

Wisconsin Department of Children and Families

Rate Regulation Review Final Report Appendices

May 10, 2021

Appendices

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Appendix A: Family First Considerations

QRTP Requirement: Trauma-Informed Treatment Model

For providers to facilitate trauma-informed care, they will need to increase their program staff training. The table below identifies the current training costs from the 2018 aggregated cost report data. All the RCC's reported training costs and the calculated training cost per day is \$2.84.

FFPSA QRTP Statutory Language:
[QRTP] means a program that... Has a trauma-informed treatment model that is designed to address the needs, including clinical needs as appropriate, of children with serious emotional or behavioral disorders or disturbances.

Source: Family First Prevention Services Act, Sec. 50741:
<https://www.congress.gov/115/plaws/publ123/PLAW-115publ123.pdf>

Type	Programs with Training	Total Training Costs	Calculated Daily Training Cost
RCC	21	\$486,051	\$2.84
GH	47	\$133,384	\$1.35

Michigan is reviewing a National Council for Behavioral Health learning community that would allow each program to access trauma-informed resources (at a cost of \$10,000 per program): https://www.thenationalcouncil.org/wpcontent/uploads/2016/12/TraumaInformed_1pager-FINAL.pdf



QRTP Requirement: Nursing and Clinical Staff

FFPSA QRTP Statutory Language:

[QRTP] means a program that.. has registered or licensed nursing staff and other licensed clinical staff who—

- (i) provide care within the scope of their practice as defined by State law;
- (ii) are on-site according to the treatment model... and
- (iii) are available 24 hours a day and 7 days a week;

Source: Family First Prevention Services Act, Sec. 50741: <https://www.congress.gov/115/plaws/publ123/PLAW-115publ123.pdf>

Children's Defense Fund Guidance:

The law does not further define registered or licensed nursing and licensed clinical staff, leaving those terms for state or tribal interpretation. Nursing staff will encompass both Registered Nurses, as well as Licensed Practical Nurses and Licensed Vocational Nurses. Clinical staff can include social workers, therapists, psychologists, and other professionals providing care and interventions for a child.

Source: Implementing the Family First Prevention Services Act, A Technical Guide for Agencies, Policymakers and Other Stakeholders, Children's Defense Fund et. al., February 18, 2020: <https://www.childrendefense.org/policy/policy-priorities/child-welfare/family-first/implementing-the-family-first-prevention-services-act/>



QRTP Requirement: Nursing

Providers are categorized as having nursing if they have the following costs on the 2018 cost reports:

- Registered Nurse (RN) or a Licensed Practical Nurse (LPN) in the personnel roster
- Services- Heath & Dental Needs Assessments/ Resources in the Consumables section

The daily calculated nursing cost is \$1.61 for Group Homes and \$3.70 for Residential Care Centers.

Type	Calculated Daily Cost (for all programs)	Calculated Daily Nursing Cost (for programs with nursing)	% of Total Daily Cost
GH	\$244.15	\$1.61	0.66%
RCC	\$393.37	\$3.70	0.94%

- Calculated daily cost is the total expenses/ total placement days for all GH and RCC programs.
- Calculated daily nursing cost is the calculated daily cost of nursing expenses for programs with nursing expenses.
- If a program provided a nursing personnel title on the cost report but no associated cost, they were removed from the nursing cost analysis.



QRTP Requirement: Nursing

24-Hour Nursing

- **RNs and LPNs on Staff at RCCs:** 90% of RCCs have an identified RN, LPN or a contracted Health and Dental Needs Assessment.
- **Fewer RNs and LPNs on Staff at Group Homes:** Only 20% of Group Homes reported a RN, LPN, or contracted Health and dental needs assessment expense. To comply with QRTP requirements, facilities will need 24-hour nursing available.
- **Estimated Nursing Costs:** Nursing costs currently make up 1% Residential Care Centers daily costs and less than 1% of Group Homes daily costs.

Type	Programs w/ Nursing	% of Providers
GH	12	20%
RCC	19	90%

Type	Total Annual Expenses (for all programs)	Total Annual Nursing Expenses (for Programs with Nursing)	% of Total Annual Cost
GH	\$24,062,134	\$36,443	.15%
RCC	\$67,238,490	\$537,357	.8%



QRTP Requirement: Licensed Clinical Staff

Providers are categorized as having clinical if they have the following costs on the 2018 cost reports:

- Medical or Therapist primary job category in the personnel roster, excluding Registered Nurse and Licensed Practical Nurse.
- Services Psychiatric and Clinical in the Consumables section

The daily calculated clinical cost is \$7.53 for Group Homes and \$37.70 for Residential Care Centers.

Type	Calculated Daily Cost (for all programs)	Calculated Daily Clinical Cost (for programs with Clinical)	% of Total Daily Cost
GH	\$244.15	\$7.53	3.08%
RCC	\$393.37	\$37.70	9.58%

- Calculated daily cost is the total expenses/ total placement days for all GH and RCC programs.
- Calculated daily clinical cost is the calculated daily cost of clinical expenses for programs with clinical expenses.
- If a program provided a clinical personnel title on the cost report but no associated cost, they were removed from the clinical cost analysis.



QRTP Requirement: Licensed Clinical Staff

24 Hour Licensed Clinical Staff

- **All RCCs Include Clinical Staff:** All RCCs report having clinical personnel or contracted psychiatric or clinical services.
- **Few Group Homes Include Clinical Staff:** Only 37% of Group Homes reported clinical personnel or contracted psychiatric or clinical services.
- **Current Clinical Costs:** Total annual clinical expenses make up 1% of all Group Homes total annual expenses and 9.6% of all Residential Care Centers total annual expenses.

Type	Programs w/ Clinical	% of Providers
GH	22	37%
RCC	21	100%

Type	Total Annual Expenses (for all programs)	Total Annual Clinical Expenses (for Programs with Clinical Expenses)	% of Total Annual Cost
GH	\$24,062,134	\$284,843	1.18%
RCC	\$67,238,490	\$6,444,260	9.58%



QRTP Requirement: Accreditation

FFPSA QRTP Statutory Language:
 [QRTP] means a program that... is licensed in accordance with section 471(a)(10) and is accredited [by CARF, JCAHO, COA or] Any other independent, not-for-profit accrediting organization approved by the Secretary

Source: Family First Prevention Services Act, Sec. 50741:
<https://www.congress.gov/115/plaws/publ123/PLAW-115publ123.pdf>

- **Costs by Agency:** One of the QRTP requirements is that all QRTP facilities must be accredited by: CARF, JCAHO, COA or other nonprofit agencies approved by HHS (currently EAGLE and TFA). The accreditation costs for these agencies are shown on the next slide.
- **Most RCCs and Group Homes Incur Professional Dues/Subscriptions Costs:** The majority of the RCCs and group homes report professional dues and subscription costs. The average reported professional dues and subscription costs for an RCC is \$8,756 per program and \$318 per bed. The table below shows the reported Professional Dues and Subscription costs from the 2020 aggregated cost report data.

