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25-68-16C

DATE
January 7, 2026

OF INTEREST TO
County Directors
County Social Services
Supervisors and Staff
Tribal Directors
Tribal Social Services
Supervisors and Staff
Income Maintenance
Supervisors and Staff
Title IV-E Coordinators

ACTION/DUE DATE
Please read information and
prepare for implementation

EXPIRATION DATE
January 7, 2027

Corrected: Foster Care Maintenance Payments for Children with their Parent in Residential Family-Based Substance Use Disorder Treatment Programs

TOPIC

Children placed with a parent receiving services in a licensed residential substance use disorder (SUD) treatment program can receive foster care maintenance payments under the Family First Prevention Services Act.

PURPOSE

Provide information about foster care placement policy, eligibility requirements, instructions for claiming Title IV-E foster care maintenance payments for a child's care and SUD treatment program responsibilities. *This bulletin was corrected to clarify Title IV-E processes, case planning and licensed settings.*

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SIGNED

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Children and Family Services Administration

TERMINOLOGY NOTICE

The terminology used to describe people we serve has changed over time. The Department of Children, Youth, and Families (DCYF) supports the use of "People First" language

I. Background

All children in foster care placed with a parent receiving services in a licensed, residential, family-based substance use disorder (SUD) treatment program are eligible for foster care maintenance payments for up to 12 months under the federal Family First Prevention Services Act ([Pub. L. No. 115-123](#)) that amended Title IV-E of the Social Security Act regardless of Aid to Families with Dependent Children (AFDC) eligibility.

Under Minnesota law, family-focused residential placement allows a child in foster care to be co-located with a parent who is receiving services in a residential, family-based, SUD treatment facility ([Minnesota Statutes, sections 260C.007, subdivision 18\(a\)\(2\)](#) and [260C.190](#)). These children are eligible for foster care maintenance payments when the agency has placement responsibility under [Minnesota Statutes, sections 260C.178, subdivision 1](#) or [260C.201, subdivision 2](#), or a voluntary placement agreement (VPA) under [Minnesota Statutes, section 260C.227](#).

This bulletin explains the following requirements:

- **Eligible child:** To receive Title IV-E reimbursement, the child with a parent in a SUD treatment location is not required to meet the Aid to Families with Dependent Children (AFDC) Title IV-E eligibility requirements ([section 472\(a\)\(1\)\(B\) and \(3\)](#), and [section 472\(j\)\(1\)](#) of the Social Security Act). However, all other Title IV-E requirements must be met.
- **Family-focused residential placement:** The recommendation for placement is specified in a child's case plan before they are co-located with their parent in a residential family-based SUD treatment program, including the provisions for the case plan, caseworker visits and permanency hearings when the child is co-located with the parent ([section 472\(j\)\(1\)\(A\)](#) of the Social Security Act and [Minnesota Statutes, section 260C.190, subdivision 2](#), [260C.007, subdivision 3](#) and [260C.212, subdivision 1](#)).
- **Licensed residential family-based substance use disorder treatment program mandatory services** ([Minnesota Statutes, section 260C.007, subdivision 22a](#)): The treatment facilities licensed under [Minnesota Statutes, section 245G.19](#) must meet the following federal requirements:
 - Treatment facilities must provide parenting skills training, parent education, and individual and family counseling ([section 472\(j\)\(1\)\(B\)](#) of the Social Security Act).
 - The substance use disorder treatment, parenting skills training, parent education, and individual and family counseling must be provided under an organizational structure and treatment framework that involves understanding, recognizing, and responding to the effects of all types of trauma, with recognized principles of a trauma-informed approach and trauma-specific interventions to address the consequences of trauma and facilitate healing ([section 472\(j\)\(1\)\(C\)](#) of the Social Security Act).

A. Eligible child

A child is eligible for foster care maintenance payments when co-located with their parent who is receiving services in a residential family-based SUD treatment program, **AND** the county or Tribal social service agency has placement and care responsibilities under:

- Court-ordered placement under the jurisdiction of Tribal court or state court ([Minnesota Statutes, section 260C.178, subdivision 1](#) or [260C.201, subdivision 1](#)), or
- Voluntary placement agreement (VPA) under [Minnesota Statutes, section 260C.227](#), or the Tribal equivalent of a VPA.

