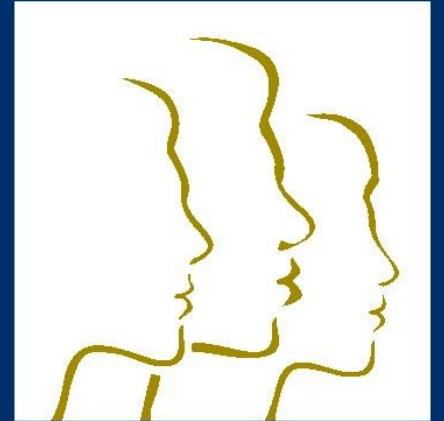


# The Child Welfare Policy Roundtable: Child Welfare in the California State Budget

## The Permanent Foster Care Rate Structure

Sara Rogers, Chief, The System of Care Branch  
Emily Smallson, Project Manager, the Children and Family Services Division

Friday, August 2<sup>nd</sup>  
10:00-11:30am



CDSS

CALIFORNIA  
DEPARTMENT OF  
SOCIAL SERVICES

# Agenda

- Background
- Overview of the Permanent Rate Structure
- Modifications to the July iteration of Trailer Bill Language

# Establishing a Permanent Rate Structure

- Statute required the California Department of Social Services (CDSS) to establish an “ongoing payment structure no later than January 1, 2025”.

**Permanent Rate Structure Framework**  
**Innovation 1 – Tiers are Based on the Child’s Assessed Level of Need**

**Tier 1**

74% of children and youth

Ages 0-5  
Latent Class 1 and 2

Ages 6+  
Latent Class 1, 2, and 3

**Tier 2**

19% of children and youth

Ages 0-5  
Latent Class 3

Ages 6+  
Latent Class 4 and 5

**Tier 3**

4.5% of children

Ages 0-5  
Latent Class 4

**Tier 3+**

2.5% of children

Ages 6+  
Latent Class 6a and 6b

# Permanent Rate Structure Framework

## Innovation 2 – Two New Categories of Funding

### Strengths Building and Immediate Needs

#### Tier 1

74% of children and youth

Care and Supervision

Strengths Building and Maintenance

#### Tier 2

19% of children and youth

Care and Supervision

Strength Building and Maintenance

Immediate Needs

#### Tier 3 (ages 0-5)

4.5% of children

Care and Supervision

Strength Building and Maintenance

Immediate Needs

#### Tier 3+ (ages 6 and older)

2.5% of children and youth

Care and Supervision

Strength Building and Maintenance

Immediate Needs

**Permanent Rate Structure Framework**  
**Innovation 3 – The Funding Follows the Child**  
**The Rates Are No Longer Connected to the Placement Type**

	<b>How the Care and Supervision Dollars will Flow</b>	<b>How the Strengths Building and Maintenance Dollars will Flow</b>	<b>How the Immediate Needs Dollars will Flow</b>	<b>How the Admin Funding will Flow</b>
<b>Tier 1</b> 74% of children and youth	Paid to the Caregiver	Child and family work with a Financial Management Coordinator	County or contracted provider coordinate services	<b>FFA Admin (for youth placed in an FFA)</b> <i>Recruitment, retention, approval, training, etc.</i>
<b>Tier 2</b> 19% of children and youth				
<b>Tier 3</b> 4.5% of children				<b>FFA/STRTP Admin (for youth placed in an FFA or an STRTP)</b> <i>Recruitment, retention, approval, training, etc.</i>
<b>Tier 3+</b> 2.5% of children				

# Proposed Permanent Foster Care Rates Structure Framework

## Tier 1 (74% of children and youth)

(Latent Classes 1 and 2 for the 0-5-year-olds and Latent Classes 1, 2, and 3 for the 6+ year olds)

<b>Care and Supervision*</b> Paid to the caregiver	\$1,788
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<b>Strength Building and Maintenance</b> Child and Family work with a Financial Management Coordinator	\$500
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<b>Immediate Needs</b>	NA
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<b>FFA Admin (for youth placed in an FFA)*</b> <i>Recruitment, retention, approval, training, etc.</i>	\$1,610
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## Tier 2 (19% of children and youth)

(Latent Class 3 for the 0 – 5-year-olds and Latent Classes 4 and 5 for the 6+ year olds)

<b>Care and Supervision*</b> Paid to the caregiver	\$3,490
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<b>Strength Building and Maintenance</b> Child and Family work with a Financial Management Coordinator	\$700
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<b>Immediate Needs</b> County or contracted provider coordinate services	\$1,000
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<b>FFA Admin (for youth placed in an FFA)*</b> <i>Recruitment, retention, approval, training, etc.</i>	\$2,634
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## Tier 3 (ages 0-5) (4.5% of children and youth)