Type	Programs with Dues*	Percent w/ Dues	Total	Average	Cost per number of beds**
RCC	19	90%	\$166,368	\$8,756	\$319
GH	36	61%	\$19,066	\$530	\$74

* The types of Dues and Subscription costs captured in the cost report is unknown

** All values reflected in averages



QRTP Requirement: Accreditation

Accreditation Cost Models			
	JCAHO	CARF	COA
Costs Calculated	App fee + Survey Fee + Annual Fee	App Fee + Surveyor Fee + Digital Manual Fee	App fee + Accreditation fee + Surveyor fee + Maintenance Fee
Small Program	Fewer than 6 sites with small daily census	2 reviewers/2days at 1 site	2 reviewers/2days at 1 site at <= \$500,000 revenue
Total Costs over 3 years:	\$6,870-\$8,480	\$8,374	\$13,742
Annualized Cost	\$2,290-\$2,827	\$2,791	\$4,581
Medium Program	7-15 sites with large daily census	14 surveyors/2 days at 7 sites	14 surveyors/2 days at 7 sites at \$25 million revenue
Total Costs over 3 years:	\$37,990	\$54,644	\$40,142
Annualized Cost	\$12,663	\$18,215	\$13,381
Large Program	16 sites or more with very large daily census	32 reviewers/2 days at 16 sites	32 reviewers/2 days at 16 sites at \$50 million revenue
Total Costs over 3 years:	\$102,620	\$116,564	\$121,658
Annualized Cost	\$34,207	\$38,855	\$40,553

Source: PCG researched and spoke with each of the three accreditation agencies named in the Family First statute in 2018 and 2019 (JCAHO, CARF, COA). PCG also reached out to TFA and EAGLE in October and November 2020 as both agencies were approved by the HHS Secretary. More agencies may continue to be approved by HHS.



QRTP Requirement: Accreditation

Accreditation Cost Models		
	TFA	EAGLE
Costs Calculated	Total estimate given by TFA's Executive Director; costs were not itemized. Does not include consulting fees for implementing TFA model.	N/A
Small Program	About 2-3 homes with 6-8 kids each	N/A
Total Costs over 3 years:	\$60,000	N/A
Annualized Cost	\$20,000	N/A
Medium Program	N/A	N/A
Total Costs over 3 years:	N/A	N/A
Annualized Cost	N/A	N/A
Large Program	Program is on a campus or has locations spread throughout the state; 8-10 homes or more	N/A
Total Costs over 3 years:	\$150,000	N/A
Annualized Cost	\$50,000	N/A

Source: PCG researched and spoke with each of the three accreditation agencies named in the Family First statute in 2018 and 2019 (JCAHO, CARF, COA). PCG also reached out to TFA and EAGLE in October and November 2020 as both agencies were approved by the HHS Secretary; PCG spoke with TFA's Executive Director, Michele Boguslofski, but EAGLE never responded despite multiple outreach attempts. More agencies may continue to be approved by HHS.



Appendix B: Peer State Review

Peer State Analysis: Rate Comparison

Other State Residential Care Center Rates

- Wisconsin's group home maximum negotiated rate is in line with group home rates in peer states.
- Wisconsin's RCC maximum negotiated rate is higher than residential rates in peer states.
- Wisconsin's RCCs currently do not require treatment services, which are typically included in other states' residential rates.
- The charts on the following slides compare Wisconsin's GH and RCC rates and services to ***Massachusetts, Missouri, Michigan, Colorado, Washington and Kentucky.***



Peer State Analysis: Rate Comparison RCCs

State	Effective Year	RCC Rate	Services Description
Wisconsin	2020	\$574.93	Model: Residential Care Centers Description: Child welfare agencies that provide residential care and treatment for children, youth and young adults. Staffing: 8:1 Direct Care Awake, 15:1 Direct Care Overnight
Colorado	2020	\$297.11	Model: Residential Child Care Facility Description: 24-hour residential facility, these children do not require inpatient psychiatric care, but sometimes require mental health services. Staffing: 5:1 Direct Care Awake, 12:1 Direct Care Overnight
Michigan	2020	\$414.79	Model: Mental Health and Behavioral Stabilization Description: 24- hour residential facility specializing in youth with mental health and behavioral stabilization needs. Staffing: 3:1 Direct Care
Kentucky	2018	\$193.50	Model: Residential Level IV Description: A Level IV child shall be a child who: has behavioral and physical, mental, or social needs that may present a moderate risk of causing harm to himself or others; and requires a structured supportive setting with: therapeutic counseling available by professional staff; and a physical, environmental, and treatment program designed to improve social, emotional, and educational adaptive behavior.
Missouri	2020	\$133.04	Model: Residential Treatment Moderate Level 2 Description: Children who need twenty-four-hour care for moderate behavioral needs.
Washington	2020	\$425.38 (monthly rate \$12,804)	Model: Facility Residential Care Description: Licensed Behavioral Rehabilitation Services group or staff residential home providing 24/7 supervision and care Staffing: 3:1 Direct Care Staffing (6:1 Overnight), 80% Utilization Benchmark

Peer State Analysis: Rate Comparison Group Homes

State	Effective Year	Group Home Rate	Services Description
Wisconsin	2020	\$261.55	<p>Model: Group Homes</p> <p>Description: Facilities operating to provide 24-hour care for 5-8 children or youth.</p> <p>Staffing: 5:1 Direct Care awake, 8:1 Direct Care overnight</p>
Massachusetts	2020	\$297.74	<p>Model: Group Home 1:4</p> <p>Description: Residential services that provide flexible individualized treatment, rehabilitation, and support/supervision services that vary in intensity based upon individual youth and family needs.</p> <p>Staffing: 4:1 Direct Care</p>
Michigan	2020	\$277.56	<p>Model: General Residential (Tier VII)</p> <p>Description: 24- hour residential facility</p> <p>Staffing: 4:1 Direct Care</p>
Colorado	2020	\$164.06	<p>Model: Specialized Group Center</p> <p>Description: House owned or controlled by a governing body that hires the group center parents or responsible personnel. CDHS may change this model in light of FFPSA requirements.</p> <p>Staffing: House Parent structure with 2 live-in house parents during the week and then weekend relief from 1.20 FTEs (with six children in the home).</p>
Kentucky	2018	\$109.71	<p>Model: Residential Level III</p> <p>Description: A Level III child shall be a child who: May engage in an occasional violent act; May have superficial or fragile interpersonal relationships; Requires supervision in a structured, supportive environment where the level of supervision and support may vary from low to moderate, proportional to the child's ability to handle reduced structure; May occasionally require intense levels of intervention to maintain the least restrictive environment; and Requires a program flexible enough to allow: Extended trials of independence if the child is capable; A period of corrective and protective structure during relapse; and Counseling available from professional or paraprofessional staff.</p>

Peer State Analysis: QRTP

- **Arizona:** Still in process, with a focus on accreditation for providers that opted to become grantees.
- **Massachusetts:** The state is currently re-procuring a new system of care with its providers. It is currently not planning on making its providers become QRTPs, but it may procure for a QRTP option.
- **Michigan:** Still in process, but likely incorporating all required QRTP costs into its provider payments for all of its eligible Child Caring Institution (CCI) programs.
- **Pennsylvania:** This state is not moving forward with QRTP compliance because it has RTF and PRTF facilities that are either entirely or mostly funded by Medicaid.
- **Kentucky:** Each provider licensed as a PCC could become a QRTP should they meet the federal requirements. Kentucky's Medicaid agency recently established a QRTP Assessment Medicaid rate to cover a portion of the cost of each child's QRTP assessment. It is our understanding that DMS will also be providing a QRTP Aftercare Services Medicaid reimbursement rate in the near future.
- **Washington State:** Washington had workgroups and analysis internally and externally, and it ultimately relied on provider feedback from an already-accredited agency that also fulfilled most QRTP requirements already.



