

**Interim Budget Committee on Human Services  
HB 1012 – Section 15  
October 4, 2005**

**Chairman Dever and members of the Interim Budget Committee on Human Services, I am Paul Ronningen, Director, Children and Family Services of the Department of Human Services. I am here today to provide comment on Section 15 of HB 1012, which authorizes the study of the services by and payments for residential foster care providers in the state. I have been asked to give an update on: A) the change in payment procedures for foster care providers required by the federal government, B) the number of children in foster care, and C) the number of children in out-of-state placement.**

**On July 28<sup>th</sup>, I reported that the Department of Human Services had just been notified by the Centers for Medicare and Medicaid Services (CMS) in Denver that the Medicaid dollars used for the rehabilitation portion of our reimbursement to residential providers and PATH need to be adjusted. In essence, the changes CMS is requiring of us is to move to a 15-minute fee for service billable unit for the rehab services versus our current method of reimbursing on a daily rate.**

**In order to accommodate this directive, the Department continues to meet with each of the three provider groups (Residential Treatment Centers,**

**Residential Child Care Providers and PATH) that will be impacted. Our discussions have produced the following strategies:**

- a. The Residential Treatment Centers will seek accreditation status allowing them to become Accredited Residential Treatment Centers (ARTCs). This will enable them to continue to bill using a daily rate. Four of the RTCs are currently accredited. The remaining two RTCs will need to become accredited. This process however takes approximately 12 to 18 months. This time period may be problematic for the federal representatives in Denver.**
- b. The RCCF providers will begin billing Medicaid for the rehabilitation services that they provide on a 15-minute unit basis. Because of this change required by the federal government, the providers will be paid the allowable Medicaid rate for the specified service instead of the historic daily rate. This then negates the Legislative intent to increase the maximum \$15 per day reimbursement per child since we can no longer pay “per day.” However, providers will still be compensated for the services they provide just by a different method. The federal representative in Denver has approved a January 1, 2006 starting date.**
- c. PATH provides therapeutic foster care services in the state. The Department is in the process of analyzing the impact on this service. The two issues that impact therapeutic foster care services are: 1) No Medicaid dollars will be allowed to pay for foster parent services as we currently do and 2) the social work time will again need to be billed on a 15-minute basis. Again, the daily rate paid by Medicaid will not be allowable and thus PATH will be billing on a 15-minute basis for case management and**

**therapeutic services. Again, the federal representatives in Denver have approved a January 1, 2006 starting date.**

**Each of these scenarios will have an impact on general and county funds. Once all the RTC providers have switched to ARTC status, Medicaid will pay for the entire package of services provided. The Department will have an impact analysis completed once all the providers have submitted their time studies.**

**The following chart gives trend line data for foster care for the past five years. In addition, I have included a snap shot of the number of children in care during August, by provider type. As you can see, the number of children has consistently increased during this period of time. North Dakota now has approximately one in four children coming into care from a family with Methamphetamine issues.**

**Children in Foster Care by Placement Type  
FFY 2000-2004**

Placement Type	FFY 2000	FFY 2001	FFY 2002	FFY 2003	FFY 2004	% (2004)	as of 9/22	% (9/22)
Missing Placement*	9	37	18	34	28	1.27%	107	7.76%
Pre-Adoptive Home	154	166	157	160	207	9.39%	87	6.31%
Relative Placement	237	240	276	328	383	17.37%	205	14.88%
Family Foster Care	875	835	824	932	912	41.36%	636	46.15%
Group Home	125	109	127	125	120	5.44%	41	2.98%
Facility (RTC & RCCF)	577	540	619	604	555	25.17%	302	21.92%
Run-Away	1	2	0	0	0	0.00%	0	0.00%
<b>Total**</b>	<b>1978</b>	<b>1929</b>	<b>2021</b>	<b>2183</b>	<b>2205</b>	<b>100.00%</b>	<b>1378</b>	<b>100.00%</b>

SOURCE: Annual AFCARS files submitted to the Administration for Children and Families.

\* Indicates that the placement information was missing from system when file was submitted, not that the child was "missing."

\*\* Unduplicated count of children in the North Dakota foster care system, by Federal Fiscal Year.

The following chart provides a snap shot of children being placed out of state during this current calendar year.

**Out of State Foster Care Placements by Placement Type  
CY 2005**

	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.
<b>Facility</b>	62	53	55	51	54	52	53	55	
<b>Family</b>	28	30	28	28	28	26	27	27	
<b>Total</b>	90	83	83	79	82	78	80	82	

Finally, I would like to note several initiatives that the Department is involved with that may begin to reduce our reliance on foster care. These initiatives all focus on kinship care. They include:

- a. North Dakota has developed a TANF Kinship Care program that enables kin to receive the same benefits as foster parents while these children are in the custody of the county.
- b. Kevin Campbell, USsearch, has developed a computer software package that enables social workers to find extended family in the matter of minutes. He reviewed 40 children in foster care in Ward County (Minot, ND) and found approximately 580 family members for these 40 youth. It is our intent to help these youth connect with these family members, where practical, and hopefully find a permanent living arrangement for these children.
- c. North Dakota is one of four sites in the nation to team with the American Humane Society in a grant application that would provide research tools to monitor our role out of family group conferencing. The grant award has yet to be announced.
- d. The Village Family Services Center has provided three FTEs to initiate Family Group Conferencing in North Dakota. This follows two pilots that were conducted in Cass and Burleigh counties.
- e. The Village Family Services is pursuing a grant with the Bush Foundation to extend family group conferencing in North Dakota.
- f. The Tribes are excited and involved in the concept of family group conferencing. Further conversations will be held with the tribal social service directors regarding this work.

This concludes my presentation. I would be happy to respond to any questions.