

Nebraska Children's Commission
Foster Care Reimbursement Rate Committee



**Recommendations to the Nebraska Children's
Commission and the Health and Human Services
Committee of the Legislature**

[date] 2020

Submitted Pursuant to Neb. Rev. Stat. §43-4216

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Executive Summary

The Foster Care Reimbursement Rate Committee (FCRRC) of the Nebraska Children’s Commission (Commission) was created pursuant to Neb. Rev. Stat. §43-4216 for the purpose of making recommendations in the following areas: foster care reimbursement rates, the standardized level of care assessment, and adoption assistance payments. The FCRRC must review and make recommendations to the Health and Human Services Committee of the Legislature every four years.

The FCRRC monitors and makes recommendations regarding the service array for foster care across both child welfare and juvenile justice, including the appropriate reimbursement rates for agencies supporting foster homes (licensed child placing agencies) and foster parent caregivers. Statewide, there are 2,855 children and youth in foster care in Nebraska.

The rates were increased in 2014, were not recommended to change in 2016, and are being recommended to increase in 2020. In 2019, DHHS implemented a 2% increase in agency and foster parent caregiver reimbursement rates.

In preparation for this report, the FCRRC has developed recommendations derived from the FCRRC statutory charge, as well as work that has been assigned the FCRRC through the Commission since 2016. Since 2016, the FCRRC and Children’s Commission has identified the need for the development of a higher level of caregiving reimbursement for children with exception medical, developmental and/or behavioral health needs, and the need for an in-home wraparound treatment family care model to maintain family-like settings and prevent residential treatment placement.

Recommendations

1. **The FCRRC recommends the Foster Parent reimbursement rates be adjusted for a 2% inflation over the next six years.** An inflation increase to the foster parent reimbursement rates and the agency supported foster care rates to span until the 2025 legislative session immediately following the report due in 2024. Recommended rates are detailed on page 5.
2. **The FCRRC recommends the development and implementation of a fourth tier of reimbursement for specialized caregiving** for children who have extensive medical, behavioral or developmental needs which necessitate extenuating caregiving responsibilities. Recommended rates are detailed on page 5.
3. **The FCRRC recommends DHHS and Administrative Office of Probation and the Courts adopt and implement the use of the revised Nebraska Caregiver Responsibility Tool.** The Nebraska Caregiver Responsibility assessment tool modifications contained herein reflect the uniqueness of the specialized level of responsibility and the needs of children and their caregivers achieving permanency through adoption or legal guardianship.
 - a. Replace professional foster care service contracts, letters of agreement, and vouchers with the use of the NCR.
 - b. Implement the use of the NCR at DHHS, Saint Francis and Juvenile Probation.
 - c. Develop revised training curriculum for the most recent version of the NCR for case managers, supervisors and field officers.
 - d. The caregivers must participate in the completion of the NCR and be provided a copy following its finalization.

4. **The FCRRRC recommends DHHS Divisions of Medicaid and Long Term Care and Children and Family Services adopt the recommended Treatment Family Care service definition and rate structure.** The development of a service definition and rate structure for Treatment Family Care can be found on page ____.
5. **The FCRRRC recommends updates to the Nebraska Administrative Code 479, Chapters 7 & 8 specific to the Guardianship and Adoption Assistance programs increase request and appeal process to ensure equitable access to services and support to all children subject to assistance agreements.** The Administrative Code should be updated to clarify that all assistance agreements (adoption and guardianship), regardless of funding source (federal or state), must have a means to provide each caregiver the ability to request a maintenance rate increase and the ability to appeal the determination by DHHS, in accordance with the Administrative Appeals Act.

Nebraska Reimbursement Rate Recommendation Fact Sheet

Nebraska Foster Parent [Proposed](#) Essential Rates compared with current daily and annual rates effective July 1, 2019. The increases are proposed to span 2020 until 2025.

| AGE | DAILY | PROPOSED DAILY | ANNUAL | PROPOSED ANNUAL |
|-------|---------|----------------|-------------|-----------------|
| 0-5 | \$20.40 | \$22.26 | \$ 7,446.00 | \$8,124.72 |
| 6-11 | \$23.46 | \$27.06 | \$ 8,562.90 | \$9,876.57 |
| 12-18 | \$25.50 | \$28.73 | \$ 9,307.50 | \$10,485.87 |

Nebraska Foster Parent reimbursement rates for tiered caregiving responsibilities according to age and need of children. The table below compares the current daily rates (effective July 1, 2019) with the proposed daily rates. Each column increases by \$7.65/day consistent with current tiered rate distribution.

