



CDSS

WILL LIGHTBOURNE
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

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EDMUND G. BROWN JR.
GOVERNOR

July 27, 2011

ALL COUNTY LETTER NO. 11-54

TO: ALL COUNTY WELFARE DIRECTORS
ALL CHIEF PROBATION OFFICERS
ALL LOCAL MENTAL HEALTH DIRECTORS
ALL COUNTY ADOPTION AGENCIES
ALL ADOPTION DISTRICT OFFICES
ALL GROUP HOME PROVIDERS
ALL FOSTER FAMILY AGENCIES
KARUK TRIBE

SUBJECT: AID TO FAMILIES WITH DEPENDENT CHILDREN – FOSTER CARE
(AFDC-FC) CALIFORNIA NECESSITIES INDEX (CNI) INCREASE IN
GROUP HOME (GH) RATES

REFERENCE: WELFARE AND INSTITUTIONS CODE (W&IC) SECTIONS 11453(a),
11460(c)(2)(A)(i),(ii), 11462, AND 18254(e)
ALL COUNTY LETTER (ACL) NO. 10-38
MANUAL OF POLICIES AND PROCEDURES (MPP) SECTION
11-405.213(b)(4)

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

The purpose of this ACL is to inform counties of the CNI increase that is applicable to GH rates effective July 1, 2011. As counties were previously notified in ACL No. 10-38, the California Department of Social Services (CDSS) adjusted the GH rates paid under California's Rate Classification Level (RCL) system, pursuant to the court order issued on February 23, 2010, in the case of the California Alliance of Child and Family Services v. Cliff Allenby, et.al. The court ordered CDSS to adjust the GH rate schedule annually to reflect changes in the CNI. The GH rate schedule on the following page reflects the CNI increase of 1.92 percent for Fiscal Year (FY) 2011-2012. Effective July 1, 2011, for reimbursements issued in August 2011 and thereafter, the counties shall pay the rates reflected in the chart on the following page for both federally eligible and non-federally eligible children in GH placements. The CDSS will amend this schedule annually to reflect changes in the CNI.

For GH programs that received AFDC-FC payments for services performed during FY 2009-10, the RCL adjusted point schedule was used for establishing GH biennial rates and for performing non-provisional audits performed of GH programs and ended FY 2009-2010. The adjusted point schedule has not been extended.

GROUP HOMES

The GH Standardized Schedule of Rates shown below reflects the CNI increase of 1.92 percent for FY 2011-2012. Effective July 1, 2011, the counties shall pay the rates reflected in the chart below:

GROUP HOMES Standardized Schedule of Rates Effective July 1, 2011		
RCL	Point Ranges	Standard Rate
1	Under 60	\$2,159
2	60-89	2,697
3	90-119	3,235
4	120-149	3,771
5	150-179	4,305
6	180-209	4,845
7	210-239	5,382
8	240-269	5,921
9	270-299	6,457
10	300-329	6,995
11	330-359	7,530
12	360-389	8,069
13	390-419	8,612
14	420 & Up	9,146

OUT-OF-STATE GROUP HOMES

For California GH placements made out of state, the rate to be paid shall be the rate established by the rate-setting authority of the other state. The level of state participation shall not exceed the current fiscal year's RCL 14, as reflected in the above schedule of rates and subject to subsequent annual CNI augmentation [W&IC section 11460(c)(2)(A)(i) and (ii)].

FINANCIAL AUDIT REPORT REQUIREMENT

As a reminder, a non-profit corporation is responsible for reporting any change in the annual combined federal revenue, in accordance with the MPP section 11-405.213(b)(4), if the combined federal revenue exceeds the federal threshold, currently set at \$500,000. Also, the non-profit corporation is required to report the change in federal revenue to CDSS within three months from the end of the fiscal year and submit a Financial Audit Report (FAR) and

audited cost data within nine months of the end of a corporation's fiscal year. Therefore, the impact of the increased rates for many providers will likely result in increased federal revenues which will require a change from submitting a FAR on a triennial basis to submitting a FAR on an annual basis.

WRAPAROUND

The Wraparound rates are to be increased by the same CNI increase of 1.92 percent that is applicable to group home rates effective July 1, 2011. The chart below provides the increased Wraparound rates.

RCL	Non-Federal Child	Federally Eligible Child*
10/11	\$7,263.00	\$3,631.00
13	\$8,612.00	\$4,306.00

*The federal rates are minus the federal share, which is 50 percent of the RCL.

The CDSS has received many inquiries regarding the increase in RCL 10/11 and 13 and the impact this has on the Wraparound Program. It should be noted that a county may claim up to the full RCL dollar for 10/11 and 13 to pay for Wraparound services. However, if a county has an established Wraparound rate that is below the current RCL listed above, then the county may claim less than the full RCL amount if the cost for Wraparound services is less. In doing so, the county match would be based on the amount claimed. This process is in line with the intent of cost neutrality for Wraparound as defined by W&IC section 18254(e).

INQUIRIES

County staff should contact the Foster Care Rates Policy Unit, Foster Care Rates Bureau, with questions regarding foster care group home rates, at (916) 651-9152. The GH providers with questions regarding this ACL should contact their Foster Care Rates Consultant at (916) 651-2752. Any questions pertaining to the Wraparound Program should contact the Wraparound Consultant in the Integrated Services Unit at (916) 651-6600.

Sincerely,

Original Document Signed By:

GREGORY E. ROSE
Deputy Director
Children and Family Services Division