Family First Prevention Services Act, Title IV-E, and Northstar Care

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DEPARTMENT OF HUMAN SERVICES

TODAY’S TOPICS

A. Introduction and Overview
B. Family First is Title IV-E
C. Family First is Good: Prevention
D. Family First is Bad: Residential
E. Family First is Unknown
F. Title IV-E and Family First
G. Northstar Care and Family First
H. Northstar Care Update

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Family First Prevention Services Act

- The Family First Prevention Services Act was enacted by Congress and signed by the President in 2018.
- It makes significant changes to children's services, many of which we will discuss today.
- Minnesota has to figure out how to react.
- DHS has been working with counties, tribes, and others to plan the Minnesota response, such as when and how to implement.

Micro and Macro Discussions

- There are efforts at the micro level, such as how to change systems and how Title IV-E claiming will change.
- There are also larger discussions:
  - What is our strategy for children services?
  - What should our array of services be?
  - Which populations will we serve, and will services vary by population?
- Many discussions and decisions yet to go.

When to Implement?

- Nationally, about half of the states have decided to be "early adopters," trying to implement Family First as quickly as possible.
- Some of the "early adopters" are reconsidering now that they have gotten deeper into it.
- About half are planning to implement later.
- Minnesota is tentatively with the late adopters – probably implementing in 2021, perhaps July 1.

Family First Webpage & E-mail

- DHS is in the process of setting up a Family First webpage.
- There will also be an e-mail address for sending inquiries.
- These will be announced when they are in place.

State Budget for Implementation

In its newest budget, the Legislature fully funded the DHS request for Family First:

- $1.9 million for the first biennium (SFY 2020-2021)
- $1.4 million for the second biennium (SFY 2022-2023)
- This funding is for planning infrastructure, capacity, and systems modifications.
- Staff will be added to: Child Safety and Permanency, Financial Operations, Licensing, and Background Studies.

Future State Legislative Work

- Although the future is not completely clear, at this point we anticipate more legislative work.
- This will most likely include additional policy provisions and additional budget requests.

SSIS Implications

- Family First has implications for SSIS, and it will be a multi-year project.
- SSIS Business Operations Unit (the business side of SSIS) has been closely following Family First developments and working closely with policy coworkers and MNIT partners.
- It has a work plan in place to move forward on implementing required system changes.
- SSIS has completed some changes already and more fiscal elements are anticipated to be out in release 19.4 (approximately December 2019).

Today

- Today we will look at Family First and its expected interactions with Title IV-E and Northstar Care for Children.
- We will finish with a brief update on Northstar Care.

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A Little Title IV-B

- The Family First Prevention Services Act of 2018 has some minor provisions related to Title IV-B, which has been a capped federal funding source used by states for child welfare.
- In Minnesota, Title IV-B pays for part of Family Preservation grants and part of PSOP (Parent Support Outreach Program) grants.
- The rest of Title IV-B is used by DHS for specific eligible child welfare activities.

A Lotta Title IV-E

- But most of what the Family First Prevention Services Act does is to change Title IV-E.
- Title IV-E has been a mainstay of Minnesota's child welfare financing for many years.
- And how we can use Title IV-E changes through Family First.
- Changes quite a lot.

The Good, the Bad, & the Unknown

- Family First has some really **good** points giving extra flexibility to Minnesota on using Title IV-E.
- Family First also has some **bad** points that will make it harder for counties and tribes to pay for some kinds of out-of-home placements.
- And there's a lot that simply remains **unknown**.
- Most of the unknowns are because the feds haven't said how many provisions will work.
- The rest are because Minnesota hasn't decided yet.

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Title IV-E for Prevention Services

- Helping to pay for prevention services is a good point in the Family First Act.
- Family First permits Title IV-E to be used to pay the federal share (50% in Minnesota) for some services designed to prevent out-of-home placements.

Key Questions

Here are five key questions to consider:

- Who is eligible for these Prevention Services?
- What are the categories of prevention services that will be eligible?
- For how long?
- What other requirements must be met?
- Who pays for prevention services?

We'll look at each question in turn…

Who is Eligible for Prevention Services?

- People may be eligible for prevention services:
  - candidates for foster care ("imminent risk of entering foster care")
  - children in foster care who are pregnant or parenting
  - the parents or kin caregivers of these children
- Unlike Title IV-E for foster care, the prevention services do **not** require that the family meet the antique AFDC income eligibility standards.

What Categories of Prevention Services?