| AGE | ESSENTIAL | PROPOSED ESSENTIAL | ENHANCED | PROPOSED ENHANCED | INTENSIVE | PROPOSED INTENSIVE |
|-------|-----------|--------------------|----------|-------------------|-----------|--------------------|
| 0-5 | \$20.40 | \$22.26 | \$28.05 | \$29.91 | \$35.70 | \$37.56 |
| 6-11 | \$23.46 | \$27.06 | \$31.11 | \$34.71 | \$38.76 | \$42.36 |
| 12-18 | \$25.50 | \$28.73 | \$33.15 | \$36.38 | \$40.80 | \$44.03 |

| AGE | PROFESSIONAL FOSTER CARE* | PROPOSED SPECIALIZED** |
|-------|---------------------------|------------------------|
| 0-5 | \$75 to \$80/day | \$45.21 |
| 6-11 | | \$50.01 |
| 12-18 | | \$51.68 |

*Professional Foster Care is a fourth level of caregiving reimbursement used by PromiseShip until December 31, 2019 and is currently being used by Juvenile Probation under a pilot program.

**The FCRC recommends the development of a statewide standardized Specialized level of responsibility to be added. For more information see page 11.

Agency Support Proposed Rate

Daily rate paid to the licensed child placing agency to support the foster family.

| LEVEL OF RESPONSIBILITY | DHHS EFF. 7/1/19 | JUVENILE PROBATION | PROPOSED DAILY RATE |
|-------------------------|------------------|--------------------|---------------------|
| ESSENTIAL | \$22.20 | | \$26.92 |
| ENHANCED | \$28.73 | \$38.76 | \$32.16 |
| INTENSIVE | \$39.54 | | \$41.73 |
| SPECIALIZED** | | \$80.00 | \$78.70 |

Foster Care Reimbursement Rate Committee

The Foster Care Reimbursement Rate Committee (FCRRC) of the Nebraska Children’s Commission (Commission) was created pursuant to Neb. Rev. Stat. §43-4214 for the purposes of making recommendations related to the statewide standardized level of care assessment and foster care reimbursement rates. A listing of FCRRC members and workgroup members can be found at Appendix____. The FCRRC provided its recommendations to the Commission and Health and Human Services Committee of the Legislature in May of 2014, and July 1, 2016 and has continued to work to monitor and review the implementation of its recommendations. In addition to the 2014 recommendations report, the FCRRC has been tasked with submitting a report on July 1, 2016, and every four years thereafter. This report is submitted pursuant to Neb. Rev. Stat. §43-4217 to satisfy the July 1, 2020 reporting requirement.

History & Background

The FCRRC first began working on foster care reimbursement rates following its creation in 2012. The FCRRC and the work charged to it are products of LR37 (2011), a legislative study created to review, investigate, and assess the effects of child welfare reform. LR37 found that foster parent compensation in Nebraska was inconsistent and lacking in a statewide standard. These findings indicated a need to create a basic statewide rate for compensation.

As a result of the LR37 study, the FCRRC was established by LB820 in 2012. At the time, Nebraska foster care rates were among the lowest in the nation. LB820 (2012) required the creation of base rates for foster parents and for the parents to be paid directly, instead of through child placing service agencies. The FCRRC did significant work to ensure that the new base rates and direct payment to foster parents were adequate to recruit and retain quality foster homes and would not have an adverse impact on the agencies that provide foster parent support.

The FCRRC was continued in 2013 by LB530, which required the FCRRC to create a standard statewide assessment tool and foster parent reimbursement rates. The FCRRC released its legislative report containing the rate recommendations, Nebraska Caregiver Responsibilities Assessment Tool, and other recommendations to monitor the implementation process in May of 2014. This report and recommendations were the result of countless hours of work from the Department of Health and Human Services (DHHS), PromiseShip, child placing agencies, foster parents and many other organizations and individuals. Since that time, the FCRRC has continued to monitor implementation of the rates and tool, accept additional assignments from DHHS and the Commission, and work to create its legislatively required report.

Rate Change Timeline

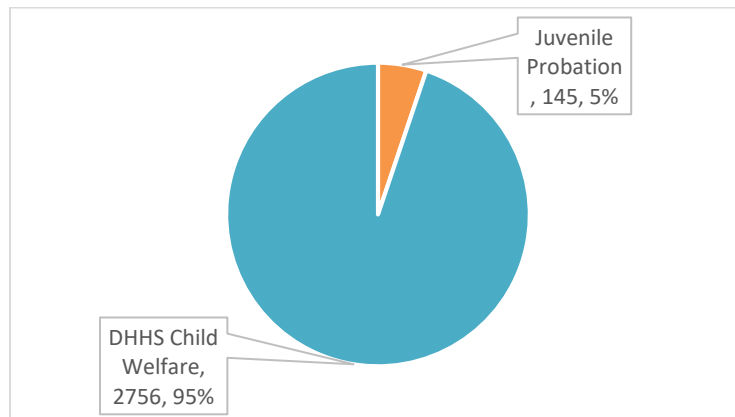
- 2012 FCRRC submitted their first legislative report. FCRRC recommended the rate structure and methodology in use today. Until 2012, no formal foster care rate study had been completed and the rates, then frozen since the 1990s, were amongst the lowest in the nation.
- 2013 Legislation was passed and signed into law enforcing the use of the recommended rates proposed by the FCRRC in 2012.

