

	INDIANA DEPARTMENT OF CHILD SERVICES CHILD WELFARE POLICY	
	Chapter 17: Residential Licensing Section 04: Rate Setting (Residential Licensing)	
	Effective Date: January 1, 2026	Version: 3

POLICY OVERVIEW

The Indiana Department of Child Services (DCS) sets payment rates for children placed in residential treatment centers by DCS or juvenile justice. This process also sets the amount that Indiana can ask the federal government to reimburse.

POLICY STATEMENT

DCS cannot recommend or pay the residential treatment provider unless it is licensed by DCS as required by state law.

LEGAL REFERENCES

- [IC 31-27-7: Chapter 7. Department Base Rates Review](#)
- [465 IAC 2-16: Rate Setting for Residential Treatment Services Providers](#)
- [465 IAC 2-16-4: "Base Rate" defined](#)
- [465 IAC 2-16-5: "Cost report" defined](#)
- [465 IAC 2-16-12: "Reasonable costs" defined](#)