

**From:** Ely, Robin (VDSS)

**Sent:** Wednesday, June 17, 2009 11:10 AM

**Cc:** Germani, Nancy (VDSS); Ellington, Susan (VDSS); Horne, Cynthia (VDSS); Gilbreath, Charisse (VDSS); Baldwin, Joni (VDSS); DSS-Rate Structure

**Subject:** Foster Care and Adoption Rate Structuring

The attached document is being sent to all licensed child-placing agencies (LCPA) by bcc at the request of Division of Family Services. Please share this information with foster and adoptive families. This rate structure information does not apply for LCPA who provide only independent living arrangements. If you are unable to open the attachment, the substance of the attachment is as follows:

“This Broadcast is the first of several regarding the new rate structure system for Additional Daily Supervision (ADS) reimbursement to foster and adoptive parents that will go into effect on October 1, 2009. ADS reimbursements are funds paid over and above the basic foster care and adoption assistance maintenance rates. These enhanced payments are based on the increased supervision needs of the child. Implementation of a rate structure is occurring due to inequities in ADS reimbursement to foster and adoptive parents as well as the need for Virginia to comply with federal requirements for using federal funds for ADS reimbursement.

ADS rate structuring is a complex and multi-faceted process, and sharing the information about this process will be done gradually. The intent of this broadcast is to share the goals, background and general implementation steps of rate structuring and provide contact information. Specific information on rate structure implementation activities will be provided in subsequent broadcasts.

### **Goals of Rate Structuring**

Rate Structuring is being implemented to accomplish the following goals:

- Ensure children’s needs drive ADS reimbursement.
- Improve equity in the ADS rates paid to foster parents across the state.
- Establish increased options for:
  - Using non-therapeutic foster homes when children do not require that level of intensity of care but do require increased supervision by the resource parent;
  - Equity between the public and private sector for paying ADS rates without requiring agencies to be Treatment Foster Care (TFC) program providers; and
  - Establishing consistent requirements for Child-Placing Agencies (CPA) and foster homes when a child is identified as needing increased supervision. These requirements are more strict than regular foster care, but less strict than those for TFC homes.
- Claim a greater share of federal funds for ADS reimbursement in a manner that is consistent with federal requirements. (Important note: Virginia cannot claim federal title IV-E funds for ADS payments nor can it use title IV-E funds to support more of the adoption assistance paid to adoptive parents without having a rate structure in place).

## **Background**

The 2006 and 2007 General Assembly required state agencies, including VDSS, to conduct two studies: 1) study of the policies and procedures related to the management of the special needs adoption subsidy program (HD25, 2006); and 2) study to examine establishing statewide rates for treatment/therapeutic foster care (RD224, 2007). In order to complete each study, representatives of child welfare stakeholder groups were assembled to produce the studies and provide recommendations. The full study reports are accessible at <http://leg1.state.va.us/>, under “Reports to the General Assembly.”

Both studies recommended actions leading to the implementation of the ADS rate structure. Specific recommendations made were to:

1. Create a uniform Adoption Assistance Agreement that encourages linkage between the child’s needs and service payment level.
2. Increase use of federal Title IV-E funds for adoption assistance payments.
3. Develop and implement a statewide rate structure to govern the administration of ADS payments to foster and adoptive parents on behalf of the children they foster/adopt.
4. Complete the development of common terminology for activities currently being performed by treatment/therapeutic child placing agencies and LDSS.
5. Base ADS payments upon the identified needs of the child.
6. Have the Division of Family Services and the Division of Licensing Programs work together to establish regulations for TFC and foster care that ensures consistency in the approval process for public and private providers.
7. Consider the impact any rate structure may potentially have on local departments of social services.

The implementation of both studies’ recommendations is intended to lead to:

- an increase in the quality and cost effectiveness of Virginia’s Adoption Assistance Program;
- an increased emphasis on permanency for children; and
- Office of Comprehensive Services (OCS) and VDSS serving Virginia’s youth in a more cost effective manner, without reducing the quality of services and supports currently available.

## **Implementation**

VDSS is developing the ADS rate structure through a workgroup with representatives from private and public child placing agencies, foster and adoptive parents, CSA coordinators, OCS and VDSS staff. Some members represent the interests of larger statewide groups such as FACES of Virginia’s Families, the Foster Family-Based Treatment Association (FFTA), the Virginia Association of Licensed Child Placing Agencies (VALCPA) and the Virginia League of Social Services Executives. (VLSSE).

Updates on the activities of this implementation group will soon be available in a second broadcast.

**Where can I Send Questions about Rate Structuring?**

Questions may be forwarded to [rate.structure@dss.virginia.gov](mailto:rate.structure@dss.virginia.gov).”

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