

November 30, 2012

Patrick O'Donnell, Clerk of the Legislature  
State Capitol, Room 2018  
PO Box 94604  
Lincoln, Nebraska 68509

Dear Mr. O'Donnell,

Legislative Bill 820 of the 102<sup>nd</sup> Legislative Session of 2012 requires the Foster Care Reimbursement Rate Committee to issue a final report on its activities to the Health and Human Services Committee on or before December 15, 2012.

The attached report provides a summary of the committee activities and recommendations.

Respectfully,



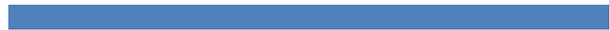
Thomas D. Pristow, Director  
Children and Family Services  
Department of Health and Human Services

This final report includes the recommendations regarding Foster Care Reimbursement Rates and Level of Care Assessment Tools.

# LB820 Final Legislative Report

Division of Children and Family  
Services

Department of Health & Human Services



## Background

LB 820, Sections 4 & 5 requires the Department of Health and Human Services to create a committee to develop a standard statewide foster care reimbursement rate structure. This will include a statewide standardized level of care assessment and tie performance with payments to achieve permanency outcomes for children and families.

The following committee was appointed by Kerry T. Winterer, CEO, Department of Health and Human Services.

<b>Committee Members</b>		
<b>Name</b>	<b>Position, Organization</b>	<b>Representation</b>
Thomas D. Pristow	Director, Children & Family Services	Designee of the chief executive officer of the department
Debbie Silverman	Administrator, Western Service Area	Representatives from the Division of Children and Family Services of the department from each service area.
Charlie Ponec	Resource Developer, Central Service Area	
Karen Knapp	Children & Family Services Specialist, Northern Service Area	
Jodi Allen	Children & Family Services Specialist Supervisor, Southeast Service Area	
Carrie Hauschild	Children & Family Services Specialist Supervisor, Eastern Service Area	
Carol Krueger	Nebraska Children's Home Society (Eastern)	Representatives from a child welfare agency that contracts directly with foster parents, from each of such service areas.
Gregg Nicklas	Christian Heritage (Southeast)	
Jackie Meyer	Building Blocks for Community Enrichment (Northern)	
Susan Henrie	South Central Behavioral Services (Central)	
Cory Rathbun	St. Francis Community (Western)	
Lana Temple-Plotz	Foster Family-Based Treatment Association, Boys Town	A representative from an advocacy organization which deals with legal and policy issues that include child welfare.
Leigh Esau	Foster Care Closet	A representative from an advocacy organization the singular focus of which is issues impacting children.
Barb Nissen	Nebraska Foster and Adoptive Parent Association	A representative from a foster and adoptive parent association.
David Newell	Nebraska Families Collaborative	A representative from a lead agency.
Rosey Higgs	Project Everlast	A representative from a child advocacy organization that supports young adults who were in foster care as children.
Bev Stutzman	Wood River, Nebraska	A foster parent who contracts directly with the department.
Joan Kinsey	Lincoln, Nebraska	A foster parent who contracts with a child welfare agency.
Sara Goscha	Administrator, DHHS Division of Children and Family Services, Special Projects	Director appointment.

The committee met once a month from June – November 2012. Two sub-committees were established to address the committee's legislative requirements: The Level of Care Assessment Sub-Committee and the Foster Care Rate Sub-Committee. The Nebraska Public Meeting Calendar was used for meeting notices. The committee's meeting agendas, minutes and information can be viewed at:

<http://dhhs.ne.gov/ChildrensCommission/Pages/Home.aspx>

The reports submitted to the legislature can be viewed on-line at:

<http://www.nebraskalegislature.gov/agencies/view.php>

## Recommended Actions for Foster Care Reimbursement Rates

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**Goal:** The committee was instructed to adjust the standard reimbursement rate to reflect the reasonable cost of achieving measurable outcomes for all children in foster care in Nebraska.