(Latent Class 4 for 0 – 5-year-olds)

<b>Care and Supervision*</b> Paid to the caregiver	\$6,296
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<b>Strength Building and Maintenance</b> Child and Family work with a Financial Management Coordinator	\$900
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<b>Immediate Needs</b> County or contracted provider coordinate services	\$1,500
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<b>FFA Admin (for youth placed in an FFA)*</b> <i>Recruitment, retention, approval, training, etc.</i>	\$2,634
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## Tier 3+ (ages 6+) (2.5% of children and youth)

(Latent Class 6 and 6a for 6+ year olds)

<b>Care and Supervision*</b> Paid to the caregiver	\$6,296
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<b>Strength Building and Maintenance</b> Child and Family work with a Financial Management Coordinator	\$900
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<b>Immediate Needs</b> County or contracted provider coordinate services	\$4,100
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<b>FFA/STRTP Admin (for youth placed in an FFA or an STRTP)*</b> <i>Recruitment, retention, approval, training, etc.</i>	\$7,213
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\*Components of the rate that will receive a CNI.



The CANS

The Latent Class  
Analysis

The Decision Support  
Model

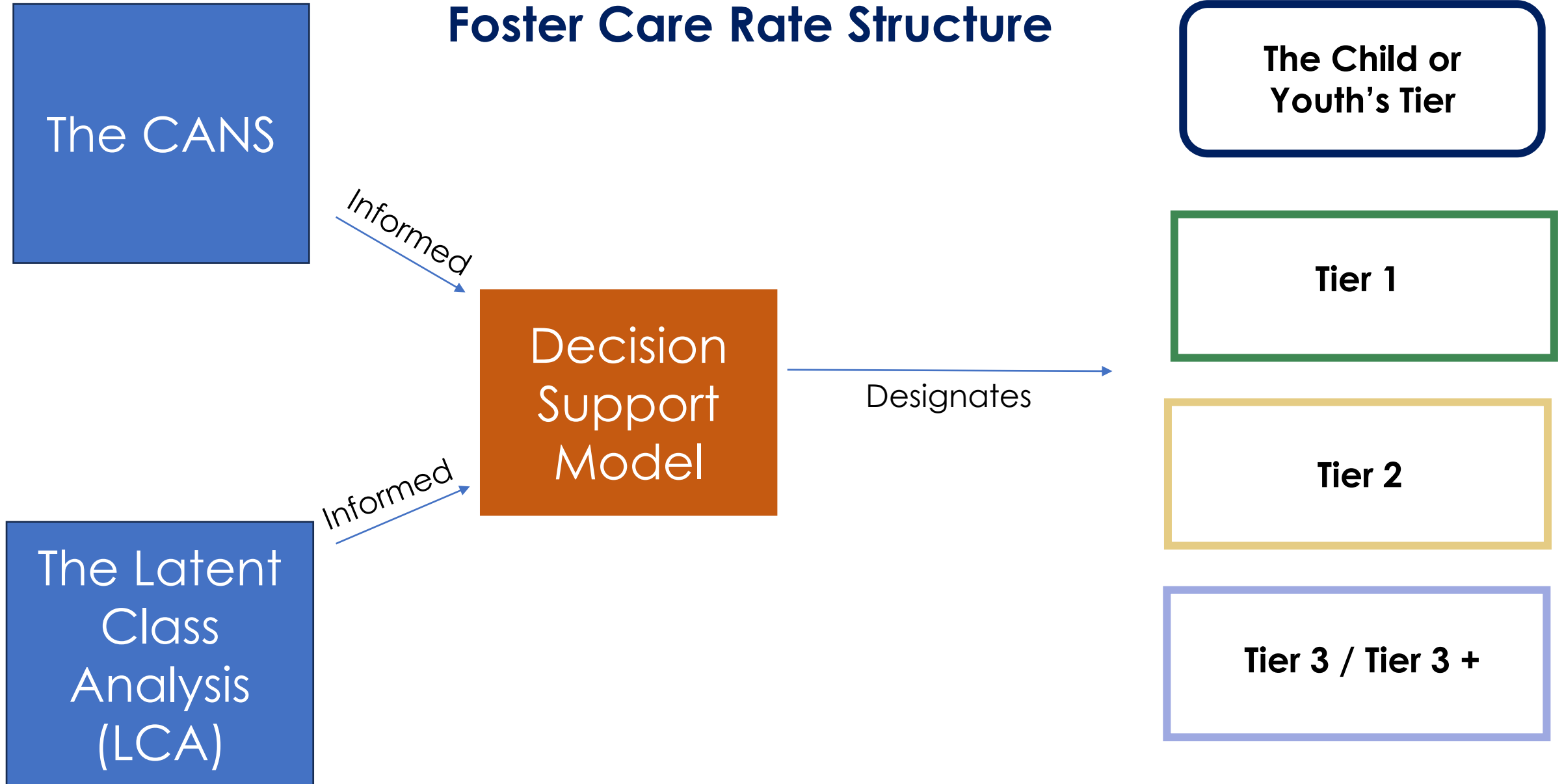




# How the CANS is Integrated into the Permanent Foster Care Rates Structure

- The CANS identifies child, youth and caregiver needs and strengths. It provides a framework for developing and communicating a shared vision that can be used in teaming, and inform planning, support decision-making, and monitor outcomes.
- The Latent Class Analysis (LCA) is a measurement model in which individuals can be classified into mutually exclusive and exhaustive classes based on their pattern of answers on a set of variable (in this case, the CANS).
- To create the classes using the CANS, the ratings or action levels are dichotomized into 'actionable' and 'not actionable'.
- In order to apply the results of the LCA into the system prospectively, it is necessary to develop a Decision Support Model. This model can then be used to guide placement of individual children into different groups in a manner that is easily understood.

