

	<b>INDIANA DEPARTMENT OF CHILD SERVICES CHILD WELFARE POLICY</b>	
	<b>Chapter 17:</b> Residential Licensing	<b>Effective Date:</b> August 1, 2021
	<b>Section 04:</b> Rate Setting	<b>Version:</b> 1

**POLICY OVERVIEW**

In accordance with Indiana Administrative Code (IAC) (465 IAC 2-16), the Indiana Department of Child Services (DCS) establishes payment rates for a child placed by DCS or juvenile justice with a residential treatment service provider. The rate setting process also establishes the reimbursement rate that Indiana may claim from the federal government.

**PROCEDURE**

A residential treatment service provider in Indiana must be licensed by DCS, in accordance with state law, for DCS to recommend placement of a child with the provider or for DCS to pay the cost of the placement. See policy 17.01 Initial Licensing Process for information regarding the licensing process.

The Residential Licensing Specialist (RLS) will:

1. Verify the applicant is established as a vendor. See policy 17.01 Initial Licensing Process for further guidance; and
2. Ensure the Residential Licensing Unit (RLU) Manager is aware that the vendor’s license is nearing finalization.

The RLU Manager will:

1. Notify the Rate Setting Program Manager and the DCS Contract Specialist Supervisor that a new vendor is submitting information for a new license if the vendor plans to seek a contract;

**Note:** Notify the Deputy Chief Financial Officer (CFO) of Federal Financial Management if rate setting is needed for a non-contracted agency.

2. Notify the Rate Setting Program Manager and Contract Specialist Supervisor when the facility license has been finalized and provide a copy of the facility’s license;
3. Send the completed Contract Request Form to the Contract Specialist Supervisor;
4. Notify the DCS Resource Unit and the Field, Juvenile Justice Initiatives, and Services Deputy Directors once the facility is fully contracted and provide a brief description of all programs; and
5. Email the facility advising that services may commence.

**Note:** The RLS, RLU Clinical Specialist, and RLS Supervisor should be copied on the email.

Upon notification that a vendor's license is nearing finalization, the Rate Setting Program Manager will:

1. Contact the vendor to request a Cost Report;
2. Work with the vendor to determine rates;
3. Notify the DCS Contracting Unit that rates are set for a new program or license;
4. Send the Rate Letter and a copy of the Cost Report to the vendor;
5. Verify the vendor has submitted required data through the portal to finalize rate; and

**Note:** If the vendor does not submit data timely this may have a negative impact on the vendor's contract.

6. Review the vendor's annual Cost Report.

**Note:** The vendor is required to submit a Cost Report by March 31<sup>st</sup> each year.

Upon notification that rate setting is needed for a residential treatment service provider outside of Indiana, the Deputy CFO of Federal Financial Management will collaborate with the RLU Manager to ensure rates are set for the vendor.

Upon assignment of a contract, the Contract Specialist will:

1. Contact the vendor to ensure all necessary paperwork has been submitted;
2. Begin drafting the contract in Supplier Contract Management (SCM);
3. Create the contract in KidTraks;
4. Collaborate with the Chief Counsel of Contracts to finalize the draft of the contract;
5. Send the final contract to the vendor for signature;
6. Send the contract to the DCS Director or designee for signature after obtaining the vendor's signature;
7. Check the following clearances after receipt of system notification that the contract has been signed:
  - a. Secretary of State Registration,
  - b. Department of Workforce Development (DWD),
  - c. Department of Revenue (DOR),
  - d. Indiana Department of Administration (IDOA), and
  - e. System for Award Management (SAM).
8. Send the contract through SCM for state approval (i.e., IDOA, State Budget Agency [SBA], and Office of the Indiana Attorney General); and
9. Notify RLU when the contract is fully executed.

**Note:** Once the contract is fully executed, the vendor will receive an email from IDOA, including a link to the state transparency portal for accessing the contract.

Upon receipt of the Contract Request form from RLU, the Contract Specialist Supervisor will:

1. Assign the contract to a Contract Specialist;
2. Guide and assist the Contract Specialist, as needed, throughout the contract drafting and approval process.

The Chief Counsel of Contracts will collaborate with the Contract Specialist to finalize the contract draft.

## LEGAL REFERENCES

- [465 IAC 2-16 Rate Setting for Residential Treatment Services Providers](#)

## RELEVANT INFORMATION

### Definitions

N/A

### Forms and Tools

- Rate Letter – available in KidTraks
- Cost Report – available in KidTraks
- Contract Request Form – Available from the Contract Specialist Supervisor

### Related Policies

- 17.01 Initial Licensing Process – Coming Soon