Peer State Analysis: Professional Foster Care

State/County	Services Description
Illinois	<p>Model: 5-Year Pilot Program – Therapeutic Foster Parents</p> <p>Description: Therapeutic Foster Care places children with histories of severe trauma and emotional/behavioral needs in family treatment homes where they receive more one-on-one care and attention. The program is evidence-based and provides short-term, intensive support for these children so that they can thrive in a family home. Parents receive special training and 24/7 support and work with a comprehensive team that supports the child.</p> <p>Payment/Benefits: As of 2019, parents receive \$90 a day, or \$2,700 a month, compared with a typical stipend of \$418 to \$511 a month.</p>
Santa Clara County	<p>Model: Professional Parenting – only offered in Santa Clara County</p> <p>Description: Professional Parenting is connected to higher acuity specialty mental health programs. The goal of these programs is to connect with these youth while helping them transition to a permanent family connection. There are currently two models of care. One is short-term (60 days) and focuses on stabilizing youth of all ages before the youth joins a family. The second model is six-months and serves youth ages 5-21 who need a higher level of care. Both programs are committed to the concept that every youth and young adult, regardless of age or circumstance, needs family and that family is key to success. The program employs a “no eject no reject” policy of any youth. In return, Professional Parents are fully supported to ensure that the placement of the youth is maintained.</p> <p>Payment/Benefits: Offers a generous stipend, specialized training, weekly support meetings, 24-hour crisis support, and flexible respite time that includes 48 hours of time each month and 4 hours of self-care time weekly.</p>

Peer State Analysis: Professional Foster Care

State/County	Services Description
Texas	<p>Model: Community-Based Care (CBC) approach, under which children with special needs are placed with professional foster parents.</p> <p>Description: Began in 2017, four counties in Texas currently operate the CBC program. The idea is to keep children close to home and connected to their communities and families, while providing them with tailored counseling and other services. The program is funded by the state, but administered through private agencies. Foster parents work closely with therapists and case managers who are licensed psychotherapists.</p> <p>Payment/Benefits: As of 2019, parents receive a monthly stipend of \$4,300.</p>
Wraparound Milwaukee	<p>Model: County-Run Professional Foster Parent Program (PFP)</p> <p>Description: The PFP serves as the primary caretaker of adolescent girls, ages 13- 17, who desire to be reunited with a parent or parents and whose parent(s) are willing to be paired with a PFP. The PFP's ultimate goal is helping and supporting one youth to achieve permanency with their family. PFPs are required to be licensed as a Level 4 Certification with WI's Department of Children and Family Services in accordance with WI DCF 56</p> <p>Payment/Benefits: Professional foster parents in Milwaukee County receive a stipend and a health insurance allowance and are reimbursed at higher rates than regular foster parents. The average foster parent is paid \$40,000 a year, although PCG has not confirmed this salary figure with the agency.</p>



Peer State Analysis: Professional Foster Care

Peer State References

- Illinois
 - [Lutheran Social Services of Illinois Program](#)
- Santa Clara County
 - [Intensive Treatment Foster Care Programs Overview](#)
- Texas
 - [Introduction to Community Based Care](#)
- Wraparound Milwaukee
 - [Professional Foster Parent Resource Guide](#)
- [2019 Pew Trust Review](#)



Appendix C: Peer State Cost Report Examples

Peer State Cost Report Examples

The following state cost reports for Massachusetts and Michigan are included for further review. These cost reports provide examples of how other states collect and analyze cost data for the rate setting process.

Massachusetts



Michigan

CCI

CPA



The following state cost report instructions for Indiana and Kentucky are also included for further review. These states do not publish their cost reports online.

Indiana

CCI

CPA



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Document

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Document

Kentucky

CPA



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Document

Appendix D: Performance Rating and Rate Comparison

CPA Providers

Agency	Length of Stay	Level of Need	2019 Rate	Weighted Outcome Score
Anu Family Services Inc	337.5	3.42	\$74.24	4.1
Benevolence First Inc	375	3.47	\$68.71	5.1
Children's Service Society of Wisconsin	210.5	3.61	\$73.66	4.3
Community Care Resources	237.25	3.33	\$72.74	4.3
Family & Children's Center	196.5	3.33	\$60.70	4.3
Family Works Programs Inc	228.5	3.39	\$71.00	4.1
Foster Care Academy	148	3.62		3.8
Foundations Inc	125.5	2.94	\$74.24	3.8
Fresh Start Family Services	200.25	3.45	\$69.93	4.2
Harmony Social Services CPA Inc	124.5	3.09	\$70.02	3.9
Hopeful Haven Inc	301.25	3.07	\$69.44	3.4
Kenosha Human Development Services	189	3.11	\$63.44	3.7
La Causa Incorporated	236	4.34	\$63.50	3.1
LSS Of WI / Upper MI	303	3.14	\$62.81	4.7
New Horizon Center Inc	84.5	3.96	\$65.56	4.0
New Visions Treatment Homes Of WI	153.5	3.35	\$69.25	4.3
Norris, Inc	63	2.4	\$72.74	1.3
Pillar and Vine	177	2.34	\$63.00	3.9
Rawhide Inc	332.25	4.67	\$74.24	1.0
SaintA Inc	201.25	3.61	\$68.85	3.9
St. Charles Youth & Family Services Inc	159	4.01	\$70.26	4.0
Thrive Treatment Services LLC	150	3.75	\$71.05	3.8
ALL CPAs	189	3.4	\$68.76	3.8

