



wisconsin department of  
**children + families**

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Governor Scott Walker  
Secretary Eloise Anderson

Division of Safety and Permanence

March 1, 2011

Child Welfare Licensing Memo Series 2011-04

To: Area Administrators/ Human Services Area Coordinators  
Bureau Directors  
Private Child Placing Agency Directors  
Residential Care Center Providers  
Group Home Providers  
Child Welfare Agency Directors  
County Departments of Community Programs Directors  
County Departments of Developmental Disabilities  
Services Directors  
County Departments of Human Services Directors  
County Departments of Social Services Directors  
Indian Child Welfare Directors  
Licensing Chiefs/Section Chiefs  
Tribal Chairpersons/Human Services Facilitators

From: Ron Hermes  
Bureau Director

RE: Provider Administrative Rate Release and Process for Submitting Rates

This memo provides information to county administrative agencies, private child licensing agencies, group homes, and residential care centers regarding the 2011 provider rate regulation release. Wisconsin Statute Section 49.343 requires the Department of Children and Families, to establish per client rates for residential care centers (RCC's), group homes, and the administrative portion of foster care rates paid to private child placing agencies. The initiative was designed to regulate the rates these facilities charge for child welfare services and to ensure providers were charging the same cost for the same services.

2009 Wisconsin Act 28, the Biennial budget Act, requires a RCC or a group home to annually submit to the Department the per client rate it proposes to charge for services provided for July 1, 2011 through December 31, 2011 and subsequent years thereafter. Additionally, child welfare agencies who license foster homes certified at a level 3, level 4, or level 5 must submit to the Department the per client administrative rate it proposes to charge for foster care services for July 1, 2011 through December 31, 2011 and subsequent years thereafter. The Department must review the proposed rate, audit the provider and determine whether the proposed rate is appropriate given the reasonable and necessary costs of provided services.

Below is the July 1, 2011 through December 31, 2011 per client maximum rate a residential care center or group home may charge for its services and the per client administrative rate that a child welfare agency (private child placing agency) may charge for the administrative portion of its treatment foster care services. The published maximum rates are effective July 1, 2011 through December 31, 2011.

Private Child Placing Agency	\$73.15 (maximum administrative daily rate)
Group Home	\$206.97 (maximum administrative daily rate)
Residential Care Center	\$351.04 (maximum administrative daily rate)

T 608.266.8787 F 608.266.5547 [dcf.wi.gov](http://dcf.wi.gov)

All licensees must submit their proposed rate request for July 1, 2011 through December 31, 2011 based on the cost of operations for each program to the Department using the Department's Rate Request Cost Report form (Attachment A) on or before April 29, 2011. If a licensee does not submit all information as required, the department may order a rate.

Examples of costs agencies will submit on the Rate Request Cost Report are:

- Plant & Property
- Transportation
- Depreciation
- Recreation
- Administrative Overhead
- Administrative Consumables
- Foster Parent Training
- Insurance

Upon receipt of the proposed rate, the Department shall review the proposed rate and the provider audit to determine whether the proposed rate is appropriate for the reasonable and necessary costs of providing services. Licensees will have the ability to discuss any proposed rate that is above the maximum daily rate on the Rate Request Cost Report.

Below is a summary of the timeline for finalizing July 1, 2011 through December 31, 2011 maximum daily rates for child licensing agencies, group homes, and residential care centers:

Timeline for 2011 Rate Regulation	
March 1, 2011	The Department publishes rates, Rate Request Cost Report and Cost Reports Guidelines. Agencies have until April 29 <sup>th</sup> to submit proposed rates via email, mail manually with a postmark no later than April 26 <sup>th</sup> (the email and mailing address are in the Cost Report Guideline).
April 29, 2011	All agencies submit their proposed rate on the Rate Request Cost Report form on or before this date.
May 2-31, 2011	The Department reviews proposed rates submitted by agencies. Proposed rates may be negotiated during this period with the Department and the agency.
June 1, 2011	The Department will notify agencies of their approved rate. If an approved rate is not acceptable, an agency may request mediation within 5 days of receiving the notification from the Department. The notification will include information on requesting mediation of the rate.
July 1, 2011	The Department will finalize all rates and notify agencies accordingly. Agencies will have 30 days to appeal the decision to the Division of Hearings and Appeals.

Timeline for Rate Regulation in Future Years	
September 1	The Department publishes rates for the following year, Rate Request Cost Report and Cost Reports Guidelines.
October 1	All agencies submit their proposed rate on the Rate Request Cost Report form on or before this date.

October 1-31	The Department reviews proposed rates submitted by agencies. Proposed rates may be negotiated during this period with the Department and the agency.
November 1	The Department will notify agencies of their approved rate. If an approved rate is not acceptable, an agency may request mediation within 5 days of receiving the notification from the Department. The notification will include information on requesting mediation of the rate.
December 31	The Department finalizes the rates, if the agency does not agree, agencies will have 30 days to appeal the decision to the Division of Hearings and Appeals.
January 1st	Rates are effective for the year.

In an effort to assist agencies in completing the Rate Request Cost Report, the Department has developed a Cost Report User's Guide. The link to the Cost Report User's Guide and Rate Request Cost Report is:

[http://dcf.wisconsin.gov/childrenresidential/rate\\_regulation.htm](http://dcf.wisconsin.gov/childrenresidential/rate_regulation.htm)

The Department's Rate Regulation Policy and Rate Approval Process will be released no later than March 31, 2011 and will provide additional information regarding allowable and disallowable cost centers and the process for mediation and appeals.

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