4 allowable categories of prevention services include:

- **Mental health** and **Substance Abuse** prevention and treatment services provided by a qualified clinician.
- In-home **Parent Skill-Based** programs that include parenting skills training, parent education, and individual and family counseling.
- **Kinship Navigator** programs (not to be confused with Northstar Kinship Assistance).

For How Long?

- Title IV-E prevention services are eligible as specified in a child's prevention plan for up to 12 months.
- Additional 12-month periods are possible on a case-by-case basis.

Prevention Services Other Requirements?

- Title IV-E Prevention Services must be:
  - Rated and approved as **evidence-based** by the federal Title IV-E Prevention Services Clearinghouse.
  - Identified in the state's five-year prevention services plan as approved by the feds.
- At the state level, **at least 50 percent expended** for Title IV-E Prevention Services must meet the "well-supported" evidence-based criteria.

Evidence-Based Criteria

Promising	At least **one qualifying study** with a rigorous study design and a favorable effect on at least one "target outcome."
Supported	At least **one qualifying study** with a rigorous study design and a favorable effect on at least one "target outcome" **at least 6 months beyond treatment**.
Well-Supported	At least **two qualifying studies** with rigorous study design, and at least one of the studies demonstrates a sustained favorable effect **at least 12 months beyond treatment**, on at least one target outcome.

Who Pays for Prevention Services?

- It’s not altogether clear yet who will pay the non-federal share of prevention services.
- Some of these services are already part of Minnesota’s MA array of services.
- In these cases, Title IV-E might help with wrap-around services, but the main service is already paid for.

It’s Not Clear Yet Who Pays

- The state may decide to pay the non-federal share for specific services or programs.
- And in other cases, counties and tribes may end of paying the non-federal share of prevention services.
- Prevention services might help lower costs in the longer run.

Services Now under Federal Review

Mental Health
- Parent-Child Interaction Therapy
- Trauma Focused-Cognitive Behavioral Therapy
- Multisystemic Therapy
- Functional Family Therapy

Substance Use
- Motivational Interviewing
- Methadone Maintenance Therapy
- Multisystemic Therapy
- Families Facing the Future

Parent Skills
- Nurse-family partnership
- Healthy Families America
- Parents as Teachers

Kinship Navigator
- New Jersey
- KIN-Tech

We might know which ones the feds approve as early as sometime this summer.

Prevention Services are Good

- When they work as designed, evidence-based prevention services reduce the likelihood or length of expensive out-of-home placements.
- And under Family First, the feds will help pay for them.
- That's good.
- We don't know yet what the feds will ultimately approve or how quickly.
- Stay tuned!

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Family First Restricts Title IV-E

- The Family First Act adds some severe restrictions on using Title IV-E for group care.
- In the long-run, these might prove to be good.
- And in the short-run, Minnesota probably won't implement them until the second half of 2021 (July 1 is one possible date).
- But in the intermediate-run, this could cause real headaches for counties and tribes trying to deal with the need for out-of-home placements.

OK for Family Foster Care & EFC-SIL

- Family First continues to allow Title IV-E claims for **family foster care**.
- And it's still OK to claim Extended Foster Care Supervised Independent Living (**EFC-SIL**) for those age 18 up to 21.
- These will continue basically the same as before.
- The only significant change is that family foster homes are ordinarily limited to no more than 6 children.

Corporate Foster Care

- However, Minnesota has classified corporate foster care using shift staff (a.k.a. CADI homes) as type "Rule 1" for purposes of Title IV-E claims.
- We've treated them like family foster homes and required MAPCY assessments.
- But it appears that Family First will not treat them as family foster homes, but instead as group care.

Limits on Group Foster Care

- With some important exceptions, Family First will limit Title IV-E foster care claims to two weeks for eligible children placed in group care.
- Counties and tribes often have children in group care for much longer than that.

Potentially Lost Claims

As they currently function, that would mean **no** Title IV-E claims beyond two weeks for:

- “Rule 5” Child Residential Centers – MH (already not claimable since most classified as “IMDs”)
- “Rule 8” Child Group Residential Facilities
- Child Residential Facilities – Corrections
- Child Residential Facilities – Out-of-State
- Corporate foster care

Minnesota will explore whether some or all of these can meet the stricter Family First qualifications.

How Much Potential Loss?

