

December 19, 2016

COUNTY FISCAL LETTER NO. 16/17-41

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY FISCAL OFFICERS  
ALL TITLE IV-E AGREEMENT TRIBES  
ALL CHIEF PROBATION OFFICERS  
ALL COUNTY AUDITOR CONTROLLERS

SUBJECT: CONTINUUM OF CARE REFORM (CCR) HOME BASED FAMILY  
CARE RATE PHASE I CLAIMING INSTRUCTIONS

REFERENCE: [ALL COUNTY LETTER NO. 16-79](#)

The purpose of this County Fiscal Letter (CFL) is to provide assistance claiming instructions to the counties for the Continuum of Care Reform (CCR) Home Based Family Care (HBFC) rate structure for the first phase (Phase I) of implementation. The Phase I implements the Basic Rate (Level of Care [LOC] One) for specific placement types.

Background

Assembly Bill 403 (Chapter 733, Statutes of 2015) authorized and established the HBFC rate structure. The HBFC rate structure impacts the following placement types: Foster Family Homes (FFHs), Foster Family Agencies (FFAs), Resource Families (RF), relative guardians (Kinship Guardianship Assistance Program [Kin-GAP] and Federal Guardianship Assistance Program [Fed-GAP]), non-relative guardians, Short-Term Residential Therapeutic Program (STRTP), Group Home (GH), Adoption Assistance Program (AAP), After 18 program and relative caregiver placements. The HBFC rate structure will be implemented using a phased-in approach as stated in [ACL No. 16-79](#). Effective January 1, 2017, FFAs, FFHs, new Kin-GAP/Fed-GAP cases, STRTPs, After 18 and relative placements may receive Phase I (Basic Rate) rates. This letter addresses Phase I assistance claiming only.

### Assistance Claiming Instructions

Generally, unless noted in this CFL, implementation of the Phase I rates do not impact claiming on the County Assistance (CA) 800 claims as costs are claimed as usual for Emergency Assistance (EA) and the following placement types: FFHs, RFs, Kin-GAP, Fed-GAP, AAP and Group Homes. However, the conversion sequencing for HBFC rates does affect claiming instructions for the FFAs, relative caregivers and STRTPs. Additionally, county tracking of Wraparound will be affected. Counties will continue to use the existing CA 800 claims for the Phase I interim implementation period until full implementation of Phase II is complete in the Statewide Automated Welfare System (SAWS). Upon Phase II implementation, there will be a new CCR specific CA 800 claim to implement the remaining LOCs under the HBFC rate structure.

#### *Foster Family Agency (FFA)*

Currently, FFA assistance costs are claimed on the CA 800 "Foster Care Facility Report (FC1)" by inputting sharing ratios from the rates listing posted on California Department of Social Services' (CDSS) website to identify the nonfederal portion of the payments. There are two additional administration components, "Resource Family Approval" and "Services and Supports", added to the FFA rate for Phase I. These new rate components will be paid to the FFA as part of the administrative portion of the rate. These costs will be reflected under the Administrative column E on the FC1. The FFA sharing ratios will be updated and posted on the website below:

[Foster Care Rates](http://www.childsworld.ca.gov/PG1343.htm) (<http://www.childsworld.ca.gov/PG1343.htm>)

#### *Relative Caregivers*

As stated in ACL 16-79, effective January 1, 2017, all counties including those that had not previously opted into the Approved Relative Caregiver Funding Option (ARC) Program are required to pay approved non-federally eligible relative caregivers of dependent children a per-child, per-month rate equal to the foster care rate, pursuant to [Welfare and Institutions Code \(WIC\) section 11253.45](#). The payment will follow the same rules as the payment made under the ARC Program and will utilize the same funding sources as the ARC Program payment, namely a portion consisting of California Work Opportunity and Responsibility to Kids funds (if eligible) and the rest of the payment being composed of General Fund (GF). Similar to other assistance payments, there will no longer be an allocation.

Costs for all non-federal relative caregiver placements will be claimed on the CA 800 ARC claim. There are no changes to the ARC claiming instructions. The ARC claim instructions can be found in [CFL No. 14/15-52](#). A forthcoming CFL will clarify the claiming of ARC Program (and WIC section 11253.45) overpayments and eligibility changes. Claiming instructions for Foster Parent Recruitment, Retention and Support child care, including non-federally eligible relative caregiver placements, may be found in the [CFL No. 16/17-20](#).

