



Nebraska Children's Commission
521 South 14th Street
Lincoln, NE 68508

November 10, 2015

Beth Baxter, Chairperson
Nebraska Children's Commission

Dear Beth Baxter,

Please accept the attached report from the Foster Care Reimbursement Rate Committee ("FCRRC") for the November 2015 Nebraska Children's Commission ("Commission") meeting. The Foster Care Reimbursement Rate Committee has had one meeting since the last update to the Commission on September 25, 2015.

This meeting focused on planning for the report due to the Legislature in July 2016, and receiving reports from the various subcommittees and workgroups of the FCRRC. The Foster Care Rate Subcommittee, Level of Care Workgroup, and Group Home Rate Subcommittee have been active.

The Group Home Subcommittee has completed the task assigned by the Commission to calculate the actual costs of providing group home services using the methodology established to unbundle the rates. The group's report is attached. During the course of the review and discussion of the report, it became apparent that there are additional topics surrounding the provision of group home services that should be thoroughly reviewed. The FCRRC is pleased to advance this report for the Commission's consideration in addition to the recommendation that a legislative review be undertaken to measure the quality of care, cost of care, and performance outcomes of group home services.

Respectfully,

A handwritten signature in black ink, appearing to read "Peg Harriot".

Peg Harriot
Chairperson
Foster Care Reimbursement Rate Committee

Enclosures: Report to the Nebraska Children's Commission; Group Home Report

Foster Care Reimbursement Rate Committee

Report to the Nebraska Children's Commission

November 17, 2015

Required Legislative Report

Pursuant to Neb. Rev. Stat. §43-4217(4), the FCRRC must provide a report to the Health and Human Services Committee of the Legislature on July 1, 2016. The report is anticipated to be completed by March 2016 so that the Commission may make any necessary alterations to the report.

Base Rate Workgroup

The Foster Care Rates Sub-Committee met to discuss the efficacy of the current rates implemented in July of 2014. Group members include representation from the three agencies that utilize the rates, DHHS – Division of Children and Family Services (DCFS), and Probation, as well as the Nebraska Foster and Adoptive Family Association (NFAPA). The agencies utilizing the rates note that there have been no indications from the foster parents they serve that the rates are unreasonable or unfair. A foster parent survey is under development to provide data on the foster parent's experiences with the current rates. The Foster Care Rates Subcommittee will further develop recommendations following the completion of the foster parent survey.

Level of Care Workgroup

The Level of Care Workgroup continues meeting to develop recommendations surrounding the Nebraska Caregiver Responsibility (NCR) tool. Recently, the Workgroup has worked to form recommendations to increase clarity surrounding transportation responsibility, youth transitions to permanency and/or independent living, the disparity between children's level of need and placement, and the possibility of creating an additional level of care. The workgroup is now working to include language from the Strengthening Families Act into the tool and more specifically address caregiver responsibilities that fall off of the NCR tool such as extracurricular activities.

Group Home Rate Sub-Committee

The Group Home Rate Sub-Committee was convened at the request of the Department of Health and Human Services (DHHS) to develop a methodology for DHHS to unbundle group home rates for the purposes of Title IV-E reporting. The sub-committee completed this task and the Commission directed the sub-committee to further advance the work on group home rates by using the agreed upon methodology to establish recommendations for group home rates. The sub-committee continued to meet to work on this task and developed the attached report as an educational document intended to highlight the difference between the rates paid and the

provider's actual expense to begin the process of bringing payment in line with cost. The FCRRRC commends the work of the sub-committee, and recommends the following:

Recommendation:

1. That the Commission accepts the attached report of the Group Home Rate Sub-Committee.
2. There is a need for the issue of group home care to be looked at further through a legislative review, in order to measure the quality of care, cost of care, and performance outcomes. Additionally, it is important to identify the acuity of children and youth served when considering outcome based performance measures.

The next meeting has been scheduled for Wednesday, December 9, 2015.

