



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

JOSH STEIN • Governor

DEV DUTTA SANGVAI • Secretary

LISA TUCKER CAULEY • Division Director, Human Services

October 16, 2025

DEAR COUNTY DIRECTOR OF SOCIAL SERVICES

DEAR DIRECTORS OF PRIVATE RESIDENTIAL CHILD CARE AND CHILD PLACING AGENCIES

ATTENTION: DIRECTORS, CHILD WELFARE PROGRAM ADMINISTRATORS, MANAGERS,
SUPERVISORS, SOCIAL WORKERS, AND FISCAL STAFF

SUBJECT: FOSTER CARE RATES AND PROVIDERS PARTICIPATING IN COST MODELED RATES FOR
FISCAL YEAR 2025-2026

REQUIRED ACTION: ☒ Information Only ☒ Time Sensitive ☐ Immediate

PURPOSE

This letter will provide county agencies with guidance as to 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 2025-2026 fiscal year. DSS Agencies should review the list to determine their reimbursement status.

Standard board rates for foster care (and adoption services)

As of July 1, 2025, 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, 2025 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 2025-2026 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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

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	Total 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 Child Welfare System 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

Sincerely,



Beth Riley, MBA
Child Welfare Financial Officer

Cc: Lisa Tucker Cauley, Division Director Human Services, Child, Family and Adult Regional Support
Adrian Daye, Deputy Director for Child Welfare Practice
Donna Fayko, Deputy Director for Child Welfare Operations
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 and Family Services
Caleb Hawkins, Local Business Liaisons Lead
Susan Kesler, DHHS Office of the Controller

Attachment: PROVIDERS PARTICIPATING IN COST MODELED RATES
FOR FISCAL YEAR 2025-2026

CWS-74-2025