

# **HUMAN SERVICES DEPARTMENT[441]**

## **Notice of Intended Action**

Pursuant to the authority of Iowa Code section 217.6, the Department of Human Services proposes to amend Chapter 150, “Purchase of Service,” and Chapter 202, “Foster Care Placement And Services,” Iowa Administrative Code.

These amendments provide a rate increase of five percent (5%) to resource family recruitment and retention contracts, child welfare emergency service contractors, and supervised apartment living foster care providers. These amendments align Department administrative rules with 2015 Iowa Legislative session, Senate File 505, Section 29, subsection 6, which states:

For the fiscal year beginning July 1, 2015, the reimbursement rates for resource family recruitment and retention contractors, child welfare emergency services contractors, and supervised apartment living foster care providers shall be increased by 5 percent over the rates in effect on June 30, 2015.

Any interested person may make written comments on the proposed amendments on or before September 22, 2015. Comments should be directed to Harry Rossander, Bureau of Policy Coordination, Department of Human Services, Hoover State Office Building, 5<sup>th</sup> Floor, 1305 East Walnut Street, Des Moines, Iowa 50319-0114. Comments may be sent by fax to (515) 281-4980 or by email to [policyanalysis@dhs.state.ia.us](mailto:policyanalysis@dhs.state.ia.us).

These amendments do not provide for waivers in specified situations because requests for the waiver of any rule may be submitted under the Department’s general rule on exceptions at 441—1.8(17A, 217).

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 217.6.

The following amendments are proposed.

ITEM 1. Amend subparagraph **150.3(5)“p”(1)** as follows:

(1) The combined service and maintenance reimbursement rate paid to a shelter care provider shall be based on the financial and statistical report submitted to the department. For the fiscal year beginning July 1, ~~2013~~2015, the maximum reimbursement rate shall be ~~\$96.98~~101.83 per day, based on a 365-day year. If the department reimburses the provider at less than the maximum rate, the department shall adjust the provider’s reimbursement rate to the provider’s actual and allowable cost plus the inflation factor or to the maximum reimbursement rate, whichever is less.

ITEM 2. Amend paragraph **202.9(4)“e”** as follows:

e. Contractors providing a cluster setting shall be paid ~~\$500~~ \$551.25 per month per child in the setting for agency staffing costs, in addition to billable units of services provided to the child, but are eligible for this payment only when two or more children are in the setting. For a child who enters a cluster setting during the month, the prorated amount per day is ~~\$16.44~~ \$18.12. If a child exits the setting on or before the last day of the month, the ~~\$500~~ \$551.25 shall be prorated up to the date before the date of exit.



Iowa Department of Human Services  
**Information on Proposed Rules**

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1. Give a brief summary of the rule changes:

Rule changes are to align DHS rules for certain programs with SF505 Health and Human Services Appropriation provider increase, which reads:

Section 29, subsection 6. For the fiscal year beginning July 1, 2015, the reimbursement rates of resource family recruitment and retention contracts, child welfare emergency services contractors, and supervised apartment living foster care providers shall be increased by 5 percent over the rates in effect on June 30, 2015.

2. What is the legal basis for the change? (Cite the authorizing state and federal statutes and federal regulations):

Senate File 505 Appropriation increased funding. Iowa Code 217.6 provides the authority for rule making.

3. What is the reason for the Department requesting these changes?

Compliance with state appropriation bill.

4. What will be the effect of this rule making (who, what, when, how)?

The rule provides financial compensation for certain child welfare providers at a rate increase of 5% from year ending June 30, 2015.

5. Is the change mandated by State or Federal Law?

Yes.

6. Will anyone be affected by this rule change? If yes, who will be affected and will it be to the person's (organization's) benefit or detriment?

DHS contractors will receive additional funding.

7. What are the potential benefits of this rule?

Quality child welfare services.

8. What are the potential costs, to the regulated community or the state of Iowa as a whole, of this rule?

None.