Group Home Rate Sub-Committee

Report to the Foster Care Reimbursement Rate Committee

Sep 25, 2015

The Group Home Rate Sub-Committee was created by the Nebraska Children's Commission ("Commission") and Foster Care Reimbursement Rate Committee ("FCRRC") for the purposes of developing a methodology for unbundling group home rates at the request of the Department of Health and Human Services. The Sub-Committee completed this task and presented its report to the FCRRC on July 7th and to the Commission on July 21st. The Commission requested the Sub-Committee to continue their work and calculate the actual costs of providing group home services using the methodology established to unbundle the rates. The Sub-Committee presents this report as an educational document intended to highlight the difference between the rates paid and the provider's actual expense to begin the process of bringing payment in line with cost.

Group Home Definitions

Emergency Shelter: Services are provided by trained staff that are awake and providing supervision to youth 24 hours a day and 7 days a week

Group Home A: Services are provided by trained staff that are awake and providing supervision to youth 24 hours a day.

Group Home B: Services are provided by trained staff that provide supervision during awake hours.

Process

The group's first step was to review the variables used in the recent work of establishing methodology for unbundling current group home rates for Title IV-E reporting purposes. The group home providers were in agreement that the most significant gap was in staffing ratios. During the group's initial work to review Title IV-E adjustments, the staffing ratios that were utilized reflected *minimum licensing standards* as follows:

Average ratio in 24 hour period				
<u>Staff</u>	<u>Clients</u>	<u>Hours</u>	<u>Note</u>	<u>Calculation</u>
1	6	18	Awake hours	108
1	12	<u>6</u>	Sleep hours	<u>72</u>
		24		180
				180 / 24 = 7.5

Since minimum licensing standards are the same for Emergency Shelter, Group Home A, and Group Home B, the same ratio of 1 staff to every 7.5 clients was used in previous work for all services.

The current DHHS-CFS Contracts require Service Providers to meet the minimum Direct Care Staff to Youth ratios required by licensing standards. All providers involved in the sub-committee feel that the current ratios of one staff to six clients during awake hours, and one staff to twelve clients during sleep hours are too low, and have chosen to employ direct care staff at significantly higher levels than called for by licensing standards.

The group homes represented at the Sub-Committee ranged from large organizations with approximately 400 beds to community based homes with six beds. Ultimately the group chose to use a weighted average to reach the staffing ratios found in the report. The group discussed their staffing ratios, and arrived at the weighted average as follows:

Emergency Shelter	1 staff to every 4.25 clients
Group Home A	1 staff to every 4.7 clients
Group Home B	1 staff to every 5.06 clients

Clarification on Hourly Pay Rate

The Sub-Committee arrived at the average hourly rate of pay for a direct care worker after gathering input from providers based on their actual experience. While it might appear at first glance that the staff at Group Home B would have a reduced hourly wage due to sleep hours, the Sub-Committee found that the difference between the services is found not necessarily in the hourly rate of pay for a direct care worker, but in the staffing ratio.

Provider Survey Tool

The group recognized that the survey tool used to collect non salary costs contains a minor flaw in collecting data from different agencies that utilize different models of providing services. Due to the relatively small (+ or - \$5 a day) range of error, the group chose not to delve deeper to rectify this minimal error.

Results of Cost Calculation

The Sub-Committee's calculation of actual costs is attached to this report. The current group home payment rate and calculated actual costs are below:

	Current DHHS Payment Rate Per Day	Current Probation Payment Rate Per Day	Current NFC Payment Rate Per Day	Calculated Actual Costs Per Day
Emergency Shelter	\$ 146.00	\$ 150.00 ¹	\$ 153.00	\$ 276.48
Group Home A	\$ 116.00	\$ 135.00	\$ 115.00	\$ 268.75
Group Home B	\$ 89.50	\$ 100.00	\$ 92.50	\$ 254.41

The Group Home Sub-Committee presents this information as a first step in the process of bringing awareness to the significant gap between current payment rates and current costs of providing care.

