



## North Carolina Department of Health and Human Services Division of Social Services

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Courier # 56-20-25

Michael F. Easley, Governor  
Carmen Hooker Odum, Secretary

Pheon Beal, Director  
(919) 733-3055

March 26, 2002

### DEAR COUNTY DIRECTOR OF SOCIAL SERVICES

**Subject: Changes to Foster Care Payment System**  
**References: Dear County Director Letter dated June 26, 2001**

The purpose of this letter is to provide instructions for the data entry and payment process to allow a county DSS to claim a **clothing expense over and above the Level III room and board rate for a IV-E or TEA eligible child in DSS custody**. The Child Placement and Payment System (CPPS) has been modified to automate this process effective for the March month of service to be reported by April 20, 2002. **These instructions apply only when reporting room and board costs AND clothing expenses for foster children who receive Medicaid-funded residential treatment services in an authorized Level III facility**. An error message will appear in the CPPS if such data entry is attempted for a SFHF or IV-EW eligible child or a child in a Level IV facility, as reimbursement for clothing expenses in excess of the standard board rate (SBR) is not available. Please remember that all county DSS agencies must have clothing allowance policies that do not discriminate on the basis of the child's funding category.

### **CHILDREN RECEIVING LEVEL III RESIDENTIAL SERVICES WITH A CLOTHING EXPENSE IN EXCESS OF THE ROOM AND BOARD RATE:**

For a **IV-E or TEA** eligible child approved to receive Level III services in a Level III authorized facility, county DSS staff must complete the child's DSS 5094 Section VIII as they would for any other child for whom reimbursement is requested. To receive the reimbursement for **clothing expenses** over and above the \$43 (4 bed or less) or \$33 (5 beds or more) per diem room and board, the county DSS enters the Facility ID **AND** adds the letter "C" at the end of the Facility ID number in Field 49 of the child's DSS 5094. The "C" will be entered instead of the letter "M" that typically designates Level III. The "C" has been developed to uniquely identify that a clothing expense claim is being added to a Level III child's room and board expense. Currently, there is no space on the DSS 5094 form to enter the "C", but Field 49 on the data entry screen will allow this entry as the last character. The turnaround generated by a 5094 form being entered or updated will display the ID # with the letter "C".

Example #1: A **IV-E or TEA** eligible child resides in a Level III, 4 bed facility with ID# H00014 for the month of January. The DSS keys H00014C in Field 49 of the child's DSS-5094. The county DSS is claiming \$100.00 for the clothing expense and is claiming \$1,333 (\$43 x 31 days) for a full month's room and board. They should enter \$1,333 in Field 50 and \$1,433 in Field 51 (\$100 + \$1333).

If the child is in a Level III facility for a partial month, or if the number of days billed to Medicaid is less than the entire month, the amount in Field 51 should be the per diem room and board expense **and the amount of clothing expense**.

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**REIMBURSEMENT FOR LEVEL III ROOM AND BOARD PAYMENTS WITH A CLOTHING EXPENSE:**

For a *IV-E eligible* child receiving Level III services in an authorized Level III facility, the county DSS will be reimbursed 80.73% of the standard board rate (SBR) portion of the room and board costs with both state and federal IV-E funds. This information will be reflected on the PQA-020 report. The county DSS will receive the federal IV-E reimbursement toward the balance of the room and board costs, not to exceed the established Level III room and board rate *and the clothing expense*. This information will be reflected on the PQA-022-1 report.

For a *TEA eligible* child receiving Level III services in an authorized Level III facility, the county DSS will be reimbursed 100% of the standard board rate (SBR) portion of the room and board costs with federal TEA funds, in accordance with TANF (TEA) policy. This information will be reflected on the PQA-020. The county DSS will receive 100% federal reimbursement for the balance of the room and board costs, not to exceed the established Level III room and board rate *and the clothing expense*. This information is reflected on the PQA-022-2.

**CHANGES TO THE AFFECTED CHILDREN'S DSS-5094 NEED TO BE MADE BEFORE APRIL 20, 2002 IN ORDER TO RECEIVE AN AUTOMATED PAYMENT FOR THE MARCH MONTH OF SERVICE.**

**REMINDER: REQUIREMENT FOR A FACILITY-SPECIFIC ID NUMBER:**

Please be aware that authorized treatment facilities are licensed under Mental Health rules by the state Division of Facility Services. In order for any foster care reimbursement to be made on behalf of a child who is placed in a facility that is licensed in this manner, the facility must have a valid ID# assigned in the Foster Care Facility Licensing System (FCFLS).

If you have questions regarding the information in this letter or want additional information regarding the financing of placements for foster children, you may contact Elsie Roane at (919) 733-4622 or e-mail her at [elsie.roane@ncmail.net](mailto:elsie.roane@ncmail.net). If you need technical assistance with the payment process or with data entry required on the DSS 5094, you may contact Kay Becknel at (919) 733-7675 or e-mail her at [kay.becknel@ncmail.net](mailto:kay.becknel@ncmail.net).

Sincerely,



Charles C. Harris, Chief  
Children's Services Section

cc: Pheon Beal  
Sherry Bradsher  
Paul Lesieur  
Gary Fuquay  
Children's Services Program Representatives  
Local Business Liaisons  
Austin Connors

CCH/edr

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