



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 2406

Michael F. Easley, Governor
Dempsey Benton, Secretary

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

December 21, 2007

Dear County Director of Social Services

Attention: Child Welfare Program Managers, Supervisors and County Fiscal Staff

Subject: Foster Care Rates and Reimbursement Process Changes

As county departments of social services are currently preparing budgets for the upcoming 2008-09 SFY, the following information will assist in those preparations for the program area of foster care payments. Additionally, the Division of Social Services is working toward streamlining the processes by which counties and private providers are reimbursed for the cost of care of children in placement authority. This is intended to give you as much information as is known at this time. Further details will be communicated as they become available.

Through the work of a state, county and provider work group, the process by which facility rates are calculated has been redesigned. Rather than calculating a rate for each agency and type of care, a statewide uniform set of rates is being proposed. In addition, an increase to the Standard Board Rate (SBR) is included in the Division of Social Services request for expansion budget items for the Department of Health and Human Services consideration. This new SBR amount would apply for both Adoption Assistance as well as Foster Care services. The details below are the proposed rates for all types of care. Please be fully aware that these rates are **proposed**, and will ultimately require the approval of the North Carolina legislature prior to implementation.

In conjunction with the rate establishment, the process by which counties and agencies are reimbursed for the cost of care is also being modified. Effective July 1, 2008, the state will implement a County Direct system. Under this new system, all payments for children in placement authority will pass through the county who holds custody, as recorded in the CPPS or DSS-5094 system. The state will in turn participate equally in the cost of care with counties for all eligible expenses. This equal partnership is occurring today, but only when viewed statewide. Individual counties will need to do some analysis to determine the ultimate impact to their county's revenue and expenditures. In addition to the attachment, your county's LBL can be of assistance in estimating the impact to your county's foster care budget.

Proposed Rates and Reimbursements SFY 2008-2009

Increase to SBR based on USDA cost model:

<http://www.cnpp.usda.gov/ExpendituresonChildrenbyFamilies.htm>

**Actual numbers are subject to slight adjustments when updated for inflationary factors.*

| | | | | | <i>County Share of cost</i> | | |
|--|-----------|-------------|---------|---------|-----------------------------|--------|------------|
| | | | | | IV-E | TEA | SFHF |
| > Family Foster Care supervised by County staff | age | SBR | | | | | |
| | 0-5 | \$475 | | | \$85.38 | \$0.00 | \$237.50 |
| | 6 to 12 | \$581 | | | \$104.43 | \$0.00 | \$290.50 |
| | 13 and up | \$634 | | | \$113.96 | \$0.00 | \$317.00 |
| | | | | | | | |
| | | | | | IV-E | TEA | SFHF |
| > *Family Foster Care Supervised by private agency | age | maintenance | admin | total | | | |
| | 0-5 | \$475 | \$958 | \$1,433 | \$324.88 | \$0.00 | \$716.50 |
| | 6 to 12 | \$581 | \$983 | \$1,564 | \$350.19 | \$0.00 | \$782.00 |
| | 13 and up | \$634 | \$1,004 | \$1,638 | \$364.96 | \$0.00 | \$819.00 |
| | | | | | | | |
| | | | | | IV-E | TEA | SFHF |
| > Residential Care (group, institution, emergency and camps) | age | Monthly | | | | | |
| | 0-5 | \$4,279 | | | \$769.15 | \$0.00 | \$2,139.50 |
| | 6 to 12 | \$4,437 | | | \$797.55 | \$0.00 | \$2,218.50 |
| | 13 and up | \$4,516 | | | \$811.75 | \$0.00 | \$2,258.00 |

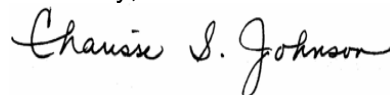
**The suggested figures are not acceptable to the providers on the workgroup*

These proposed rates do not include, or effect the HIV supplements. No changes to the HIV supplemental payments or process are being proposed. The policies related to allowable or reimbursable costs for foster will remain as published in the manuals and Administrative Letters.

For children in DSS custody who have been authorized for therapeutic residential (family or group) services, the policies and processes will remain as are currently in place.

The Division of Social Services intent is to implement both of these related, but independent issues by July 1, 2008. If the NC General Assembly has not approved the state budget by late June, the County Direct process will be implemented utilizing the current rates. At the time the rates are approved, additional communications will be sent detailing the implementation of those new rates.

Sincerely,



Charisse S. Johnson, Section Chief
Family Support and Child Welfare Section

cc: Sherry S. Bradsher
Jo Ann Lamm
Sarah Barham
Local Business Liaisons Managers
Children Services Program Representatives
Family Support and Child Welfare Services Team Leaders