	2017 Data			
	Net Payment	Federal Title IV-E Amount	County, Tribal, & Other	# of Counties/ Tribes Claiming
Rule 5 Child Residential Facility - MH cert	$7,471,344	$1,864,548	$5,606,796	61
Rule 8 Child Residential Facility	2,693,073	1,282,165	1,410,908	38
Child Resdntial Facility - Corrections cert	5,757,212	2,912,492	2,844,720	54
Child Residential Facility - Out-of-State	2,048,155	958,410	1,089,745	12
Total	$17,969,784	**$7,017,615**	$10,952,169	

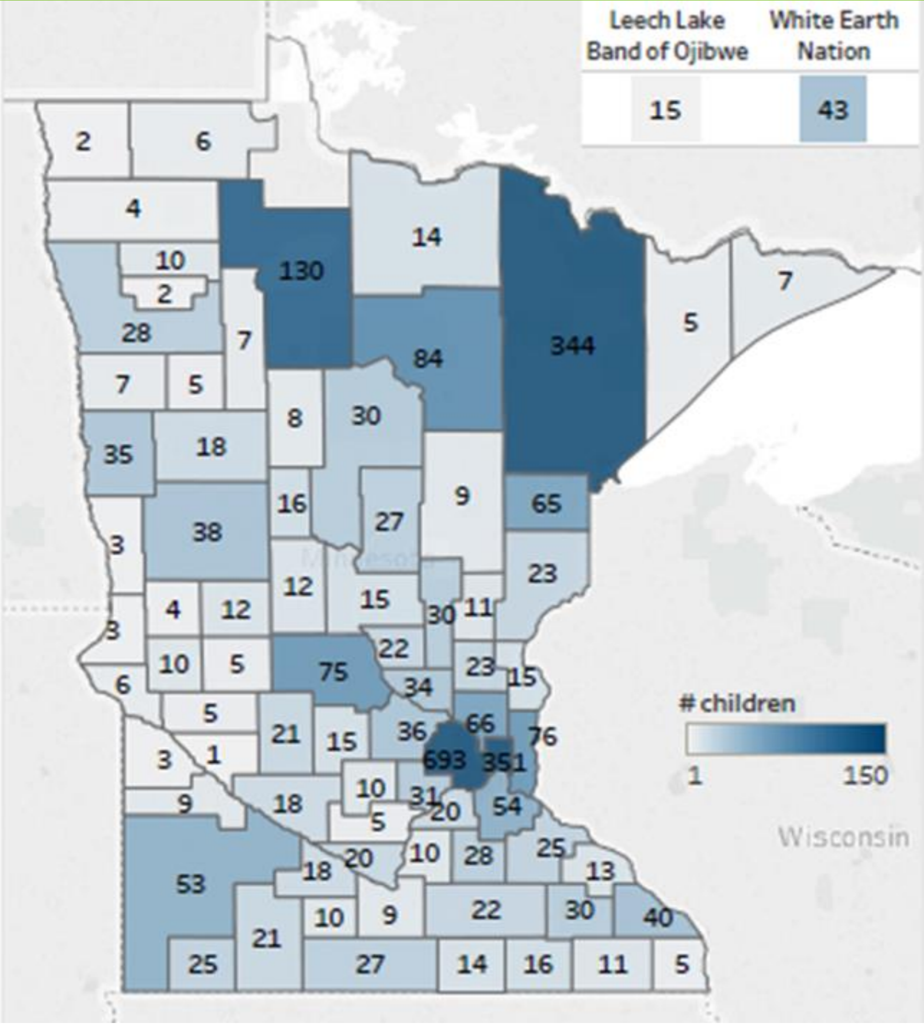
Note: Includes only payments for children that were Title IV-E eligible.
Payments for children ineligible for Title IV-E are not included.

This chart should not be used to summarize the total costs of all children in residential placements.

Source: DHS Child Foster Care Report 9/11/2018

Group Care Data

- **1,546** children entered residential treatment centers, group homes, and/or corporate shift foster homes in 2017.
- Added to those already there, **3073** children experienced group care that year.



More Group Care Data

Let's look at the same 2017 placement data by setting type (down) and workgroup type (across):

	Child Protective Services	Children's Mental Health	Child Welfare	Adoption/ Guard.	Devel. Disabil.	Other
Residential treatment center	610	843	637	182	29	39
Group home	674	275	402	116	14	10
Foster home - corporate/shift staff	61	133	94	44	98	22

Group Care Claims Still Possible

Title IV-E claims will still be possible for group care in:

- Licensed residential family-based treatment facilities for substance abuse where children are placed with their parents (BRASS Code 172).
- Settings providing high quality residential care/supportive services to children/youth who have been found to be or are at risk of becoming sex trafficking victims.
- Settings specializing in providing prenatal, postpartum, or parenting supports for youth.
- Settings for qualified residential treatment programs (QRTPs).

We'll look next at each of these important exceptions.

