

**Health and Human Services Committee**  
**January 16, 2013**

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**Department of Health and Human Services**

Good afternoon Senator Campbell and members of the Health and Human Services Committee. My name is Thomas Pristow (T-h-o-m-a-s P-r-i-s-t-o-w), and I am the Director of Children and Family Services in the Department of Health and Human Services. I am here today to provide testimony about the reports resulting from the legislation passed last session regarding the foster care reimbursement rate and the IV-E demonstration project.

As you know, the two committees reported to the Children's Commission about these topics and recommended the best direction for the State of Nebraska. I feel the committees were particularly effective in addressing the bill's intentions. The committees involved representatives of Nebraska organizations and the Department and led to meaningful discussions and thoughtful recommendations.

The IV-E Demonstration Project Committee reviewed the current status of Title IV-E penetration and how to increase the state's participation rate. The most significant factor limiting Nebraska's IV-E penetration rate is the income of the family where the child is placed. About 60 percent of children in out-of-home care are ineligible for IV-E funds based on 1996 AFDC eligibility standards.

The Committee identified two areas of improvement that would positively impact the IV-E penetration rate; judicial findings affecting a child's eligibility and the licensing of kinship homes. The IV-E Committee's recommendations were:

1. Ongoing training of judges, clerks, and bailiffs about the judicial findings required for IV-E eligibility.
2. Modifying docket court orders through the court's data management system so they are consistent with required judicial findings.
3. The Department will continue to conduct monthly internal reviews of all court orders for income-eligible children determined ineligible because of missing judicial findings. Then, noncompliant court orders of income-eligible children should be provided monthly to the Court Improvement Project and Administrative Office of the Court. Training and technical assistance would be provided as needed.

To receive IV-E reimbursement, children must reside in licensed foster homes. In 2010, the number of Nebraska children in foster care living with kin was 1,153, while only 6 percent of relative foster homes were licensed. This was one of the lowest rates in the country. A July 2012, report found that over half of children were ineligible for IV-E due to their placement. We need to increase the number of licensed kinship homes in the state. The Committee recommended:

1. According to IV-E regulations, kin and non-kin foster homes must meet the same requirements for licensure. To accomplish this, the Department will issue new and more flexible regulations.
2. New regulations also need to be issued to establish the Department's authority to issue waivers to relative homes for non-safety requirements for licensure. We are working on this now.
3. The Department will use a portion of IV-E dollars to create a fund to help kinship homes meet safety requirements for licensure.
4. The Department and its partner agencies will provide information and support to kinship families about licensure.
5. A survey or focus group of unlicensed relative homes will be conducted by the Department to address systemic barriers to licensure.
6. There needs to be ongoing monitoring and reviews of unlicensed kinship homes and their barriers to licensure.

As an update, the Department in the last quarter of 2012 doubled claims for IV-E maintenance dollars. In addition, the date to apply for a IV-E waiver was moved from July 1<sup>st</sup> to January 15<sup>th</sup> of this year. We sent our application January 11<sup>th</sup>.

Alternative Response is part of the proposed IV-E demonstration project. It will position DHHS to connect families with the community resources they need to resolve issues that put their children at risk. Our plan is to implement it in summer 2013. A team of internal and cross-divisional partners and external stakeholders has been assembled to discuss how we will effectively administer Alternative Response.

The Foster Care Reimbursement Rate Committee worked to develop a standard statewide foster care reimbursement rate structure, and a standard level of care assessment. I observed there was a need for consistent rates across the state when I arrived here, and I know the difference in rates also caught your attention. The goal of the Committee was to arrive at foster care rates representing what it truly costs to care for children. The following foster care reimbursement rates were recommended by the Committee:

- For new born children to five years of age, a daily rate of \$20.

- For children six to 11 years of age, a daily rate of \$23.
- For children 12 to 18 years of age, a daily rate of \$25 (\$760.42 a month, or \$9,125 annually).

Shortly after starting this job, we assembled a Provider Panel in an attempt to determine foster care rates. We will continue to use this panel as new rates and other foster care initiatives are implemented.

The Committee also developed a statewide standardized level of care assessment including criteria to determine a foster child's placement needs and foster care reimbursement rate. Members of the Committee researched assessment tools used in Nebraska and contacted 13 experts in eight other states to evaluate the effectiveness, attributes and challenges of 10 tools.

Two assessment tools were recommended to better assess the level of care needed by children, and the level of responsibility required by the foster parent. It was decided foster parents providing a higher-level of care that requires additional training would be paid an additional amount per day. In addition, children with severe mental health concerns, requiring additional programming, supervision or special services from a trained foster parent, should receive an additional payment.

The Committee recommended the following level of care assessment tools:

- For the child: Child and Adolescent Needs and Strengths Comprehensive (CANS); and
- For the caregiver: Nebraska Caregiver Responsibilities (NCR).

Other states also strongly recommended the following points to the Committee about the tools and their use in combination with establishing a foster care reimbursement rate:

1. We shouldn't tie an assessment to foster care payments initially. Instead, all states recommended a "hold harmless" phase where foster parent rates would not change for a period of time.
2. An ongoing quality assurance process is critical to success.
3. Ongoing training, implementation and training support are necessary.
4. Ensure the tool or subsequent payment methodology does not include behaviors or conditions that overlap with other services or funding streams, such as developmental disabilities, behavioral health, medically fragile and OJS.

That is a condensed overview of the reports of these two committees. I want to repeat that the committees were effective in vetting the topics, reviewing our current processes and examining and considering alternatives. We look forward to further work with you and the Children's Commission on these and other topics.

I appreciate the opportunity to provide discuss the recommendations of these two committees and would be happy to answer any questions you may have.