[Minnesota Statutes, section 260C.190](#), permits the co-location of a child in a SUD treatment facility at any time during the child's foster care placement episode.

1. Emergency removal hearing

At the emergency removal hearing, when the state or Tribal court orders a child into foster care, the responsible social service agency may co-locate the child with the parent in a residential family-based SUD treatment program ([Minnesota Statutes, section 260C.178, subdivision 1\(c\)](#)). Under Minnesota statutes, a child in foster care may be co-located with their parent after an emergency removal hearing. For this co-location to continue, a trial home visit is ordered at the disposition hearing.

2. Disposition hearing and trial home visit

When a county or Tribal social service agency has placement authority, the agency may make an individualized determination of how a child co-located with a parent in a licensed residential family-based substance use disorder treatment program under [Minnesota Statutes, section 260C.190](#) is in the child's best interests ([Minnesota Statutes, section 260C.212, subdivision 2](#)). Through a court-ordered trial home visit, the agency may co-locate a child with their parent in a licensed residential family-based SUD treatment program.

A trial home visit maintains continuous placement and counts toward the time requirements for a permanency hearing. ([Minnesota Statutes, section 260C.201, subdivision 1\(3\)](#) and [section 260C.503, subdivision 3\(a\)](#).)

3. Voluntary placement

A county or Tribal agency may enter into a voluntary placement agreement (VPA) with a parent to place their child co-located with them when receiving services in a licensed residential family-based SUD treatment program, under [Minnesota Statutes, section 260C.228](#).

A county or Tribal agency may also enter into a VPA with a parent when a peace officer takes a child into custody because they found them in circumstances or surroundings that endanger their health or welfare. During the period of peace officer custody, county agencies can develop a safety plan for a child, and when appropriate, the plan can include co-locating the child with their parent while in residential treatment. Arrangements for the parent to enter treatment, parent and agency signatures on the VPA, and an out-of-home placement plan must be completed before a child is released from peace officer custody. The VPA should be signed within one business day for the coincide issue. If a VPA and out-of-home placement plan cannot be executed during the period of peace officer custody, and it is necessary for an agency to have legal responsibility

for a child, agency staff may ask the court to order a child into agency custody by filing a petition alleging a child to be in need of protection or services (CHIPS) and scheduling an Emergency Protective Care (EPC) hearing within 72 hours (excluding holidays and weekends) of removal from the parent. If SUD treatment program availability is uncertain within 72 hours, the county can concurrently plan for a CHIPS petition and schedule an EPC while arranging the VPA and SUD treatment program placement.

If an agency and parent subsequently agree that the parent and their child can be co-located in a SUD treatment program before or at a hearing, the county attorney may request that the court dismiss the CHIPS petition, but only after a county agency completes a case plan with parents and a VPA is signed.

Document the voluntary placement agreement on the following forms prescribed by the commissioner of the Minnesota Department of Children, Youth, and Families. Forms must be signed within one business day of a child's placement with their parent in a SUD treatment program. ([Minnesota Statutes, section 260C.228, subdivision 1.](#))

- Notice to parents considering voluntary placement of their child co-located with them in a residential substance use disorder treatment program: [DHS-7982 \(PDF\)](#)
- Voluntary out-of-home placement agreement for child co-located with parent in residential treatment for substance use disorder: [DHS-7983 \(PDF\)](#)
- Notice to parent/s or Indian custodian/s considering voluntary placement of their Indian child co-located with them in a residential substance use disorder treatment program: [DHS-7984 \(PDF\)](#)
- Voluntary out-of-home placement agreement for a child co-located with parent or Indian custodian in residential treatment for substance use disorder – Indian child: [DHS-7985 \(PDF\)](#).

The VPA terminates at the parent's discharge from the licensed residential family-based SUD treatment program, or upon receipt of a written and dated request from the parent, unless the request specifies a later date. If the child's voluntary foster care placement meets the calculated time to require a permanency proceeding under [Minnesota Statutes, section 260C.503, subdivision 3\(a\)](#), and the child is not returned home, the agency must file a petition according to sections [260C.141](#) or [260C.505](#). ([Minnesota Statutes, section 260C.228, subdivision 3.](#))

4. Other eligibility components

A child is not required to meet Title IV-E AFDC eligibility requirements for foster care maintenance payments to be claimed. ([Section 472 \(j\)\(1\)](#) of the Social Security Act.) All other Title IV-E protections must be met. Children must be under age 18 to be eligible for this benefit.