BRASS Code 172: Child Co-Located in SUD

- As noted on the previous slide, Title IV-E claims are possible for BRASS Code 172: Child co-located with parent in a family-based residential Substance Use Disorder (SUD).
- The Northstar Care Basic Rate is claimable.
- Covered in DHS Bulletin #18-68-19 (September 18, 2018) "Title IV-E Foster Care Maintenance Payments for Children Placed with a Parent in Residential Substance Use Disorder Treatment".

BRASS Code 172 Claims in SSIS

- Counties and tribes can already make payments for this service.
- SSIS does not yet have the claiming functionality.
- The ability to claim Title IV-E for this is slated for SSIS release 19.4 (due around December 2019).
- When operational, agencies will be able to retroactively claim for the usual 5 quarters.

Support for Sex Trafficking Victims

- What about the settings supporting children and youth found to be or are at risk of becoming sex trafficking victims?
- A DHS survey identified 53 programs across the state claiming to serve sex-trafficked youth.
- However, we don’t know if they meet the Family First Act standards.
- And must a county, tribe, or DHS be providing the non-federal match for a valid Title IV-E claim?
- This is all being explored.

Prenatal, Postpartum, or Parenting Supports for Youth

- We have similar unanswered questions for settings specializing in providing prenatal, postpartum, or parenting supports for youth.
- Which existing (or potentially new) programs meet the new standards?
- What do we need in order to establish a valid non-federal match so that we can make a Title IV-E claim?

QRTPs Will Be Claimable

- Under Family First, Title IV-E claims will still be possible if Minnesota has residential facilities that meet new standards.
- These standards are known as Qualified Residential Treatment Programs (QRTPs).
- A number of existing group facilities have expressed interest in meeting the new QRTP standards in order to be Title IV-E eligible.
- Let’s look at the QRTP standards next.

QRTP Standards (Simplified)

- Uses **trauma-informed treatment model** to address needs of children with serious emotional or behavioral disorders or disturbances.
- Has appropriate **clinicians** providing care within scope of practice; are on-site according to treatment model; and are **available 24/7**.
- Facilitates **participation of family members** in treatment program, as appropriate; and outreach to family members.
- Documents how **family members are integrated to treatment** and post-discharge and sibling connections maintained.
- Provides **discharge planning** and family-based **aftercare** for at least 6 months of post-discharge.
- **Licensed by state and accredited** by: Commission on Accreditation of Rehabilitation Facilities (CARF); Joint Commission on Accreditation of Healthcare Organizations (JCAHO); Council on Accreditation (COA) or another body federally-approved.
- Assessments to determine **appropriateness of placement** in QRTP must be made within 30 days after placement.

Implications of QRTP Standards

Data

nt	Federal Title IV-E Amount	Cour Tribal Oth
,344	$1,864,548	$5,60
,073	1,282,165	1,41
,212	2,912,492	2,84
,155	958,410	1,08
,784	**$7,017,615**	$10,952

- The estimated $7 million loss (slide 33) might be reduced if some of these residential programs can meet the new QRTP standard.
- But these will be tough standards to meet.
- Many residential programs have expressed interest in meeting them.

Can Some Meet QRTP Standards?

- If some or all of these residential programs do meet these QRTP standards, that will reduce the Title IV-E loss.
- But it will likely also mean higher costs for each child placed.
- Accreditation could be a bottleneck – it takes time and there could be a big backlog if lots of programs want to get accredited at once.
- Some residential programs will likely not meet the QRTP standards or abandon the effort.

Additional Background Checks

- Beyond the restrictions discussed, the Family First Act requires background checks on **all** facility staff.
- That includes those working with children, of course, but **everyone else** as well.
- Perhaps this is a good thing.
- But additional background checks will be expensive and time-consuming.
- They could also add to difficulties facilities have in finding staff.
- The legislature just made the needed statutory changes during the recent special session.

Who Pays for Group Care Restrictions?

- If there are higher costs and/or reduced Title IV-E funds, who will pay the additional price?
- Unless something changes, it appears that counties and tribes will bear the brunt of the extra costs and reduced federal revenue.
- Northstar Care will likely pick up a portion for corporate foster homes.
- But most of any higher non-federal share will be additional county or tribal expense.
- Prevention services might help in the longer run.

Group Care Restriction Wrap-Up

- Family First Act severely restricts Title IV-E claims for group care.
- In the long-run, these might prove to be good.
- In the short-run, Minnesota probably won’t implement them until the second half of 2021.
- But in the intermediate-run, these dramatic restrictions and new QRTP standards could create significant issues for counties and tribes.
- Counties and tribes will likely pick up extra costs or find alternative placements for children, or both.

