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Sub Comm. Human Res.
Bartz, Kramer, Varn

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FILE

SENATE FILE 202
BY BARTZ

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to foster care services and the statewide target
2 for group foster care placements and providing an
3 applicability provision and effective date.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF202

1 Section 1. Section 217.41, Code 1993, is amended by adding
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. In any department of human
4 services' purchase of service contract, the following shall
5 apply to provisions involving time:

- 6 1. A month means an actual calendar month.
- 7 2. A year means twelve consecutive months.
- 8 3. A per diem or daily reimbursement rate shall be paid
9 for each calendar day of each month of the year for which
10 services are provided.

11 Sec. 2. Section 232.187, subsection 1, unnumbered
12 paragraph 1, and paragraph f, Code 1993, are amended to read
13 as follows:

14 The department of human services and the judicial
15 department shall jointly establish one or more out-of-state
16 placement committees in each departmental region to review the
17 cases of children who are placed outside the children's homes,
18 in an out-of-state group foster care placement ~~which is more~~
19 ~~than one hundred twenty five miles from a child's home.~~ It is
20 the intent of the general assembly that by June 30, 1994, the
21 review committees will reduce the number of children placed in
22 out-of-state group foster care placements by twenty-five
23 percent from the number of those placements in the fiscal year
24 beginning July 1, 1991. A review committee shall perform all
25 of the following activities:

26 f. The department shall not pay the cost of an out-of-
27 state group foster care placement ~~which is more than one~~
28 ~~hundred twenty five miles from a child's home~~ without a review
29 committee recommending the out-of-state group foster care
30 placement.

31 Sec. 3. Section 234.35, subsection 3, Code 1993, is
32 amended to read as follows:

33 3. The department shall not pay for an out-of-state foster
34 care placement of a child ~~which is more than one hundred~~
35 ~~twenty five miles from the child's home~~ unless the placement

1 is approved by an out-of-state placement committee established
2 pursuant to section 232.187.

3 Sec. 4. Section 234.38, Code 1993, is amended by adding
4 the following new unnumbered paragraphs:

5 NEW UNNUMBERED PARAGRAPH. For fiscal years beginning on or
6 after July 1, 1993, the department shall reimburse group
7 foster care facilities, as defined under section 237.3,
8 subsection 2, paragraph "a", subparagraphs (1) through (4) and
9 (6), and shelter care facilities approved under section
10 232.142 at one hundred percent of the cost of maintenance as
11 specified in Pub. L. No. 96-272, as codified in 42 U.S.C. §
12 475(4), not to exceed the maximum allowable reimbursement rate
13 authorized for group foster care. The service portion of the
14 reimbursement rate shall be negotiated between the department
15 and the facility and specified in a purchase of service
16 agreement. Reimbursement payments made under this paragraph
17 shall use rates which are based upon reasonable and necessary
18 costs which must be incurred by efficiently and economically
19 operated facilities in order to provide care and services in
20 conformity with applicable state and federal requirements, and
21 quality and safety standards, and to ensure that individuals
22 eligible for the services have reasonable access to services
23 of adequate quality.

24 NEW UNNUMBERED PARAGRAPH. This paragraph applies if a
25 child is placed in an out-of-state group foster care placement
26 and the court changes the child's placement to a group foster
27 care placement in this state that has similar services and is
28 appropriate for the child. The reimbursement rate paid for
29 the group foster care placement in this state shall be no less
30 than the reimbursement rate paid for the out-of-state group
31 foster care placement. The reimbursement rate shall continue
32 to apply at the in-state group foster care placement until the
33 court orders the group foster care placement to cease.

34 Sec. 5. GROUP FOSTER CARE PLACEMENT TARGET EXCEPTIONS.

35 Notwithstanding the statewide target number of 1,405 for group

1 foster care placements established in accordance with section
2 232.143 by 1992 Iowa Acts, chapter 1241, section 12,
3 subsection 1, paragraph "a", the regional targets based on the
4 statewide target, and notwithstanding the provisions of
5 sections 232.52, 232.102, 232.117, 232.127, and 232.182, the
6 regional targets may be exceeded and state payment may be made
7 to place a child or to continue an existing placement of a
8 child in group foster care if the juvenile court determines
9 either of the following circumstances exists:

10 1. An imminent danger to the child or to the community
11 would exist if the child is not placed in group foster care or
12 if an existing placement of the child in group foster care is
13 not continued.

14 2. Group foster care is the most appropriate placement for
15 the child and alternative placements are more expensive than
16 the group foster care placement.

17 Sec. 6. APPLICABILITY. The provisions of section 5 of
18 this Act apply for the period beginning on the effective date
19 of this Act and ending on June 30, 1993.

20 Sec. 7. EFFECTIVE DATE. Section 5 of this Act, being
21 deemed of immediate importance, takes effect upon enactment.

22 EXPLANATION

23 This bill relates to foster care services and the statewide
24 target for group foster care placements.

25 The bill specifies that in private agency contracts with
26 the department of human services, a month would be a calendar
27 month and a year would be 12 consecutive months.

28 The bill amends provisions involving out-of-state foster
29 care placements of a child by striking a distance provision of
30 125 miles from the child's home. This has the effect of
31 requiring all out-of-state child foster care placements to be
32 reviewed. Under current law only those which are more than
33 125 miles from a child's home are reviewed.