B. Family-focused residential placement

When a responsible social service agency co-locates a child in foster care with their parent who is receiving services in a licensed, residential, family-based SUD treatment program, appropriate services must be provided to both the parent and the child, including case planning, case worker visitation, required court reviews, and permanency planning.

Continuous placement is entered in the Social Service Information System (SSIS). “Residential SUD Program with Parent” is the placement setting in SSIS.

The responsible social service agency may terminate the child's co-location with their parent in a residential family-based SUD treatment program to protect the child's health, safety, or welfare, and may remove the child to foster care without a prior court order when a CHIPS petition authorizes the placement. ([Minnesota Statutes, section 260C.190, subdivision 1.](#))

2. Case plan

Before a child may be co-located with a parent in a licensed residential family-based substance use disorder treatment program, the agency caseworker must specify in the case plan the recommendation for the child's co-location and the reasons why it is in the child's best interests ([Minnesota Statutes, section 260C.190, subdivision 2](#)). The agency caseworker must assess whether the parent can safely care for the child with a supervision plan consistent with the facility licensing requirements in [Minnesota Statutes, section 245G.19](#).

An Out-of-home Placement Plan under [Minnesota Statutes, section 260C.212, subdivision 1](#), must be completed **no later** than 30 days from when a child is co-located with a parent in a licensed residential family-based substance use disorder treatment program. A child must have a written case plan developed with the parent and treatment program staff that describes the safety plan for the child and the treatment program's responsibilities if the parent leaves or is discharged without completing the program. The safety plan for the child may also include agreed-upon supervision plans as noted in [Minnesota Statutes, section 245A.1443, subdivision 3](#), that the parent and treatment program will follow to ensure the parent safely cares for their child.

The treatment program must receive a copy of the case plan, including the recommendations and safety plan, at the time the child is co-located with the parent ([Minnesota Statutes, section 260C.190, subdivision 2\(a\)](#)). This plan may be updated and must be incorporated into the Out-of-home Placement Plan. The treatment program must receive a copy of the child's Out-of-home Placement Plan ([Minnesota Statutes, section 260C.212, subdivision 2\(b\)](#)). A Tribal social services agency follows Tribal code or its agency's practice for case plans.

The agency shall continue to have access to information about the child that is necessary to carry out their duties under [Minnesota Statutes, section 260C.208](#). That information must include educational, medical, psychological, psychiatric, and social or family history data retained in any form by any individual or entity. The agency may gather appropriate data regarding the child's parents to develop and implement a case plan required by [Minnesota Statutes, section 260C.212](#), including:

- Participation of a parent and child in services provided by a SUD treatment program, including parenting skills training, parent education, and family and individual counseling
- A description of how the parent will meet the daily needs of their child in a SUD treatment program, including medical and educational needs.

A case involving prenatal exposure requires the development of a plan of safe care. It can be part of an existing case plan for a family, as long as it is identified as the plan of safe care and includes the necessary components. Refer to [Minnesota's Best Practice Guide for Responding to Prenatal Exposure to Substance Use, DHS-7605 \(PDF\)](#), for information on circumstances that require a plan of safe care and its components. ([Section](#)

[106\(b\)\(2\)\(B\)\(ii\) of the Child Abuse Prevention and Treatment Act \(CAPTA\)](#), as amended by [Pub. L. No. 114-198](#), The Comprehensive Addiction and Recovery Act of 2016.)

Children in foster care are eligible for Medicaid. See [MA for Children in Foster Care and Receiving Northstar Kinship Assistance](#).

Note that a child eligible for Title IV-E foster care maintenance payments for placement with their parent in a SUD treatment program who does not meet AFDC eligibility requirements is not categorically eligible for Medicaid. ([Section 472 \(j\)\(2\)](#) of the Social Security Act.) Case plans need to address how a child's medical needs will be met through existing health insurance coverage, or parents may apply for Medical Assistance for their child.