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Family First is New and Unknown

- The Family First Prevention Services Act is still quite new.
- So far, federal guidance remains quite limited.
- Minnesota has many decisions yet to make, which are difficult to make without federal clarity.
- And many programs throughout Minnesota need to gear up for the changed environment.
- Or decide not to, or try and not succeed.
- As a result, much is simply not known.

Prevention Services Unknown

- The best part of Family First is the possibility of better funding for Prevention Services.
- But we don't know what Prevention Services will eventually be deemed eligible.
- Or how to ensure that at the state level, at least 50 percent expended for Title IV-E Prevention Services meets the "well-supported" evidence-based criteria.
- Some may already be part of MA.
- For those that aren't, where to find the non-federal share except from county and tribal budgets?
- These are unknowns.

Residential Group Care Unknowns

- There are also a lot of unknowns around the residential group care restrictions as well.
- We don’t know which current residential programs (or brand-new ones) might seek to become eligible for Title IV-E claiming under the more restrictive Family First standards.
- And whether they will be more expensive, and if so by how much.
- Or which ones might try and not succeed, or simply give up partway through the effort.

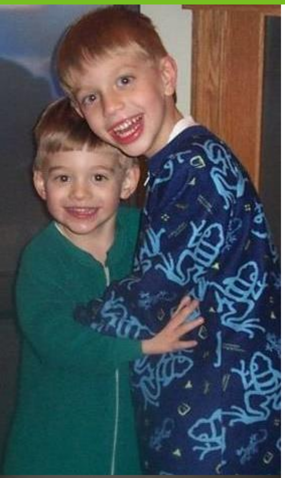
More Residential Unknowns

- Family foster homes will remain eligible for Title IV-E claims.
- Do we try to recruit more foster homes to make up for the residential programs?
- How many additional family foster homes might we be able to recruit to meet the need?
- What additional services would we need to support the homes?
- We just don't know.

SSIS Plans

- As noted earlier, despite all the unknowns, the SSIS Business Operations Unit is moving to implement required system changes in SSIS.
- They plan to implement all changes based on requirements for various elements, order of operations for all items, and specific deadlines.

SSIS Actions



- While everyone is waiting on specifics from the feds (such as approved prevention programs), they are not waiting on designing how the system can accommodate the changes.
- Instead, they are designing changes to be flexible to meet the specifics the feds provide and to accommodate changes in the future.
- They are keeping the ease of use/impact on end users in the forefront of the work.
- They will be reaching out to agency partners at various points for consultation and input.

Clarity Ahead?

- We hope that with
  - additional federal guidance
  - good planning by counties, tribes, and the state
  - and timely decisions
  - that we will see unknowns change into answers.

- Doesn’t that sound good?

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Title IV-E Impact Recap

- We’ve seen that most of the fiscal impacts of Family First are on Title IV-E claims.
- Counties and tribes will be able to claim preventive services, at least after the feds decide which services meet the criteria.
- And counties and tribes will no longer be able to claim residential group care, except when some rather strict standards are met.
- And lots of the impacts remain unknown.

Intermediate-Term Reductions

- In the short-run, nothing changes.
- It’s not quite clear how this will play out long-run.
- But most likely, in the intermediate-run, Title IV-E claims will go down substantially.
- Preventive service claims will likely grow, but probably more slowly than the initial reductions in group care claims.

Legal Representation

- Unrelated to Family First, there's a new item that the feds are now willing to help pay for.
- That's legal representation.

What Costs?

Title IV-E legal representation includes the costs for attorneys to provide legal representation:

- For the county or tribe
- For a candidate for Title IV-E foster care or a Title IV-E eligible child in foster care
- For a child's parents to prepare for and participate in all stages of foster care related legal proceedings.

Who Has Been Paying?

- In Minnesota, legal representation for children is typically provided at state expense by the Minnesota Board of Public Defense.
- However, counties generally provide legal representation for parents, and this has not been Title IV-E claimable in the past.
- As always with Title IV-E, we expect that the revenue will cover only a portion of these expenses.
- Still, it should be helpful.

But How to Claim?

- How would a county (or tribe) claim the federal share of eligible legal representation costs?
- Unfortunately, we don't know yet.
- Phyllis is working with the feds on an ongoing basis.
- One idea we are starting to explore is whether this can be incorporated into the Social Service Fund Report (DHS-2556) process, which covers other Title IV-E administrative claims.

What Are You Doing Now?

