



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

October 20, 2011

ALL COUNTY LETTER NO. 11-71

TO: ALL COUNTY WELFARE DIRECTORS
ALL CHIEF PROBATION OFFICERS
ALL COUNTY ADOPTION AGENCIES
ALL GROUP HOME PROVIDERS
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY PLACING SUPERVISORS
ALL CALIFORNIA REGIONAL CENTERS
CALIFORNIA DEPARTMENT OF DEVELOPMENTAL DISABILITIES
CALIFORNIA DEPARTMENT OF MENTAL HEALTH
CALIFORNIA DEPARTMENT OF EDUCATION

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

SUBJECT: EXTENSION OF MORATORIUM ON THE ACCEPTANCE AND PROCESSING OF GROUP HOME RATE APPLICATIONS

REFERENCE: ASSEMBLY BILL (AB) 1612, CHAPTER 725, STATUTES OF 2010, ALL COUNTY LETTER (ACL) 10-66, DATED DECEMBER 24, 2010, AB 106, CHAPTER 32, STATUTES OF 2011, MANUAL OF POLICIES AND PROCEDURES (MPP) 11-402.451

The purpose of this ACL is to inform county directors, supervisors, probation officers, group home providers, and other interested parties of a 12-month extension to the moratorium on the acceptance and processing of group home rate applications that began on October 19, 2010. This affects all applications for an Aid to Families with Dependent Children-Foster Care (AFDC-FC) Program rate for group homes with a current approved AFDC-FC rate or planning to submit a rate application in the next year. The AB 106 (Chapter 32, Statutes of 2011) authorized the extension of the moratorium through December 2012.

The AB 1612 (Chapter 725, Statutes of 2010) established in Welfare and Institutions Code (W&IC) section 11462.04, a moratorium on the acceptance and processing of group home rate applications for any of the following: a new program; a new provider;

a program change, such as a rate classification level increase; a program reinstatement; and a program capacity increase (a provider may increase their license capacity with Community Care Licensing Division (CCLD)); however, an application to the Foster Care Rates Bureau for an increase in their program capacity is subject to this moratorium). This moratorium applies to all group home providers applying for new rates, reinstatement of rates, or changes to existing rates under the Standardized Schedule of Rates. Group homes vendorized by Regional Centers who accept county welfare or probation foster care placements are subject to the moratorium.

The California Department of Social Services (CDSS) may grant an exception to the moratorium on a case-by-case basis, upon the submission of a written request and supporting documentation justifying an exception, provided to CDSS and signed on county letterhead by the director or designee of a county placing agency including county welfare, probation or mental health. The written request justifying an exception is not a letter of support. The written request must contain a county contact name and phone number. The submission of an exception request is not a guarantee the exception will be granted by CDSS, or if it is, that the application will be approved.

State statute requires county placing agencies to indicate that there is a documented basis for considering the approval of a rate action subject to the statutory moratorium. In reviewing a request for an exception, CDSS would consider information and documentation such as the following:

- The type of rate action requested (e.g. new program; new provider; program change; program capacity increase; or program reinstatement.)
- The county's explanation for the exception request with supporting documentation.
- The impact on the county if the request is denied.

Any application submitted for a new program, a new provider, a program change, a program capacity increase, or a program reinstatement will not be considered if CDSS has not received a written exception request from the county. The CDSS will review exception requests for compliance with biennial rate applications, Financial Audit Reports, cost data, overpayments, significant concerns identified in an audit, and CCLD concerns, etc. The CDSS may also consider issues involving other state or federal entities, such as the Internal Revenue Service, Franchise Tax Board, Secretary of State, etc. The effective date of the rate action will be the date that all of the following conditions are met: (1) An acceptable written exception request is received from a county; (2) The exception to the moratorium is granted by CDSS; (3) A complete and acceptable rate application has been submitted; and (4) Final approval of the application has been granted.

Group home programs whose rates have been terminated because of non-compliance with submission of required rate or audit documentation, such as Financial Audit Report(s), audited/un-audited cost data, and/or a complete biennial rate application must have an approved moratorium exception request granted prior to submitting an application for reinstatement, as identified in the MPP 11-402.451. Again, the granting of an exception that allows for submission of an application during the moratorium does not guarantee approval of the application.

The extension of the moratorium, pursuant to AB 106, which amended W&IC section 11462.04 will become inoperative on January 1, 2013, unless a later enacted statute deletes or extends the date.

If you have any questions regarding this ACL, please contact your rates consultant in the Foster Care Rates Bureau, at (916) 651-2752.

Sincerely,

Original Document Signed By:

GREGORY E. ROSE
Deputy Director
Children and Family Services Division