

# Position Statement

2021

## New contracting for child corporate care settings

### Proposal

<b>Issue:</b>	In a recent discussion with counties regarding the fiscal impact of Family First Prevention Services Act changes beginning September 30, 2021, the MN Department of Human Services (DHS) informed counties that the maintenance rate for foster placement in congregated and corporate foster care settings will no longer be determined by the Minnesota Assessment of Parenting Children and Youth (MAPCY). Instead, DHS has determined that counties will have to contract with vendors for the maintenance cost, noting that they are limited by the lack of additional resource to cover this task. This approach instead shifts administrative burden to counties where resource would have to be created for this new work. The county approach has the potential to create inconsistency in practices and rates between county contracting processes and inefficiently responds to corporations with locations in multiple counties and placement of children outside their counties in order to find locations that meet their needs.
<b>Implementation Strategy:</b>	MACSSA will seek to have DHS assume contracting responsibilities as has been the trend in service delivery of this type in recent years, and will support DHS being allotted resource necessary for this work.

### Systemic Priority Alignment (check all that apply and explain why)

Equity       Service Integration       Fiscal Framework

**Comments:** Equity: Many vendors have multiple locations of corporate foster care sited in different counties, although it is assumed that there will just be one contract with the business. There is concern that vendors will seek out counties offering the highest rate, driving costs higher across the state whether or not the rate is consistent with specific local settings. Additional inconsistency is likely in the rate adjustments that occur at different levels between counties. Fiscal Framework: While this change is embedded in the broader fiscal impact from lost IV-E reimbursement, this element has administrative burden in the work of contracting and the potential for greater exposure for counties holding the contract. Counties may have the burden of contracting with a corporate setting that they would not use just to ensure a maintenance rate is in place.

### Operational Priority Alignment (check all that apply and explain why)

Behavioral Health       Case Management       Child Well Being       Community Based Settings & Services  
 Health Care       Housing & Transportation       Modernization       Self Sufficiency

**Comments:** These corporate foster care settings provide services under care waivers to address higher care needs, especially among children with disabilities.

### Rationale/Background:

In anticipation of new Title IV-E requirements from Family First Prevention Services Act (FFPSA) around Title IV-E reimbursable foster care settings, MN Stat. 260C.4412 was amended in the 2020 First Special Session to establish that the Minnesota Department of Human Services (DHS) shall specify the Title IV-E administrative procedures for residential program settings. Currently the Minnesota Assessment of Parenting Children and Youth (MAPCY) sets the maintenance rate for care, and treatment costs generally are a health coverage cost for children in community residential settings/corporate foster care homes. The MAPCY provides stability in maintenance rates statewide under MN Stat. 256.82, subd. 3, setting rates and applying rate adjustments statewide. With the transition in Title IV-E claiming, the Minnesota Department of Human Services has determined that these settings will now be provided their maintenance rate based on county contracts with the vendors. DHS has informed counties verbally of the plan to have counties assume responsibility to contract with these providers

ahead of the September 30, 2021 transition when the Title IV-E reimbursable foster care settings are subject to new FFPSA restrictions.

There are currently 153 corporate foster homes in Minnesota serving children. These services do not follow county lines. License holding agencies often have foster home settings in multiple counties, and counties regularly place children in corporate foster care settings outside their counties in response to the child's needs and availability. Counties anticipate variability in contracting terms based on individual counties' contracting templates. This would also lead to variability in rates between counties, further exacerbated over time by county differences in routine percentage increases for vendors. Because this variability exists currently in contracting among counties, counties have experienced vendors negotiating with multiple counties, contracting with the one providing the best terms and requesting host county language for other counties to access their services. This already causes counties to pay more for some services than the local condition or a statewide average might indicate, or to forego services that are too costly based on the existing contract.

There is recent history of services that had been delivered through individual county contracts being moved to DHS contracting for greater consistency in rates and terms. Substance use disorder treatment contracts were transferred to DHS, as were Home and Community Based Service (HCBS) provider contracts. Counties previously had individual host county contracts with those providers with their home office located in the county, often independent of service locations. Rates and service terms were negotiated in that host county based on the county's practice, and other counties had to abide by that contract language. The concern about the variability that arises from this practice is well known by counties, providers, and DHS. DHS addressed this through State contracts and eventually enrollment standards for some services. This situation is analogous and would benefit from this approach.

DHS staff have expressed their inability to address this work given their current capacity. Counties have the same challenge, and DHS has not indicated intention to support resources to counties for this additional work. The likely strategies for managing the workload county by county have the potential to be unpredictable for service providers, beyond just the resultant variability already discussed. With this in mind, MACSSA supports DHS being responsible for contracts with corporate foster care providers that begin September 30, 2021, providing consistent rates and terms statewide, and further supports DHS receiving the administrative resource necessary for this new work.

Summary statement: MACSSA supports DHS contracting with corporate foster care providers beginning September 30, 2021, and further supports DHS receiving the administrative resource necessary for this new work so that the contracting process is achievable, predictable, and consistent statewide.

### **Additional Information:**



Submitted by: Joan Granger-Kopesky  
Approved on: [insert date position was approved]