- We expect this may take some time to set up.
- We want to know from counties how you are currently paying for legal representation.
- Are county staff providing it or do you contract out?
- If county staff, is this the primary thing they do?
- Phyllis wants to know so that – if possible – we can design the Title IV-E claiming process to fit different county situations. Contact her!

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Corporate Foster Homes Grow?

- When Family First eliminates Title IV-E claims for corporate foster homes, this will tend to ripple through Northstar Care.
- It’s not quite clear, but this might result in an increase in the non-federal portion of foster care expenditures subject to the First Fundamental Calculation.

Partially Offset by Northstar Care?

- If it works that way, then we expect that it would probably result in some of these expenditures garnering Northstar Care state share.
- Assuming it plays out in this fashion, Northstar Care would offset some of the extra costs that counties and tribes will face.
- But this would be for corporate foster homes only – not for other forms of group care, which have never been eligible for Northstar Care.

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Overview of Northstar Care

- Northstar Care for Children began on January 1, 2015.
- Three key features:
  - Unified benefits
  - Easier to move children to permanency
  - Shared costs between the State and Agency

Three Components

- Northstar Care has 3 components:
  - Northstar Foster Care
  - Northstar Adoption Assistance
  - Northstar Kinship Assistance
- Although each is different, they are designed to be as similar as possible.

Northstar Care Fiscal Reconciliation in Four Steps

- **Step One:** Net Off Title IV-E to Yield Nonfederal Portion
- **Step Two:** First Fundamental Calculation – State Share vs. Local Share
- **Step Three:** 2nd Fundamental Calculation – Proportionate Share Calculation to Determine Individual Agency Share
- **Step Four:** (Owe) and Due

Fewer Invoices & Related Developments

- For the early quarters of Northstar Care back in 2015 and 2016, many counties got invoiced each quarter.
- For that quarter, they had not yet spent as much as their agency share, and so were billed.
- By 2018, fewer counties were getting invoiced.
- This is related to two other developments:
  - Declining Non-Federal Effective Rates
  - Shrinking Agency Shares
- Let’s look at each of these in turn.

Non-Federal Effective Rates

- As you know, each individual county has its own customized Agency Non-Federal Effective Rate that results from the First and Second Fundamental Calculations.
- You can find yours on your Agency Output.

Agency Non-Federal Effective Rate

Non-Federal Effective Rates for this Agency

Agency Non-Federal Effective Rate %:	**52.56034544855%**
State Non-Federral Effective Rate %:	47.43965455145%
Total %:	100.00000000000%

Agency Non-Federal Share Amount:	**$138,640**
State Non-Federal Share Amount:	$125,133
Total Non-Federal Amount:	$263,773

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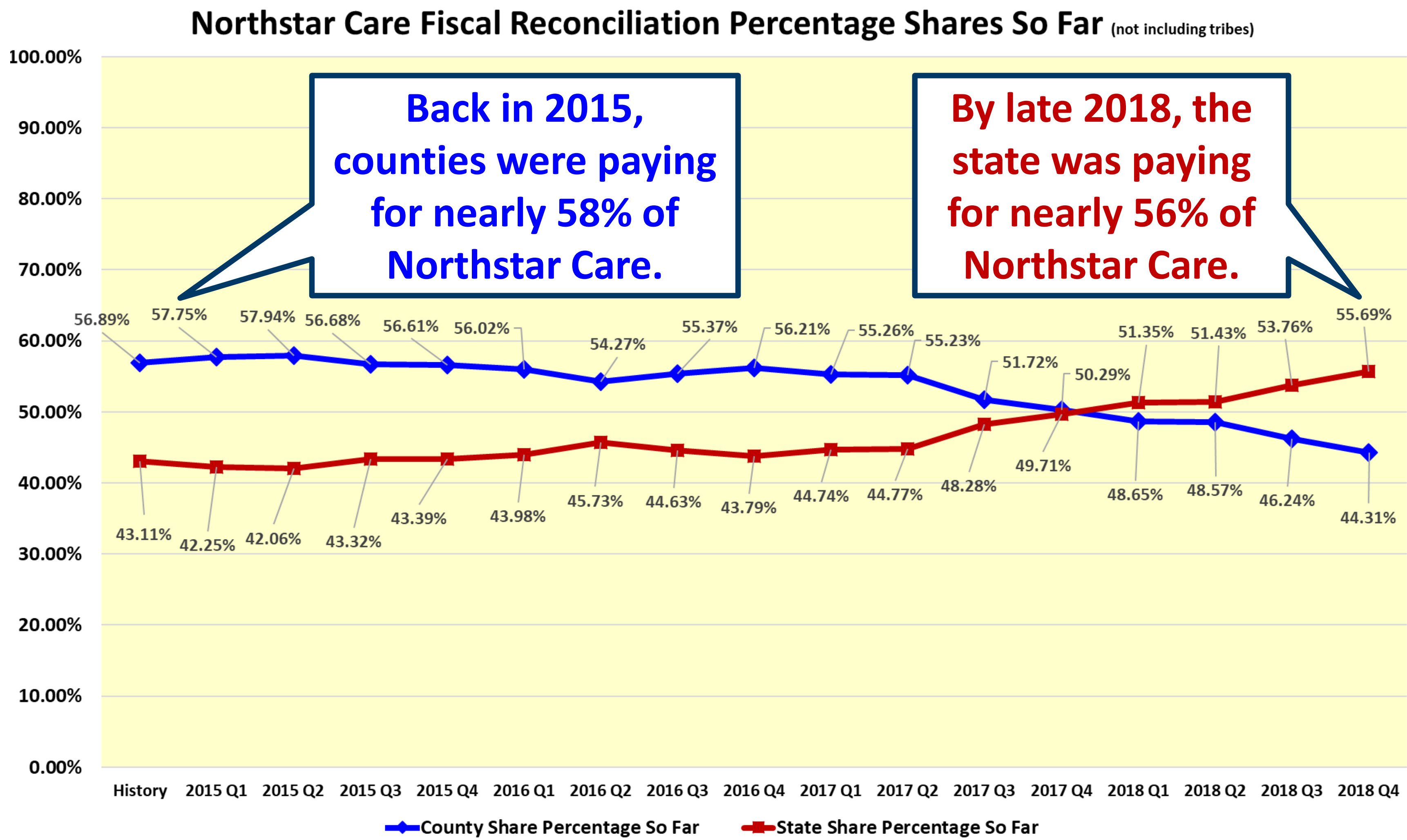
Non-Federal Effective Rates are Declining

