

## **Cost Neutrality Plan for the Wisconsin Shared Family Care Program**

The Shared Family Care (SFC) program is an alternative foster care program which utilizes specialized foster parents to work with the entire biological family to achieve reunification. The SFC providers will serve as mentors to families to help them address the issues which resulted in removal of children from the home and develop their parenting skills to safely care for the children following reunification. The SFC program will be operated as a Title IV-E waiver demonstration program in Milwaukee, Wisconsin. More detail about the SFC program is provided in the SFC program description paper.

Several types of Title IV-E reimbursable costs will be affected by the demonstration project:

- Foster care maintenance payments - The SFC program features an alternative payment mechanism for the children who will be served under the program. Instead of receiving a regular foster care maintenance payment based on the Wisconsin uniform foster care rate structure for each child, the SFC provider will receive a fixed monthly stipend and a variable monthly living expense amount based on the number of persons residing with the provider. Sibling groups of children will be placed with the provider by the court and the biological parent(s) will reside there on a voluntary basis.

The stipend/living expense payment to the provider will be greater when computed on a monthly basis than regular child-based foster care payments, but the SFC program is expected to result in significantly shorter lengths of stay in foster care. The SFC payment method is designed to compensate SFC providers for their mentoring role and encourage retention of providers. If the children are placed with another foster care provider at any other point during their episode in foster care, those providers will receive a regular child-based foster care maintenance payment.

IV-E reimbursement for the SFC provider payments will be claimed at the applicable FMAP rate for children who are IV-E eligible. It is expected that the vast majority (80% - 90%) of the cases will be IV-E eligible. Payments for cases which are not IV-E eligible will be charged exclusively to state funds, the same as regular foster care.

- SFC Program Coordinator - The Program Coordinator position plays an essential role in the SFC program. The Program Coordinator will be involved in provider recruitment, participant selection, matching participants with providers, working with ongoing case managers, and overall coordination of the SFC program with other parts of the child welfare program. The Program Coordinator represents an increased administrative cost.

- Provider recruitment and training - SFC providers will meet all Wisconsin foster parent licensing requirements and be licensed through the regular licensing process. The Program Coordinator will be involved in SFC provider recruitment and training providers to fulfill their unique role in the SFC program while licensing specialists perform required background checks and other licensing functions. Other than the Program Coordinator's involvement, the foster parent licensing process for SFC providers will be the same as other foster parents.
- Ongoing case management - SFC cases will have an ongoing case manager the same as regular foster care cases. The ongoing case manager is responsible for permanency planning, treatment plan development, court reports, child and family visitation, and all other standard case management activities. The Program Coordinator will work with ongoing case managers of SFC placements to coordinate the SFC provider mentoring activities with the other services received by the family. Other than the Program Coordinator's involvement, the ongoing case management process for SFC placements will be the same as other foster care placements. SFC program participants will receive the same level of case management as other foster care cases.
- Services to families - Based on court-ordered conditions and the treatment plan for the family, the family will receive services purchased on their behalf by the ongoing case manager. Examples include counseling, medical treatment, employment training and other professional services. Participants in the SFC program will have access to the same range of services as regular foster care cases. Ongoing case managers have a service budget and service costs are tracked for each case.

The services to families are typically not IV-E reimbursable expenses. Medical services may be covered under the Medicaid program and other services by other sources such as TANF. These services do require coordination by the ongoing case manager and the SFC Program Coordinator will also be involved in coordinating services for SFC participants. Other than the Program Coordinator's involvement, the service delivery process for SFC placements will be the same as other foster care placements. Coordinating of services for SFC program participants will not require a different level of involvement by ongoing case managers than regular foster care cases.

The following are recommendations for determining cost neutrality for the SFC program:

- Maintenance payments - The amount of SFC provider payments will be compared with the foster care costs for children in the control and comparison groups for the SFC program evaluation. While the SFC payments will be higher on a monthly basis, the shorter lengths of stay in the SFC program versus regular foster care will offset the higher monthly cost. It is anticipated that lengths of stay in the SFC program will be 6 to 12 months compared with 15 to 24 months for the regular foster care population. A new cost reporting line will be established to track the SFC provider payments. Control group cases will be identified in the IV-E data system and their foster care costs will be identified from the data system. Both the experimental and control group maintenance costs will be reported on the IV-E waiver cost reporting form.

- Program Coordinator (administrative cost) - The cost of the Program Coordinator position will be tracked separately from other IV-E administrative costs. The Program Coordinator will be dedicated to the SFC program and the position costs will be reported as an experimental group expense. Matching families with SFC providers will account for the majority of the Program Coordinator's time. It is expected that the increased administrative cost for program coordination will be offset by reduced case management costs due to shorter lengths of stay for SFC program cases.
- Ongoing case management (administrative cost) – Including case management costs in the cost neutrality calculations is important because length of stay for cases has a direct impact on staffing levels. The cost of ongoing case management will be quantified as “child month” amount based on a per-month, per-child average unit cost for ongoing case management. This will be derived by computing the average cost for a case manager and dividing by the average caseload to get an average monthly “unit” cost for case management.

For cost neutrality purposes on the IV-E waiver cost reporting form, the experimental group costs will be determined by multiplying the case management unit cost by the number of months of care for SFC program participants. For the control group, the costs will be determined by multiplying the case management unit cost by the number of months of care for control group participants in regular foster care. It is expected that the reduced case management costs will offset the increased administrative cost for the Program Coordinator.

- Provider licensing (administrative cost) - Since the provider licensing function for SFC providers is the same as the licensing function for regular foster care providers, licensing costs will not be included for cost neutrality purposes. Provider licensing represents a “fixed cost” that will not be affected by the SFC program demonstration. In the absence of the SFC program, the SFC providers would be used as regular foster care providers, so there should be no significant difference in provider licensing costs for the experimental and control groups in the program. The involvement of the Program Coordinator in SFC provider recruitment will be included for cost neutrality purposes.
- Services to families - Services are not IV-E reimbursable expenses and will not be tracked for cost neutrality purposes. Service costs will be tracked for the cost/benefit portion of the required evaluation of the SFC program. The involvement of ongoing case managers and Program Coordinator in coordinating services will be included for cost neutrality purposes.
- IV-E system costs - It is expected that only minor modifications to the IV-E data system will be needed to track control and experimental group cases for the required program evaluation. The modifications will be made as part of ongoing system maintenance. System costs are excluded from the cost neutrality calculation.
- Program evaluation - The administrative costs for the required program evaluation will be reported on the IV-E waiver cost reporting form. Evaluation costs are excluded from the cost neutrality calculation.

Waiver Savings – Should the SFC program result in any net IV-E waiver savings over the life of the IV-E waiver demonstration project, it is expected that the waiver savings will be reinvested to expand the scope of the SFC program.