MAINTAIN SAFETY NET FOR CHILDREN: FUND ONE-HALF OF THE GAP, A 14 PERCENT RATE INCREASE

**HHSC Rate Increase Request:**

A 14% across-the-board foster care rate increase is the minimum amount needed to protect the foster care safety net.

*General Revenue (GR): $62,927,592; Up to $20,382,250 of TANF can be used to replace GR; Biennial All Funds: $102,820,228*

- Foster care rates are 27.28% under-funded.
- A 14% rate increase addresses half of the reimbursement deficit based on the HHSC FY2014-2015 Consolidated Budget.
- In 2003 rates were reimbursed at 90% of cost and have dropped to 73% because of unfunded requirements and insufficient rate increases.

ENSURE SAFETY AND FOSTER CARE REDESIGN

*Safety of Children:* Foster care rates fund the supervision, screening, and training necessary to keep kids safe while in care. Severe under-funding directly impacts the safety of children.

*Foster Care Redesign:* Redesign depends on foster care rates as its primary source of funding. Foster Care Redesign will result in better outcomes for children, increase accountability and quality of services in a child’s home community.

FOSTER CARE REDESIGN GUIDING PRINCIPLES

- First and foremost, **children are safe** in their placements.
- Children are **placed in their home communities**.
- Children are appropriately served in the **least restrictive environment** that supports minimal moves.
- **Connections to family** and others important to the child are maintained.
- Children are **placed with siblings**.
- Services **respect the child's culture**.
- To be fully prepared for **successful adulthood**, children and youth are provided opportunities, experiences and activities similar to those experienced by their non-foster care peers.
- Children and youth are provided opportunities to **participate in decisions that impact their lives**.
**TEXAS FOSTER CARE**

*Who Are the Children in Foster Care:*  
- There were 16,697 children in foster care in FY 2012. These are children who have been rescued from unsafe, often abusive homes, and given shelter, treatment and care by the state of Texas, which assumes parental responsibility for each child.
- 82% of the children in foster care were placed in foster family settings. *(HHSC Forecast)*
- 91% of the children in foster care are cared for by private organizations, which are primarily non-profit. *(HHSC Forecast)*
- Children removed from their homes represent all ethnic groups: African American, 15.8%; Hispanic, 46.7%; Anglo, 31.2%.
- 60% of confirmed abuse/neglect victims are six years old or younger.
- In 2012, 6,471 children were awaiting adoption, 445 more children than in 2010.

*Source: DFPS 2012 Data Book*

### FOSTER CARE SETTINGS AND PROVIDER TYPE

<table>
<thead>
<tr>
<th>Placement Settings</th>
<th>CPA Foster Home</th>
<th>DFPS Foster Home</th>
<th>RTC</th>
<th>Basic Residential</th>
<th>Emergency Shelter</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,552</td>
<td>765</td>
<td>620</td>
<td>394</td>
<td>1,527</td>
<td>1,839</td>
<td>1,527</td>
</tr>
</tbody>
</table>

*Child Placing Agency (CPA) Home:* CPAs are licensed by Texas to recruit, screen, train, supervise and support foster homes. CPAs oversee the safety and well-being of children placed in the homes they manage.

*DFPS Foster Home:* DFPS supervises a small number of homes which will move over to CPAs under Foster Care Redesign.

*Residential Treatment Center (RTC):* RTCs care for children with severe emotional needs that require 24 hour supervision by direct care staff in a secure residential setting.

*Basic Residential:* Basic residential is cottage or campus type settings that serve primarily children with basic care needs.

*Emergency Shelter:* Provides shelter to children for stays of less than 90 days.

*Sources: DFPS 2012 Data Book*

### VALUE OF INVESTMENT: FOSTER CARE RATES FUND ENTIRE SERVICE DELIVERY STRUCTURE

- **Food and Shelter:** Housing (foster home or residential setting), food, clothing.
- **Service Delivery:** Identify and deliver all services to the child, including: transportation to visit family, court appearances, therapy sessions, school and recreational activities. Case management of child’s service plan, coordination with DFPS, identification of community supports.
- **Safety and Protection:** 24-hour supervision and support for foster families and staff; training of all families and staff; crisis intervention protocols; criminal checks for all who have contact with children; staff expertise to meet licensing and contract standards and outcomes.
- **Resource Development:** Recruitment, training, support for foster families and staff; facility expense and maintenance; new facility development; human resource, operational, and management expense; insurance and liability costs.
- **Management:** Quality assurance protocols; personnel costs and benefits; liability protection; IT systems to manage data and outcomes.
FOSTER CARE REDESIGN HISTORY

The Problem:

Services Not Available Where Needed: Foster care rates pay for resource development and Foster Care Redesign will incentive development of services in the community where each child lives. Under the current system:

- 57.8 percent of children placed out of their home county.
- 20.3 percent of sibling groups are not placed together.
- One-half of all Residential Treatment Centers in one region.

Children Stay in Care Too Long: Foster care rates fund development of services and coordination of care so children can return to a permanent home quickly through family reunification, relative placement, or adoption.

Quality Providers Not Rewarded: Foster Care Redesign uses performance-based contracts with financial incentives to reward quality providers and incentivize better outcomes.

The Proposal:

- Performance Based Contracts with Payments Linked to Child Improvement and Shorter Stays
- Single Contracts for Geographic Areas Charged with Building Resource Capacity
- DFPS Retains Case Management
- Provider Works with Birth Family and Has Increased Authority over Placements
- Staged Implementation with Evaluation/Refinement
- Contingent on: Full Foster Care Funding; Provider Authority to Impact Outcomes Accountable For; Transfer of Resources to Cover Transferred Responsibilities

FOSTER CARE REDESIGN GOAL OF IMPROVED OUTCOMES FOR CHILDREN

<table>
<thead>
<tr>
<th>CURRENT SYSTEM</th>
<th>NEW SYSTEM</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Open Enrollment</td>
<td>• Competitive Procurement</td>
</tr>
<tr>
<td>• Multiple Contract Types</td>
<td>• Contract for Continuum of Care for All Service Needs</td>
</tr>
<tr>
<td>• Payments Linked to Multiple Levels of Care</td>
<td>• Single Blended Case Rate</td>
</tr>
<tr>
<td>• Services to Families Delivered by Separate Providers</td>
<td>• Coordinated Services to Child and Family</td>
</tr>
<tr>
<td>• Inconsistent Process for Transitioning Between Placements</td>
<td>• Coordinated Placement Moves</td>
</tr>
</tbody>
</table>

FOSTER CARE REDESIGN CONTRACT AWARD

On December 21, 2012, DFPS awarded the first Single Source Continuum Contract (SSCC) of the Foster Care Redesign initiative to Providence Service Corporation (PSC) of Texas. The contract is for DFPS regions 2 and 9, which include Wichita Falls, Abilene, San Angelo and Midland/Odessa. The effective date of the contract is February 1, 2013. Providence and DFPS will have up to six months to complete the start-up phase before the first child enters the redesign foster care system as a part of the SCC contract.

Providence has been providing services in Texas since 1998 and through the SCC contract will operate a model that includes:

- A strong network of providers
- Strong community involvement
- Wraparound services and expansion of community services
- Strong intake and assessment component
- Strategic family foster home development and training
- Strong quality assurance component
- Use of solution-based casework and trauma-informed care
- More family-centered, in-home and community-based services

A second RFP will be released this year for an urban catchment area to continue implementation of Foster Care Redesign.
Our Mission:
Strengthening Services to Children & Families Through Quality Care and Advocacy

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