

**TEXAS HEALTH AND HUMAN SERVICES COMMISSION
RATE ANALYSIS DEPARTMENT**

June 28, 2013

**Proposed Payment Rates for
24-Hour Residential Child Care**

**Payment rates are proposed to be effective
September 1, 2013**

SUMMARY OF PROPOSED PAYMENT RATES FOR 24-HOUR RESIDENTIAL CHILD CARE

Effective September 1, 2013

The Health and Human Services Commission (HHSC) will conduct a public hearing at 10:30 a.m. on July 16, 2013, in the Public Hearing Room in the John H. Winters Building, 701 West 51st Street, Austin, Texas. Entrance to the building is through Security at the front of the building facing 51st Street. Public comments will be received on proposed payment rates for the 24-Hour Residential Child Care (24 RCC) program operated by the Department of Family and Protective Services (DFPS).

HHSC will consider concerns expressed at the hearing prior to final rate approval. This public hearing is held in compliance with Human Resources Code §32.0282 and Texas Administrative Code (TAC) Title 1, §355.105(g), which require public notice and hearings on proposed reimbursements before such rates are approved by HHSC.

PROPOSED RATES

The 2014-15 General Appropriations Act, S.B. 1, 83rd Legislature, Regular Session, 2013 (Article II, DFPS Rider 40) appropriated \$30.5 million general revenue funds for the purpose of implementing targeted rate increases for certain foster care providers for the 2014-2015 biennium. The proposed percentage increases and rates are included in Attachment 1.

Certain geographic areas (catchment areas) in Texas are reimbursed under Foster Care Redesign, a new DFPS procurement/payment system that uses Single Source Continuum Contractors (SSCCs) to deliver a full range of locally available, least restrictive, and culturally sensitive foster and residential care services to children in foster care. There are two types of Foster Care Redesign rates: blended foster care rates and an exceptional foster care rate ceiling. HHSC is proposing rates for two Foster Care Redesign catchment areas with a separate blended foster care rate for each area. The blended foster care rate for each catchment is equal to the weighted average rate across all placement types that DFPS pays an SSCC for each day of service provided to a child or youth in paid foster care in that catchment area. The blended foster care rates are listed below, and the rate model for the blended foster care rates is included in Attachment 2.

Proposed Blended Foster Care Rates	
Catchment Area	Proposed Blended Rate
Regions 2 & 9	\$66.94
Region 3b (a 7 county subset of Region 3)	\$64.85

There is a single exceptional foster care rate ceiling for all catchment areas which applies to a limited number of days where a child requires extraordinary care. The exceptional foster care rate ceiling is developed using historical costs of delivering similar services, where appropriate data are available, and estimating the basic types of costs of products and

services necessary to deliver services meeting federal and state requirements. The single exceptional foster care rate ceiling proposed to be effective September 1, 2013 is \$352.70. The rate model for the exceptional foster care rate ceiling is included in Attachment 3.

METHODOLOGY AND JUSTIFICATION

The proposed rates were determined in accordance with the proposed amended rate setting methodology for 24 RCC at 1 TAC §355.7103, Rate-Setting Methodology for 24-Hour Residential Child-Care Reimbursements. The proposed amendment to §355.7103 will be published in the June 28, 2013, issue of the Texas *Register*. These changes are being made in accordance with the 2014-15 General Appropriations Act (Article II, Senate Bill 1, 83rd Legislature, Regular Session, 2013, DFPS Rider 40), which appropriated \$30.5 million general revenue funds for the State Fiscal Year 2014-2015 biennium for rate increases for 24 RCC.

If you have any questions regarding the information in this document, please contact:

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