

Creative Financing Strategies to Achieve and Sustain Youth Permanence

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Donald L. Schmid MSW, ACSW

Our Premise

Every State Can Use and Increase
Federal Revenue to Achieve and
Sustain Permanence for Youth

Funding Permanency Program Options in Tough Budget Times

1. Use existing funds more creatively to support program priorities
2. Maximize federal funding share
3. Reduce numbers of youth in foster care and reinvest general fund savings in permanency priorities
4. Leverage private funding

Federal Funding that CAN Support Permanency Service Priorities

- Title IV-E Foster Care: Maintenance, Administration & Training;
- Title IV-E Adoption: Assistance, Administration & Training
- Title XIX Medicaid: Physical & Behavioral Health; Rehabilitation Option & TCM
- Title IV-B, part 1: CWS
- Title IV-B, part 2: Promoting Safe & Stable Families
- Chafee Foster Care Independence Program; Education & Training Vouchers for Youth Aging out of Foster Care
- Title IV-A: Temporary Assistance to Needy Families (TANF) & Emergency Assistance
- Title XX: Social Services Block Grant
- Adoption Incentive Funding
- Title II of the Keeping Families and Children Safe Act (formerly CAPTA)
- Federal Discretionary Grants

HOT TOPIC - PROPOSED CHANGES IN MEDICAID REHABILITATION OPTION

- **Therapeutic Family Foster Care** is a MODEL of CARE – not a medically necessary service defined under Title XIX of SSA
- Cannot have a “**package of services**” nor a “**bundled rate**” for Title XIX. All services provided, provider qualifications & payment methodology must be defined.
- **Provider qualifications** for those who furnish care to children in foster care must be **the same** as those who furnish the same care to children not in foster care. For example psychotherapy or TCM
- **Cannot include services** that are “intrinsic” elements of programs **other than Medicaid**
- Would **not include** provider recruitment, foster parent training and other **services that are the responsibility of the foster care program**
- Be **based on a comprehensive assessment of an individual’s rehabilitation needs** including diagnosis and presence of a functional impairment in daily living
- **Institutions for Mental Disease (IMD)** with more than 16 beds **ARENOT eligible**
- **Congressional Action Delayed Implementation until April 2008**
- **PROPOSED federal legislation would further delay implementation until April 2009**

HOT TOPIC - PROPOSED CHANGES IN MEDICAID

TCM – Targeted Case Management

- **Targeted Case Management** services are case management services to specific classes of individuals or to individuals who reside in specific areas which will assist individuals in gaining access to needed medical, social, educational and other services including:
 - Assessment of an eligible individual to determine service needs
 - Development of a specific care plan
 - Referral and related activities
 - Monitoring and follow-up activities
- On **December 4, 2007**, CMS issued an “**Interim Final Rule**” excluding from the definition of case management services, activities that:
 - *Are an integral component of another Medicaid service*
 - *Constitute the administration of foster care programs*
 - *Constitute the administration of another non-medical program such as guardianship, child welfare or child protective services, parole and probation functions, legal services and special education (except administration included in an IEP or individualized family services plan)*
 - *Are provided by private contractors of the public child welfare or foster care programs even though they would be otherwise qualified Medicaid providers of other approved TCM “targeted” populations*
- The “**Interim final rule**” was effective **March 3, 2008**
- Proposed federal legislation would **delay** further implementation of the TCM “Interim Final Rule” **until April 2009**. HR 5613, the House of Representatives Medicaid Moratorium bill

Title IV-E Discussion

- Eligibility
- Maintenance & Adoption Assistance
- Serving “Candidates for Foster Care”
- Administration for Children in Foster Care
- Training

Title IV-E: Eligibility for Foster Care

AFDC RELATEDNESS

Child was a recipient of or eligible for AFDC (as was in effect in the state on July 16, 1996) during the month the petition was filed with the court to remove the child (eligibility month) or the month a VPA (Voluntary Placement Agreement) is signed.

