

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



September 6, 1993

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-34-93

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) 1993-94 BUDGET ACT
 SB 35 (CHAPTER 69, STATUTES OF 1993)

This letter is to provide information on the impact of the Fiscal Year (FY) 1993-94 Budget Act and the trailer bill, Senate Bill (SB) 35 (Chapter 69, Statutes of 1993), 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 1993-94 Budget Act does not provide a cost-of-living adjustment (COLA) for AFDC-FC family home basic rates. The AFDC/SED standardized basic rates for family homes, including small family homes, remain at the following levels for FY 1993-94:

<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 1993-94 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 1993.

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

Although no COLA was provided for specialized care increments in FY 1993-94, SB 35 provides for FY 1993-94 the five percent specialized care augmentation that was authorized in SB 370 (Chapter 1294, Statutes of 1989). Section 11461(e)(4)(B) of the Welfare and Institutions Code (W&IC), as amended by SB 485 (Chapter 722, Statutes of 1992), provides an amount equal to five percent of the State Treasury appropriation for family homes be added to the total augmentation for the AFDC-FC program during FY 1993-94 to provide incentives and assistance to counties for specialized care. The five percent specialized care augmentation is estimated at \$4.3 million for this fiscal year.

Further information regarding the implementation of the five percent specialized care augmentation will be shared with the counties as soon as it is available.

GROUP HOMES

SB 35 provides for several changes for group home programs for FY 1993-94 such as increases to the group home standard rates schedule, changes in the definition of a "program change", and prohibitions of program changes for existing providers, unless the exception criteria are met.

Section 11462(e)(3) of the W&IC provides that the rate floor for each rate classification level (RCL) shall be 95 percent of the standard rate for each RCL effective July 1, 1993 through June 30, 1994. For the FY 1994-95 and beyond, the rate floor will increase to 100 percent of the standard rate for each RCL.

Attached is a copy of the standard rates schedule for each RCL showing the standard rate and the 95 percent rate floor.

New Group Home Programs

Section 11462 (i)(1)(B) of the W&IC prohibited the Department from establishing a rate for a new group home program of a new or existing provider prior to July 1, 1993. However, the Department may establish a rate for a new group home program of a new or existing provider as of July 1, 1993 if certain criteria, as explained below under Exceptions, are met. This is a change from FY 1992-93, in that the exception criteria can be utilized for new programs by new providers.

Program Changes

Section 11462 (k)(1), renumbered from (j)(1)(B), changes the definition of a "program change" for FY 1993-94 that is 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. Therefore, 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 for this purpose. 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 required by the Exceptions criteria section of this letter, if applicable.

Section 11462 (k)(2)(A), renumbered from (j)(2), prohibits the Department from increasing a rate for a group home program prior to July 1, 1993, as a result of a program change from the rate established effective June 30, 1992.

SB 35 adds Section 11462 (k)(2)(B) to prohibit the Department for FY 1993-94 from increasing a rate for a group home program as a result of a program change from the rate established for the program effective July 1, 1993 unless certain criteria are met.

Exceptions to Program Change/New Program Prohibition

Section 11462 (k)(3)(A), renumbered from (j)(3)(A)&(B), allows the Department to set a rate during FY 1993-94 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), renumbered from (j)(3)(C), 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 1993-94 fiscal year.

INQUIRIES

Group home providers will receive individual rate notification letters from the Department beginning in September 1993 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, specialized care or regional center rates should be directed to the Foster Care Policy Bureau at (916) 445-0813.

Marjorie Kelly

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

Revised 7/19/93

**AFDC-FC GROUP HOME
STANDARD RATES SCHEDULE**

<u>RCL</u>	<u>POINT RANGES</u>	<u>STANDARD RATES</u>	<u>95.0% FLOOR*</u>
1	Under 60	\$1183	\$1124
2	60 - 89	1478	1404
3	90 - 119	1773	1684
4	120 - 149	2067	1964
5	150 - 179	2360	2242
6	180 - 209	2656	2523
7	210 - 239	2950	2803
8	240 - 269	3245	3083
9	270 - 299	3539	3362
10	300 - 329	3834	3642
11	330 - 359	4127	3921
12	360 - 389	4423	4202
13	390 - 419	4720	4484
14	420 & up	5013	4762

* Effective during all of fiscal year 1993-94.