34 The bill requires the state reimbursement of group foster
35 care facilities to reflect 100 percent of the cost of

1 maintenance up to the maximum overall reimbursement rate
2 authorized for group foster care. The service portion of the
3 reimbursement would be specified in a purchase of service
4 contract with the department.

5 In addition, the bill requires that if a child is placed in
6 an out-of-state group foster care placement and the court
7 changes the placement to an in-state group foster care
8 placement, the reimbursement rate paid to the in-state
9 placement would be no less than the rate paid for the out-of-
10 state placement.

11 During the 1992 Session, the general assembly established a
12 statewide target for the average number of group foster care
13 placements which are a charge upon the state. The department
14 of human services and the judicial department used the
15 statewide target to develop regional targets. Two exceptions
16 are provided to the state or regional targets and to various
17 limits in the various disposition provisions of the juvenile
18 code which are based upon the regional targets. The
19 exceptions would permit the juvenile court to order a new or
20 continued group foster care placement which would exceed the
21 state or a regional target if the juvenile court determines
22 either of the following circumstances exists: an imminent
23 danger to the child or to the community would exist if the
24 child is not placed or not continued to be placed in group
25 foster care; or the group foster care placement is most
26 appropriate and less expensive than other placements. The
27 exceptions would apply for the period beginning on the
28 effective date of the bill and ending on June 30, 1993.

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SENATE FILE 202
FISCAL NOTE

REQ. BY SENATOR BARTZ

A fiscal note for Senate File 202 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 202 makes changes in statutory provisions pertaining to group foster care. The changes made by the bill and the estimated fiscal effect of these changes are as follows:

Section 1 changes the methodology used in computing reimbursements to group care providers. Under current purchase of service contracts, providers are paid for 30 days in each month, regardless of how many calendar days are actually in a month. The bill would require reimbursement for the actual number of days services are provided, resulting in payment for 5 additional days each year.

ASSUMPTIONS:

- A. The FY 1994 group foster care budget assumes 1,451 group care placements, including shelter care.
- B. Changing the methodology will require changes in the Automated Benefit Calculation computerized system, and will require 2 months advance notice.

FISCAL EFFECT: The total cost of this Section is estimated to be \$445,000 in FY 1994 and \$400,000 in FY 1995.

Sections 2 and 3 require that all group foster care placements must be reviewed by an out-of-state placement committee. Under current law, out-of-state group care placements which are less than 125 miles from the child's home are exempted from the review requirement. The bill removes this exemption.

ASSUMPTIONS:

- A. On February 28, 1993 there were 141 children placed out-of-state. This number is less than half the number placed outside Iowa when the placement committees were instituted.
- B. Expanding the number of cases reviewed by the placement committees may further reduce out-of-state placements.
- C. Most of the remaining out-of-state placements are in facilities which either offer programs not currently available in Iowa or charge rates which are comparable to those charged by Iowa providers.

FISCAL EFFECT: The savings from this Section are not expected to be significant.

Section 4 requires that group foster care providers are to be reimbursed at 100% of the cost of maintenance, up to \$75.11 per day, and the reimbursement for services is to be negotiated between the Department of Human Services and the providers. Under current law, total reimbursement for both maintenance and

services provided by group care providers is capped at \$75.11 per day. The bill requires payment of rates which are based upon reasonable and necessary costs, and which ensure that eligible children have reasonable access to services of adequate quality, starting in FY 1994.

ASSUMPTIONS:

- A. Service costs are 32.2% of the current average reimbursement rate; the total reimbursement would increase to \$99.30 per day per child for group care and \$79.79 per day per child for shelter care.
- B. The FY 1995 estimate assumes that the portion of service cost paid by federal Medical Assistance funds will continue to increase.

FISCAL EFFECT: The estimated additional State cost is \$6,000,000 in FY 1994 and \$3,000,000 in FY 1995.

Section 4 also permits reimbursements to in-state group foster care providers to exceed the rate usually paid, if the child had been placed in an out-of-state group care facility but has been transferred to an Iowa program. Under current law, reimbursement is limited to \$75.11 per day (except at Enhanced Residential Treatment facilities and in decategorization counties). The bill provides the in-state provider is to be paid no less than the out-of-state provider had been paid.

ASSUMPTION: This provision would allow children currently placed out-of-state to be brought back to Iowa through the use of a reimbursement rate which is higher than the in-state cap of \$75.11; this rate would be the same as currently paid to out-of-state providers.

FISCAL EFFECT: This Section is not expected to have any fiscal impact.

Section 5 permits 2 exceptions to the group foster care target. The General Assembly last session approved a group care target of 1,405 and prohibited judges from ordering any out-of-home placements which caused this cap to be exceeded. The bill provides for 2 exceptions: where there is imminent danger to the child or to the community if there is not a placement, and where group foster care is both the most appropriate and least expensive placement. These exceptions only apply during the remainder of FY 1993.

FISCAL EFFECT: The impact of these exceptions depends upon interpretation and implementation. Although it would appear the imminent danger language would simply codify current placement review and priorities, the Department of Human Services has expressed concern on sufficient availability of group care beds for children who are a danger to themselves or the community. Group care may not be an appropriate placement for these children. The fiscal impact of this language cannot be accurately estimated. The most appropriate/least expensive language will reduce State expenditures, but the amount of this reduction cannot be accurately determined because the differences in costs between the alternative placements and group care is not known.

TOTAL FISCAL IMPACT: The total fiscal effect of Senate File 202 is estimated to be \$6,445,000 in FY 1994 and \$3,400,000 in FY 1995.

Source: Department of Human Services