

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



October 9, 1992

REASON FOR THIS TRANSMITTAL	
<input checked="" type="checkbox"/>	State Law Change
<input type="checkbox"/>	Federal Law or Change
<input type="checkbox"/>	Court Order or Settlement Agreement
<input type="checkbox"/>	Clarification Requested by One or More Counties
<input type="checkbox"/>	Initiated by SDSS

ALL COUNTY INFORMATION NOTICE NO. I-52-92

TO: ALL COUNTY WELFARE DIRECTORS
 ALL COUNTY PROBATION OFFICERS
 ALL COUNTY ADOPTION AGENCIES
 ALL GROUP HOME PROVIDERS
 ALL FOSTER FAMILY AGENCIES
 LOCAL AND COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: AID TO FAMILIES WITH DEPENDENT CHILDREN - FOSTER CARE
 AND SERIOUSLY EMOTIONALLY DISTURBED
 PROGRAMS' RATES

REFERENCE: FISCAL YEAR (FY) 1992/93 BUDGET ACT
 SB 485 (CHAPTER 722, STATUTES OF 1992)

This letter is to provide information on the impact of the Fiscal Year (FY) 1992/93 Budget Act and the trailer bill, Senate Bill (SB) 485 (Chapter 722, Statutes of 1992), on the rate structure for the Aid to Families with Dependent Children-Foster Care (AFDC-FC) and Seriously Emotionally Disturbed (SED) programs.

FAMILY HOMES

The FY 1992/93 Budget Act does not provide a cost-of-living adjustment (COLA) for AFDC-FC family home basic rates. The AFDC-FC/SED standardized basic rates for family homes (foster family homes and small family homes) remain at the following levels:

<u>AGE</u>	<u>1992/93 STANDARDIZED SCHEDULE</u>
0-4	\$345
5-8	375
9-11	400
12-14	444
15-18	484

When a child with a developmental disability who is both an AFDC-FC recipient and a regional center client is placed in a regional center vendorized facility which provides 24-hour out-of-home nonmedical care and supervision, the County Welfare Departments (CWDs) shall pay the designated Alternative Residential Model (ARM) facility rate established by the regional center.

FOSTER FAMILY AGENCIES

The FY 1992/93 Budget Act does not provide a COLA for AFDC-FC funded foster family agency (FFA) rates. Individual rate notification letters will be sent to FFAs and counties in late September and early October.

The FFA calculated rate caps will remain at the following levels:

	Age Groups				
	0-4	5-8	9-11	12-14	15-18
1. Basic Rate:	\$ 345	\$ 375	\$ 400	\$ 444	\$ 484
2. Increment for Child:	175	175	175	175	175
3. Social Work Services:	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>
4. Subtotal (1+2+3):	\$ 770	\$ 800	\$ 825	\$ 869	\$ 909
5. Recruitment, training and administration (Line 4 x 1.666667):	<u>513</u>	<u>533</u>	<u>550</u>	<u>579</u>	<u>606</u>
6. Calculated Rate Cap (4+5):	\$1,283	\$1,333	\$1,375	\$1,448	\$1,515

SPECIALIZED CARE

SB 370 (Chapter 1294, Statutes of 1989) added Section 11461(e)(4)(A) to the Welfare and Institutions Code. This section made provision for an amount equal to five (5) percent of the State Treasury appropriation for family homes to be added to the total augmentation for the AFDC-FC program during FY 1991/92. The purpose of the augmentation was to provide incentives and assistance to counties in the area of specialized care. SB 724 (Chapter 97, Statutes of 1991) delayed this provision until FY 1992/93. SB 485 further postpones the implementation of the specialized care augmentation for one year.

