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# EL PASO

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# COUNTY

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## Rate Negotiation Methodology Form Foster Care and Residential Facilities

Staff Manual Volume 7, 7.406.1 (12 CCR 2509-5) promulgated rules referred to in statute. Please address each process and policy and submit to the State Department by May 15, 2008.

LL. Subject to available appropriations, a county negotiates provider rates by either a request for proposal process or other methodology that is submitted at least annually to and approved by the state and includes the following:

**1) The instrument(s) that will be used to identify and document the needs of the child:**

**RESIDENTIAL FACILITIES:**

El Paso County requires that any increase to the standard service package and standard rate is specific to each child and documented in writing. The individualized plan must clearly identify how the additional funds will be used (specifically, what additional services will be provided; how often; by which staff, etc). These enhancements must be beyond what the program routinely provides for all residents. The caseworker and their supervisor must verify that they agree with the proposed plan for services. Any additional funds authorized are entered under Administrative Maintenance in Trails. We have an agreement with the Mental Health Center (**attached**) that they will provide us with an independent evaluation for any child being considered for PRTF level of care. We use CCAR information to help determine difficulty, needs, and rates.

**FOSTER CARE:**

The maintenance rate pays for the basic maintenance needs of children placed in any family foster care setting. Our base rates for child maintenance are based on an analysis of USDA guidelines for the cost of raising a child. We also explored the child maintenance rates used by other states, with a focus on regional variance (western states), and we used lower-income brackets for comparison.

Our maintenance rates are further determined by needs-based Difficulty of Care (DOC) instruments that assess the child's needs and the corresponding plan for the child. The focus of the instruments is on the amount of corresponding care required of the foster parent. There are three instruments: One for younger children, one for adolescents, and one for medically fragile children. There is a base rate (0) and three higher levels of difficulty, each with corresponding set-rates. There is also a fourth level of difficulty where the rate is specifically calculated (negotiated with the CPA) based on the specific needs and plan for the child. A provider may request a Level 4 negotiated rate, which is only approved at the Manager level. The form for medically fragile children creates various levels of payment based on the specific needs and treatment plan of the child. Copies of El Paso County's DOC instruments are **attached**.

**2) The process for documentation of provider participation and agreement regarding:**

**a. The needs of the child and the services that are going to be delivered.**

The County meets with all the CPA's in the network on a monthly basis for an executive meeting with CPA Directors. This is an important, ongoing method for negotiating the services, rates, and contract.

In addition, there are regular meetings between our Placement Services and Monitoring team and all the CPAs. These meetings involve the CPA Supervisors and focus on casework practice as well as foster care issues and various policy / procedural issues. There are also numerous meetings with individual providers to discuss business, practice, and quality issues and to resolve any ongoing conflicts and disagreements. In addition, issue-specific workgroups between the County and the CPAs are frequently established to address focused topics.

**b. Services that will be provided for the payment.**

Referrals are based on the best match between the child, family, and available foster homes, as well as quality, style, and performance characteristics of the CPAs within the network. When necessary, if there are no appropriate openings within the network or for other special needs / issues in the case, we then refer outside the participating network.

One major distinguishing characteristic of the project is that the CPAs provide the legal casework services as well as the foster care services traditionally provided by CPAs. We have found that this enhances continuity of care for the families and improves the effectiveness and outcomes of services. It also creates business synergy and efficiencies for the providers, which improves cost-effectiveness; resulting in lower overall costs to the County. The CPA Administrative rate funds all necessary administrative services. It is the same amount for all participating CPAs and remains constant for almost all placements. Rarely, the Department approves an enhanced Administrative rate when specialized services are necessary that are well beyond the norm. The Administrative rate does not include any mental health treatment services.

**c. Outcomes to be achieved**

The El Paso County CPA contract contains an Outcomes Appendix (**attached**) that is collaboratively designed by the County and providers. Our Quality Assurance area assists with data collection and reporting. Results and implications are discussed periodically at the monthly executive meeting between the County and providers. El Paso County CPA outcomes include various casework-related outcomes in addition to foster care issues.

**3) The County's policy for:**

**a. Determining the time-frames for negotiation or re-negotiation of rates, services, and outcomes.**

RESIDENTIAL FACILITIES:

EPC does not negotiate facility rates on a program-wide or facility-wide basis. We have not conducted RFP's or attempted to develop programming outside of the basic, State RCCF designs / rates. We use only the anchor / base rates established by the State. The County must respond to market forces and practice realities as we attempt to find placements for children. Specifically, it can be very difficult to find placements for children whose behaviors are more extreme and challenging than average, or for children who require a higher level of supervision or who may be more difficult to manage in a residential unit. This situation requires that we allow for *child-specific adjustments* based on special needs. This is especially true for children with developmental disabilities and/or very severe, high-risk behaviors.

RCCF payment guidelines are **attached**. When we are considering more than one facility for a child, we gather rate comparisons. However, our highest priority is always the best possible match between the facility and the child's needs. The payment guidelines document also addresses substance abuse and sex offense treatment, and who (at the County) can authorize additional funds beyond the providers' base rate. Our policy is that we do not authorize payment beyond the state-suggested "bundle" rates for these services. In some instances, we have even negotiated lower rates because some of the services are already provided as part of the program description, or if the amount of services offered in the package is less than the amount suggested in the State package. This is

especially true for facilities that specialize in these services (when their state base-rate was already based on those services).

#### FOSTER CARE:

El Paso County developed a specialized approach to foster care and purchases almost all of its foster care from Child Placement Agencies. We do not put the project out for bid (RFP, etc), since it is not a limited or exclusive business arrangement. At any time, any interested CPA that agrees to the terms of the contract may participate in the provider network. Services, outcome measures, and rate structures are continually negotiated, each year, between the County and the participating network of providers.

**b. Discussion of legislated provider rate increases in negotiation or re-negotiation of rates services, and outcomes.**

This has been a challenging issue for El Paso County. In general, the County is certainly willing to pass on the State's legislative increases. However, our dilemma is that our local rate negotiation process is ongoing. Increases and rate structure modifications often occur on an annual basis during the contract renewal / negotiation periods. Then, later in the year, the State's increases come through after we have already established rates (sometimes including increases) and service agreements for the year. At times, we have waited several months to pass on increases if we feel they don't immediately make sense within our local process and rate structures.

**c. Actions to be taken if services are not delivered or outcomes are not met.**

Generally, these issues / conflicts are resolved in the monthly CPA meetings, if they exist at the network level. There are also many meetings and discussions that occur on a regular basis with individual providers regarding quality issues and compliance with policy, procedures, and contract expectations. Providers are also reasonably concerned about the customer services provided by the County, and these issues must also be addressed. In the extreme, when conflicts and quality issues are not resolved between the County and a provider, the County has put a hold on referrals to the provider and/or develops corrective action plans for the provider. On rare occasions, the County has terminated contracts or not offered renewal contracts to providers.

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