Group Homes

Agency	Length of Stay	Level of Need	2019 Rate	Weighted Outcome Score
A Promise of Hope for Mothers	15.5	3.89		1.954
Anders Develop & Transition Home LLC	27	4.11	\$192.37	2.534
Atach'd To Tomorrow's Generation	204.25	3.41	\$219.82	2.004
Bellas Group Home	7.5	3.57	\$206.12	1.803
B-Fly Transitional Home for Boys	51	4.2	\$226.84	3
Boys II Men Transitional Living Home	33	3.67		3
Butterflies Home for Teen Moms	19	3.45	\$244.14	2.73
Connecting Youth Inc	78	4	\$210.76	1.765
Courage House	76	3.5		3
Devoted Hearts	28	5		
Eyes Wide Open Seeing Beyond Today	448	2.14	\$210.73	3.5
Eyes Wide Open Seeing Beyond Today 2	947	2.4	\$210.73	4
Forward Home for Boys	175.5	3.77	\$227.77	3.9
Friendship House	204.5	2.83	\$231.94	2.5
Girl's Lovett Home	3	3.72	\$202.08	1.446
Good Outcomes	43.5	4.18		2.912
Grateful Girls Safe Haven	3	3.51	\$253.35	1.314
Grateful Girls Safe Haven II	28.5	3.11	\$253.35	1.959
Harper House of Nehemiah Project	1	3	\$220.50	1
Home Away From Home Living Center	43	3.6	\$210.54	2.003
Home Four The Heart Inc Site Two	25	4.81	\$213.89	1.899
Home Four the Heart Site Three	32	4.48	\$213.89	1.651
Hopgood Youth Home	137.5	2.5	\$216.04	3.5
House of Love	88	3.57	\$212.38	3.64
House of Love II	34	2.62	\$212.38	1.837

Group Homes

Agency	Length of Stay	Level of Need	2019 Rate	Weighted Outcome Score
Inspiring Young Women Inc	14.5	4.15	\$202.08	1.461
Keys to Life Living Center	25.5	3.18	\$201.01	2.001
Lad Lake St Rose Rosies Place	12	6		4
Lawrence Gallow Memorial Group Home	100	3	\$229.08	3
Meditca Living	85	2.8	\$243.69	2.501
Men of Men	56	3.29	\$210.54	2.288
Moe's Transitional Living Center I	554	3	\$229.68	5.667
Moe's Transitional Living Center II	237	4.43	\$229.68	2.5
Moe's Transitional Living Center III	70	5.33	\$229.68	2.5
Monroe County Sheltercare Inc	41.5	3.13	\$145.00	3.582
Next Chapter Living Center	59.5	3.39	\$227.36	3.005
Next Chapter Living Center II	19	3.55	\$227.36	1.778
North Ridge House	728	4		2.6
Northwest Oasis Group Home	108.5	3.44	\$197.20	4.143
ONE-NINE Youth and Family Services	24.5	4.88		1.733
Pathways Group Home	196	3.8	\$198.00	2.2
Positive Alternatives – Amery	181	3.73	\$232.58	3.458
Positive Alternatives – Marathon	98	4.6	\$220.00	3.335
Positive Alternatives – Menomonie	46.5	3.68	\$232.58	2.778
Positive Alternatives - River Falls	57.5	3.32	\$232.58	3.16
Positive Alternatives- Wisconsin Rapids	100	3.41		3.463
Prentice House I	200	3.46	\$200.00	3.9
Prentice House II	132	3.82	\$200.00	2.668
Prentice House III	102	3.72	\$200.00	2.733
Rawhide Group Foster Home	148	4.15	\$240.12	2.664

Group Homes

Agency	Length of Stay	Level of Need	2019 Rate	Weighted Outcome Score
Residential Youth Home - Weston	89.5	3.7	\$220.60	2.736
Revive Transitional Living Center	134	3	\$235.12	3.4
Revive Transitional Living Center II	62	3.53	\$235.12	2.944
Revive Youth And Family Center	137	3.11	\$235.12	2.003
Revive Youth And Family Center II	232	2.14	\$235.12	4.25
Right Turn II	42.5	3.83	\$201.51	1.999
Right Turn Inc	2	4	\$201.51	1.4
Rita's Place	190.5	3.33	\$219.43	3.875
Servant Manor	94.5	5.25	\$222.90	2.571
Sierra Group Home	151	2.63	\$212.60	3.068
Silvercrest Group Home	42	4	\$214.17	2.999
The Best is Yet to Come Group Home	39	2.89	\$224.09	2
The LIFE House of WI LLC	46.25	3.27	\$218.32	2.834
The SHARE Academy	73.5	2.56		4.855
Tomorrow's Future LLC	16	4.73	\$211.10	2
Tomorrow's Future LLC Phase II	46	3.11		3.125
Trotter House	63.5	5	\$222.90	2.183
Tylers Home for Kids	717	3	\$180.00	
VIC Living Center	173	3.57	\$249.46	2.167
Vision Youth Development Center Inc	17	3.58	\$193.40	1.502
Washington House	190.5	3		2.5
Wisconsin House	102	3.38	\$208.59	3.569
Wright Stride Group Home	57	4.14	\$218.01	2.093
Yellow Brick Road	32.75	3.33		2.08
ALL Group Home	48	3.67	\$218.29	2.57

RCC Providers

Agency	Length of Stay	Level of Need	2019 Rate	Weighted Outcome Score
Casey House	437	4	\$403.30	3.33
Cheryl House	490	2	\$403.30	3.00
Chileda Institute Inc	399.25	3.95	\$556.68	3.50
Eau Claire Academy	178.5	4.25	\$388.42	4.45
Family Services	186	3.57	\$340.34	4.78
Genesee Lake School	562.5	4.67	\$403.30	3.65
Homme Youth & Family Programs	174	4.23	\$404.19	4.04
Lad Lake	131	4.24	\$373.48	3.71
Lad Lake St Rose Center	60	4.67	\$402.63	3.47
Milwaukee Academy	107	4.43	\$392.74	2.33
Norris Inc	163.5	4.38	\$401.95	5.27
Northwest Passage Prairieview	120.5	3.99	\$391.24	4.33
Northwest Passage Riverside	178.5	4.75	\$385.00	4.00
Rawhide Inc.	116	4.03	\$409.90	4.00
Sawyer House	984	3	\$403.30	
St. Charles Youth & Family Services	66	4.42	\$401.19	2.31
Starlight	1418.5	6	\$389.67	
Tomorrows Children Inc	257.75	4.07	\$334.00	5.00
WCS - Bakari Center	46.5	5	\$410.43	1.00
ALL RCCS	166.5	4.21	\$399.74	3.66