# The CDSS Permanent Foster Care Rate Structure





# The Strengths Building Program

# The Strengths Building Program

1. The child or youth is assigned into a respective tier based on their CANS score.

Tier 1

Tier 2

Tier 3

Tier 3+

2. A child or youth's individual budget is set based upon the amount allotted for that tier.

Tier 1 - \$500

Tier 2 - \$700

Tier 3 - \$900

Tier 3+ - \$900

3. The child, caregiver, etc. develop a strengths building spending plan based upon the CANS assessment, the child's interests, etc.



4. The CFT supports the family in selecting goods, services, activities and supports consistent with the strength building objectives identified by the CANS.



5. The child and family work with their Financial Management Coordinator (a CDSS contractor) to pay for and, if needed, otherwise procure the goods, services, activities and supports for the child consistent with the spending plan.



# A Self Determination Model

## Background

Self-Determination theory was created by Ryan and Deci (2000)<sup>1</sup>. The theory starts with two assumptions:

1. Human beings strive for growth, and
2. Internal sources of motivation are essential in order to achieve growth, people need to feel competent, autonomous, and connected with others.

## Self-Determination Theory

Human beings have three basic needs:

### Competence

People need to gain mastery and control of their own lives & their environment.  
Essential to wellness

### Autonomy

People need to feel in control of their own life, behaviours and goals. This is about choice.

### Relatedness

People need to experience a sense of belonging and connection with other people.  
*Feeling cared for by others & to care for others.*

Based on the work of Richard Ryan and Edward Deci.

1. Ryan, R. M., & Deci, E. L. (2000). Self-determination theory and the facilitation of intrinsic motivation, social development, and well-being. *American Psychologist*, 55, 68-78.

# Unused Strengths Building Funding

- Unused Strengths Building Funding may roll forward to the next fiscal year immediately following the fiscal year for which the funding was appropriated, for a child or nonminor dependent who exits foster care.