- Family Income Limit
- Family Resource Limit
- Child must be a US Citizen or a qualified alien
- Child must have lived in the home of a parent or the home of a specified relative within six months of the eligibility month
- Child must have been deprived of the parental support during the eligibility month by any of the following:
 - Absence of parent
 - Death of parent
 - Incapacity of a parent (physical or mental)
 - Unemployment or underemployment of primary wage earner

Title IV-E: Eligibility for Foster Care

COURT ORDER LANGUAGE

- Continuation in their own home would be “contrary to the welfare of the child” and
- Reasonable efforts were made to prevent removal of the child from their family and
- Placement and care of the child is the responsibility of the state IV-E agency or another public agency (including a Tribe or Tribal Corporation) with whom the state IV-E agency has made a IV-E Maintenance Agreement which is still in effect and
- Reasonable efforts were made to address the permanency goal at 12 month permanency finding (i.e. facilitate the return of the child, guardianship, adoption, placement with a relative or other permanent living arrangement)

Title IV-E: Eligibility for Adoption Assistance

- May be IV-E Eligible for Adoption Assistance Even if Not IV-E Eligible for Foster Care
- Basic Eligibility Criteria
 - State has determined that the child is a “Special Needs Child”
 - Child cannot or should not be returned to the home of his parents; and
 - There is a factor that makes it difficult to place the child without a subsidy; and
 - State has made a reasonable, but unsuccessful effort to place the child without a subsidy, except where it would be against the best interest of the child
- Additional Eligibility Criteria
 - Eligible for SSI; or
 - Prior Title IV-E Adoption Assistance Eligibility; or
 - Child of a Minor Parent who is IV-E eligible; or
 - In Foster Care at time of Adoption Placement
 - Initially met AFDC Related Requirements
 - Initially met “Contrary to the Welfare” legal Requirement

Title IV-E: Foster Care Maintenance & Adoption Assistance Payments

- Maintenance is the board and room payment made to foster parents, group homes or residential foster care facilities
- Adoption Assistance is the payment made to parent(s) who adopt a special needs child and cannot exceed the maintenance amount had the child been in a family foster home
- The foster care home or facility must be fully licensed
- The FFP (Federal Financial Participation) for foster care maintenance and adoption assistance payments is the same as the Medicaid FMAP (Federal Medical Assistance Program) and ranges from 50% to 83% based primarily on the states per capita income. The annual rate begins at the start of each federal fiscal year (October 1st)

Title IV-E: Foster Care Maintenance & Adoption Assistance Payments, con't

- Open ended individual Entitlement
- For foster care, base amount is set, but there may be an additional “difficulty of care” payment
- For adoption, amount may be as much, but not more than the maintenance amount paid for family foster care (including the “difficulty of care” payment)
- For adoption, the amount is negotiated and may be changed via an Adoption Assistance Agreement between the IV-E agency and adoptive family

Title IV-E: Administration

- Administration includes the expenses of the State/County/Tribal Social Service staff that work with children in the State/County/Tribal foster care or adoption program (including “candidates for foster care”) and their families, related purchase of service contracts and other related operating costs.
- Examples of reimbursable administrative activities as specified in federal regulations (45 CFR 1356.60 (c)) include:
 - Determination of Title IV-E eligibility (FFP is 50%)
 - Referral to service
 - Preparation for and participation in judicial determinations
 - Placement of the child
 - Development of the case plan
 - Case reviews
 - Case Management and supervision relating to foster children
 - Case Management prior to final degree of adoption
 - Case Management performed after finalization when done to implement Adoption Assistance Agreement
 - Recruitment & licensing of foster homes
 - Recruitment and Home Study of Adoptive homes
 - Costs related to data collection and reporting
 - A proportionate share of related agency overhead

Title IV-E: Candidates for Foster Care

- States/Counties May Claim IV-E
Administrative funds for serving Children in their own home who are considered to be “Candidates for Foster Care”
- Eligibility
 - A child who is at serious risk of removal from the home as evidenced by:
 - The IV-E agency (a) pursuing his/her removal from the home or (b) making reasonable efforts to prevent the removal

Title IV-E: Candidates for Foster Care, Con't

- There are 3 acceptable methods for documenting candidacy:
 - ***(1) A defined case plan which clearly indicates that, absent effective preventive services, foster care is the planned arrangement for the child***
 - ***(2) An eligibility determination form establishing the child's eligibility under IV-E***
 - ***(3) Evidence of court proceedings in relation to the removal of the child from the home, in the form of a petition to the court, a court order or a transcript of the court proceedings***
- Eligibility must be determined by the IV-E agency
- Eligibility must be redetermined at least every 6 months

