

## DMCPS Rate Setting for Level 5 (Exceptional Treatment Foster Home)

<b>Policy Number:</b>	IA 62.00, OCM 62.00, IHS 17.01
<b>Subject:</b>	Level 5 Foster Care Rate Setting Requirements
<b>Last Updated/Reviewed:</b>	February 27, 2025
<b>Contact Div/Bur/Sec:</b>	Division of Milwaukee Child Protective Services (DMCPS) Ongoing Services Section
<b>Contact Name/Phone:</b>	Jill Collins, Section Manager, 414-343-5765 <a href="mailto:jill.collins@wisconsin.gov">jill.collins@wisconsin.gov</a>

---

*Any information referenced within this document is considered to be a part of this policy with the exception of the "Related Resources" section.*

### Summary

The purpose of the Division of Milwaukee Child Protective Services (DMCPS) Rate Setting for Level 5 Exceptional Foster Homes policy is to describe key budgetary areas and items permitted when developing a child specific Level 5 foster home. This policy is to be used by contracted TFC agencies to assist their licensed Level 5 providers when creating a budget. **DCF's Division of Safety and Permanence is not a part of budget negotiations.**

### Related Resources

- [Level 5 Exceptional Foster Care Home Guide](#)
- [DMCPS Level 5 Budget Template](#)
- [DMCPS Approval Process for Level 5 \(Exceptional Treatment Foster Home\)](#)
- [Levels of Care Reference Guide: Licensed Foster Homes](#)
- [Child and Adolescent Needs and Strengths Assessment Tool \(CANS\)](#)
- [Uniform Foster Care Rate Policy](#)

### Policy

After the CM agency has completed the DMCPS Approval Process for Level 5 (Exceptional Treatment Foster Home), DMCPS will negotiate with the Level 5 licensing agency and the identified foster parent to determine the daily foster care rate. Budgets must be approved by DMCPS before the placement can occur. The daily foster care rate is negotiated and

determined by DMCPDS (payor of Level 5 service/home) and the entity providing the Level 5 services (foster parent and TFC agency). DMCPDS and the TFC agency/foster parent will likely discuss budget considerations with the case management team to determine appropriateness.

As the payor of the Level 5 services, DMCPDS has set forth the following guidance and parameters to ensure those youth in need of a Level 5 foster home and served by DMCPDS have their individual and specialized needs met, while also adhering to local and federal fiscal law, considerations, and restrictions.

## DMCPDS Requirements for Level 5 Providers

DMCPDS requires Level 5 foster parents spend a significant amount of time participating in regular parental duties with the youth. At least 50% of all caretaking/parental duties will be completed by the foster parent. To ensure adherence to this standard, DMCPDS will **not** approve placements with Level 5 providers who operate more than one Level 5 home. DMCPDS will consider utilizing a Level 5 where there are more than one Level 5 youth placed. DMCPDS does not contract for Level 5 homes with individuals who have existing licensed congregate care facilities that service DMCPDS youth, as the individual would be unable to provide at least 50% of all caretaking duties due to their other role within the Milwaukee child welfare system.

## Procedures

### Uniform Foster Care Rate Setting and Budgeting

The [Uniform Foster Care Rate Setting Policy](#) applies for all children placed in a foster home, including Level 5 Foster Homes. A Basic, Supplemental, and Exceptional Rate shall be established as required pursuant to Wis. Admin. Code s. DCF 56.23. Level 5 Foster Homes are not subject to rate regulation; the administrative rate for the private Child Placing Agency (CPA) must be negotiated between the licensing agency and DMCPDS. The administrative rate paid to the CPA may be higher due to the increased responsibilities and requirements of the licensing agency to manage a Level 5 Foster Home. This annual budget should include only those things required of the CPA that are above and beyond what is currently included in their rate regulated approved CPA Administrative Rate.

### Developing a Budget to Determine a Monthly Rate for a Level 5 Foster Home

The monthly foster care rate is negotiated by DMCPDS (payor of Level 5 service) and the entity providing the Level 5 services (foster parent, staffing agency and/or CPA). Those involved in the negotiation of the monthly rate can vary depending on how each home is set up and the structure in which payment is being made. The DMCPDS is always a part of the rate negotiations. Individuals from DCF's Department of Safety and Permanence are not part of these negotiations. The exceptional rate amount is determined after the development of a monthly budget to operate the Level 5 Foster Home. A monthly budget can be created by calculating all expenses to run the foster home, including wages and fringe benefits for the foster parent and staff, rent (if the home is not the foster parent's primary residence), and utilities. The monthly foster care rate is the total of the basic rate, supplemental rate (as calculated through the

CANS), and exceptional rate. The exceptional rate can be modified to an amount that would bring the total uniform foster care rate to the total monthly costs agreed upon by the placing agency and other parties.

### **Startup (Pre-Placement) Budget**

Startup funds are only available for specific items needed to prepare the Level 5 home for an individual child. DMCPs will not provide funds to furnish the Level 5 home or provide any other requirements for the home to be licensed under DCF 56; this is the responsibility of the licensee, as is required for all TFC licensed homes. If the youth requires something outside what would be considered normal (i.e. ramp, handrails, specialized bed), a one-time child-specific request can be made to the DMCPs Contract Administrator under this contract. Specialized items purchased for the youth belong to the youth and not the provider.

When determined appropriate, DMCPs will provide funds to assist with the hiring and training of staff. DMCPs will reimburse for up to 30 days of training for staff prior to the placement of a youth.

### **Annual Budget**

#### **Direct Care Staff**

DMCPs youth approved for Level 5 foster care require a minimum of one awake supervising staff, 24 hours a day. With approval from DMCPs, a second staff person can be considered if the needs of the youth require more intense care and supervision. Generally, the role of the second staff person is filled by the licensee (foster parent), whenever possible. DMCPs will only consider additional staff if their role is to directly serve the youth's needs.

