


To: DCF Area Administrators
Child Placing Agency Directors
Child Welfare Agency Directors
County Departments of Community Programs Directors
County Departments of Human Services Directors
County Departments of Social Services Directors
Group Home Providers
Tribal Social Service/Indian Child Welfare Directors
Private Child Placing Agencies
Residential Care Center Providers
Shelter Care Providers
Tribal Chairpersons

From: Wendy Henderson 
Division Administrator

Re: 2022 Maximum Daily Rates for Group Homes, Residential Care Centers, and Child Placing Agencies

PURPOSE

This memo provides the established 2022 maximum daily rates for residential care centers (RCCs), group homes (GHs), and child placing agencies (CPAs). This memo also outlines the procedure for providers to determine individual rates, and a planned process for facilities intending to become qualified residential treatment programs (QRTPs).

BACKGROUND

Wisconsin Stat. s. 49.343 requires the department to establish per client daily rates for GHs and RCCs, as well as the administrative portion of foster care daily rates paid to CPAs. The department has established these rates using cost and service report data gathered from providers who submitted their reports prior to the established deadline.

INFORMATION SUMMARY

Below are the 2022 per client maximum daily rates. The published maximum rates are effective starting January 1, 2022 through December 31, 2022 for all placements, regardless of placement date.

Provider Type	Maximum Daily Rate
Child Placing Agency	\$ 81.86
Group Home	\$ 299.36
Pregnant/Parenting Teen Group Home	\$ 329.36
Residential Care Center	\$ 531.02

CHANGES IN ASSUMPTIONS USED TO CALCULATE THE MAX RATE

Hourly wages for front-line staff factor into the max rate. This calculation uses the hourly wages submitted by facilities, except that if a facility submits an actual wage below \$15 per hour, that wage is increased to \$15 per hour for purposes of calculating the hourly wage component of the max rate. The 2022 max rate calculation reflects an increase to \$20 per hour plus average benefits.

Facilities have reported difficulties recruiting and retaining qualified staff at \$15 per hour. Facility staff shortages have a direct impact on the capacity of Wisconsin providers to maintain open beds for Wisconsin children. Increasing the wage assumption to \$20 per hour will support facilities in raising front-line staff salaries without exceeding the max rate. This does not require a facility to adjust actual staff wages to \$20 per hour, and facilities' requested rates must still be supported by documentation of their actual costs.

QUALIFIED RESIDENTIAL TREATMENT PROGRAMS

The Department of Children and Families (DCF) encourages all GHs and RCCs to become certified as QRTPs. Information and frequently asked questions can be found on [DCF's website](#), and further information about the requirements and process to apply for a QRTP certification is forthcoming.

DCF is committed to supporting facilities that anticipate becoming certified as QRTPs in building programs that provide specialized, high quality clinical care designed to meet the needs of children and youth in higher levels of care, including those currently placed out of state. These QRTPs may have increased costs that reflect investments in the following areas:

- Trauma informed treatment model
- Robust mental health and behavioral health assessments
- Clinical services for youth
- Clinical supervision of staff
- Increased direct care staff, including availability of 1:1 staffing where appropriate
- Increased training and support to enhance professional status of front-line staff and staff retention
- Family participation

DCF anticipates allowing QRTPs to request increased rates to support costs associated with programming outlined above, as permitted by sections DCF 52.66(3)(b) or DCF 57.62(3)(b) of the Wisconsin Administrative Code for specialized services or specialized programming to a specific population of children. Additional information on how facilities can request these rates, after becoming certified as a QRTP, will be provided in the forthcoming memo on the QRTP certification processes.

REQUESTING A PROPOSED DAILY RATE

On or before October 1, 2021 GHs, RCCs, and CPAs will be required to submit a 2022 proposed rate request by completing form DCF-F-2696-E (<https://dcf.wisconsin.gov/files/forms/doc/2696.docx>) and emailing it to DCFCWLRateReg@wi.gov. If a licensee does not submit all proposed rate information required under Chapters DCF 52, 54 and 57 of the Wisconsin Administrative Code, the department may impose sanctions and penalties under these administrative rules and s. 48.715, Stats, including license revocation.

The department will approve individual rates by November 1, 2021 for rates effective January 1, 2022. The provider agency will receive an email from the department’s rate regulation email account with the approved rate no later than November 1, 2021. As of January 1, 2022, all placements, regardless of placement date, will follow the department’s approved rates set for 2022. Pursuant to Chapters DCF 52, 54, and 57 of the Wisconsin Administrative Code, an agency shall charge all Wisconsin public purchasers the same rate for the same service. If an agency negotiates a rate lower than the department’s approved rate with a Wisconsin public purchaser, this rate must be charged to all purchasers, for all placements. The agency shall notify the department within 5 business days of a change in their rate.

In accordance with changes in the Fair Labor Standards Act (FLSA), the department has adjusted the methodology to allow for more flexibility regarding staff recruitment and retention efforts. If an agency intends to undertake additional staff recruitment and retention efforts or anticipates new impacts from FLSA legislation, that information may be included when submitting the proposed rate request form. The department may request verification that these costs were incurred.

For further clarification, please refer to the following table that outlines the timeline of the rate regulation process:

Timeline for Rate Regulation	
September 1	The department publishes 2022 maximum daily rates for each provider type.
October 1	All agencies submit proposed rate using form F-2696-E on or before this date . <i>If a licensee does not submit all proposed rate information required under Chapters DCF 52, 54 and 57 of the Wisconsin Administrative Code, the department may impose sanctions and penalties under these administrative rules and s. 48.715, Stats, including license revocation.</i>
Upon Receipt, and no later than November 1	<p>The department will notify agencies of their maximum approved rate as soon as possible upon receipt and no later than November 1.</p> <p>If the department determines that an agency’s proposed rate is not appropriate, the department must negotiate with the agency’s licensee to determine an agreed to rate.</p> <p>If a licensee has negotiated with the department and does not agree to the department’s approved rate, the licensee may request that the department and the licensee engage in mediation. A licensee shall request mediation within 5 business days of receiving the notification of the approved rate from the department by sending an email to DCFCWLRateReg@wi.gov. If after mediation a rate is not agreed to, the department shall order a rate as provided in administrative rule. A licensee has 30 days to appeal the rate ordered following mediation to the Division of Hearings and Appeals.</p>
January 1	Rates are effective for all placements regardless of placement date.

CENTRAL OFFICE CONTACT: Child Welfare Program Specialist
Bureau of Permanence and Out of Home Care
(262) 446-7856
DCFCWLRateReg@wisconsin.gov

MEMO WEB SITE: <https://dcf.wisconsin.gov/cwportal/policy>

LINK: DCF-F-2696-E
<https://dcf.wisconsin.gov/files/forms/doc/2696.docx>