

**ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012**  
**COMMITTEE STATEMENT**  
**LB820**

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**Hearing Date:** Friday January 20, 2012  
**Committee On:** Health and Human Services  
**Introducer:** Health and Human Services  
**One Liner:** Provide for a foster care demonstration project

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**  
**Aye:** 7 Senators Bloomfield, Campbell, Cook, Gloor, Howard, Krist, Lambert  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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<b>Proponents:</b> Senator Kathy Campbell Melanie Williams-Smotherman Sarah Forrest David Newell Sandra Gasca-Gonzalez	<b>Representing:</b> District #25 Family Advocacy Movement Voices for Children in Nebraska Nebraska Families Collaborative KVC Behavioral HealthCare Nebraska Inc.
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<b>Opponents:</b>	<b>Representing:</b>
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<b>Neutral:</b> Scot Adams  Sarah Helvey	<b>Representing:</b> Department of Health and Human Services, Division of Behavioral Health Nebraska Appleseed Center for Law in the Public Interest
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**Summary of purpose and/or changes:**

LB 820 (Health and Human Services Committee) Requires the department to apply for a IVE demonstration waiver.

- On or before January 1, 2013, the Department of Health and Human Services shall apply for approval of a demonstration project pursuant to 42 U.S.C. 1320a-9 and to obtain a waiver as provided in 42 U.S.C. 1320a-9(b) of any requirement of Title IV-E of the federal Social Security Act.
- The demonstration project shall be designed to meet the requirements of 42 U.S.C. 1320a-9, including, but not limited to, the following:
  - o Increasing permanency for all infants, children, and youth by reducing the time in foster care placements when possible and promoting a successful transition to adulthood for older youth;
  - o Increasing positive outcomes for infants, children, youth, and families in their homes and communities, including tribal communities, and improving the safety and well-being of infants, children, and youth;
  - o Preventing child abuse and neglect and the reentry of infants, children, and youth into foster care;
  - o Developing a program to:
    - Permit foster care maintenance payments to be made under Title IV-E, as amended, to a long-term therapeutic family treatment center on behalf of a

- child residing in the center, or
  - Identify and address domestic violence that endangers children and results in the placement of children in foster care.
  - o The proposal for the demonstration project shall include information showing:
    - The ability and capacity of the department to effectively use the authority to conduct a demonstration project under this section by identifying changes the department has made or plans to make in policies, procedures, or other elements of the state's child welfare program that will enable the state to successfully achieve the goal or goals of the project;
    - That the department has implemented, or plans to implement within three years after the date of submission of its application under this section or within two years after the date on which the United States Secretary of Health and Human Services approves such application, whichever is later, at least two of the child welfare program improvement policies described in 42 U.S.C.18 1320a-9(a)(7).
    - At least one of the child welfare program improvement policies to be implemented by the Department of Health and Human Services under the demonstration project shall be a policy that the state has not previously implemented as of the date of submission of its application under this section.
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**Explanation of amendments:**

The Committee Amendment for LB 820:

- . Changes the application date from January 1, 2013, to September 30, 2013, for the Department of Health and Human Services to apply for approval of a Title IV-E demonstration project.
- . The Legislature finds that:
  - Surveys of foster parents demonstrate that the safety net provided by foster families is fragile and damaged;
  - Priority must be given to recruiting and retaining high-quality, trained and experienced foster parents;
  - A 2007 study entitled Foster Care Minimum Adequate Rates for Children analyzed foster care maintenance payments under Title IV-E;
    - The study set a basic foster care payment rate by consumer expenditure data with adjustments for costs specific to foster children and applying a geographic cost-of living adjustment;
    - The study found that Nebraska's foster care payment rates:
      - o Were the lowest in the country;
      - o Averaged two hundred twenty-six dollars per month for a child two years of age.
  - Foster care placements with relatives are more stable and children placed with relatives are less likely to reenter the system after reunification.
- . The Department of Health and Human Services shall convene a Foster Care Reimbursement Rate Committee to:
  - Develop a statewide standard reimbursement rate structure for children in foster care in Nebraska;
  - The structure shall include a standardized level of care assessment system; and
  - Shall link performance with payments to achieve permanency outcomes for children and families.
- . The Committee shall include:
  - The CEO of the department or his/her designee;
  - Representatives of:
    - o Children and Family Services for each service area- at least one with knowledge of the current foster care payment system and at least one with understanding of the NFOCUS electronic data system.
    - o An agency that contracts directly with foster parents from each service area;
    - o A child welfare advocacy organization;
    - o A public interest organization with child welfare interests;
    - o A foster and adoptive parent association;
    - o A lead agency;
    - o An advocacy center;