- Agency Non-Federal Effective Rates are declining for most counties.
- The Non-Federal Effective Rate indicates what percentage of your agency's Northstar Care costs is your agency's share.
- The statewide trend is toward a lower county percent, which means a higher state percent.

Agency Shares Shrinking Over-all

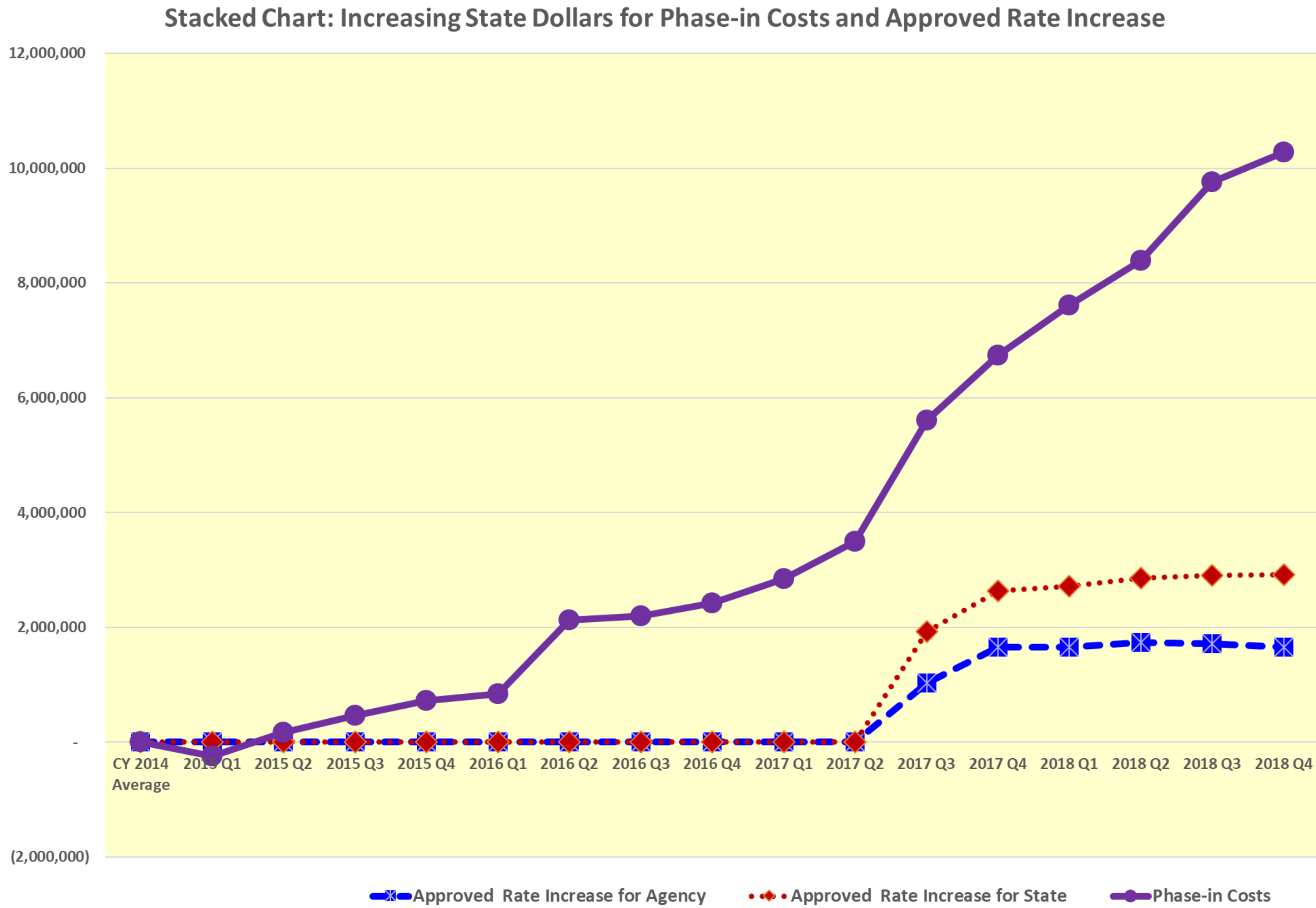


Causes of the Over-all Decline

- This shift is what is causing the general decline for most counties in Agency Non-Federal Effective Rates.
- What is causing this slow shift from counties to state?
- The three primary causes of the shift are:
  1) The state pays for growing Phase-In Costs (the higher costs of permanency under Northstar Care).
  2) The state pays the 15% basic rate increase (from July 1, 2017) for foster care and for permanency.
  3) The state mostly covers permanency costs, which are growing even faster than the foster care costs that are mostly paid for by counties and tribes.

Causes of Shift: Phase-in Costs & Rate Increase

Phase-in Costs and **Approved Rate Increase Costs** have increased steadily during 2015-2018.



One Final Change

- Effective July 1, 2019, the way that the First Fundamental Calculation works will change somewhat.
- Statute calls for one final minor change to Northstar Care Fiscal Reconciliation methodology
  [Minnesota Statutes, Section 256N.27, Subdivision 4, Paragraph (c)].
- This will change some of the details on how the First Fundamental Calculation splits shares between the state and all agencies.

Not Likely a Large Effect

- Our current best estimate is that this final change to the First Fundamental Calculation methodology will not likely have a very large effect.
- We plan to work on the details with a county-state workgroup.

Won’t Change for Some Time

- This change to exactly how the First Fundamental Calculations works will go into effect July 1, 2019.
- However, we are always six months behind with Northstar Care Fiscal Reconciliations.
