



Provider Manual:

Child Placing Agency Rates

Effective January 1, 2013

Table of Contents

| | |
|--|----|
| Chapter 1: General Information for CPAs | 4 |
| Purpose of the Provider Manual | 4 |
| General Contact Information for the Department | 4 |
| Responsibilities of the Department | 4 |
| Responsibilities of the CPA | 4 |
| Chapter 2: The Annual Rate-Setting Process..... | 5 |
| Annual Public Comment Period | 5 |
| Annual Public Hearing..... | 5 |
| Chapter 3: Maintenance Payment and Enhanced Supervision Payment | 6 |
| General Information..... | 6 |
| Establishment of the Maintenance Payment and Enhanced Supervision Payment and Annual Adjustment..... | 6 |
| Child Specific Determination of Maintenance and Enhanced Supervision Payment Rates | 7 |
| Pilot Programs..... | 8 |
| Chapter 4: Additional Payments and Benefits to Foster Parents | 9 |
| Travel Expenses | 9 |
| Foster Care Liability Insurance..... | 10 |
| Initial Clothing Allotment..... | 10 |
| Annual Personal Allowance..... | 10 |
| Special Occasion Allowance..... | 11 |
| Other Payments..... | 11 |
| Chapter 5: Administrative Payments..... | 12 |
| General Information..... | 12 |
| Establishment of the Administrative Payment..... | 12 |
| Allowable Costs on the Cost Report..... | 12 |
| Offsetting Revenue and Netting..... | 14 |
| Unallowable Costs in the Administrative Payment | 15 |
| Annual Review of Administrative Payment Rate Setting Methodology..... | 17 |
| Notification of the Administrative Payment..... | 17 |
| Chapter 6: Behavioral Health..... | 18 |
| General Information..... | 18 |
| Medicaid Enrollment for Wards of the Department and Probation..... | 19 |
| Chapter 7: Health and Medical Services or Treatment..... | 20 |
| Chapter 8: Invoicing and Billing..... | 21 |
| General Information on Submission of Invoices | 21 |
| Invoicing the Per Diem..... | 23 |
| Invoicing Initial Clothing | 24 |
| Invoicing the Personal Allowance..... | 24 |
| Invoicing the Special Occasion Allowance..... | 24 |
| Invoicing of Foster Parent Mileage | 25 |
| Invoicing Behavioral Health..... | 25 |
| Invoice/Billing Questions..... | 25 |
| Chapter 9: Review and Appeal of the Administrative Payment and Other Cost Based Rates | 26 |
| General information | 26 |

| | |
|---|----|
| Process for Requesting Review of Administrative Payment and Other Cost Based Rates | 26 |
| The Department’s Administrative Review | 27 |
| Process for Appealing the Administrative Payment and Other Cost Based Rates | 27 |
| The Appeal..... | 27 |
| Rate in Effect during Pendency of Review and Appeal of the Administrative Payment..... | 28 |
| Chapter 10: Request for Review of the Child's Category of Supervision at Initial Placement and Thereafter..... | 29 |
| General Information on Review of Category of Supervision at Initial Placement | 29 |
| General Information on Review of Category of Supervision after Initial Placement..... | 29 |
| Process for Requesting Review of Category of Supervision at Initial Placement or Thereafter | 29 |
| The Department’s Review | 30 |

Chapter 1: General Information for CPAs

Purpose of the Provider Manual

This Provider Manual has been created to assist child placing agencies (“CPA”) with understanding the mechanisms of rate setting as established by 465 IAC 2-17, with rates effective January 1, 2012. This Provider Manual will more thoroughly outline the procedures the Department of Child Services (“department”) will use for establishing maintenance payments for children placed by the department or a probation department with a CPA for foster care. This Provider Manual will also assist CPAs in understanding the components of administrative payments.

This Provider Manual will be updated once a year. If there are any changes made throughout the year, CPAs will be notified of any changes through a Bulletin. A Bulletin supersedes the information provided in the Provider Manual.

General Contact Information for the Department

Contact information for the department can be found on the department’s website, www.in.gov/dcs, click on Contact Us.

Responsibilities of the Department

The department is responsible for providing and administering child services (as defined in IC 31-25-2 et seq.). Child services include services specifically provided for children who are adjudicated to be children in need of services or delinquent children.

The department is solely responsible for licensing all CPAs in the State of Indiana. While CPAs can recommend foster homes for licensure, the department is responsible for making the final decision on licensure.

The department is responsible for setting rates for and making payments to CPAs in accordance with 465 IAC 2-17. The relationship between the department and CPAs is governed by contract, which sets out additional responsibilities of the CPAs and the department.

Responsibilities of the CPA

Each CPA is responsible for knowing and adhering to the licensing rules as found in the Indiana Code, administrative rules promulgated by the department and department policies. Each CPA is responsible for knowing and adhering to the terms and requirements of the promulgated CPA rate setting rule as found at 465 IAC 2-17 (<http://www.in.gov/legislative/iac/T04650/A00020.PDF> (see Rule 17)).

