



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

JOSH STEIN • Governor

DEV DUTTA SANGVAI • Secretary

LISA TUCKER CAULEY • Division Director, Human Services

July 09 ,2026

**DEAR COUNTY DIRECTORS OF SOCIAL SERVICES, AND DIRECTORS OF PRIVATE RESIDENTIAL CHILD-CARE AND CHILD-PLACING AGENCIES**

**ATTENTION: DIRECTORS, CHILD WELFARE PROGRAM ADMINISTRATORS, MANAGERS, SUPERVISORS, SOCIAL WORKERS, PRIVATE CHILD-PLACING AGENCIES, AND PRIVATE CHILD-CARE INSTITUTIONS**

**SUBJECT: FOSTER CARE RATES AND PROVIDERS PARTICIPATING IN COST MODELED RATES FOR FISCAL YEAR 2026-2027**

**REQUIRED ACTION:** ☒ Information Only ☒ Time Sensitive ☐ Immediate

**PURPOSE:**

This letter will provide county agencies with guidance regarding foster care rates. In addition, the attached listing indicates private agencies *who have completed the rate setting process and are eligible for Cost Modeled Rates* in the 2026-2027 fiscal year. DSS Agencies should review the list to determine their reimbursement status.

**Standard board rates for foster care (and adoption services):**

As of June 30, 2026, foster care board rates have not increased.

As related to foster care services, the following rates should be utilized for North Carolina licensed placements including, but not limited to: DSS family foster homes, Therapeutic family foster care services, Residential Treatment (Level 2), *and payments to licensed providers **not** participating in cost modeled rates.*

Effective July 1, 2026, and ongoing the Standard Board rate for foster services is as follows:

| Child Age Group | Standard Board Rate |
|-----------------|---------------------|
| 0 – 5           | \$ 702 / month      |
| 6 – 12          | \$ 742 / month      |
| 13 and up       | \$ 810 / month      |
|                 |                     |

**Standardized Rates for Residential Child Care Agencies and Child Placing Agencies providing foster care services under Cost Modeled Rate Status:**

*Through participation in an annual cost finding and rate setting process, Residential Child Care Agencies and Child Placing Agencies (CPA) establish a supportable basis for state and federal participation above the standard board rate. Including the increase in the board rates, the Cost Modeled Rates for the state fiscal year 2026-2027 are as follows:*

**NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF SOCIAL SERVICES**

LOCATION: 1915 Health Services Way, Raleigh NC 27607 MAILING ADDRESS: 2408 Mail Service Center  
Raleigh, NC 27699-2410 www.ncdhhs.gov • Main Tel. 919-527-6340

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Residential Child Care Agency Rates for Participating Providers (**see attached listing of agencies**):

| Child Age Group | Maximization Rate |
|-----------------|-------------------|
| 0 – 5           | \$ 4,506 / month  |
| 6 – 12          | \$ 4,598 / month  |
| 13 and up       | \$ 4,692 / month  |

Child Placing Agency Rates for Participating Providers (**see attached listing of agencies**):

| Child Age Group | Maintenance Portion | Administrative Portion | Maximization Rate |
|-----------------|---------------------|------------------------|-------------------|
| 0 – 5           | \$ 702              | \$ 1,152               | \$ 1,854 / month  |
| 6 – 12          | \$ 742              | \$ 1,271               | \$ 2,013 / month  |
| 13 and up       | \$ 810              | \$ 1,285               | \$ 2,095 / month  |

Reimbursement is dependent on the approved funding source of the client **and** the rate status of the provider. Agencies should refer to the Child Placement and Payment System and the Partnership and Technology Hub NC (PATHNC) reports for allowed reimbursements amounts. All rates above are based on monthly amounts; individual daily rates can be determined by taking the monthly amount and dividing by the number of days in the month. For Child Age Group, the rate for the period should be based on the client's age as of the last day of the service month.

**Rates for Residential Treatment Level 3 and Level 4:**

Special treatment placement's daily room and board rates *have not changed* for care in Level 3 and Level 4 homes

These rates will continue at the following:

| Care Level of Home | Number of Beds | Daily Rate for Room and Board | Daily Rate for Treatment Services** |
|--------------------|----------------|-------------------------------|-------------------------------------|
| Level 3            | 0 – 4          | \$ 43 / day                   | 296.12                              |
| Level 3            | 5 and up       | \$ 33 / day                   | 241.28                              |
| Level 4            | 0 – 4          | \$ 43 / day                   | 401.45                              |
| Level 4            | 5 and up       | \$40 / day                    | 401.45                              |

*County DSS Agency reimbursement is dependent on the provider's status in the DSS License system and correct entry of placement.*

*\*\* Medicaid HCSPCS MH/DD/SA Service Rates for treatment are established by DMA and are subject to change (last update 03/01/2022)*

**For Reference, the current treatment rates for services in Level 1 or Level 2 are as follows:**

| Care of Home                    | Daily Rate for Treatment Services** |
|---------------------------------|-------------------------------------|
| Therapeutic Foster Care Level 1 | 63.26                               |
| Therapeutic Foster Care Level 2 | 112.64                              |
| Group Home                      | 160.61                              |

*County DSS Agency reimbursement is dependent on the provider's status in the DSS License system.*

*\*\* Medicaid HCSPCS MH/DD/SA Service Rates for treatment are established by DMA and are subject to change (last update 01/01/2025)*

<https://medicaid.ncdhhs.gov/blog/2023/11/15/nc-medicaid-behavioral-health-services-rate-increases>

**Compliance and Funding Requirements:**

All county departments of social services and consolidated human services agencies providing foster care and adoption assistance payments are **subrecipients of federal grant funds** that pass through the North Carolina Department of Health and Human Services (DHHS).

All subrecipients must comply with **09 NCAC 3M .0201 and .0202**, as well as applicable **Title IV-E Maximization Program** and **State funding requirements**.

For Child-Placing Agencies and Residential Child-Care Facilities approved for the Cost-Modeled Rate, foster care assistance payments include both a **maintenance portion** and an **administrative portion**, consistent with federal regulations.

If you have any questions concerning rates or provider information, please contact Amy Oathout, Financial Resource Coordinator, [amy.oathout@dhhs.nc.gov](mailto:amy.oathout@dhhs.nc.gov)

Sincerely,



Beth Riley, MBA  
Child Welfare Financial Officer

Cc: Lisa Tucker Cauley, Division Director Human Services, Child, Family and Adult Regional Support  
Donna Fayko, Deputy Director for Child Welfare  
Tammy Shook, Interim Assistant Deputy Director for Child Welfare Services  
Adrian Daye, Section Chief for Permanency  
Kimaree Sanders, Section Chief for Regulatory and Licensing  
Meredith Houchens, Interim Section Chief for County Operations  
Kathy Stone, Section Chief for Safety  
Heather McAllister, Section Chief for Child Well Being  
Caleb Hawkins, Local Business Liaisons Lead  
Yashaciqa Davis, DHHS Office of the Controller

**Attachment:** PROVIDERS PARTICIPATING IN COST MODELED RATES FOR  
FISCAL YEAR 2026-2027

CWS-48-2026