



### **How did we get here?**

October 8, 2009 Governor Culver announced that he was implementing a 10% across-the-board cut in state government spending. Each agency, including the Department of Human Services (DHS) could submit their plans to the Governor of how they were going to implement the reduction for their agency. The preliminary DHS plan submitted to the Governor and released on October 21, 2009 stated that there was going to be a reduction of general fund money as a result of moving remedial services to the Iowa Plan behavioral health contract (Magellan).

This was very concerning to the Coalition as remedial services pays for kids receiving services in foster group care. In addition, the Department of Human Services planned on issuing a request for proposal (RFP) for group foster care.

The Coalition discussed this concern with the Iowa Medicaid Enterprise and DHS. If remedial services were going to be moved into the behavioral health contract, it must be a well-thought out proposal.

Therefore, the transition committee was created (HF 2526, Section 31) and was charged to develop a plan for transitioning administration of the remedial services program from fee-for-service approach to the Iowa plan, behavioral health managed care plan.

The Coalition along with remedial providers has been involved in the transition committee and supports the Final Report of the Remedial Services Transition Committee submitted to the General Assembly on December 30, 2010.

However, the “devil is in the details” and we want you as legislators stay involved in the process so we do not end up with unintended consequences.

- While we agree that remedial providers need to be held to credentialing and quality standards, those standards must not be set in such a way to limit capacity to provide services and meet kids’ needs.
- In addition, as increased standards are established, the rate setting methodology is important for the community setting and the group care setting.

**“Even if you’re on the right track, you’ll get run over if you just sit there.” – Will Rogers**

### **Mission**

To influence and shape policy and practice for the betterment of Iowa children and families and the organizations that serve them.

## Isn't Foster Group Care paid for by Child and Family Services Dollars?

**What is Group Foster Care?** It provides structured treatment services in a licensed setting with intensive staff supervision and programs for children who may have an emotional disorder, aggressive behavior, or multiple handicaps. These children are not able to live in a less restrictive environment due to intensity or severity of behavioral health care problems, which include emotional problems, behavioral disorders, or acting-out behaviors.

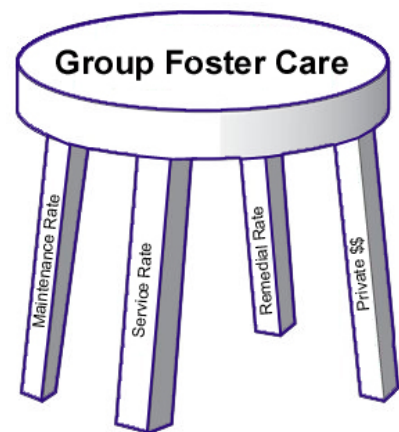
In 2006, the State of Iowa changed how it paid for Group Care Services and “delinked” child welfare services from behavioral health services. The DHS Child and Family Service rate was cut which then was to be covered by the remedial services program. The new payment methodology for foster group care became effective November 1, 2006.

When the foster group care rate was “delinked” on average \$35 per child per day was deducted from the child welfare funding stream.

By Iowa Administrative Rules 441-156.9(1) the methodology for the foster group care rate was based on adjusting each group care provider's rate as of October 31, 2006, to reflect an estimate that group care providers will provide an average of one hour per day of group care remedial services and one hour per week of individual remedial services.

Group foster care providers are to be paid a group care per diem for each child that will consist of:

- A daily maintenance rate; and
- A daily child welfare service rate, designed to provide payment to the provider for “age-appropriate activities to maintain a child's connection to the child's family and community, to promote reunification or other permanency placement, and to facilitate a child's transition to adulthood.”



Both of these services are paid out of the child welfare funds. Payment for the cost of the maintenance portion is from state and federal funds based on the child's eligibility for Title IV-E and Supplemental Security Income (SSI).

Section 31 of House File 2526 directs DHS to establish a remedial services transition committee. The intent is to improve coordination and integration of mental health services and outcomes for children, as well as alignment of the services and outcomes with the child welfare system.

**During this transition phase we must watch and be careful of unintended consequences to Iowa's children and families in the child welfare system when we create the payment methodology.**

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