- Therefore, the first time we will use the changed methodology will be for 2019 Q3 as of 2019 Q4.
- We will not be completing that reconciliation until February or March 2020.
- As a result, there’s a little time to work it all out.

Initial Counties, Tribal, Finals

- We have been caught up on **initial** fiscal reconciliations for counties since last summer.
- We plan to maintain our current schedule of completing county **initial** fiscal reconciliations within six months of the end of each quarter.
- We are currently working on getting caught up on tribal reconciliations, which are done separately from counties.
- After that, we will turn our attention to getting caught up on **final** reconciliations.

For Most, Final Not a Big Deal

- What can you expect from final reconciliations?
- For most agencies, final reconciliations will involve only minor adjustments from their initial reconciliation for that quarter.

Final Reconciliations Could Impact

- However, your agency's share could go up or down more decisively for a quarter if:
  - Your agency was behind on proofing by more than one quarter.
  - Or you otherwise experienced major changes in claims or other data later than that first quarter after the quarter being reconciled.
- This in turn could require a larger payment to or from DHS for the amount owed or due to you.

Updated Bulletin in the Works

- We expect to issue an updated Northstar Care fiscal bulletin in 2019.
- Staff turnover has slowed this and other aspects of Northstar Care work.

Wrap-Up

- So that's the story on Family First, Title IV-E, and Northstar Care.
- There will obviously be many more developments on all three topics.
- Stay tuned!

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SSIS Website

- CountyLink > DHS Program Resources > DHS Systems & IT Updates > SSIS resources

SSIS Help Desk Email

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DEPARTMENT OF HUMAN SERVICES