*Reconciliation*

One of the goals of CCR is to move youth from Group Homes to lower levels of care, creating a savings to be used on services for the youth. Additional GF was invested up front to support CCR implementation, with the expectation that GH cases will step down to lower levels of care, and foster youth will have shorter stays in STRTP placements, resulting in savings that will be used to offset the initial investment. Through a process of reconciliation, the caseload movement savings (GF and 2011 Realignment) expenditures will be reconciled to determine if there is a cost increase or decrease to counties. A net increase in cost will result in additional GF being provided to counties. A net decrease will result in the GF investment being reduced. The reconciliation methodology was developed in conjunction with County Welfare Directors Association (CWDA) and the Chief Probation Officers of California (CPOC) and will use expenditures from the CA 800 and County Expense Claim to identify the amount of GF and 2011 Realignment cost impacts. Additional information regarding CCR reconciliation will be released in a forthcoming letter.

The CDSS will use Fiscal Year 2015-16 expenditures to establish a baseline and calculate the average cost per case prior to CCR. Two new tabs ("CCR Rate Adjustment Template [CA 800 CCR Rate]" and "CCR Summary By Funding Report [CA 800 CCR Summary]") have been added to the CA 800 claims to be used for reconciliation. These tabs will be used as a reference for the GF and 2011 Realignment spent on CCR. To complete the new CCR reconciliation tab, the form "Prior to CCR Base Calculation of Average Payment Per Case for FY 2015-16" will be used to calculate a prior to CCR assistance cost per case, which will then be included in CCR Rate Adjustment Template. Once CDSS completes the "Prior to CCR Base Calculation of Average Payment Per Case for FY 2015-16" form, it will be submitted to counties for verification. Upon verification, the counties' average cost per case will be programmed into the CCR Rate Adjustment Template. A forthcoming CFL will include detailed instructions for completing the "Prior to CCR Base Calculation of Average Payment Per Case for FY 2015-16."

Once the CCR Rate Adjustment Template is automated with each county's individual average cost per case prior to CCR, the templates will be linked to the existing CA 800 cells to auto populate the total costs for each specific aid code affected by CCR. Counties will only need to manually key in their Wraparound costs for the non-federal Wraparound cases. When the amount is entered into the CCR Rate Adjustment Template, the non-federal Wraparound costs will be subtracted out of the total. The CCR Rate Adjustment Template will determine the monthly total CCR costs that may result in payment adjustments between GF and 2011 Realignment.

The CA 800 CCR Summary tab will display all costs categorized by funding source, i.e., Federal/State/County 2011/County. Additionally, the CA 800 CCR Summary tab will show the shifting of costs as a result of CCR.

*Short Term Residential Therapeutic Program (STRTPs)*

Until Phase II automation is complete in SAWS, the STRTPs will be programmed as a Rate Classification Level (RCL) 15. Counties will report STRTPs under the GH section on the CA 800 FC1 tab.

*Wraparound*

Until Phase II automation is complete in SAWS, Wraparound will be programmed as an RCL 16. Counties will continue to claim Wraparound costs to the eligible aid codes on the CA 800 claim forms. Placement costs for Wraparound will be claimed on the SB 163 column in the CA 800 form "Summary Report of Assistance Expenditures Foster Care, Foster Care SB 163 Federal."

*Emergency Assistance (EA)*

EA is a funding source, not a placement type. A placement funded with EA will receive the rate based on the placement type. A youth placed in an FFA, FFH, RF, GH, or STRTP will be paid the respective rate for the placement utilizing EA funds.

*County Clothing Allowances and the Supplemental Clothing Allowance Line*

Counties should not report their clothing allowances in the main payroll or any supplementary lines in the current and prior month sections of the CA 800 claims. Any county clothing allowance provided in addition to the basic rate should be reported on the Supplemental Clothing Allowance line.

If you have any questions regarding this letter, please direct them to [fiscal.systems@dss.ca.gov](mailto:fiscal.systems@dss.ca.gov). Questions regarding the assistance claims should be directed to [assistance.claims@dss.ca.gov](mailto:assistance.claims@dss.ca.gov).

Sincerely,

***Original Document Signed By:***

SALENA CHOW, Chief  
Fiscal Forecasting and Policy Branch