Appendix E: Stakeholder Interview Summary Notes

Summary Notes

Date	Topic and/or Stakeholder	Key Takeaways
7/31/20	<p>Topic: Rate Reg Review</p> <p>DCF: Paula, Jonelle, David, Kevin</p>	<ul style="list-style-type: none"> ▪ Timeline and QA Process: DCF receives costs reports by July 1 and there is a checklist for review. Most are fine, and then sent to licensing. Max rates must be published by September 1. They may need to issue group home rates without some cost reports. ▪ Processes Reviewed: <ul style="list-style-type: none"> • Additional Expenses and Assumptions • Negotiations • Extraordinary Payments • Issues from Providers • Provider v. County Tension • Provider Medicaid Claiming
8/4/20	<p>Topic: Rate Reg Review</p> <p>DCF: Paula, Emily, Jamie, John, Wendy</p>	<ul style="list-style-type: none"> ▪ Federal Funding <ul style="list-style-type: none"> • Longstanding issue around not having Medicaid funnel into residential care centers as part of their rates. • Used to collect TCM • Family First status and plan: Need to rethink what we do and how to come up with operating budget. Example of Accreditation: We added \$25 a day but already spent \$25,000 on it. ▪ Goals for rate regulation improvements <ul style="list-style-type: none"> • Have connected stakeholders and some that are not. Having a blend will help. • If the rates could accommodate different things, what would people be doing? • For places taking kids with most complex needs, what would it take for them to take other kids? • Make it a fully transparent process with counties and providers.
8/4/20	<p>Topic: Rate Reg Review</p> <p>DCF: Paula, Jonelle, Lindsay, Michael</p>	<ul style="list-style-type: none"> ▪ Rate regulation v. foster family rate setting <ul style="list-style-type: none"> • Foster Family Rate Overview • Foster Family Map of Process ▪ Family First: Main concern of providers is that they do not know what process will be in DCF world for Family First. Need clear communication with providers

Summary Notes

Date	Topic and/or Stakeholder	Key Takeaways
8/5/20	<p>Topic: Rate Reg Review</p> <p>DCF: Jonelle</p>	<ul style="list-style-type: none"> • Performance-Based Funding <ul style="list-style-type: none"> ○ More conversations need to be had with providers ○ Rate reg and provider community hit a wall in these discussions • QRTPs and Service Levels <ul style="list-style-type: none"> ○ There is an opening to have the conversation again with providers. Should look into separating each facility type into two or more levels.
8/5/20	<p>Topic: Rate Reg Review</p> <p>DCF: Elizabeth E, Becky M, David Harkins, Jamie</p>	<ul style="list-style-type: none"> • Out of State: High needs of youth in WI end up sent out of state because providers will not take them, and counties end up paying. • Current Rate Regulation v. Changes Required: What can be covered in current rate reg vs. what may require statutory change – can costs of things like 24/7 clinicians (required in QRTPS) be captured in rate reg? • Concern Over Changes: Concern about changing the cost tool and system. Cost report changes would need to be made very mindfully. • Budget Due Date: Need to decide by September 15th what the QRTP costs will be. • Two-Year Cycle: Would like to move to a two-year cycle with an annual audit but just rate regulation process every two years.
8/6/20	<p>Topic: Cost Report Process Review</p> <p>DCF: Kevin</p>	<ul style="list-style-type: none"> • Training: Have some trainings out there and we typically hold call-ins each year. Encourage them to reach out to DCF. • Recurring Confusion on Personnel Tab: Personnel tab because it is the most free form area. Many are outsourcing this to a CPA firm, so that is improving. • Changes Need Notice: If change happening, need to know and make decisions sooner.
8/6/20	<p>Topic: Rate Reg Review</p> <p>DCF: David, Liz</p>	<ul style="list-style-type: none"> ▪ PCG to follow up on Pennsylvania, Massachusetts, Colorado and other states on how they provide for payments outside of those rates.

Summary Notes

Date	Topic and/or Stakeholder	Key Takeaways
8/7/20	WCHSA PAC	<ul style="list-style-type: none"> ▪ Counties struggle to find high-need providers in state ▪ Counties would like to see time parameters on placements ▪ Currently, level of care at residential placements is not much higher than outpatient care • Rate reg determines admin rate for CPAs, but not what foster parents are being paid. That goes to the CANS issue. • To counties, rate development does seem like a black box
8/7/20	WAFCA Members	<ul style="list-style-type: none"> • Strengths of Rate Reg <ul style="list-style-type: none"> ○ Process is less adversarial than it used to be. • Pain Points of Rate Reg <ul style="list-style-type: none"> • Loss of provider independence • Disconnect with Counties on Costs • Geographical Distribution and erosion of areas • Lack of Representation. • FFPSA and Complex Needs • No Medicaid • Perceived Lack of Transparency on Process ▪ Improvement Ideas <ul style="list-style-type: none"> • Collect cost reports every other year. • Apply COLA to off years
8/10/20	WAFCA Executives	<ul style="list-style-type: none"> • Strengths of Rate Reg <ul style="list-style-type: none"> • Rate Reg advisory committee • Open communication ▪ Pain Points of Rate Reg <ul style="list-style-type: none"> • Unclear and non-transparent rate negotiations • Perceived subjectivity on the backend for rate setting process • Performance Quality based • Disconnect with counties ▪ Look into uniform contracting
8/12/20	David Sorenson	<ul style="list-style-type: none"> • Family First Feedback: Concerns about creating the rules for QRTP. Streamline the rules for Shelter care, GH and RCC facilities. Make sure the quality aspect of QRTP is separate from licensing

Summary Notes

Date	Topic and/or Stakeholder	Key Takeaways
8/12/20	David Harkins	<ul style="list-style-type: none"> • Some concern that IV-E rates are too high. • Counties are in charge of entering SSI payment amounts. DCF relies on counties putting in the correct amount for us to automate the process.
8/13/20	QRTP: Jill, Janet, Paula	<ul style="list-style-type: none"> ▪ Goal of QRTP Compliance and Quality Improvements: Trying to implement changes required and implement QRTP but also make quality improvements to the system as a whole. ▪ Timeline this Year: Bill supposed to be passed. Developing a policy that will lay it out hopefully by the end of this year. ▪ Undefined Levels of Care: Still have not defined level of care QRTPs will have to take children. ▪ Decisions Not Communicated: Providers do not know DCF decisions. ▪ Provider Quality: Providers have not had to do this before but they will. ▪ Provider Stakeholder Group: Meet every three weeks. Also will have a group for aftercare. ▪ No Providers Currently Meet Requirements but Many Accredited ▪ Majority of RCCs Ready in October, Group Homes in December ▪ Most RCCs to Become QRTPs ▪ Majority of Group Homes to Become QRTPs ▪ Not Compelled to Become QRTPs: Likely will need to utilize non-QRTP facilities.
8/14/20	Northeast Counties Financial Managers	<ul style="list-style-type: none"> ▪ Short Funding: Always short on funds. ▪ Cannot Pay More to Keep in State: Cannot pay more because of lack of funds. <ul style="list-style-type: none"> ▪ Look into the effects of Two-year v. one year rate cycle? ▪ There is no funding source for placements. When we build our budget, we match directly or spread our grants across all programs. Placement looks like a mixture of DCA and levy.
8/14/20	Rate Reg Committee	<ul style="list-style-type: none"> • Add CPA Files: Need to add CPA files to review. • Other State Comparison: Would like a comparison to other states, especially kids sent out of state. • Aftercare: Unanswered question is around aftercare. • Improved Collaboration: Better between DCF and counties. • Retrospective: Difficult to be prospective with past data. • Rate Formulas: Formula may not account for all items such as staffing since ratios may not account for time off, training, transportation time etc. • Family First Aftercare Confusion: Difficult to weigh in because unclear who will be responsible, unlike accreditation which is more finite.