9. Do any other agencies regulate in this area? If so, what agencies and what Administrative Code sections apply?

DIA handles licensing of foster facilities, but all applicable rule changes are included here.

10. What alternatives to direct regulation in this area are available to the agency? Why were other alternatives not used?

None

11. Does this rule contain a waiver provision? If not, why?

No.

12. What are the likely areas of public comment?

We expect support from the selected child welfare providers. No resistance is expected.

13. Do these rules have an impact on private-sector jobs and employment opportunities in Iowa? (If yes, describe nature of impact, categories and number of jobs affected, state regions affected, costs to employer per employee)

Private contracts receiving an increase may choose to pay more or hire.



## Administrative Rule Fiscal Impact Statement

Date:

**Agency:** Human Services

**IAC citation:** 441 IAC

**Agency contact:**

**Summary of the rule:** This rule implements Section 29, subsection 6 which increases the reimbursement rates of resource family recruitment and retention contracts, child welfare emergency services contractors, and supervised apartment living foster care providers by 5 percent, effective July 1, 2015

*Fill in this box if the impact meets these criteria:*

No fiscal impact to the state.

Fiscal impact of less than \$100,000 annually or \$500,000 over 5 years.

Fiscal impact cannot be determined.

**Brief explanation:**

*Fill in the form below if the impact does not fit the criteria above:*

Fiscal impact of \$100,000 annually or \$500,000 over 5 years.

**Assumptions:**

The legislature appropriated funds in SF505 for a 5% reimbursement rate increase for the following services, effective July 1, 2015:

- resource family recruitment and retention contracts,
- child welfare emergency services contractors(CWES), including shelter, and
- supervised apartment living (SAL) foster care providers

**Assumptions:**

- FY16 utilization will be similar to FY15 utilization
- The average FY15 cost/case was increased by 5% to determine the average FY16 cost/case for CWES and SAL providers.

**Describe how estimates were derived:**

FY15 utilization and the average FY15 cost/case increased by 5% was used to calculate the total cost.

The federal share is based on the percentage of IVE eligible in shelter care for the shelter care component of CWES. The federal share is calculated at the FMAP for shelter care.

The percentage of IVE eligible children in family foster care and adoption subsidy is used to calculate the federal match for the recruitment and retention contract. The federal share is 50% for administration and 75% for training.

**Estimated Impact to the State by Fiscal Year**

	<u>Year 1 (FY 16 )</u>	<u>Year 2 (FY 17 )</u>
<b>Revenue by each source:</b>		
General fund	\$659,184	\$659,184
Federal funds	129,238	128,844
Other (specify):		
<b>TOTAL REVENUE</b>	<u>\$788,422</u>	<u>\$788,028</u>
<b>Expenditures:</b>		
General fund	\$659,184	\$659,578
Federal funds	129,238	128,844
Other (specify):		
<b>TOTAL EXPENDITURES</b>	<u>\$788,422</u>	<u>\$788,422</u>
<b>NET IMPACT</b>	<u>0</u>	<u>(\$394)</u>

This rule is required by state law or federal mandate.

*Please identify the state or federal law:*

*SF505 as follows:*

Section 29, subsection 6. For the fiscal year beginning July 1, 2015, the reimbursement rates of resource family recruitment and retention contracts, child welfare emergency services contractors, and supervised apartment living foster care providers shall be increased by 5 percent over the rates in effect on June 30, 2015.

Funding has been provided for the rule change.

*Please identify the amount provided and the funding source:*

The legislature appropriated \$659,184 for this purpose.

Funding has not been provided for the rule.

*Please explain how the agency will pay for the rule change:*

***Fiscal impact to persons affected by the rule:***

The specified providers will receive an increase in reimbursement.

***Fiscal impact to counties or other local governments (required by Iowa Code 25B.6):***

There is no impact to counties or other local governments.

Agency representative preparing estimate: Victoria Wiedemeier

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