Foster Care Reimbursement Rate Committee Recommendations

The Group Home Rate Committee Co-chairs presented these findings to the FCRRRC on September 25, 2015. The FCRRRC commended the work of the group and moved to advance the findings to the Commission, with the recommendation that the provision of group home services should be reviewed through a legislative study in order to measure quality of care, cost of care, and performance outcomes. Additionally, the FCRRRC noted the importance of identifying the acuity of the children and youth served when considering outcome based performance measures.

¹ Probation additionally utilizes "Enhanced Shelter Care," a residential service that provides 24 hour awake staff and increased structure, supervision and security. Probation pays providers \$180.00 per day to provide this service. The group did not calculate the costs of providing this service as it was outside the scope of the original charge to the group.

Group Home Rate Sub-Committee Members

Name	Organization
Doug Kreifels, Co-Chair	DHHS
Cindy Rudolph, Co-Chair	CEDARS
Sue Baumert	Child Saving Institute
Mike Cantrell	Rite of Passage
Robin Chadwell	Nebraska Families Collaborative
John Danforth	Probation
Jeff DeWispelare	Omaha Home for Boys
Corrie Edwards	Mid-Plains Center for Behavioral Healthcare Services
Mariana Johnson	Nebraska Families Collaborative
Kendra Leonhardt-Driggs	Nebraska Youth Center
Ross Manhart	DHHS
Randy Ptacek	Boystown
Kari Rumbaugh	Probation
Nanette Simmons	DHHS
Garrett Swanberg	Release Ministries
Michaela Young	CEDARS

GROUP HOME RATE SUBCOMMITTEE
8/12/2015

a	b (a * %)	c	d	e 8760/2080=4.21fte's	f (d * e)	g (f * %)	h ((f + g) * %)	i (f + g + h)	j (i / b / 365)
Direct Care Specialist									
				365*24 = 8760		11.5%	Ann + Adj * .34	Total	
Wghttd Avg Provider Act	85%			4.212 fte		(6 wks =2 hol+4 vac ill &train)	0.34	Wages	Per Placement
<u>Avg ratio per 24 hr</u>	<u>Adj for occupancy %</u>		<u>Hourly \$</u>	<u>Hrs per year</u>	<u>Annual \$</u>	<u>Adj for pd leave</u>	<u>Benefits</u>	<u>Taxes Bens</u>	<u>Per Day Calc</u>
4.250	3.61	Shelter	13.50	8,760	118,260	13,645	44,848	176,753	134.05
4.700	4.00	Group Home A	13.50	8,760	118,260	13,645	44,848	176,753	121.22
5.059	4.30	Group Home B	13.50	8,760	118,260	13,645	44,848	176,753	112.62

Direct Care Supervisor

7*7.5*.85/(4.21*1.115)

Ratio to children	Ratio to dir care wrkrs		Hourly \$	hrs per year	Annual \$	Benefits	Taxes Bens	Total Wages	(i / a / 365) Per Placement Per Day Calc
5.39	7.00	Shelter	23.30	2,080	48,464	16,478	64,942	33.04	
5.96	7.00	Group Home A	23.30	2,080	48,464	16,478	64,942	29.88	
6.41	7.00	Group Home B	23.30	2,080	48,464	16,478	64,942	27.76	

	Direct Care IV E Maintenance Staffing	Supervisor IV E Mnt Staffing	provider survey non-sal IV E Maint	provider survey non-sal IV E Facility Operations	IV E Sub Total	0.2 Indirect	(h + i) TOTAL
Shelter	134.05	33.04	53.28	10.03	230.40	46.08	\$ 276.48
Group Home A	121.22	29.88	68.24	4.63	223.96	44.79	\$ 268.75
Group Home B	112.62	27.76	63.72	7.91	212.01	42.40	\$ 254.41

¹ sup ratio * dir care ratio * occ % / (dir care fte's * (1+pd leave %))