Summary Notes

Date	Topic and/or Stakeholder	Key Takeaways
8/18/20	Southern Region	<ul style="list-style-type: none"> • Insufficient # Beds in State • Need for Mental Health Expertise: Providers cannot keep staff long enough.
8/20/20	Northeast Financial Managers	<ul style="list-style-type: none"> • Costly Delinquent Cases: Above 10-11 age group. Tend to cost the most. • Mixed Feedback on Sufficient Fund Resources • In-State Barriers of Mental Health Needs and Complex Medical: Also issues of not having room available. Unusual/aggressive behaviors drive high-cost placements. • July Projection of Next Budget: If there is a large increase, will take that into account.
8/21/20	Southeast Region Financial Managers	<ul style="list-style-type: none"> • Out of State Placements Affect Budget Rates are much higher outside of Wisconsin, so then there is not enough money • Provider Ability to Charge Needed Price for Children: Many times they require 2:1 caretaker but providers are budgeted 4:1 or 3:1. • Outlier Process: Probably 15 kids in a level 5 treatment foster home. • Extraordinary Payment Process and 3-Month Reviews: If closer supervision needed, use DCF form and document treatment needs, and that is sent to county social worker and needs review from director of county. • Not Correct Array of Services In-State: Bacari House example. Created new high-level house for delinquent youth to reduce corrections youth. <ul style="list-style-type: none"> ▪ Counties Should Collaborate with State to Build Out Service Array. ▪ Judicial Role in Decision Making: Common for judges to place in other settings? Judge may read about good reviews from out-of-state facility even though our program staff advise against it. • Level 5 Staff Shift Treatment Home: Significant level of care home where that child knew it was a transition before TFC, that would be successful for kids.
8/25/20	RCCs	<ul style="list-style-type: none"> • Strengths: Access to DCF Staff • Pain Points: Alignment of Definitions, Supervisory Ratios High in Cost Reports, Payments After the Need, Salaries and Wages, Lack of Transparency, Capital Assets, Use of Averages Suppresses Payments, Not Taking Kids, Variation in County Practices

Summary Notes

Date	Topic and/or Stakeholder	Key Takeaways
8/25/20	Group Homes	<ul style="list-style-type: none"> • Current Cost Report Does Not Include Specialized Per Child Expenses: Example of OT and averages costs down. • Higher Needs Referrals to Group Homes: Current design is not easy to accommodate this. Referrals turned down at RCCs so end up at Group Homes. • Caseload Difficulties: Breakeven is 7 so we need 8 at times. Our budgeted sweet spot is 5.8
8/25/20	CPAs	<ul style="list-style-type: none"> • Strengths: Partnership with DCF • Pain Points: CANS Score Not Always Accurate, Foster Parent Payment Rate Impacts Recruitment, Cost Report Every Other Year
8/27/20	Northern Region Family First	<ul style="list-style-type: none"> • Need Expansion of Providers: Want to make sure there are not kids out of state anymore. • Not Enough Funding in County Budgets: Problem for smaller counties if fluctuations in costs. • Out of State Issues: Whether child is desirable, number of beds, cost
8/27/20	Family First County Representatives	<ul style="list-style-type: none"> • Therapeutic/psychiatric Services Not Intensive: One week not enough. Not enough family therapy. All RCC and Group Home children should be considered special care. • Daily Schedule for Children from Providers to County/DCF: Would help with transparency and needs for treatment. • CPAs Typically Unwilling to Take Children with “Treatment” Needs • Need Stabilization RCC/Group Home • Better Training for RCC/Group Home
8-28-20	Northeastern Regional Directors Stakeholders	<ul style="list-style-type: none"> • County Cost Burden: Realize that the costs are borne by counties unless IV-E can go up. Need commensurate increases if rates going up again. • Inadequate Funds: Not only for services but also to prevent placements. • Service Improvements to Follow Increased Rates: Services remained the same with 9-10 percent annual increases.

Summary Notes

Date	Topic and/or Stakeholder	Key Takeaways
8/31/20	DMCPS	<ul style="list-style-type: none"> • Strengths <ul style="list-style-type: none"> • Centralized at DCF: Legislation takes care of this from formerly providers. Ability to have a third-party review additional costs need. Basically operate the same as other counties. • RCC Levels of Behavioral Services: Tier services so that extreme costs are not. • Pain Points <ul style="list-style-type: none"> • Use of Older Costs: Reviews costs that are two years old. Ability to add costs. • Out-of-State Care: Perception that RCC rate regulation limits services since costs are not covered. It is not 1:1 service itself, it is the service. Other states do not have the same restraint laws as Wisconsin. You may always have some facilities that are only out of state, but too many getting sent now. • Staffing for Unique Needs: Level of care required hiring staff at a higher level. Cannot just hire them when needed. Might be difficult to come up with a suitable rate. Extraordinary payment request does not help with kids. • Improvements/Changes <ul style="list-style-type: none"> • Make Facility Based on Historical Need • Address Behavioral Needs in Congregate Care for Better Outcomes • Training for De-escalation • FFPSA <ul style="list-style-type: none"> ○ Aftercare: Needs to be given with continuity of care. ○ Certification: Should be provided by the state. ○ Other Services: Focus on what will improve. • Funding <ul style="list-style-type: none"> ○ Get a budget report. Have representative in Madison. Then use STARR system outside of SACWIS. ○ Currently yes. Generous out-of-home care right now but could be worse with COVID. ○ Child welfare budget is protected but there are unknowns with current revenue. When figures available, that will be more telling. ○ Rate Regulation has helped stay within and under budget. • Two Year Cycle <ul style="list-style-type: none"> ▪ Positive: Would need a cost of living adjustment. So then financial information would be every three years. Could give a choice for amended rates. Group homes would appreciate this. ▪ Negative: Long-run could be a mistake, even with cola. • Extraordinary Rate Process <ul style="list-style-type: none"> ○ 1:1 Supervision for Majority of Requests: Other service needs not requested. • Service Array <ul style="list-style-type: none"> ○ Works Well for Only Children with Mild Behavioral Issues: Not working well for children with higher needs. Also this is from the fiscal side and program may have different opinions. Example of many placement moves.