- 2014 Tiered caregiving responsibility levels “Essential, Enhanced and Intensive” rates were implemented statewide for all foster parents caregiving for children in state custody and those who were under the care of PromiseShip (then known as Nebraska Families Collaborative).
- 2016 FCRRRC submitted their second legislative report indicating **no recommended rate changes**.
- 2019 DHHS implemented an ‘across the board’ 2% rate increase for all services including the essential, enhanced and intensive rates for foster care shown on the rate fact sheet on page ____.
- 2020 FCRRRC will make recommendations for rates in their third legislative report since 2012. The recommendations are to cover the period of time until the legislative session following the next legislative report is due (2020-2025).
- 2021 In order for changed rates to be implemented, legislation must be introduced in the 107th Legislature, 1st session
- 2022 If passed, rates would go into effect, likely at the beginning of 2022
- 2024 FCRRRC will submit their fourth legislative report.
- 2025 In order for changed rates to be implemented, legislation must be introduced in the 109th Legislature, 1st session.
- 2026 If passed, rates would likely go into effect at the beginning of fiscal year 2026.

Nebraska Foster Care Data

The Nebraska Department of Health and Human Services reported¹ there were 2,756 children placed in foster care (licensed, relative and kinship homes).

According to the Administrative Office of the Courts & Probation², the Juvenile Services Division serves 145 youth through out of home placement in foster care.



¹ DHHS Division of Children and Family Services CFS Point in Time Dashboard Summary Report 27-Nov-19 <http://dhhs.ne.gov/Reports/CFS%20Point%20in%20time%20Dashboard%20Report%20-%202019.pdf>

² State of Nebraska Judicial Branch Administrative Office of the Courts & Probation *Juvenile Services Division Fiscal Year 2017-2018 Detailed Analysis* https://supremecourt.nebraska.gov/sites/default/files/files/14/12.2018_Juvenile_Detailed_Analysis.pdf

Foster Parent Reimbursement Rates

Intended Scope of Reimbursement

The reimbursement rates described in this section include the reimbursement rates to foster parents for the care of children and youth in foster care ages 0-18. This would include expenses such as housing, food, transportation, clothing, educational and extracurricular expenses. The majority of children in foster care are eligible for Medicaid and/or the Child Care Subsidy Program, therefore health care and child care costs are not typically provided by foster parents.

The rates are recommended for all children and youth in foster care in both the child welfare and juvenile justice systems.

Methods and Research

The FCRRRC divided the work into four workgroups comprised of state and child placing agency representatives, foster care and foster parent advocates and stakeholders. The recommendations contained herein are based on federal reports, Nebraska foster care data, use of past formulas and historical information, national and border state research, Nonprofit of the Midlands Salary indices, surveys with foster parents and foster care agencies and market rate of current Professional Foster Care services by PromiseShip and Juvenile Probation.

Assessment Tool

The FCRRRC has developed two assessment tools to be used in the determination of reimbursement rates for foster care and for those children who are exiting foster care to permanency through adoption or legal guardianship.

The Nebraska Caregiver Responsibility (NCR) tool is an assessment tool used by a case manager and foster parent to determine the caregiving responsibilities and corresponding maintenance rate. The assessment uses the child's age and caregiving needs to determine the level of accommodations, interventions, additional planning and consideration in a variety of settings required for the child's safety and well-being. Payment increases as the caregiver responsibility increases. Payment level decreases as caregiving intensity decreases in accordance with the child's growth, development and decreased need.

The NCR has been in use since 2014 and has been revised three times since its original form. During 2019, the Level of Responsibility Workgroup has developed a fourth tier of the NCR to outline the specialized caregiving responsibilities necessary for children and youth with exceptional medical and/or behavioral needs.

- The workgroup used the comments from the foster parent survey administered in 2019 (see page__) and feedback from DHHS and agencies represented on the workgroup to inform the changes made to the NCR.
- The Foster Family Treatment Association (FFTA) of Nebraska assisted by submitting recommended language.
- PromiseShip and Juvenile Probation were consulted and participated in the development of the NCR. Their unique contributions assisted the implementation of the fourth tier because these entities contract or issue vouchers for professional foster care.

- The changes resulted in the development of a fourth tier of specialized caregiving responsibility for three distinct categories of the NCR. These categories were selected as they best fit the target audience for this elevated care- for those children with exceptional medical/physical needs, developmental and/or behavioral health needs.
 - LOR1: Medical, Physical Health & Wellness
 - LOR3: Supervision, Structure, & Behavioral
 - LOR7: Specialized Skills [of the Caregiver]

The revised NCR can be found in Appendix ____.