GROUP HOMES

Mandates previously enacted in SB 370 have been postponed. Implementation of the group home standardized rates schedule so that the rate floor equals the standard rate for each rate

classification level (RCL) is allowed only from July 1, 1992, to the effective date of SB 485, i.e., from July 1, 1992, through September 13, 1992. In accordance with Welfare and Institutions Code (WIC) Sections 11462(e)(2) and (3), on September 14, 1992, and for the remainder of FY 1992/93, the rate floor is 92.5 percent of the standard rate for each RCL. The Department is required to adjust rates downward as necessary to comply with this mandate.

Adjustment to the standard rate for each RCL for FY 1992/93 by an amount equal to the California Necessities Index (CNI) (i.e., 1.81 percent for FY 1992/93) is allowed only from July 1, 1992, to the effective date of SB 485, i.e., from July 1, 1992, through September 13, 1992. Therefore, in accordance with WIC Sections 11462(h)(2) and (3), on September 14, 1992, and for the remainder of FY 1992/93, the CNI increase is eliminated and the standard rate, as well as the rates of individual group home programs, are reduced back down to the amounts that were in effect on June 30, 1992.

Attached is a copy of the standard rates schedule for each RCL showing the standard rate, the 92.5 percent rate floor, and the standard rate increased by the 1.81 percent CNI.

Nonprofit Basis

WIC Section 11400(h), as amended by SB 485, now defines "group home" as an entity organized and operated on a nonprofit status only. In addition, WIC Section 11402(c) mandates that to be eligible for AFDC-FC, a child placed in a group home must be placed in one which is nonprofit. The operative date for invoking this requirement is January 1, 1993.

Furthermore, WIC Sections 11462(a)(2) and (3) prohibit the Department from establishing a rate for a group home program unless it is organized and operated on a nonprofit basis and requires the Department to terminate the rate, effective January 1, 1993, of any group home which is not nonprofit. This prohibition includes group homes operated by unincorporated proprietorships and partnerships, as well as those operated by for-profit corporations.

However, WIC Section 11462(i)(1)(B) allows the Department to establish a rate for the remainder of FY 1992/93 for a group home program which had an AFDC-FC rate established while organized and operated on a for-profit basis, and which, prior to January 1, 1993, subsequently reorganized and operated on a nonprofit basis. The RCL and rate for FY 1992-93 cannot exceed what was received by the group home program prior to September 14, 1992.

In accordance with WIC Section 11460(c)(3), State reimbursement for AFDC-FC on or after January 1, 1993, to an out-of-state group home shall be paid only if the group home is nonprofit.

Counties are responsible for verifying the nonprofit status of out-of-state group homes. The Department is preparing a separate letter which will be sent to all counties with additional information regarding this county responsibility.

New Group Home Programs

Effective September 14, 1992, WIC Section 11462(i)(1)(B) prohibits the Department from establishing a rate prior to June 30, 1993, for a new group home program of a new or existing provider. The Department may, however, subsequent to September 14, 1992, grant a request for a new program of an existing provider if specified conditions are met (see Exceptions to Program Change/New Program Prohibition).

The Department is currently processing rate applications for new programs which have been received by the Department in cases where the application was determined to be complete and the program was licensed prior to September 14, 1992. All other FY 1992/93 new program applications will be returned or denied.

Program Changes

Subsections have been added to WIC Section 11462(j) regarding program changes, as follows:

For purposes of SB 485, WIC Section 11462(j)(1)(B) expands the definition of "program change" to include, "any alteration to an existing group home program planned by a provider that may affect, in any way, the RCL, the AFDC-FC rate, the type of children in placement, the licensed capacity, the ownership status, or the group home license." The definition of "program change" set forth in Manual of Policies and Procedures (MPP), Section 11-400(p)(7) continues to govern all other rate-setting situations (e.g., program audits).

Effective September 14, 1992, the following provisions are enacted pursuant to WIC Section 11462(j)(2):

Prior to June 30, 1993, a group home program cannot increase, as the result of a program change, above the rate established for the program effective June 30, 1992. The Department is, in fact, required to adjust downward any rate increase which became effective between July 1, 1992, and September 13, 1992. However, a provider is allowed to change a group home program to reflect a decrease in services pursuant to WIC Section 11462(j)(2).