# The Goals and Vision of the Immediate Needs Program



# Vision for the Immediate Needs Program

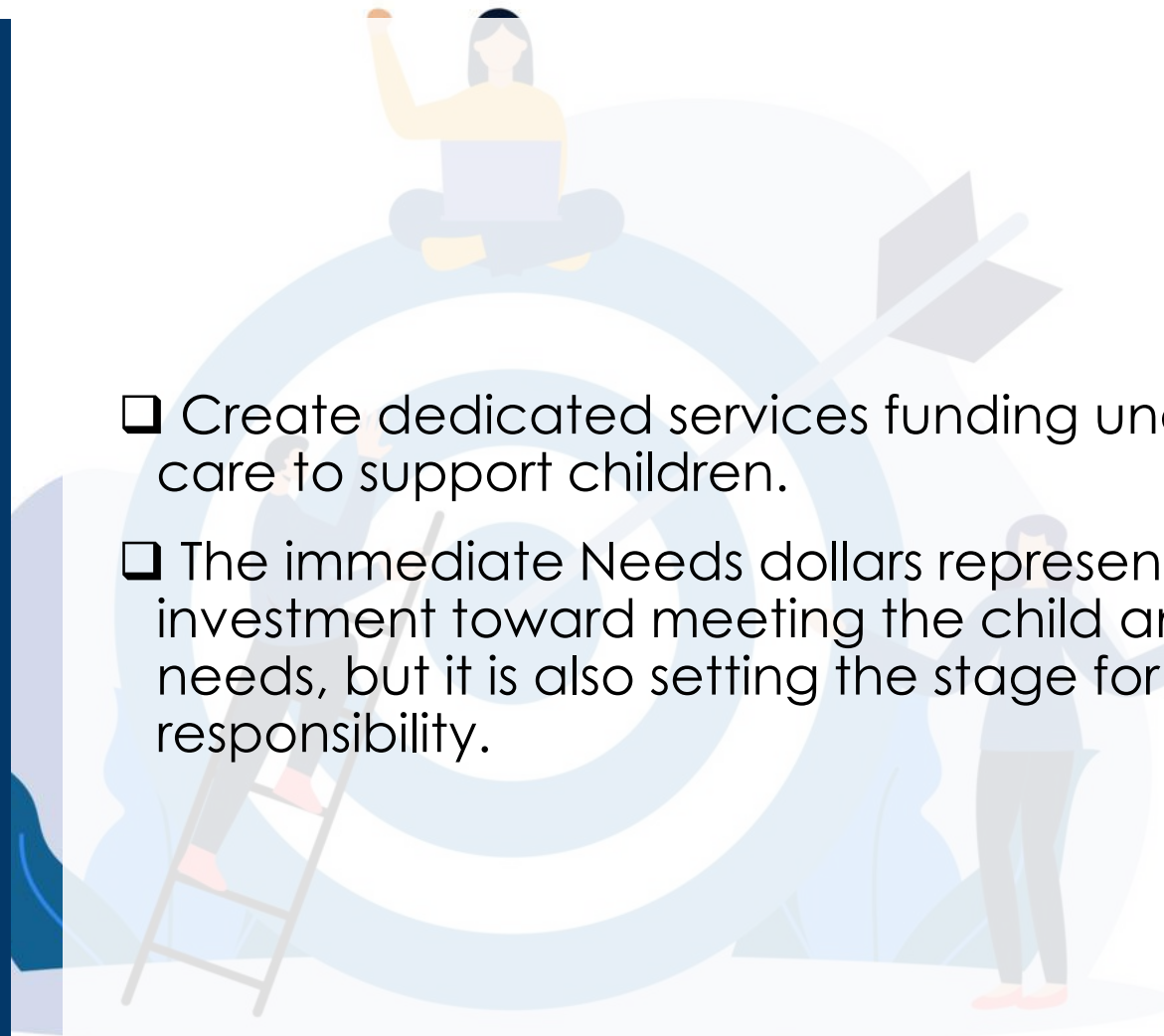
- ❑ All children and youth with identified needs will have those needs met across all placement types.
- ❑ Providers will be able to serve children with immediate needs in all settings, including relative placements.
- ❑ The Immediate Needs funding is supporting a responsive continuum and ensuring mutual accountability.





# Goals

- ❑ Create dedicated services funding under a system of care to support children.
- ❑ The immediate Needs dollars represent Child Welfare's investment toward meeting the child and youth's needs, but it is also setting the stage for mutual responsibility.



# The Immediate Needs Program

# Establishing an Immediate Needs Program

1. The CDSS will establish Model Standards, grounded in the ICPM, the CFT, the CANS, and the research, and modeled after the Wraparound Standards, for each tier and will provide contracts requirements.



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2. County agencies will submit a county plan demonstrating full compliance with the Model Standards for each tier. Counties also have the option to develop a regional plan in partnership with counties in their region. Contracted providers of the county also must provide documentation demonstrating full compliance.



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3. The CDSS will review and approve the county plans for each tier.



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4. The county will then implement their network utilizing FFAs, STRTPs, MHPs, and/or CBOs for the delivery of services.



# The Immediate Needs Program

# Implementing the Immediate Needs Program

1. Upon approval, the county placing agency will only use Immediate Needs Providers certified by the department using contracts that are consistent with the model contracts developed by the department.



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2. The Immediate Needs Provider will develop child-specific Immediate Needs Plans for each child, demonstrating how the funding will meet the child's immediate needs and include those plans in the child's case plan.



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3. If a placing agency chooses to enter into an agreement with CDSS to administer the Program or if a placing agency does not adequately administer the program or meet the immediate needs of children, CDSS can receive future payments of the placing agency's Placing Agency Allocation and use the Placing Agency Allocation to award contracts for the purpose of implementing and maintaining the Immediate Needs Program.