Title IV-E: Training

- **Training for Public IV-E agency staff and those preparing for employment**

- Initial Training (one week or more)
 - Includes Salary & Fringe Benefits *plus*
 - New Hires - Formal Classroom – 2/4 weeks
 - New Hires - 3 months – reduced caseload & increased supervision
 - Current Staff –Weeks to Months – Learning New Tasks – Reduced Workload & Increased Supervision
- Training Workshops, Conferences, Seminars, Courses, etc.
- MSW & BSW – Stipends, Tuition,, Educational Supplies

- **Training for Current or prospective foster/adoptive parents**

- Initial/basic training (i.e. PRIDE), foster/adopt conferences, annual training, seminars, specific to a child's needs

- **Includes Cost of:**

- Travel, Per Diem, Registration fees, Trainers

- **Reimbursement formula**

- Allowable costs \times (times) IV-E/non IV-E eligible caseload ratio \times (times) 75% training FFP

- **Federal Authority: Child Welfare Policy Manual, Chapter 8.1H, Title IV-E, Administrative Functions/Costs, Training**

Maximizing Federal Funding Share

- **Review State Cost Allocation Plan to Determine if Federal Funding is Being Maximized and Review How Claims are Actually Being Made to Assure They Follow the CAP**
- **Review Random Moment Time Study (RMTS) Definitions**
 - Train staff who participate in the RMTS annually
 - Evaluate results of RMTS (should be 70% - 80% claimable to IV-E)
- **Review State Foster Care and Adoption Assistance IV-E Eligibility Policies and Manual Guidance**
 - Evaluate if state policies for IV-E foster care and adoption assistance are correct – Every State has some internal policies that are more restrictive than federal requirements
- Review how **funding source for “Purchase of Service Contracts”** is determined
 - Establish a “team” of program & fiscal staff to review all Purchase of Service Contracts
 - Common to claim IV-B, General Fund or XX instead of IV-E (Chapin Hall Research)
- **Establish IVE Quality Assurance Protocol**
 - Re-determine sample of previously determined IV-E and non IV-E eligibility cases monthly/quarterly

Reduce Numbers of Youth in Care and Invest General Fund Savings in Permanency Priorities

- **Move From More Intensive/More Restrictive to Less Intensive/Less Restrictive**
 - Residential Child Care
 - Treatment Family Foster Care
 - Family Foster Care
- **Establish Protocols to Reduce:**
 - Placement into More Costly Care
 - Length of Time in Care
- **Increase IV-E Maintenance Claims By**
 - Assuring Family Foster Homes (Including Relatives) are FULLY LICENSED By:
 - Simplify Training Requirements
 - Pay for Minor Home Improvements (IV-E Administration)
 - Improve Timeliness of Criminal Background Checks

Protecting General Fund Savings: Requirements

- **Leadership** from Department or Child Welfare Director needed: DANGER that Departments will Utilize ALL or SOME of the savings for other Department Needs
- **Prior approval** (before savings are generated) from Governor/Mayor (or their budget office) and Department Leadership including Finance to re-invest savings in other child welfare programs to further reduce the costs of foster care
- **Use of DATA** showing how the reductions were achieved AND the danger of reverting to having an increase in the number of children in foster care unless prevention is continued in FUTURE years
- **Authority to transfer** a % of the general fund savings regularly into new cost centers or accounting codes from which to purchase or provide other permanency options including re-unification & placement prevention

LEVERAGING FUNDING

- **Definition:** Use of private money to claim additional federal reimbursement (Title IV-E) and thus multiply (increase) the size of the program and the services provided. Also, the use of in-kind from a private provider to serve as federal match for such federal funding streams as IV-B, subparts 1 & 2 and Chafee Independent Living money.
- **Federal Authority to use Donated Funds to Match Federal funds:**
 - DAB #1737 July 14, 2000 – NYC – Kellogg Foundation – Adoption
 - Child Welfare Policy Manual: Chapter 8.1F, question # 3
- **Examples of Leveraging Cash Match: (Title IV-E can only be matched with cash)**
 - Annie E. Casey – ND Child Welfare Reform - \$3.5 million
 - Casey Family Programs – MHA Nation (ND) – Tribal Transition – Staff
 - Rasmussen Foundation – Alaska OCS - Family to Family
 - Casey Family Services – Maine OCFS – Offer Free Consultation/Exchange for Post-Adoption Services
 - Bush Foundation – Native American Training Institute (ND)
- **Examples of Leveraging In-Kind Match: (IV-B & Chafee)**
 - Use when States do not have sufficient State funds to match expanding federal grant
 - Letter from Private agency documenting cost