Summary Notes

Date	Topic and/or Stakeholder	Key Takeaways
9/1/20	Group Homes	<ul style="list-style-type: none"> • [Discussion re: QRTP requirements because GH is one of few pregnancy homes] • Revisit Rate Regulation: Expressed need for this type of scrutiny and whether the intent/purpose of rate regulation is still relevant and if yes, whether it is working. Example of feedback that rate regulation borne of mistrust and that we may be in a different place now and could start fresh. Effort is significant for all parties.
9/8/20	Provider Meeting	<ul style="list-style-type: none"> • Allowable Profit: the provider cap of allowable profit impacts their rates and ability to serve youth. • Out of State Youth: They receive youth from other states at a higher rate than Wisconsin pays for the same services. These out of state youth subsidize the cost of Wisconsin youth in their care. • Rates setting process is unpredictable: the rates can change at the last minute making it difficult to create new services and budget properly.
9/8/20	CPAs	<ul style="list-style-type: none"> • Difficulty of Rate Regulation for New Providers: The rate regulation process is difficult for a new provider <ul style="list-style-type: none"> ○ Establishing a rate without history or experience of working with provider ○ Would be helpful if assumptions were given: around staffing levels, more opportunity to explain your program ○ Providers front startup costs -- barrier to entry ○ It takes about 2 years to break even • Cost Reports Made for Congregate Care: The cost report feels more tailored to congregate care providers than to CPAs • CANS Score <ul style="list-style-type: none"> ○ Typically don't know cans score when receiving new child ○ If a CANS score improves while in placement, foster parent gets paid the lower rate for essentially making improvement

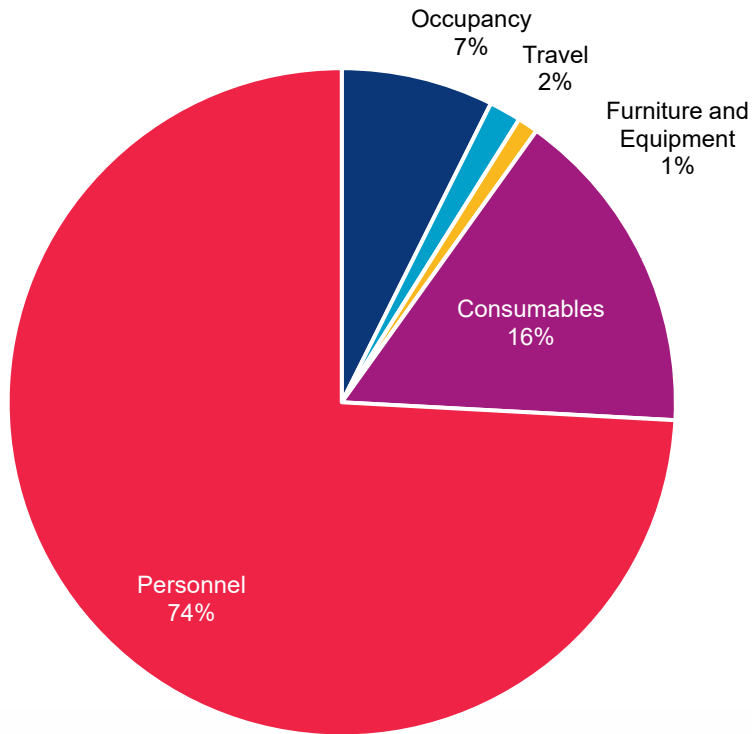
Summary Notes

Date	Topic and/or Stakeholder	Key Takeaways
9/10/20	Provider Meeting	<ul style="list-style-type: none"> • Higher needs placements <ul style="list-style-type: none"> ○ In accepting higher needs youth, what we struggle with is aggression issues, which have higher supervision needs and sometimes require locked facilities due to the risk. ○ Even with extraordinary rate, we still need to higher additional staff so difficult to sustain ○ Don't have ability within rate to increase psychiatric or nursing time • Therapeutic Foster Care <ul style="list-style-type: none"> ○ We use DCF Foster Care champion grant -- not sure if its successful ○ This is by far our largest challenge; it takes a while and a lot of training to get foster parents comfortable with taking higher need kids ○ Re: cost report, we've put in a few specialized assumptions, but haven't done a lot of cost related to this in cost report. We do include licensures in cost report, who are also in charge of recruitment. • Collaboration with counties <ul style="list-style-type: none"> ○ Regional model would be helpful -- not just for residential, but for all services -- because dealing with 72 different processes is terribly inefficient. • Final thoughts / recommendations <ul style="list-style-type: none"> ○ Need smaller units and a rate to support smaller units and best practices.