Assessment Tool Recommendations:

6. Replace professional foster care service contracts, letters of agreement, and vouchers with the use of the NCR.
7. Implement the use of the NCR at DHHS, Saint Francis and Juvenile Probation.
8. Develop revised training curriculum for the most recent version of the NCR for case managers, supervisors and field officers.

Nebraska Permanency Resource Responsibility Tool (NPRRT). During 2018, the FCRR workgroups focused on enhancements and changes to better meet the needs of adoptive families by creating an adoptive parent and guardian responsibility tool to be used in preparation for and after permanency. With the expertise of the Level of Responsibility Workgroup, which developed the Nebraska Caregiver Responsibility Tool, adoption professionals, foster parent organizations, and DHHS came together to create the Nebraska Permanency Resource Responsibility Tool (NPRRT). The FCRR finalized the newly created tool and approved it in May 2019.

The Nebraska Department of Health and Human Services Division of Children and Family Services begun using the NPRRT as part of a subsidy pilot and for subsidy increase requests in 2019. The NPRRT can be found in Appendix ____.

Reimbursement Rate Changes

Essential Rate

The essential rate is the minimum rate of reimbursement for which all tiered levels of caregiving responsibility are based. The Essential Rate Workgroup developed the rate recommendations using census data found within the *USDA Expenditures on Children by Families (2017)*, as well as the Bureau of Labor Statistics inflation calculator to update reimbursement rates for 2019. The calculations took into consideration variables unique to the Midwest, low-moderate income levels, weighting based upon Nebraska’s urban/rural geographic composition and divided into three age groups (0-5 years, 6-11 years, and 12-17 years old). For more details on the rate methodology please see Appendix____.

The inflation adjustment was applied to adjust the rates for the duration of the legislative reporting schedule. Increase of 6% assuming 2% inflation annually over a 6-year period (2019-2025). This 6-year time period estimates the time between the Rate Committee’s legislative report, introduced legislation, and when it is anticipated to go into effect if passed. The rates below indicate the annual and daily rate which are reimbursed directly to the foster parent.

Proposed Essential Foster Care Reimbursement Rate

| <i>Age of Child</i> | <i>Essential Annual Rate (effective July 1, 2019)</i> | <i>Proposed Annual Reimbursement Rate</i> |
|---------------------|---|---|
| 0 - 5 | \$ 7,446.00 | \$ 8,124.72 |
| 6 - 11 | \$ 8,562.90 | \$ 9,876.57 |
| 12 - 18 | \$ 9,307.50 | \$ 10,485.87 |
| <i>Age of Child</i> | <i>Essential Daily Rate (effective July 1, 2019)</i> | <i>Proposed Daily Reimbursement Rate</i> |
| 0 - 5 | \$ 20.40 | \$ 22.26 |
| 6 - 11 | \$ 23.46 | \$ 27.06 |
| 12 - 18 | \$ 25.50 | \$ 28.73 |

Tiered Rate Structure

The NCR rates were developed for three age groups (0-5, 6-11, and 12-18 years old) and four tiered levels of responsibility (Essential, Enhanced, Intensive, Specialized). For the first three tiers, the rates increase by \$7.65 each advanced level of caregiving responsibility, which is consistent with the historical rate distribution. Initially, the tiered increase was \$7.50, but with the 2% increases implemented by DHHS in 2019, it is now \$7.65. This original range was distributed consistent with the previous rate ranges found within the original FC Pay rates used by DHHS until 2014. The rates below indicate the

