

Base Rate Study 2019
Base Rate Subcommittee
Foster Care Reimbursement Rate Committee

The Base Rate Subcommittee is in the process of reviewing the rate methodology used in previous rate committee reporting years 2014 and 2016 in preparation for the 2020 Foster Care Reimbursement Rate Committee report to the HHS Committee of the Legislature, DHHS and the Governor.

During 2012 to 2016, the rate analysis included:

- Nebraska FCPAY checklist (Foster Care Pay, previous DHHS Level of Care and Rate Tool)
- M.A.R.C. (Hitting the M.A.R.C. Establishing Foster Care Minimum Adequate Rates for Children) study and data, and
- USDA (US Department of Agriculture, Center for Nutrition Policy and Promotion, *Expenditures on Children by Families*, 2011).

These documents included similar information, although they were not directly parallel with each other. The USDA *Expenditures on Children by Families* included additional expense categories already provided by DHHS for children in foster care (e.g. child care and medical insurance) which were excluded from the recommendation.

Variables considered in rate methodology using the *Expenditures on Children by Families*:

- Average of two **Midwest Urban** income brackets (<\$59, 259 and \$59,250 - \$102,590 gross)
 - **2-parent married couple** categories
- Six age categories, grouped and averaged, 0-2; 3-5; 6-8; 9-11; 12-14; 15-18
 - Nebraska later categorized age into three groups, 0-5; 6-11; 12-18.
- Expenditures associated with
 - Housing
 - Food
 - Clothing
 - Miscellaneous
 - Transportation*
- Expenditures excluded were
 - Healthcare
 - Childcare

*Foster care brings an additional layer of transportation needs to foster families so the committee also recommends a transportation reimbursement plan for families who use more than 100 miles extra in a month in the course of providing care.

In addition to the variables considered in years past, the Base Rate Subcommittee will be using additional analysis of the following variables:

- Average of two **Rural** income brackets (<\$59, 259 and \$59,250 - \$102,590 gross); Table 6

- Using data from DHHS, the number of children in foster placements in the 4 most populous counties (Douglas, Sarpy, Lancaster and Dakota) will be used to determine a weighted average of Nebraska Rural and Urban expenditures.
- Average of **Single Parent** home expenditures; Table 7
 - Using data from DHHS, the number of single parent foster homes will be used to determine a weighted average of Nebraska Married and Single parent home expenditures.
- Estimating Future Costs
 - 2.2% inflation rate