



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

Mail Service Center 2440 • Raleigh, North Carolina 27699-2408
Courier # 56-20-25

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Pheon E. Beal, Director
(919) 733-3055

July 21, 2004

DEAR COUNTY DIRECTOR OF SOCIAL SERVICES

SUBJECT: SFY 2004-2005 FACILITY RATES

**ATTENTION: CHILD WELFARE SUPERVISORS
CHILD PLACEMENT STAFF**

The purpose of this letter is to provide you with information on the **Foster Care Maximization Program** and the list of **Facility Rates** for participating agencies for SFY 2004-2005.

This year's rate setting process included significant changes to the methodology used to establish the rates. In April of 2004, the Administration for Children and Families (ACF) communicated to DHHS of the need for these changes. To summarize, federal IV-E foster care reimbursement is set at a lower rate, and is fixed at 50%, for "administrative" costs incurred by Child Placing Agencies (CPA's) than is reimbursed for "maintenance" costs, which varies by FFY, currently 62.85%. **The methodology used to set facility rates for Child Caring Institutions (CCI's) was not affected by this change.**

Therefore, CPA's allowable costs for maintenance *only* and all allowable costs for CCI's will continue to be reimbursed via the automated system DSS-5094. Federal participation for all eligible costs entered in fields 50/51 will remain at the participation rate which is set at each federal fiscal year, currently 62.85%. The amount entered into field 50/51 will continue to be the amount the county paid for the costs of services, less any child resources used to pay for the cost of care. The amount used for the cost of care from the child's resources will continue to be indicated in field #56 on the DSS-5094.

In order to reimburse county DSS's and CPA's for administrative costs, the DHHS controller's office will calculate the reimbursements "manually". Costs incurred by county DSS's will be transferred via the NCAC EFT process. Private CPA's will be issued paper checks. The amounts will be based upon the number of eligible child caring days, as reflected on the DSS-5094, and the administrative rates, noted below.

The DHHS Controller's Office is responsible for establishing **Facility Rates** (i.e. cost-of-care rates) for agencies that participate in this program. In order to participate, agencies must comply with program requirements in North Carolina Administrative Code (10NCAC41M). The regulations in 10NCAC41M reflect federal regulations with which the DHHS Controller's Office, the Division of Social Services and agencies must comply in order for North Carolina to maintain this program. Private

child-caring agencies must enter into a formal contract with the Division in order to receive reimbursements directly from the state.

Establishing **Facility Rates** allows North Carolina to claim additional federal IV-E and TEA foster care reimbursements for county DSS agencies and participating private child-caring agencies. Specifically, this program enables the state to receive federal IV-E and TEA reimbursement for costs in excess of the standard board rate that are incurred on behalf of IV-E and certain TEA eligible children.

If the cost of a child's placement is in excess of the standard board rate, it is very important that county DSS staff ensure that the child-caring agency is participating in the maximization program. If a county DSS determines that a potential placement resource for an eligible child does not have a **Facility Rate** established by the DHHS Controller's Office, the county DSS who places the minor will be responsible for the portion of the cost of care in excess of the standard board rate. The facility or agency may contact Kevin Kelley at (919) 733-4570 to request inclusion in the **Maximization Program** to determine if they meet the requirements.

For child-caring facilities operated by county Departments of Social Services, federal IV-E and TEA maximization reimbursements are received directly by the county Department of Social Services. In such situations, the established monthly **Facility Rate** must be shown in Field 50 (Monthly Rate) of the DSS 5094 in order for the county DSS to receive the full maximization reimbursement.

According to federal and state regulations, foster care payment claims are not allowed to exceed the state-established Facility Rates. Therefore, if counties choose to pay an amount greater than the state-established Facility Rate, no reimbursement is received for the amount in excess of the Facility Rate. In addition, North Carolina Administrative Code includes a cost containment requirement in which the Child and Family Services Association of North Carolina recommends a cap or maximum facility rate for each type of care each year. Therefore, no **Facility Rate** established by the Division is allowed to exceed the maximum rate established, regardless of the facility's actual cost of care.

The caps (maximum allowable, monthly cost of care) set for each type of care for FY 2002-03 are as follows:

- Family Foster Care;
 - Administration = 1859
 - Maintenance = 2091
- Group Care = 5887
- Institutional = 5711
- Emergency = 6261
- Therapeutic Camping = 3780

Agencies who qualify for IV-E maximization in one type of care, and begin offering an additional type of care during the SFY, will be authorized for the state average for that new type of care.