3. Monthly required visits

A child who is co-located with their parent or guardian in a licensed residential family-based substance use disorder treatment program is considered to be in foster care (out-of-home placement), and all requirements for children in foster care apply. ([Minnesota Statutes, sections, 260C.007, subdivisions 18\(a\)\(2\) and 22a.](#))

Federal law ([45 U.S.C. § 1355.44 \(f\)\(6\) and \(7\)](#)) requires monthly caseworker visits with children in out-of-home placement. To meet these federal requirements, [Minnesota Statutes, section 260C.212, subdivision 2, 4a \(a\)\(1\)](#), requires that every child co-located with a parent shall be visited monthly by a child's caseworker or another person who has responsibility for managing a child's placement, with the majority of visits occurring in the child's residence.

4. Required reviews and permanency proceedings

A child co-located with a parent in a licensed residential family-based substance use disorder treatment program requires a court review. The court must review the out-of-home placement plan and the child's placement. ([Minnesota Statutes, sections 260C.190, subdivision 3](#)). If a child is co-located in a SUD treatment program or is co-located under the trial home visit, the child is in foster care; this time would count towards permanency.

Trial home visit:

Below is a list of required court reviews and permanency proceedings when the court has ordered a trial home visit:

- If a child is court-ordered into foster care, the court shall review at least every 90 days, as required in juvenile court rules, to determine whether the continued out-of-home placement is necessary and appropriate or whether the child should be returned home. ([Minnesota Statutes, sections 260C.202.](#))
- When a child has been in foster care for six months, a court review under [Minnesota Statutes, section 260C.202](#), may be conducted in lieu of a permanency progress review hearing under [Minnesota Statutes, section 260C.204](#) when the child is co-located with a parent consistent with [Minnesota Statutes, section 260C.503, subdivision 3\(c\)](#) in a licensed residential family-based substance use disorder treatment program.
- When a child is co-located with a parent in a licensed residential family-based substance use disorder treatment program 12 months after the child was placed in foster care, the agency must file a report

with the court regarding the parent's progress in the treatment program and the agency's reasonable efforts to finalize the child's safe and permanent return to the care and custody of the parent consistent with [Minnesota Statutes, section 260C.503, subdivision 3\(c\)](#), in lieu of filing a petition required under [Minnesota Statutes, section 260C.505](#).

- If a parent leaves or is discharged from a licensed residential family-based substance use disorder treatment program without completing the program, the child's placement under this section is terminated, and the agency may remove the child to foster care without a prior court order or authorization. Within **three days** of any termination of a child's placement, the agency shall notify the court and each party.
- If a parent leaves or is discharged from a licensed residential family-based substance use disorder treatment program without completing the program, and the child has been in foster care for less than six months, the court must hold a review hearing within **10 days** of receiving notice of a termination of a child's placement and must order an alternative disposition under [Minnesota Statutes, section 260C.201](#).
- If a parent leaves or is discharged from a licensed residential family-based substance use disorder treatment program without completing the program, and the child co-located with the parent has been in foster care for more than six months but less than 12 months, the court must conduct a permanency progress review hearing under [Minnesota Statutes, section 260C.204](#), **no later than 30 days** after the day the parent leaves or is discharged.
- If a parent leaves or is discharged from a licensed residential family-based substance use disorder treatment program without completing the program, and the child is co-located with a parent and the child has been in foster care for **more than 12 months**, the court shall begin permanency proceedings under [Minnesota Statutes, sections 260C.503 to 260C.521](#).

When a VPA is signed under [Minnesota Statutes, section 260C.228](#), the following court reviews are required:

- A judicial review of the child's voluntary placement is required within 165 days from the date the agreement is signed. The agency must forward a written report to the court at least five business days before the judicial review. The report must include:
 - A statement regarding whether the co-location of the child with a parent in a licensed residential family-based substance use disorder treatment program meets the child's needs and continues to be in the child's best interests.
 - The child's name, date of birth, race, gender, and current address.
 - The names, race, dates of birth, residences, and post office addresses of the child's parent(s) or custodian(s).
 - A statement regarding the child's eligibility for membership or enrollment in an Indian Tribe and the agency's compliance with applicable provisions of [Minnesota Statutes, sections 260.751 to 260.835](#).
 - The name and address of the licensed residential family-based substance use disorder treatment program where the child and parent or custodian are co-located.
 - A copy of the out-of-home placement plan under [Minnesota Statutes, section 260C.212, subdivisions 1 and 3](#).