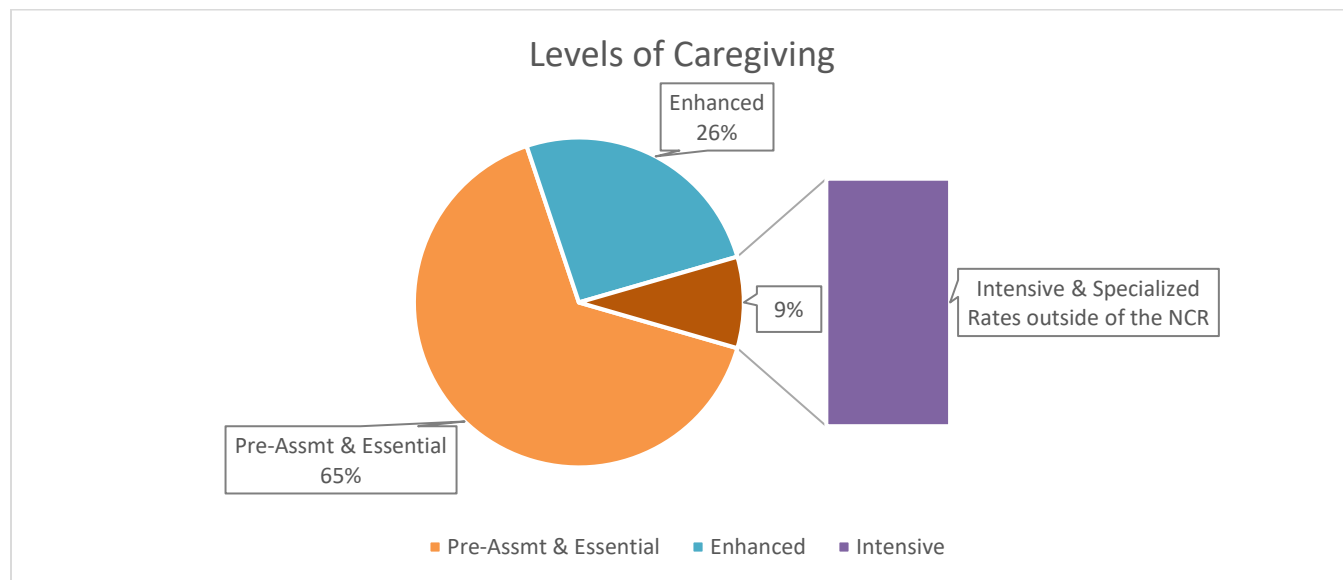
| AGE | ESSENTIAL | PROPOSED ESSENTIAL | ENHANCED | PROPOSED ENHANCED | INTENSIVE | PROPOSED INTENSIVE |
|-------|-----------|--------------------|----------|-------------------|-----------|--------------------|
| 0-5 | \$20.40 | \$22.26 | \$28.05 | \$29.91 | \$35.70 | \$37.56 |
| 6-11 | \$23.46 | \$27.06 | \$31.11 | \$34.71 | \$38.76 | \$42.36 |
| 12-18 | \$25.50 | \$28.73 | \$33.15 | \$36.38 | \$40.80 | \$44.03 |

Tiered Level of Care Data

According to DHHS Division of Children and Family Services point in time data on December 2, 2019, there were a total of 2705 children in foster care placed through DHHS (Child Protection & Safety). The majority of the children (65%) are at the



Essential or Pre-Assessment Rate³, while 26% are at the Enhanced level, and 9% of children are at the Intensive level. According to DHHS, the 9% of children being served at the intensive level may also have separate service agreements called, “letters of agreement” to pay for higher reimbursement rates to meet the placement needs of these children. Specialized rate agreements are already in place for some children with exceptional needs.



Specialized Rate

The fourth tier of caregiving and reimbursement exists in the continuum of foster care services available in Nebraska already, however there is a lot of variation in the rates, implementation, and outcomes. Until December 2019, PromiseShip used what was referred to as “Professional Foster Care” to support caregivers caring for children with very high medical needs, developmental, and/or high behavioral health needs. Currently the Administrative Office of the Courts & Probation use a form of “Professional Foster Care” under a pilot program for youth involved in the juvenile justice system who have very high risk and behavioral health needs at risk of or stepping down from congregate care settings. Both of these organizations have reported using a rate of \$160/day to the supporting foster care agency and foster parent. Approximately \$80/day to the child placing/supporting agency and \$80/day to the foster care giver.

DHHS has some reimbursement agreements, called “Letters of Agreement” to reimburse caregivers and agencies to support the exceptional, or *specialized*, caregiving needs of children outside of the NCR with a limited number of providers and foster caregivers. Some are accessing a caregiver and network through the Enhanced Family Home model used by the DHHS Division of Developmental Disabilities. The reimbursement range varies extensively.

³ The Pre-Assessment Rate is the rate paid to foster parents when an NCR has not yet been completed. The default amount for DHHS is the Essential rate for the child’s age.

The use of a specialized rate outside the established Nebraska Caregiver Responsibility Tool and rate structure can create a barrier to permanency for children entering adoption and guardianship. According to the Nebraska Administrative Code⁴ DHHS is unable to provide maintenance payments higher than the established foster care reimbursement rates. Therefore, a family receiving a specialized or professional foster rate outside the established NCR may not be able to provide the same level of support without the consistency in rates for a child with exceptional needs.

NEW Specialized Level of Responsibility Rate for Foster Parent Caregiver

| AGE | PROFESSIONAL FOSTER CARE* | PROPOSED SPECIALIZED |
|--------------|----------------------------------|-----------------------------|
| 0-5 | | \$45.21 |
| 6-11 | \$75 to \$80/day | \$50.01 |
| 12-18 | | \$51.68 |

*Professional Foster Care is a higher level of caregiving reimbursement used by PromiseShip until December 31, 2019 and is currently being used by Juvenile Probation under a pilot program.

Reimbursement Rate Recommendations

1. Implement the proposed reimbursement rate structure for essential, enhanced, intensive and specialized levels of caregiving.
2. Create and implement the specialized level of reimbursement and caregiving across both child welfare and juvenile justice systems.

Agency Support Rates

When the FCRRRC was initially charged with the rate study, the foster care reimbursements were sent through agencies to be paid to foster parents. The original work of the FCRRRC included separating out the agency rate and the foster parent rates. Through the historical research and methods used, the FCRRRC continues monitor and make recommendations for both the appropriate agency supported foster care rate and the foster parent reimbursement rates.