- o A foster parent that contracts directly with the department; and
- o A foster parent that contracts directly with an agency.
- The committee shall use the study described above as a beginning standard for setting reimbursement rates and adjust the standard to reflect the reasonable cost of achieving measurable outcomes for foster care in Nebraska.
- The committee shall:
  - o Analyze consumer expenditure data for the costs of caring for children in Nebraska;
  - o Identify and account for additional costs specific to foster children;
  - o Apply a geographic cost-of-living adjustment for Nebraska;
  - o Maximize the utilization of federal funds by supporting compliance with Title IV-E and TANF funding.
- The committee will develop a statewide level of care assessment system to standardize criteria to determine a foster child's placement needs to appropriately identify the foster care reimbursement rate.
- o Review other states' assessment models and reimbursement rate structures;
- o The state wide level of care assessment system will be research based, supported by evidence-based practices, and reflect the commitment to a systems of care, trauma-informed, child-centered, family-involved, coordinated process.
- The committee shall develop the statewide level of care assessment and foster care reimbursement rate structure to provide incentives to tie performance in achieving the goals of safety, maintaining family connection, permanency, stability, and well-being to reimbursements.
- . The committee will report to the Health and Human Services Committee of the Legislature on July 1, 2012; September 1, 2012; November 1, 2012, and a final report will be provided to the HHS committee and the Governor with recommendations for the statewide level of care assessment system and the foster care reimbursement rate structure on December 15, 2012.
- . If the Nebraska Children's Commission is created the committee shall immediately come under the commission's jurisdiction. The commission may change the members and make any changes necessary to comply with the act.
- . In recognition of Nebraska foster parents' essential contribution to the safety and well being of Nebraska's foster children, and the need for additional compensation during the determination of a standard state wide foster care reimbursement structure, beginning July 1, 2012, through June 30, 2013, foster parents will be provided an additional stipend.
  - The stipend will be three dollars and ten cents per day per child; and will be in addition to the current tiered rate paid to foster parents;
  - The stipend will be paid monthly through the agency, or the department contracting with the foster parent;
  - The contracting agency shall receive an administrative fee of twenty-five cents per child per day for processing the stipend, paid monthly by the state.
- . The Title IV-E Demonstration Project Committee is created.
  - Members shall be the Director of CFS, representatives of the department, at least five child welfare stakeholder entities as specified, in addition to one ex-officio member representing the court system;
  - The committee shall review, report, and provide recommendations regarding the Title IV-E demonstration application.
  - The committee may engage a consultant with expertise in Title IV-E demonstration project applications and requirements.
- The committee will review:
  - o Nebraska's Title IV-E participation and penetration rates;
  - o Review strategies and solutions for raising participation rates and reimbursement;
  - o Recommend specific actions for addressing barriers to participation and reimbursement.
- The committee shall provide an implementation plan and a time-line for applying for a Title IV-E waiver.
- The committee shall report on its activities to the Health and Human Services Committee of the Legislature on or before July 1, 2012, September 1, 2012, and November 1, 2012; and shall provide a final report to the department, the HHS committee and the Governor by December 15, 2012.
- If the Nebraska Children's Commission is created, the Title IV-E Demonstration Project Committee shall come under the commission's jurisdiction. The commission may appoint additional members and make any changes it deems necessary to comply with this act.
- . In regards to licensing of foster parents, no person shall furnish or offer to furnish foster care for one or more children not related to such person by blood, marriage, or adoption without having in full force and effect a written license issued by the department except as otherwise provided in the section.
- .Foster family home means any home which provides twenty-four-hour care to children who are not related to the foster

parent by blood, marriage or adoption.

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Kathy Campbell, Chairperson