- A written summary of the proceedings of any administrative review required under [Minnesota Statutes, section 260C.203](#).
- Any other information the agency, parent or custodian, child, or licensed residential family-based substance use disorder treatment program wants the court to consider.
- The agency must inform a child (if 12 years of age or older), the child's parent, and the licensed residential family-based substance use disorder treatment program of the reporting and court review requirements of this section and of their rights to submit information to the court. The agency shall advise those persons of the reporting date and the date by which the agency must receive the information to submit to the court with the agency's report.
- An in-person hearing is not required for the court to make findings and issue an order unless requested by the parent, representative of the licensed residential family-based SUD treatment program or the child. The agency must inform the child, the child's parent, and the licensed residential family-based SUD treatment program that they have the right to be heard in person by the court. An in-person hearing must be held if requested by the child, parent, or legal guardian, or licensed residential family-based substance use disorder treatment program.
- If a child 12 years of age or older disagrees with the foster care placement co-locating the child with the parent in a licensed residential family-based SUD treatment program or services provided under the out-of-home placement plan, the court shall appoint counsel and a guardian ad litem for the child according to [Minnesota Statutes, section 260C.163](#).
- Court finding:
 - If the court finds the voluntary foster care arrangement is in the child's best interests and that the agency and parent are appropriately planning for the child, the court shall issue an order containing explicit individualized findings to support the court's determination. The individual findings shall be based on the agency's written report and other materials submitted to the court. The court may make this determination even if the child disagrees, as reported to the court.
 - If the court finds continuing the voluntary foster care arrangement is not in the child's best interests or that the agency or the parent is not appropriately planning for the child, the court shall notify the agency, the parent, the licensed residential family-based SUD treatment program, a child 12 years of age or older, and the county attorney of the court's determination and the basis for the court's determination. The court shall set the matter for hearing and appoint a guardian ad litem for the child under [Minnesota Statutes, section 260C.163, subdivision 5](#).
- A child can be co-located with a parent in a SUD treatment program, with the authority of a VPA under [Minnesota Statutes, section 260C.228](#), for up to 12 months.
- [Section 472\(j\)](#) of the Social Security Act provides that a Title IV-E agency may claim Title IV-E foster care maintenance payments on behalf of an otherwise eligible child who is placed with his/her parent in a licensed, residential family-based treatment facility for substance use disorder under specified circumstances. The Title IV-E agency may claim Title IV-E for such a child for no more than 12 months. The "clock" for the 12 months begins on the first day the child is placed with the parent in such a facility. This also marks the start of the 12-month period in that placement. As such, if a child is placed with his/her parent in such a facility, the "clock" would start anew: 1) each time that the parent and child move to a different facility, or 2) the child is placed elsewhere away from the parent and then is placed again with the parent either in the same facility or a different one. Note that for Title IV-E eligibility and

plan purposes, the "clock" ends on the last day of the 12th month, regardless of the day in the month that the child was placed with the parent in such a facility 12 months prior. For example, if a child is placed in a facility with their parent on Jan. 10, the 12-month period would end on Jan. 31 of the next year.

C. Residential SUD treatment program requirements

Residential programs must be licensed by the Minnesota Department of Human Services under Minnesota Statutes, Chapters [245A](#), [245G.01-245G.16](#), [245G.19](#), and [245G.21](#), as a residential substance use disorder treatment program specializing in the treatment of clients with children under Minnesota Statutes, Chapter [245G](#), or approved or licensed by a Tribe to provide residential family-based substance use disorder treatment services. (Note that there is no requirement that a SUD treatment program meet children's residential facility licensing requirements under [Minnesota Rules, Chapter 2960](#).)

To be eligible, SUD treatment programs must provide:

- Parenting skills training, parent education, and individual and family counseling
- Trauma-informed services under an organizational structure and treatment framework that involves understanding, recognizing, and responding to the effects of all types of traumas using a trauma-informed approach and trauma-specific interventions to address the consequences of trauma and facilitate healing.