The agency support rates reimburse direct and indirect costs to Child Placing Agencies contracted by DHHS to recruit, train and provide support and retain foster parent caregivers for children in need of agency supported foster care. These costs include things such as on-call availability to the foster caregivers, number of visits to the foster home, caseload size, and foster care staffing ratios, licensing, and training and recruitment costs.

⁴ Nebraska Administrative Code 479 Chapters 7 & 8 Subsidized Guardianship and Adoption Programs
DRAFT REV. 12/30/2019

Agency Rate Research and Methods

The Agency Support Rate Workgroup conducted surveys of nine participating child placing agencies across Nebraska. The survey responses were compared and adjusted based on the Nonprofit Association of the Midlands for reasonableness. The results of the survey to providers indicated a decrease in staffing costs and indirect costs. Using the methodology used in 2014, the survey results and research for updated calculations, the inflation adjustment was made at 2% for 6 years.

For the Specialized rate, additional weighting and consideration was given for a lower staffing ratio, higher standards of recruitment, support and retention for caregivers of children with extensive medical, developmental, and/or behavioral health needs. In addition to the additional staffing considerations, certification and clinical components, respite will be a necessary component which must be provided by the supporting agency to the caregivers at 4 days (or 8 half days)⁵ per month.

Respite costs should be included in the Administrative and Support Rate so respite caregivers can be trained and supported according to child specific needs.

For more details on Agency Support Rates and corresponding expectations see Appendix_____.

| LEVEL OF RESPONSIBILITY | Recommended Agency Support Proposed Rate | | PROPOSED AGENCY SUPPORT RATE |
|-------------------------|--|---------------------|------------------------------|
| | AGENCY SUPPORT RATES EFF. 7/1/19 | JUVENILE PROBATION* | |
| ESSENTIAL | \$22.20 | | \$26.92 |
| ENHANCED | \$28.73 | | \$32.16 |
| INTENSIVE | \$39.54 | \$38.76 | \$41.73 |
| SPECIALIZED | | \$80.00 | \$78.70 |

*The Administrative Office of the Courts & Probation currently uses one rate for Essential, Enhanced and Intensive levels of caregiving. AOCB provides a similar program to “Specialized” called “Professional Foster Care” at \$80.00/day to the Supporting Agency.

Treatment Family Care

Background

Children and youth in the child welfare and juvenile justice systems with complex needs are often served in congregate settings which are costly and delay permanency and community reintegration. Treatment foster care programs serve children in family homes at a lower cost to taxpayers and typically with better outcomes. The Nebraska Children’s Commission has strongly supported Treatment Foster Care for child welfare and juvenile justice systems. The Children’s Commission tasked the FCRR with developing the service description and rate structure to develop the framework to implement this in Nebraska.

⁵ 12 hours or more= full day; 11:59 or less = partial, or half, day. Overnights would not automatically equate to a full day.

The FCRRRC convened the Treatment Foster Care Workgroup to research and make recommendations related to a rate structure that includes expectations regarding treatment components to serve youth in out-of-home care for whom placement is problematic, disruptive and requires treatment interventions to address the behavioral needs. The Workgroup has met since 2016, to create a service description and rate structure for Treatment Family Care (TFC).

Overview of Service

Treatment Family Care is a service in a home-like environment intended to divert children/youth with high treatment needs in an effort to decrease congregate and out-of-state placements. Treatment Family Care occurs in a home by caregiver(s) or specially trained foster parents to provide consistent behavior management programs, therapeutic interventions, and clinical services as part of a multi-disciplinary team and under the direction of a supervising practitioner.

Treatment Family Care Statement of Values

1. Children and youth grow best in families and should access treatment in their own homes when possible. Treatment Family Care must be available to biological families, guardianship, adoptive families, and kinship placements.
2. Treatment Family Care services must be juvenile justice and child welfare informed, community based, family focused, culturally competent, and developmentally appropriate.
3. Treatment is provided within a family environment with services that focus on improving the child/youth/family's adjustment emotionally, behaviorally, socially, and educationally.
4. Treatment Family Care should be available to children and youth who have co-occurring developmental or intellectual disabilities, or who are medically fragile.
5. Treatment Family Care is focused on outcomes. There is no one-size-fits-all model to serve the children and families of Nebraska. Outcomes are more important than compliance to the requirements of one model.

Treatment Family Care Outcomes

1. Families experience seamless systems of care with braided funding. Multiple agencies are involved in Treatment Family Care, and must develop a system for billing which does not disrupt families' experiences of a seamless system of care.
2. Children and youth do not experience automatic placement disruption after completing a course of treatment. Many funding sources are created in such a way that children and youth move once treatment is finished, leading to harmful placement changes. Reducing placement disruptions and changes will also reduce the amount of court time spent on placement changes, and reduce docket congestion.
3. Placements in congregate care and institutional settings are reduced. Placement in these settings can make integrating into a family unit difficult for youth. This reduction will help youth who are child welfare involved reach permanency or reunification in less time, and youth who are juvenile

justice involved return to their homes sooner and in a way that preserves community safety. When youth are in an out of home setting, it often is difficult to achieve timely permanency.

