinship FC Payments Based on Current Population	167,758
Annualized Increase***	2,013,094.10

***NFC expects Kinship Foster Care population to remain steady or increase with strong focus on family finding in order to keep out of home youth in family homes whenever possible

February 28, 2014

Dear Provider/Foster Parent:

The Nebraska State Legislature passed LB 530 in June 2013, providing for standardized rates of payment for foster care beginning July 2014. The rates include a base payment which will more accurately reflect the cost of raising a child in the Midwest. The base payment will be:

- Age 0-5 \$20.00/day
- Age 6-11 \$23.00/day
- Age 12-18 \$25.00/day.

The Division of Children and Family Services is continuing to work collaboratively with providers, foster parents and Casey Family Services to develop rates for **Enhanced parenting, Intensive parenting and Administrative support**. We anticipate those rates to be finalized shortly.

The Division of Children and Family Services will have all staff, including Nebraska Families Collaborative staff, trained to utilize the two new assessment tools; the Child and Adolescent Needs and Strengths (CANS), and the Nebraska Caregiver Responsibility Tool (NCR). The training of all staff will be completed by July 2014. These assessments will be utilized to determine additional caregiving a foster parent will provide based on the child's needs. The NCR will be completed with the foster parent.

Thank you for your dedication to Nebraska's children. I appreciate your patience as we strive to ensure Nebraska's foster parents receive the support they need to fulfill their special responsibility. If you should have any questions or concerns, please contact Nanette Simmons at 402-471-9457.

Sincerely,



Thomas D. Pristow, MSW, ACSW, Director
Division of Children & Family Services
Department of Health and Human Services

cc: Vicki Maca
Nathan Busch
Camas Steuter
Mike Puls
Lindy Bryceson
Kathleen Stolz
Debbie Silverman



March 4, 2014

RE: Foster Care Reimbursement Rates

Dear NFC Network Provider:

Enclosed you will find a copy of a letter sent to Nebraska child placing agencies and foster parents by Director Thomas Pristow last Friday explaining the status of foster care reimbursement rates for state fiscal year 2015 from the DHHS's perspective.

As you know LB 530 (2013) requires DHHS to implement the reimbursement rate recommendations of the Foster Care Reimbursement Rate Committee. The base rate recommendations are included in Director Pristow's letter. In addition to the foster parent base rates there may be an additional amount paid to foster parents for higher levels of parenting. There will also be an amount paid to the child placing agencies for their administration and support services. These rates have yet to be determined.

Please be advised that NFC continues in active negotiations with DHHS regarding extension of its contract beginning July 1, 2014, which will include the new foster care reimbursement rates. We understand that these negotiations will impact the child placing agencies in our network, and therefore will keep you advised of any developments as they occur. It is NFC's intent in its negotiations with DHHS not to decrease payments to child placing agencies contingent on available funding in NFC's contract.

It is also important to remember that Nebraska's Title IV-E claiming process must be corrected at the same time as we begin operating under this new rate structure. NFC is committed to being part of the solution to Nebraska's Title IV-E claiming difficulties. In that regard, an administrative cost structure must be developed and allocated in such a manner that it complies with federal law and allows Nebraska to claim Title IV-E funds at the maximum possible rate. NFC submitted its proposed Cost Allocation Plan to DHHS in June of 2013 and is working with DHHS to finalize the plan.

Thank you for the work you do every day to ensure that Nebraska's children and families are



safe, healthy and thriving. If you have any questions or concerns please feel free to contact me at (402) 492-2500.

Sincerely,

A handwritten signature in black ink, appearing to read "David P. Newell". The signature is fluid and cursive, with a large initial "D" and "N".

David P. Newell
President & CEO

C: Thomas Pristow
Bob Pick



March 31, 2014

Dear NFC Kinship Parent:

We have good news! Due to a new state law that was passed (LB 530), the base foster care payments for all children placed in foster care will be changing to help foster families better meet the needs of the children they are caring for. Beginning with your August 2014 foster care payment, you will see the following minimum rates applied to your payment:

Age 0-5 yrs: \$20.00/day	Age 6-11 yrs: \$23.00/day	Age 12-18 yrs: \$25.00/day
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We will also be making a slight change to the payment schedule. Starting July 1, 2014, your full payment will be received by you no later than the 10th of the following month of service. This will continue to be the payment schedule moving forward.

In order to make up for this change, you will receive half of your payment early in July, on or around July 25th. The payment for the second half of the month will be received by you on or before August, 10th.

We felt this was the best time to make this change to our payment schedule in order to have the least amount of impact on you and your family. We hope this transition will be a smooth one and appreciate your understanding and patience during this process. If you have questions or concerns about your reimbursement, please feel free to contact Stacy Giebler, Director of Accounting and Finance, at 402-492-2517.

We cannot thank you enough for all that you are doing for the children in your care. We know that when kids are unable to live with their parents, the next best place is to be with people they know and trust. The love and care you provide is one of the most important supports they will receive while they are away from their parents.

We are honored to have you as a part of the Nebraska Families Collaborative extended family as we work together to help make sure children and families are safe, healthy and thriving.

Respectfully,

A handwritten signature in black ink, appearing to read "David Newell".

David Newell, CSW, ACSW
President & CEO