SUD facility responsibilities when a child is co-located

When a child is co-located with their parent in a substance use disorder treatment facility and the facility accepts foster care maintenance payment for the child from a county or Tribe, the facility is required to:

- Follow through with the plans outlined in the child's written out-of-home placement plan. This case plan is developed with the parent and the treatment program staff and should describe the safety plan for the child, including agreed-upon supervision plans the parent will follow to ensure they can safely care for their child. The case plan should also outline the treatment program's responsibilities in the event that the parent is unable to adequately care for the child ([Minnesota Statutes, section 245A.1443, subdivisions 3 and 4](#)), leaves the program, or is discharged without completing the program. The treatment program must receive a copy of this case plan at the time the child is co-located with the parent.
- Provide supervision for the child consistent with [Minnesota Statutes, section 245G.19](#).
- Provide the child's food, clothing, shelter, daily supervision, school supplies, personal incidentals, and reasonable travel for the child to remain in the school where they were enrolled at the time of placement.

II. Payment and claiming

A. Payment for child's care

The financially responsible agency makes foster care maintenance payments directly to a SUD residential treatment program to support the child's care. Children eligible for Title IV-E foster care maintenance payments do not qualify for the Minnesota Family Investment Program (MFIP).

The established rate is the current Northstar Care for Children basic rate to cover costs incurred by programs to provide a child with food, clothing, shelter, daily supervision, school supplies, personal incidentals, and reasonable travel for them to remain in the school where they were enrolled at the time of placement. For more information, reference the [Northstar Care for Children Basic and Supplemental Payment Rates, Foster Residence Basic Rates, and Initial Clothing Allowance for all children in foster care](#). The rates are revised annually in the spring. Below is the Northstar Care for Children basic rate, effective July 1, 2025 – June 30, 2026:

Child's age	Monthly basic rate	Daily basic rate
Birth - 5	\$827	\$27.19
6 - 12	\$979	\$32.19
13 – 20	\$1,157	\$38.04

B. Service arrangements

A Budgeting, Reporting and Accounting for Social Services (BRASS) code has been established and is in SSIS to make payments for this service.

BRASS Code 172: Child co-located with parent in a family-based residential substance use disorder (SUD) program

This BRASS code is for 24-hour-a-day care of a child following placement by a county or Tribe with legal responsibility pursuant to a court order or VPA in a licensed SUD treatment program with the child's parent, where the parent is receiving residential SUD treatment services.

The treatment program must provide trauma-informed substance abuse treatment, parenting skills training, parent education, and individual and family counseling under the organizational structure.

The recommendation for this placement must be specified in the child's case plan before the placement. This service provides the child with food, clothing, daily supervision, school supplies, and personal incidentals. It also includes reasonable travel for the child to remain enrolled at the school where the child is enrolled at the time of placement. This BRASS code does not include the cost of the parent's care and treatment services.

III. Minnesota Family Investment Program (MFIP) eligibility

While a child is co-located with their parent who is receiving services in a licensed residential family-based substance use disorder treatment program, the parent may receive MFIP for their own needs, if otherwise eligible ([Minnesota Statutes, section 142G.10](#)). A parent would also be eligible to receive WIC services. A child co-located with their parent in a SUD treatment program is **not** eligible for an MFIP benefit because they are eligible for foster care maintenance payments. ([Minnesota Statutes, 142J.17, subdivision 3\(a\)](#).)

IV. Licensed residential SUD treatment programs in Minnesota

A list of currently licensed programs specializing in substance use disorder treatment of clients with children is available on the [Minnesota Department of Human Services licensing look-up](#). Click “Licensing Type,” and in the drop-down menu, choose “Substance use disorder treatment.” Under additional SUD services, select “Specializing in the Treatment of Clients with Children.”

Agency workers should discuss with the facility the requirements and responsibilities for placing an eligible child with a parent in a licensed SUD treatment program, including case plans, supervision requirements, and that a child co-located with their parent in a SUD treatment program is **not** eligible for an MFIP benefit because they are eligible for foster care maintenance payments.

Americans with Disabilities Act (ADA) Advisory

This information is available in accessible formats for people with disabilities by calling (651) 431-4660 (voice). For other information on disability rights and protections, contact the agency’s ADA coordinator