Exceptions to Program Change/New Program Prohibition

In compliance with WIC Section 11462(j)(3)(A), beginning September 14, 1992, and continuing throughout the remainder of FY 1992/93, the Department cannot establish a rate for a new program of an existing provider or for an expansion of an existing program which increases the program's RCL, increases the AFDC-FC rate, increases the licensed capacity, changes the type of children in placement, changes the ownership status, or changes the group home license, except under certain conditions.

As specified in WIC Section 11462(j)(3)(B), the Department may grant a request for new programs or expansion of new programs if all of the following conditions are met:

1. The group home licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties supporting the proposed expansion or new program;
2. The proposed expansion or new program prevents or reduces out-of-county placements; and
3. There is no increased cost to the State General Fund.

In addition, WIC Section 11462(j)(3)(C) introduces a second set of provisions which allows the Department to grant a request for a new program or the expansion of a program. The Department may grant a request for a new program or expansion, not to exceed 25 beds, if the licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties supporting the proposed expansion or new program which verifies that a reduction of referrals to state hospitals during FY 1992/93 will result from the expansion or new program.

RCL 13 and 14 Group Home Programs

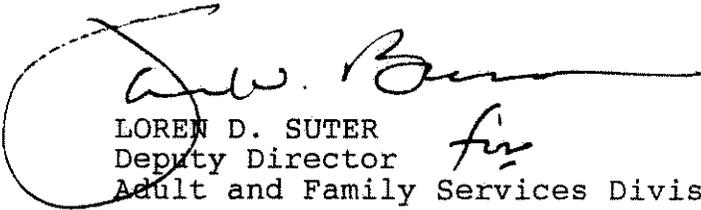
Group home providers should be aware that another bill, SB 307 (Chapter 714, Statutes of 1992), has been enacted. SB 307 supersedes Assembly Bill (AB) 1727 (Chapter 610, Statutes of 1991) and changes requirements for RCL 13 and 14 group home programs for FY 1992/93 and FY 1993/94. The Department is preparing a separate letter regarding the changes made by SB 307.

INQUIRIES

Group home providers at all RCLs and counties will receive separate notification from the Department regarding the rate for each group home program.

Group home providers with questions regarding this letter should contact their Foster Care Rates Bureau Consultant at (916) 323-1263. County staff should contact their Foster Care Policy Bureau Consultant at (916) 445-0813.

Any questions regarding the foster family agency rates or the specialized care rates should be directed to the Foster Care Policy Bureau at (916) 445-0813.



LOREN D. SUTER
Deputy Director
Adult and Family Services Division

Attachment

cc: County Welfare Director's Association
California Association of Children's Homes
California Association of Services to Children
Group Home Consultants

AFDC-FC GROUP HOME
STANDARD RATES SCHEDULE

<u>RCL</u>	<u>POINT RANGES</u>	<u>STANDARD RATES¹</u>	<u>92.5% FLOOR¹</u>	<u>STANDARD RATES²</u> (includes 1.81% CNI)
1	Under 60	\$1183	\$1094	\$1204
2	60 - 89	1478	1367	1505
3	90 - 119	1773	1640	1805
4	120 - 149	2067	1912	2104
5	150 - 179	2360	2183	2403
6	180 - 209	2656	2457	2704
7	210 - 239	2950	2729	3003
8	240 - 269	3245	3002	3304
9	270 - 299	3539	3274	3603
10	300 - 329	3834	3546	3903
11	330 - 359	4127	3817	4202
12	360 - 389	4423	4091	4503
13	390 - 419	4720	4366	4805
14	420 & up	5013	4637	5104

1. Effective during all of Fiscal Year (FY) 1991/92 and from September 14, 1992 through June 30, 1993.
2. Effective for the period from July 1, 1992 through September 13, 1992