Treatment Family Care Service Description

The Workgroup submits the attached service description with recommendations to support the values of the Treatment Family Care workgroup. The document includes modifications to the current draft service definition for Therapeutic Foster Care. Collaborative meetings to discuss recommendations included the Department of Health and Human Services - Division of Medicaid and Long Term Care, Division of Children and Family Services, Division of Behavioral Health, and Division of Developmental Disabilities along with providers, foster parents, advocacy groups and other stakeholders. The TFC is designed to be an add-on service to the recommended Specialized level of responsibility outlined in the NCR.

The full service description approved and recommended by the Nebraska Children’s Commission can be found in Appendix ____.

Treatment Family Care Rate Recommendations

As designed and recommended above, the Treatment Family Care model acts as a wraparound in-home treatment service in a foster or family home providing specialized caregiving to a child with behavioral health needs who is at risk of, or stepping down from, out of home congregate treatment placement. It uses blended funding to support the caregivers and prevent placement disruption. The rate structure includes Medicaid wraparound in-home services, Agency Supported foster care providing specialized support to foster parent caregivers.

Rate components taken into consideration:

- Medicaid wraparound services previously known as “Community Based Alternative to Residential” treatment which are now unbundled were used to develop the service components using the current Medicaid rates. This includes weekly in-home Certified Treatment Aide (CTA) hours, individual therapy sessions, family therapy, an Initial Diagnostic Interview (IDI) and clinical consultations.
- Therapist and clinical supervisor salary considerations for licensed child placing agencies providing the service
- Respite to be arranged, trained, and coordinated by the licensed child placing agencies providing the service up to 4 days per month.

| RECOMMENDED SERVICE COMPONENT | (SERVICE DURATION= 4 MONTHS) | MEDICAID RATE | OCCURRENCE | FREQUENCY | TOTAL | |
|--------------------------------------|---------------------------------|---------------|------------|-----------|-----------|---|
| INITIAL DIAGNOSTIC INTERVIEW (CHILD) | | \$ 125.52 | 1 | per year | \$ 31.35 | (divided by 4 months of service duration) |
| CERTIFIED TREATMENT AIDE | 6 hours at 15 minute increments | \$ 11.98 | 24 | per week | \$ 287.52 | |
| INDIVIDUAL THERAPY SESSION (CHILD) | twice weekly | \$ 112.08 | 2 | per week | \$ 224.16 | |
| FAMILY THERAPY SESSIONS | twice weekly | \$ 90.42 | 2 | per week | \$ 224.16 | |
| CLINICAL CONSULTATION* | 2 hours/ month | \$ 87.25 | 2 | month | \$ 38.77 | (divided by 4.5 wks) |

*CLINICAL CONSULTATION \$42.31 - \$87.25/HR MEDICAID RATE

Adoption Assistance Pilot

Background

The Nebraska Children's Commission charged the Foster Care Reimbursement Rate Committee with reviewing the pilot and making recommendations about the DHHS pilot and revised rate methodology used for all new adoption and guardianship assistance agreements in the Southeast Service Area.

DHHS implemented the pilot on in 2018 and there is currently no timeline for statewide implementation. In order to be consistent and equitable across permanency objectives, the pilot was administered to both adoption and guardianship so as to not incentivize guardianship over adoption or vice versa.

The Essential Rate and Foster Parent Survey (ERFP) Workgroup was assigned to conduct research and make findings related to the adoption and guardianship assistance pilot.

The Workgroup researched other state adoption assistance programs by contacting border state adoption specialists, reviewed publications and consulted with the North American Council on Adoptable Children (NACAC). Data gathered by DHHS during the pilot was also reviewed.

Surrounding state post-adoption assistance programs: Each state reports the maximum for maintenance, rather than a minimum (no more than a child would be eligible for reimbursement as a foster child, which is consistent with federal regulation).

- State to state comparisons fall short as there is considerable variation in the way the programs are administered. For example, Nebraska groups the ages into three age categories (0-5, 6-11, 12-18), whereas Iowa uses four age categories and South Dakota uses two age categories.
- Assistance programs can include additional services beyond maintenance to support the needs of the child including but not limited to medical assistance, post-adoption support services, and treatment placements.

Rate development and methodology: Limited documentation exists in border states contacted about how the rates are set, and what methodology was used to establish statewide rates.

National Rate Comparison: According to the NACAC website⁶, Nebraska's foster care reimbursement rates are consistent with other states in the nation and are not considered outliers (high or low).

65% of the minimum foster care rate: Iowa established the 65% of the USDA "Cost of Raising Children" as a minimum assistance rate and reported this 65% was established by the Iowa Legislature.