Staffing patterns are expected to change according to the youth's schedule (i.e. school, activities and sleeping hours). If determined necessary and agreed upon by the licensee, TFC agency, CM and DMCPs, two staff on third shift may be permitted. Information supporting the need for two staff on third shift will be required. It is expected that any housekeeping or business-related responsibilities will take place during the regular foster parent, management or staff shifts.

#### **Program Supervisory Costs (Foster Parent)**

DMCPs will allow for up to two full time management staff positions. Management staffing must include at least one foster parent who is listed on the license. Wages for these positions should be within the regional average for the same or similar positions.

While at the foster home, management staff and foster parent(s) are expected to provide direct care to the youth. They must be included in the youth-to-staff ratio agreed upon by the Licensee, TFC agency, Case Manager and DMCPs. For example, if a youth is approved for a 2:1 staffing pattern, there should not be any more than two staff, including the foster parent/management staff, working at one time.

## Taxes and Benefits

Amounts in this section will be compared to the national average. If rates exceed the national average, justification will be required.

## Health Care & 401K

If the Licensee is going to provide either health insurance benefits or reimbursement for health insurance benefits for the staff to obtain their own through the Marketplace, the budget should be in line with national and local averages.

Retirement contributions can be requested but should be aligned with the national and local averages.

## Client Specific Program Expenses

All expenses listed in this area must be specific to the youth being placed. Anything requested in this area, such as specialty equipment for youth with autism spectrum disorder or additional home monitoring for youth who abscond, should have justification as to necessity and should be clear if it is one-time or ongoing request. Any items purchased for the youth with funds from the budget becomes property of the youth. All property of the youth must follow them if a change of placement occurs. DMCPs may request details regarding anything added in this section.

## Other Staff Expenses

### *Mileage*

The foster parent is expected to be the primary transportation source for the youth in placement. DMCPs does not reimburse foster care placements for transportation. Transportation costs are included in the basic daily rate. Extraordinary costs related to transportation should be arranged through the youth's medical insurance and if not covered, discussed with DMCPs, CLTS and/or the CM agency.

## Operating Costs

### *Mortgage and Rent*

If the licensee owns the home of the Level 5 residence/location, rent or the mortgage cannot be charged or added to the budget; this is prohibited by federal guidelines. If the licensee owns the Level 5 home, a past proof for property taxes, interest and depreciation must be submitted with the budget if the budget includes these costs. If utilizing a rental property, the owner of the property cannot be related to or have a substantial relationship with the licensee. Information regarding this can be found in the Code of Federal Regulations (CFR), specifically; [45 CFR 75.465](#)

### *Utilities*

Licensee will submit previous utility bills associated with the Level 5 address for the last year, one per quarter. If the Licensee is new to the property, they should provide an estimate for the past year. If needed, the Licensee will obtain this information from the local gas/electric company.

### **Child and Adolescent Needs and Strengths**

The Child and Adolescent Needs and Strengths (CANS) tool must be completed by the Case Management agency for any child placed in the Level 5 Foster Home, which helps determine the supplemental portion of the foster care rate. Level 5 Foster Homes typically exceed the maximum foster care rate because the exceptional rate may include administrative fees to run the foster home, wages and fringe benefits for the foster parent and staff, rent, utilities, and transportation expenses. These costs are documented as an exceptional cost under “Least Restrictive Setting- Foster Parent Supervision, Time, and Training.” Any costs that exceed this amount shall be documented under “Costs > Spending Limit” on the rate setting page. The Contract Administrator will provide this information to the case management team at the time of placement.

### **Children’s Long-Term Support**

Individuals from the Children’s Long-Term Support (CLTS) program are not a part of setting the rate or budget negotiations; however, they can help inform the placing agency of eligible costs under CLTS. Additional information regarding CLTS and allowable costs can be found here: [Medicaid Home and Community-Based Services \(HCBS\)](#). Any costs that are reimbursed by CLTS cannot be included in the budget submitted to DMCPs.

### **Annual Renewal**

A contract and budget must be in place prior to any placement of a DMCPs youth in a Level 5 foster home. Budgets will be reviewed annually to ensure the specific needs of the youth are met and continue to be required.

### **Budget Modifications for 2+ Youth**

A budget must be modified when a provider has more than one youth placed in their Level 5 foster home. Each youth placed must have their own separate budget that is specific to their individual needs. All operational costs for the foster home must be divided evenly amongst the youth’s individual budgets. Information regarding staff patterns for each youth and how it may be individualized or shared must be included and explained.

### **Contract & Scope of Services**

A contract must be in process prior to placement of any DMCPs youth. The contract is between DMCPs and the licensing TFC/CPA agency. Roles and responsibilities for DMCPs and the TFC agency are outlined in their individual contract. DMCPs works directly with the TFC agency to ensure all required areas of the contract are fulfilled. DMCPs holds the contract with the TFC agency, not the licensee/foster parent. Payment for Level 5 services are paid directly to the TFC agency through eWiSACWIS. The CM team will enter the placement strip and rate information as normal, with added information and exceptional rate from the DMCPs L5 Contract Administrator.

With input from the CM team and TFC agency, DMCPs creates a Scope of Service for each youth in a Level 5 foster home which is included in the final contract. The contracts, budget and Scope of Service is reviewed by DMCPs for renewal annually. Information regarding annual Licensing renewal requirements can be located in the [Level 5 Treatment Foster Home Guide](#).



The minimal information required to be completed by the TFC agency for the contract is:

1. Youth-specific information
2. DMCPs Approved Budget
3. Staffing Patterns and Staff Ratio
4. Other, as required or requested by DMCPs Contract Administrator