*The committee shall*

- (a) analyze 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 related to Title IV-E of the federal Social Security Act, as amended, and other federal programs as appropriate to maximize the utilization of federal funds to support foster care.*

Rate discussion included analysis of:

- Nebraska FCPAY checklist (Foster Care Pay, currently in use)
- 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 include similar information, although they are not directly parallel with each other. The USDA cost of raising children 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.

The sub-committee chose to use an average of two Midwest Urban two parent family categories as a baseline to calculate the minimum rate to care for a child in foster care. This average took into consideration food, clothing, shelter, normal family transportation, and miscellaneous costs related to children in a two parent family. The committee recommended a set of base foster care reimbursement rates by age grouping, which include a minimal amount of transportation. 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.

### Foster Care Reimbursement Rate Recommendations:

The following Foster Care Reimbursement rates were recommended:

<u>Age</u>	<u>Daily</u>	<u>Monthly</u>	<u>Annual</u>
0-5	\$ 20.00	\$608.33	\$7,300.00
6-11	\$ 23.00	\$699.58	\$8,395.00
12-18	\$ 25.00	\$760.42	\$9,125.00

## Recommended Statewide Standardized Level of Care Assessment

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**Goal:** The committee was instructed to develop a statewide standardized level of care assessment containing standardized criteria to determine a foster child's placement needs and to appropriately identify the foster care reimbursement rate.

*The committee shall review other states' assessment models and foster care reimbursement rate structures in completing the statewide standardized level of care assessment and the standard statewide foster care reimbursement rate structure.*

*The statewide standardized level of care assessment shall be research-based, supported by evidence-based practices, and reflect the commitment to systems of care and a trauma-informed, child-centered, family-involved, coordinated process.*

*The committee shall develop the statewide standardized level of care assessment and the standard statewide foster care reimbursement rate structure in a manner that provides incentives to tie performance in achieving the goals of safety, maintaining family connection, permanency, stability, and well-being to reimbursements received.*

The Level of Care sub-committee discussions centered on researching assessment tools within Nebraska and other states, evaluating their effectiveness, attributes and complications of each tool. Sub-committee members spent considerable time personally contacting experts in other states to gain insight into their assessments.

Ten tools researched and assessed from eight states. Thirteen experts were interviewed. The tools and experts are documented in committee minutes and available on the Nebraska Children's Commission webpage <http://dhhs.ne.gov/Pages/childrenscommission.aspx>.

Two assessment tools were recommended in order to better assess the level of care needs of the child, and level of responsibility required by the foster parent. Foster parents asked to provide a higher level of care which requires additional training would be paid an additional amount per day. The advanced care needs of medically fragile children who require special feeding, in-home health care, and transportation requirements would be an example. Children with severe mental health concerns which require additional programming, supervision or special services that the foster parent can be trained to provide would result in an additional payment to the foster parent.

## Level of Care Assessment Tool Recommendations:

The Level of Care Assessment tool recommendations are:

- Child Needs Assessment: Child and Adolescent Needs and Strengths Comprehensive (CANS)
  - Caregiver Responsibilities: Nebraska Caregiver Responsibilities (NCR)
- Level of Care Assessment caution: Do not tie foster parent payment directly to the assessment of a child.

## Potential Impact Items

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The Level of Care Assessment sub-committee received strong recommendations from other states regarding the use of Level of Care Assessment tools, and their use in combination with establishing foster care reimbursement rates.

1. All states interviewed recommended not tying an assessment to foster care payments initially. Instead all states recommended a "hold harmless" phase where foster parents rates do not change for a period of time;
2. An ongoing quality assurance process is critical to success;
3. Other states recommended training, implementation, ongoing training support; and
4. Use caution when developing or choosing a tool to ensure the tool or subsequent payment methodology does not include behaviors or conditions that overlap with other services/funding streams (i.e., developmental disabilities, behavioral health, medically fragile, OJS).