ALL COUNTY LETTER NO. 12-40

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL CHIEF PROBATION OFFICERS
ALL COUNTY ADOPTION AGENCIES
ALL GROUP HOME PROVIDERS
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY PLACING SUPERVISORS
CALIFORNIA DEPARTMENT OF DEVELOPMENTAL DISABILITIES
TITLE IV-E TRIBES

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

REFERENCE: SENATE BILL (SB) 1041, CHAPTER 47, STATUTES OF 2012;
ASSEMBLY BILL (AB) 1612, CHAPTER 725, STATUTES OF 2010;
ALL COUNTY LETTER (ACL) NO. 10-66, DATED DECEMBER 24, 2010;
AB 106, CHAPTER 32, STATUTES OF 2011; ACL NO. 11-71, DATED OCTOBER 20, 2011; WELFARE AND INSTITUTIONS CODE (W&IC)
SECTION 11462.04; MANUAL OF POLICIES AND PROCEDURES (MPP)
SECTION 11-402.451

The purpose of this ACL is to inform county directors, supervisors, probation officers, group home providers, and other interested parties of the continuance and expansion of the moratorium on the acceptance and processing of group home rate applications.

The AB 1612 (2010) authorized on a one year basis a moratorium on the acceptance and processing of group home rate applications, and also authorized exceptions based on documented written requests from county placing agencies. The AB 106 authorized the extension of the moratorium through December 2012, as identified in ACL No. 11-71.

The SB 1041 (2012) repeals the sunset date of the moratorium, making permanent the current moratorium on applications for any of the following: a new program, a new provider, a program change, such as a Rate Classification Level (RCL) increase, a program capacity increase, and a program reinstatement.
This moratorium applies to all group home providers applying for new program rates, reinstatement of program rates, or changes to existing program 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.

In addition, for Fiscal Year (FY) 2012-13, SB 1041 restricts the exception to the moratorium to group home providers at a RCL 1 through 9. Exceptions to the moratorium for RCL 1 through 9 providers will be permitted, on a case-by-case basis, only for an application to the Foster Care Rates Bureau (FCRB) for program change, such as an RCL increase.

**EXCEPTION TO THE MORATORIUM FOR GROUP HOME PROVIDERS RCL 10-14**

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. The request must be provided to CDSS on county letterhead and signed by the director or designee of a county placing agency including county welfare or probation. The written request must contain a county contact name and phone number. The exception request is not the same as a county support letter. 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 W&IC section11462.04 requires county placing agencies to provide a documented basis for considering the approval of a rate action subject to the statutory moratorium. In reviewing a request for an exception, CDSS will consider information and documentation such as the following:

- The type of rate action requested (e.g. new program; new provider; program change such as an RCL increase; 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 (such as an RCL increase), 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 applicable laws and regulations including compliance with submission of biennial rate applications, financial audit reports, cost data, repayment of overpayments, significant concerns identified in an audit, and/or Community Care Licensing Division concerns. The CDSS may also consider issues involving other state or federal entities, such as the Internal Revenue Service, Franchise Tax Board, and Secretary of State.
Group home programs whose rates have been terminated because of non-compliance with applicable laws and regulations including, but not limited to, the submission of required rate or audit documentation such as financial audit reports, audited/un-audited cost data, or an incomplete biennial rate application, must have an approved moratorium exception request granted prior to submitting an application for reinstatement, as identified in the MPP section 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 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; and (3) a complete and acceptable rate application has been submitted, after which a final approval of the application has been granted.

**GROUP HOME PROVIDERS WITH AN RCL 1 THROUGH 9**

For FY 2012-13, the only exception to the moratorium that may be sought and granted for providers that have an RCL under a 10 is one that results in an RCL increase. The other exceptions shall not be available to programs below RCL 10 during this period.

Programs with an RCL 1 through 9 requesting an RCL increase must comply with the previously identified request for exception procedures to the moratorium.

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

Sincerely,

*Original Document Signed By:*

GREGORY E. ROSE
Deputy Director
Children and Family Services Division