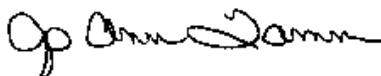
The state averages for each type of care for the 2004-2005 SFY are:

- Family Foster Care;
 - Administration = 1200
 - Maintenance = 890
- Group Care = 4863
- Institutional = 4704
- Emergency = 5204
- Therapeutic Camping = 3780

The enclosed list indicates with an asterisk (*) those agencies that are also members of the State Funds Program. State Funds are designated to supplement the foster care costs for non-IV-E children in placement with member agencies. Reimbursements are made based on the available funds and the agency's Facility Rate less any foster care payment and child's resources shown on a child's DSS 5094. Counties that pay in excess of the Standard Board Rate for children placed with these agencies should be able to realize some reduction in county costs for these placements.

If you have questions about this information, please refer to the Children's Services manual, Volume I: Chapter IV: Section 1203 or you may contact Kevin Kelley at (919) 733-4570. Another source of information which lists facility rates is the quarterly XPTR report: **FCF 402: Foster Care Placement Resources**.

Sincerely,



Jo Ann Lamm, Program Administrator
Family Support and Child Welfare Services

cc: Pheon Beal
Sherry Bradsher
Family Support & Child Welfare Team Leaders
Sarah Barham
Austin Connors
Adylett Hunike

FSCWS-31-04

DSS-FCFL Agency Code	State Funds Participant	Agency Name	Type	MONTHLY MAINTENANCE	MONTHLY ADMIN	MONTHLY TOTAL
AAQ	*	Agape of NC	Family Foster	578	1858	2436
ABV		Alexander Children's Center	Family Foster	1869	679	2548
ABV	*	Alexander Children's Center	Group			5887
ABV	*	Alexander Children's Center	Institutional			5667
ADF		Alliance Human Services	Family Foster	1521	1858	3379
AAO		Alternative Life	Family Foster	890	1200	2090
AAO		Alternative Life	Group			4863
AAW	*	American Children's Home	Family Foster	623	1699	2322
AAW	*	American Children's Home	Institutional			5682
ADI	*	Appalachian Family Innovations	Family Foster	1212	1433	2645
ADI	*	Appalachian Family Innovations	Intensive Family Foster	2091	1629	3720
AAV	*	Baptist Children's Homes of North Carolina	Group			3510
AAV	*	Baptist Children's Homes of North Carolina	Institutional			4733
AAV	*	Baptist Children's Homes of North Carolina	Emergency			5005
AAV	*	Baptist Children's Homes of North Carolina	Therapeutic Camping			3780
ABW	*	Barium Springs Home for Children	Institutional			5711
ABQ	*	Bertie-Martin-Beaufort Shelter Home Inc	Emergency			4006
AAB		Bethany Christian Services	Family Foster	324	595	919
ABX	*	Boys and Girls Homes of NC	Family Foster	442	473	915
ABX	*	Boys and Girls Homes of NC	Institutional			3856
ADM		Cardinal Therapeutic Homes Services Inc.	Family Foster	890	1200	2090
ABE	*	Caring for Children	Emergency			6261
ABE	*	Caring for Children	Family Foster	823	1101	1924
ABE	*	Caring for Children	Group			5247
ADE		Catawba County Depart of Social Services	Group			5887
ABZ	*	Central Children's Home of North Carolina	Institutional			3730
ABY	*	Cherokee Center for Family Services	Institutional			5711
ABI	*	Children's Home Society of NC	Family Foster	579	1415	1994
ABF	*	Children's Homes of Cleveland County	Group			3604
AAN	*	Children's Homes of Iredell County	Group			4773
ACA	*	Church of God Children's Home	Institutional			3712
AAM		Coastal Horizons Center	Emergency			6261
ACB	*	Crossnore School	Institutional			4793
		Cumberland County	Group			5345
ADJ		Easter Seals UCP	Family Foster	1356	944	2300
AAD	*	Ebenezer Gardens Christian Children's Home	Group			3036
AAA		Eckerd Youth Alternatives	Therapeutic Camping			3780