Nebraska is proposing a 65% minimum assistance rates⁷ for both adoption and guardianship subsidies. The DHHS established the 65% of the minimum foster care reimbursement rate for essential level of responsibility based on border state research. The workgroup also found the only existing border state with a stated minimum methodology was Iowa's program. No other states have a stated rationale for minimum amounts.

⁶ <https://www.nacac.org/help/adoption-assistance/adoption-assistance-us/all-states-at-a-glance/>

The 65% is based on the rate formula and methodology found within the original reimbursement recommendations developed by the FCRR in 2012⁸ and the *USDA Expenditures on Children by Families* (2011).

Special considerations: Health insurance stipends are available for the limited number of state funded adoption and guardianship assistance agreements which are not eligible for Medicaid to offset the premium costs to adoptive parents and guardians following finalization.

Adoption and Guardianship & the NCR: The pilot includes the use of the Nebraska Permanency Resource Responsibility Tool children entering adoption and guardianship assistance agreements.

The revised assistance rates are offered only for children whose responsibility scores at the “essential” level. The reduced assistance rate is not offered for those whose caregiving responsibility level scores at the enhanced, intensive and specialized levels.

Increase requests Nebraska Administrative Code⁹ outlines a process for adoptive parents to request and receive an increase in their adoption assistance amount when necessary. These increase requests are subject to an appeal process in accordance with the Administrative Appeals Act. According to DHHS, most requests for increase in adoption assistance maintenance rates are approved¹⁰.

- Nebraska Administrative Code¹¹ does not outline a process for Guardians to request and receive an increase of their state funded guardianship assistance amount. The majority of guardianship assistance agreements are state funded and therefore requests for increases are not functionally available, nor are administrative appeal processes. This is concerning for children achieving permanency through Guardianships through Tribal Courts as adoption is not culturally appropriate.

Nebraska Administrative Code outlines a process for Guardians to request and receive an increase of their federal KinGAP, or guardianship assistance amount when necessary.

Rationale: The workgroup discussed the rationale behind offering the new rate. The workgroup agreed that making the transition from foster care to permanency alleviates some financial requirements of foster care such as visits, specialists, frequent agency meetings, and other court expectations. The workgroup also agreed with the Department’s philosophical perspective that the transition to permanency demonstrates the enhanced commitment, claiming and integration of the child into the family unit, which increases the share of responsibility in meeting the child’s day to day needs, with assistance from the Department to offset the costs of the child’s special needs.

⁸ Nebraska Children’s Commission *Final Report, Foster Care Reimbursement Rate Committee- December 15, 2012.*

⁹ “Subsidized Adoption Program,” *Nebraska Administrative Code*, Title 479 (2004): Chapter 8
http://www.sos.ne.gov/rules-and-regs/regsearch/Rules/Health_and_Human_Services_System/Title-479/Chapter-8.pdf

¹⁰ *Adoption Assistance Pilot Presentation to FCRR* 11/05/2018; January to October 2018, 150 adoption increase requests were submitted. 75% were approved; 25% were denied due to no change in circumstances, no supporting documentation or were approved but were at the maximum rate.

¹¹ “Subsidized Guardianship Program,” *Nebraska Administrative Code*, Title 479 (2015): Chapter 7
http://www.sos.ne.gov/rules-and-regs/regsearch/Rules/Health_and_Human_Services_System/Title-479/Chapter-7.pdf

Barriers to Permanency: At this time, DHHS reports no delays or barriers to permanency as a result of the pilot. Unique situations which result in barriers to permanency because of the subsidy are reported to be because the maximum foster care reimbursement rate is insufficient to meet the needs of children with exceptional medical needs.

Assistance Agreement Recommendations

1. The workgroup agrees with the Department’s initiative to implement a standardized process which is equitable and fair across jurisdictions as this did not exist before the pilot.
2. 65% of the maximum foster care reimbursement rate for those children whose responsibility level is essential is an acceptable minimum offer for children who do not present with a guarded prognosis and whose caregiving responsibility level is “essential.”
3. **The workgroup recommends updates to the Nebraska Administrative Code 479, Chapters 7 & 8 specific to the Guardianship and Adoption Assistance programs increase request and appeal process. The Administrative Code should be updated to clarify that all assistance agreements (adoption and guardianship), regardless of funding source (federal or state), must have a means to provide each caregiver the ability to request a maintenance rate increase and the ability to appeal the determination by DHHS, in accordance with the Administrative Appeals Act.**

Appendix

Member List

Statute

FCRRC & Nebraska Foster Care Rate Historical Timeline

Nebraska Caregiver Responsibility Tool

Nebraska Permanency Resource Responsibility Tool

Foster Parent Survey Results

Essential Rate Formula

Agency Administration and Support Rate Formula

Agency Expectations for Tiered Levels of Responsibility

TFC Service Definition & Rate Recommendations