# Analysis of the Identified Needs of Children and Non-Minor Dependents

- CDSS will conduct an analysis of the identified needs of children and nonminor dependents in Tier 2, Tier 3, and Tier 3+, the types of services necessary to address those needs, reasonable administration, and operational activities necessary for providers to address those needs, and a cost analysis of those services.
- CDSS, in collaboration with the State Department of Health Care Services (DHCS) will issue guidance on implementation of High-Fidelity Wraparound services. This guidance will address reducing administrative and programmatic burdens and duplication and promote consistent procedures statewide.

## A Case Rate

- CDSS, in collaboration with the State Department of Health Care Services (DHCS) will issue guidance on implementation of High-Fidelity Wraparound services. This guidance will address reducing administrative and programmatic burdens and duplication and promote consistent procedures statewide.
- DHCS shall implement a case rate or other type of reimbursement for high-fidelity wraparound services.
- Upon the Immediate Needs Program taking effect a portion of the Immediate Needs funding shall be used as the non-federal share of Medi-Cal covered High Fidelity Wraparound services provided to children and nonminor dependents in foster care who meet the criteria to participate in the Immediate Needs Program.

# Addition of Foster Family Agencies as the Presumptive Provider

- Counties will be required to contract with the STRTP or FFA where a child is placed so that they receive the Immediate Needs Funding, provided they are a certified immediate needs provider, unless it is determined to be counter to the child's best interest for the STRTP or FFA to be the entity providing for those immediate needs.
  - The STRTP as the presumptive provider was added in the May-Revision release of the Trailer Bill Language.
  - The addition of the FFA as the presumptive provider was added to the final iteration of TBL.



# Additional Highlights

# Entry Rate

- The care and supervision monthly rate for new entries into foster care was revised to **\$2,500** instead of the Tier 2 rate and will be adjusted by the annual percentage change in the CNI.



# A CNI For Providers

- The administrative component of the rate for FFAs and STRTPs will be adjusted by the annual percentage change in the California Necessities Index (CNI).

# The SILP Rate

- The permanent rate structure includes a significant investment in SILP rates, along with other rates.
- Youth in Supervised Independent Living Placements (SILPs) will receive funding equal to the combination of Tier 1 care and supervision and Tier 1 strength building. The total will be paid to the Non-Minor Dependent (NMD) in the SILP directly to manage.

# Child and Adolescent Needs and Strengths (CANS) Assessment Working Group

- CDSS is required to engage with a working group on implementation issues related to the use of the Child and Adolescent Needs and Strengths (CANS), which will result in guidelines setting forth:
  - (1) the outcome measures and tools that will further ensure CANS assessments are completed to fidelity;
  - (2) the timing of the CANS assessments to determine the child or NMD's tier;
  - (3) the conditions that trigger the completion of an updated or new CANS assessment; and
  - (4) the impact of changes in the child or NMD's assigned tier.

# Placement Considerations

- Placing Agencies Must:
  - Ensure the caregiver of a home-based setting, including, but not limited to, a tribally approved home, has relevant, specialized training necessary for the purpose of preparing the family to meet the needs of an individual child or nonminor dependent in Tier 2, Tier 3, or Tier 3+ who is or will be placed in the home. Immediate Needs Funding may be used for this purpose but shall not supplant existing funding for training caregivers.
  - Ensure the caregiver has the capability, willingness, and ability to meet the specific immediate needs of the child or nonminor dependent placed in the home, including by assessing the risk and compatibility of placing the child or nonminor dependent with any other children or nonminor dependents in the home and the ability of the caregiver to provide care and support for all the children or nonminor dependents in the home consistent with guidance to be issued by the department.

# Adoptions Assistance Program (AAP) and Kinship Guardianship Assistance Payment Program

- Language in the Adoption Assistance Program (AAP) and Kinship Guardianship Assistance Payment Program (Kin-GAP) statutes will authorize a rate not to exceed Tier 1 care and supervision for children in state funded KinGAP and an exception for a rate not to exceed Tier 2 care and supervision under specific conditions to be established by CDSS.

# Implementation Date

- The Permanent Foster Care Rate Structure will begin implementation on July 1, 2027.



# Thank You!

Questions?

# Resources

- [The CDSS Permanent Foster Care Rate Structure Website](#)
- [The CDSS CANS Website](#)
- [The CDSS CANS & CFT Policy Letters](#)
- [Regional Academy CANS Training and Certification](#)
- [University of Kentucky's Center for Innovation in Population Health Website](#)