

## DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



August 23, 1994

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 CDSS

ALL COUNTY INFORMATION NOTICE NO. I-27-94

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

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

REFERENCE: FISCAL YEAR (FY) 1994-95 BUDGET ACT  
AB 836 (CHAPTER 148, STATUTES OF 1994)

This letter is to provide information on the impact of the Fiscal Year (FY) 1994-95 Budget Act and the trailer bill, Assembly Bill (AB) 836 (Chapter 148, Statutes of 1994), on the rate structure for the Aid to Families with Dependent Children-Foster Care (AFDCFC) and Seriously Emotionally Disturbed (SED) programs.

FAMILY HOMES

The FY 1994-95 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, including small family homes, remain at the following levels for FY 1994-95:

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

FOSTER FAMILY AGENCIES

The FY 1994-95 Budget Act also does not provide a COLA for AFDC-FC funded foster family agency (FFA) rates. It is anticipated that individual rate notification letters will be sent to FFAs and counties in August and September 1994.

The calculated rate caps for FFAs with treatment rates will remain at the following levels:

AGE GROUPS:	0-4	5-8	9-11	12-14	15-18
Rate Caps:	\$1,283	\$1,333	\$1,375	\$1,448	\$1,515

SPECIALIZED CARE

No COLA was provided for specialized care increments in FY 1994-95. However, as in FY 1993-94, a five percent specialized care augmentation, described in All County Letter 93-85, will be available for FY 1994-95. Further information regarding the implementation of the five percent specialized care augmentation for FY 1994-95 will be forthcoming in an All County Letter.

GROUP HOMES

Section 11462(e)(3) of the Welfare and Institutions Code (W&IC) permits increases to the group home standard rates schedule during FY 1994-95. AB 836 extends the prohibitions of program changes for existing providers and prohibitions of rates for new programs unless the exception criteria are met.

Section 11462(e)(3) of the W&IC provides that effective July 1, 1994, the rate floor for each rate classification level (RCL) shall increase to 100 percent of the standard rate for each RCL. Beginning with the 1996-97 fiscal year, the standardized schedule of rates shall be adjusted annually by an amount equal to the CNI subject to the availability of funds as stated in Section 11462 (h)(4) of the W&IC. Attached is a copy of the standard rates schedule.

New Group Home Programs

Section 11462 (k)(2)(C) of the W&IC extends the prohibitions in place during FY 1993-94 which prevented the Department from establishing a rate for a new group home program of a new or existing provider. However, the Department may establish a rate for a new group home program if certain criteria, as explained below under the Exception section, are met.

### Program Changes

Unchanged from FY 1993-94, Sections 11462 (k)(1) and (k)(3)(A) define the types of program changes that are subject to the freeze. For purposes of the freeze, a program change is defined as any alteration to an existing group home program that will increase the RCL or the AFDC-FC rate. Included also in this definition are any alterations that increase the licensed capacity of a program as a result of decreases in another program with a lower RCL or lower rate that is operated by that provider.

For purposes of the freeze, an increase in the licensed capacity or other alteration to an existing group home program that does not increase the RCL or AFDC-FC rate is **not** considered a program change. However, for rates' purposes, these changes are still considered program changes and the appropriate applications must be submitted. When requesting a program change, please submit a complete program change application in accordance with Section 11-402.432 of the Manual of Policies and Procedures with any additional documentation as required by the Exceptions criteria section of this letter, where applicable.

### Exceptions to Program Change/New Program Prohibition

Section 11462 (k)(3)(A) allows the Department to set a rate during FY 1994-95 for a new program of a new or existing provider and to approve a program change for an existing provider that either increases the program's RCL or AFDC-FC rate, or increases the licensed capacity of the program as a result of decreases in another program with a lower RCL or lower AFDC-FC rate that is operated by that provider, if the provider meets both of the following conditions:

1. The licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program; and
2. The county determines that there is no increased cost to the State General Fund.

Section 11462(k)(3)(B) also allows the Department to approve a rate request for a new program or program change, **not to exceed 25 beds**, if the following conditions are met:

1. The licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program; and

2. The new program or program change will result in a reduction of referrals to state hospitals during the 1994-95 fiscal year.

### INQUIRIES

Group home providers will receive individual rate notification letters 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 the Foster Care Policy Bureau at (916) 445-0813.

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



MARJORIE KELLY  
Deputy Director  
Children and Family Services

### 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  
FISCAL YEAR 1994-95

<u>RCL</u>	<u>POINT RANGES</u>	<u>STANDARD RATES</u>
1	Under 60	\$1183
2	60 - 89	1478
3	90 - 119	1773
4	120 - 149	2067
5	150 - 179	2360
6	180 - 209	2656
7	210 - 239	2950
8	240 - 269	3245
9	270 - 299	3539
10	300 - 329	3834
11	330 - 359	4127
12	360 - 389	4423
13	390 - 419	4720
14	420 & up	5013

7-25-94