DSS-FCFL Agency Code	State Funds Participant	Agency Name	Type	MONTHLY MAINTENANCE	MONTHLY ADMIN	MONTHLY TOTAL
AAY	*	Eliada Homes	Family Foster	341	939	1077
ABB	*	Elon Homes for Children	Institutional			5420
ABB	*	Elon Homes for Children	Family Foster	1114	737	1851
ACC	*	Falcon Children's Home	Institutional			2957
ABG	*	Family Resources of Rutherford County	Group			3506
ABG	*	Family Resources of Rutherford County	Emergency			3693
ABT	*	Florence Crittenton Services	Institutional			4692
ACW		Forward Care Management	Group			4863
ACD	*	Free Will Baptist Childrens Home	Emergency			3263
ACD	*	Free Will Baptist Childrens Home	Institutional			4569
ACE	*	Grandfather Home for Children	Family Foster	890	1200	2090
AAC	*	Haven House	Emergency			6261
AAC	*	Haven House	Family Foster	524	1689	2213
AAC	*	Haven House	Group			5887
AAO		Henderson County Office of Youth Programs	Group			5887
ACY		Kidspace National Centers	Family Foster	890	1200	2090
AAK		Lee County Youth Services	Emergency			6261
AAE	*	Lifegains	Family Foster	1044	1359	2403
ABR	*	Loray Girls Home	Group			5463
AAT	*	Lutheran Family Services	Emergency			5212
AAT	*	Lutheran Family Services	Family Foster	553	487	1040
AAT	*	Lutheran Family Services	Group			5143
		McDowell County	Emergency			4328
AAX	*	Methodist Home for Children	Emergency			6261
AAX	*	Methodist Home for Children	Family Foster	620	924	1544
AAX	*	Methodist Home for Children	Group			5887
ABL	*	Mountain Youth Resources	Emergency			5648
ACF	*	Nazareth Children's Home	Family Foster	525	775	1300
ACF	*	Nazareth Children's Home	Institutional			4586
ACZ		Omni Community Services	Family Foster	890	1200	2090
AAP		Onslow Co Youth Services	Emergency			4477
ACM	*	Phoenix Group Homes	Group			5793
ABK	*	Presbyterian Home for Children	Institutional			4238
AAJ		Quad County Group Homes	Group			2836
ABJ	*	Rainbow Center	Emergency			4246
ABJ	*	Rainbow Center	Group			4212
ACI		Robeson House	Emergency			3727

DSS-FCFL Agency Code	State Funds Participant	Agency Name	Type	MONTHLY MAINTENANCE	MONTHLY ADMIN	MONTHLY TOTAL
ADB		Serenity Group Home	Group			3066
ADH		Seven Homes	Group			4586
ADH		Seven Homes	Family Foster	483	797	1280
ACG	*	Sipe's Orchard Home	Institutional			5711
ABA	*	Southmountain Children & Family Services	Institutional			3445
ACH	*	Specialized Children's Care	Group			4863
ACV		The Children's Center of Surry	Group			4259
ABU	*	The Children's Home	Family Foster	1214	1523	2737
ABU	*	The Children's Home	Institutional			3602
AAL	*	The Family Center/Arosa House	Group			5786
ACU		The Family Emergency Teen Shelter	Emergency			6261
ABC		The Royal Home	Group			5887
AAZ	*	Thompson Children's Home	Institutional			5711
AAZ	*	Thompson Children's Home	Family Foster	863	1468	2331
AAZ	*	Thompson Children's Home	Group			5887
		Union County DSS Emergency Group Home	Emergency			4558
AAR	*	Volunteer Families for Children of NC	Family Foster	52	1857	1909
		Wake County Human Services	Emergency			6261
ABM		With Friends	Emergency			5803
ADA		Youth Development Corporation	Family Foster	1015	580	1595
ABH	*	Youth Focus	Family Foster	890	1200	2090
ABH	*	Youth Focus	Emergency			5370
ABH	*	Youth Focus	Group			4165
AAS	*	Youth Homes	Family Foster	1197	1487	2684
AAS	*	Youth Homes	Group			5327
AAF		Youth Network	Emergency			6128
AAU	*	Youth Opportunities	Emergency			5189
AAU	*	Youth Opportunities	Group			5887
ABN	*	Youth Unlimited	Family Foster	828	1592	2420
ABN	*	Youth Unlimited	Group			4548