



North Carolina Department of Health and Human Services
Division of Social Services
325 North Salisbury Street • Raleigh, North Carolina 27603
Courier # 56-20-25 MSC 2409

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Sherry S. Bradsher, Director
(919) 733-3055

February 14, 2007

Dear County Director of Social Services

Attention: Children's Services Supervisors
Children's Services Social Workers
County Fiscal Officers

Effective Date: Immediately

Subject: Guidelines for DSS Children placed in Residential
Treatment Settings

This letter is intended to clarify guidelines for DSS children placed in Residential Treatment settings. No Changes have occurred; however, this letter is intended to clarify information previously presented and provide further guidance for County Agencies.

Recently the DMH/DD/SAS issued [Communication Bulletin #64, Standardized Guidelines for the Payment of Room and Board for Medicaid Eligible Children in Residential Placement](#). This bulletin primarily addressed payment issues of children receiving residential services who are not in the custody of the Department of Social Services. The memo restates existing policy for children in DSS custody. For DSS clients, foster care payments will be used to cover room and board expenses.

Instructions for payment of room and board expenses for children in the custody of the Department of Social Services placed in Residential Treatment Levels II, III and IV, were initially issued in a DCD letter dated June 26, 2001, [CS-20-2001, Changes to Foster Care Payment System](#). Please find a recap of those instructions below.

Authorization and Payment Guidelines include the following:

Authorization requirements for all children:

- The child is Medicaid eligible and Medicaid county of eligibility is in the LME's catchment area
- Children's Residential Treatment Level II – IV services have been authorized by ValueOptions. When the policies regarding LME's concurrent review of Person Centered Plans for high risk/high cost consumers has been developed, the LME must have agreed with – or not disputed – the ValueOptions authorization.

The payment process for Children in the custody of the County Department of Social Services is as follows:

- The County Department of Social Services will be responsible for the costs of room and board which is established by the General Assembly. **The Standard Board Rate (SBR) is an all inclusive amount. (See additional information that follows)**
 - The SBR for Residential Treatment, Level II is currently \$390 for children birth to 5, \$440 for children 6 to 12 and \$490 for children 13 and up.
 - The SBR for Residential Treatment Level III has been established as \$43/ day for facilities with 4 beds or less or \$33/ day for facilities with 5 beds or more.
 - The SBR for Residential Treatment Level IV has been established as \$43/ day for facilities with 4 beds or less or \$40/ day for facilities with 5 beds or more.
- The local County Department of Social Services may have policies that allow them to provide assistance for specific items of cost above the Standard Board Rate including clothing allowance, an additional personal allowance and possible transportation expenses; however, payment of any funds above the SBR is at the discretion of the local County Department.
- In order for a County Department of Social Services to pay for costs of a child in their custody placed in a Residential Treatment Facility, the facility must have a valid and active license identification number ("H" number) that is compatible with the DSS Foster Care Facility Licensing System. If a valid number is not available, it is the provider's responsibility to secure the facility identification number from the Division of Social Services, Black Mountain office by completing a DSS-5272 form. Contingent on contractual agreements with the provider, a County Department can withhold payment until the number is received.

Children not in the custody of the County Department of Social Services are eligible for services based on the guidelines expressed in the DMH/DD/SAS communication bulletin.

Additional information related to the established Room and Board payments for Residential Treatment:

The established rates are based on the findings of a joint study group consisting of the Divisions of Social Services and MH/DD/SAS in 2001. Rates established by this group were the result of an in-depth analysis of both the actual cost of service and operating models. **The rates established by this joint DSS and DMH/DD/SAS work group are intended to be all inclusive and reflect the acceptable and reasonable expenses related to each level of service provided.**

Rates established by the study group for the room and board portion of the rate, are paid by the individual county Department of Social Services and include the following expenses:

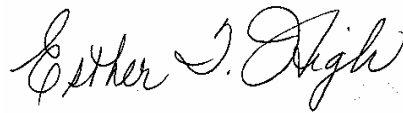
- Room, Board and Supervision as defined by Federal regulation and;

- Clothing needs and;
(Counties may provide additional clothing per individual county policies; however, any additional payment is at the County Agency's discretion)
- Personal Incidentals as established and defined by ACF (Administration for Children and Families) and North Carolina Standards.
(Incidentals include, but are not limited to: personal hygiene items; cosmetics; fees related to activities; and tickets or other admission fees for cultural events)

This information is for clarification and to address concerns regarding cost inclusion in the required rates. Residential Providers who provide services are expected to follow guidelines set by their licensing authority. This includes an expectation that room and board will be billed only as previously agreed upon. Any request for additional funding would need to be addressed on an individual client basis and would need to be justified by the provider and approved by the county DSS which has custody of the child. If a provider feels that rates are not acceptable for the services to be provided, please refer them to the Division responsible for the administration of their license.

If you have any questions about these issues, please contact Thomas Smith, Program Consultant with the Family Support and Child Welfare Services Section at thomas.smith@ncmail.net or (919) 733-9465 or Tina Bumgarner, Financial Resource Coordinator at tina.bumgarner@ncmail.net or (704) 462-2686.

Sincerely,



Esther T. High, Acting Chief
Family Support and Child Welfare Services Section

cc: Sherry Bradsher
JoAnn Lamm
Children's Program Representatives
Work First Representatives
Family Support and Child Welfare Services Team Leaders
Local Business Liaisons
Sarah Barham
Susan Robinson

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