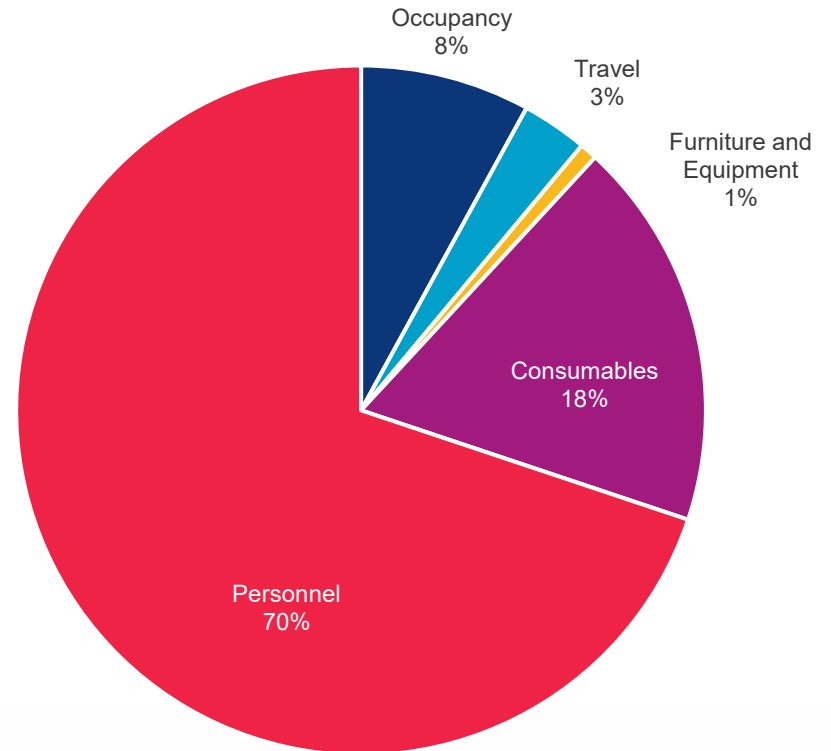
Appendix F: Additional Analysis

RCC and GH Total Expenditures

RCC Total Expenditures



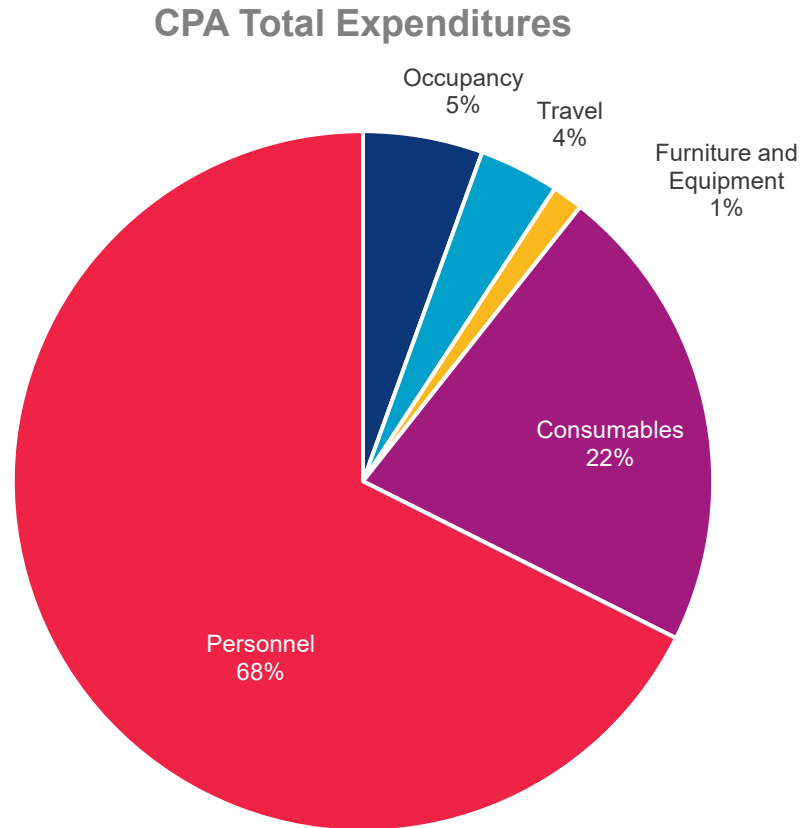
Group Home Total Expenditures



Proportions of RCC and GH expenses are comparable.



CPA Total Expenditures



Occupancy and consumable costs appear high for CPAs.

Residential Care Center Expenditures

Summary Statistics	Occupancy	Occupancy Percent	Consumables	Personnel	Cost per Placement per Day
n	19	19	19	19	19
Average	\$237,533.44	90%	\$514,418.27	\$2,390,780.07	\$448.72
Min	\$15,038.06	61%	\$84,932.21	\$386,622.17	\$260.31
Max	\$798,990.00	111%	\$1,072,765.79	\$7,633,900.00	\$696.87
Percentile Distribution					
10th Percentile	\$35,872.35	74%	\$161,124.83	\$628,488.84	\$306.59
25th Percentile	\$81,568.34	83%	\$227,408.41	\$899,742.46	\$342.57
50th Percentile	\$199,278.36	93%	\$463,386.10	\$1,643,044.66	\$413.57
75th Percentile	\$321,734.83	98%	\$821,813.18	\$3,044,355.21	\$563.13
90th Percentile	\$411,224.42	101%	\$982,521.00	\$4,945,285.92	\$614.00

Given the lack of therapeutic staff, RCC rates appear high relative to other states.



Group Home Expenditures

Summary Statistics	Occupancy	Occupancy Percent	Consumables	Personnel	Cost per Placement per Day
n	62	62	62	62	62
Average	\$30,954.94	71%	\$70,881.33	\$271,280.67	\$253.61
Min	\$8,247.99	19%	\$21,963.77	\$34,939.83	\$111.32
Max	\$75,423.50	100%	\$216,049.15	\$594,939.06	\$615.38
Percentile Distribution					
10th Percentile	\$15,419.61	37%	\$42,222.01	\$131,552.86	\$191.32
25th Percentile	\$18,642.42	56%	\$51,406.74	\$183,535.87	\$204.17
50th Percentile	\$28,716.53	76%	\$67,673.23	\$256,889.88	\$232.77
75th Percentile	\$38,127.06	87%	\$81,708.63	\$346,421.67	\$262.27
90th Percentile	\$53,292.20	100%	\$99,801.56	\$424,861.47	\$327.36

Similar to RCCs, GH rates appear high.



CPA Expenditures

Summary Statistics	Occupancy	Travel	Furniture and Equipment	Consumables	Personnel	Cost per Placement per Day
n	22	22	22	22	22	22
Average	\$52,997.55	\$33,707.64	\$14,851.05	\$215,973.24	\$649,728.04	\$209.63
Min	\$0.00	\$1,358.54	\$0.00	\$9,202.00	\$79,003.02	\$39.55
Max	\$185,831.00	\$198,330.00	\$156,666.64	\$964,693.00	\$2,099,490.25	\$2,881.51
Percentile Distribution						
10th Percentile	\$6,614.91	\$3,133.03	\$0.00	\$19,574.20	\$125,073.70	\$45.73
25th Percentile	\$10,134.50	\$5,158.52	\$31.25	\$53,259.25	\$175,410.37	\$64.84
50th Percentile	\$34,678.00	\$13,558.53	\$1,735.61	\$127,467.94	\$421,574.28	\$69.20
75th Percentile	\$88,990.12	\$47,681.61	\$8,188.75	\$242,173.08	\$985,343.82	\$77.82
90th Percentile	\$115,010.95	\$79,429.15	\$35,254.61	\$503,888.70	\$1,681,345.13	\$128.52

Over half of the CPAs average \$70/day, which is high relative to other state placing agency rates.



Expenditure Categories

Travel

- Vehicle Purchases
- Purchased Transportation for Clients
- Agency Vehicle Operating & Maintenance Cost
- Agency Vehicle Insurance & Registration
- Transportation Lease/ Rental
- Staff Reimbursement
- Depreciation Vehicles Only

Furniture and Equipment

- Furniture Equipment Purchases
- Repairs, Maintenance, Furniture & Equipment
- Furniture & Equipment Lease/ Rental
- Furniture & Equipment Insurance
- Depreciation Furniture & Equipment Only

Consumables

- Activities- outings, recreation for children
- Administration Allocation
- Advertising- marketing for staff recruitment
- Bank- Accounting& legal fees, Audit

fees

- Children Allowances- Clothing, gifts, incidentals & personal care
- Employee Screening, background checks & recruitment
- Food & Beverage
- Foster Parent Recruitment Training and Respite
- Liability insurance
- Laundry & Housekeeping
- Licenses, Fees & Permits
- Postage& Printing
- Professional Dues & Subscriptions
- Health insurance
- Services- Education, health and Dental needs, Household Resources, Professional, Psychiatric, purchased clinical,
- Staff meals while on duty
- Supplies
- Telephone
- Training
- Workers compensation insurance

Personnel

- Rate
- Overtime wages

- Bonus
- Vacation
- Sick
- PTO
- Health
- Dental Life
- Disability
- Pension
- FUTA, SUTA
- Social Security & Medicare

Occupancy

- Mortgage Interest
- Rent/ Lease
- Building Insurance
- Utilities
- Real Estate/ Property Taxes
- Leasehold/ Building Improvements
- Repairs & Maintenance
- Licenses, Permits and Building Inspections
- Landscaping, Lawncare & Snow Removal
- Security System
- Depreciation Building Only



Personnel Analysis

Type	Total Personnel Cost	Total Placement Days	Cost per Placement Day
GH	\$16,559,043	98,552	\$168.02
GH+	\$560,072	3,762	\$148.88
RCC	\$56,826,386	170,930	\$332.45

Records	2,208
Missing FTE	234
% Missing FTE	11%

The cost per FTE is higher for RCC's than GH. This aligns with the cost report analysis that RCC's report higher personnel costs than GH and CPAs.

RCC calculate the highest personnel cost per placement day.





Solutions that Matter