Each residential provider is responsible for ensuring timely submission of requested information to the department. This includes timely submission of cost reports and follow up information requested as part of the cost report audit process.

Each CPA is responsible for knowing and adhering to the terms and conditions as found in its contract with the State. Each CPA is responsible for adhering to any child specific placement and/or service referrals issued by the department to the CPA for a child in the CPA’s care. Such programs and services must also be consistent with terms of any Case Plan for the child.

Applicable laws and the department's practices and policies are subject to change. The department will provide notice to the CPA of any new policies or changes in current policies that have been adopted by the Director of the department, and include such notice on its website at www.in.gov/dcs.

Chapter 2: The Annual Rate-Setting Process

The department will set CPA rates on a calendar year basis. At the beginning of each calendar year, the department will have a public comment period and a public hearing to discuss the rate setting methodology for that year. The public comment period and the public hearing will be held prior to cost report¹ training.

Annual Public Comment Period

The annual period of public comment will be open for at least thirty (30) days preceding the annual public hearing. The public comment time period will allow each CPA and other interested persons or organizations to communicate ideas, suggestions, or other comments regarding the rate setting process. Specifically, interested parties can comment on the process of setting the administrative payment, the maintenance payment and the enhanced supervision payment rates.

The next public comment period will be December 17 – January 17, 2013. Send comments to the department at RateRulePublicComments.Dcs@dcs.IN.gov or to:

**Indiana Department of Child Services
Attention: General Counsel, Rate Rule Public Comments
302 W. Washington Street, E306-MS47
Indianapolis, IN 46204**

Annual Public Hearing

Each year, at least one public hearing regarding rate setting will be held on or about the third Friday in January at an address specified in a notice posted by the department on the department's website. Notice of a public hearing will be posted on the department's website for a period of at least thirty (30) consecutive days immediately before the date scheduled for the hearing. The department will also send electronic notice of the public hearing to CPAs currently under contract with the department.

The public hearing will be open to the public, and the department will accept comments, suggestions, and feedback related to annual review of the maintenance payment and administrative payment as set by the mechanisms in the administrative rule.

The next public hearing will be January 18, 2013, at the Indiana Government Center South, at 402 W. Washington Street, Indianapolis, Indiana, 46204.

¹ The "cost report" is a report that the department requires each CPA to complete for each foster care program that the CPA operates or supervises. The cost report includes actual costs incurred on behalf of each foster care program in the most recently completed CPA fiscal year, or in an alternative twelve (12) month period as specified by the department. The cost report also includes any other information relating to determination of the cost of operating or supervising the program that is specified by the department, or that the CPA considers relevant to determination of its reasonable administrative costs relating to the program.

Chapter 3: Maintenance Payment and Enhanced Supervision Payment

General Information

Every child under the placement and care of the department or a probation department who is placed in a licensed foster home is entitled to a maintenance payment. The foster parents will receive a maintenance payment in the form of a per diem. The department will make maintenance payments to each CPA (for the CPA to pass on to the foster parent). These payments are meant to cover the reasonable cost of, and the reasonable cost of providing food, clothing, shelter, daily supervision, travel expenses for visitation with the child's family and travel to and from the child's school, personal incidentals for the child, and school supplies.

Certain children may be assessed at higher needs. Such higher needs may justify per diem rates that are higher than the maintenance rate. If this is the case foster parents may receive an additional amount for this "enhanced supervision" based on categories of supervision established by the department. Enhanced supervision is not determined by the licensure type of the foster home, but instead by the assessed needs of the child being placed. The department or a probation department is responsible for determining the child's category of supervision, and therefore the need for enhanced supervision, by utilizing the applicable approved assessment tool, with input from the parties involved in the child's case, including the CPA. The department's current approved assessment tool is the Child & Adolescent Needs and Strengths (CANS)². For more information on the departments' use of the CANS, see DCS Policy 4.32.

CPAs must pay their foster parents at least monthly for foster care provided during the preceding calendar month.

Establishment of the Maintenance Payment and Enhanced Supervision Payment and Annual Adjustment

The department is responsible for determining the maintenance payment that will be paid to foster parents. The department commissioned independent experts through Ball State University, to conduct a study to assist the department with the determination of the reasonable costs of caring for a foster child in Indiana in accordance with Title IV-E. The Ball State study provided information to the department so that the department could properly establish maintenance payment rates. The Ball State study can be found on the DCS website at www.in.gov/dcs (click on foster care).

The department also determines enhanced supervision payments. As such, the department reviewed data from the Ball State study, CPA cost reports and rates from other states to assist the department with a determination of the reasonable costs for enhanced supervision. The Enhanced Supervision study can be found on the DCS website at www.in.gov/dcs (click on placement).

² There currently is not an approved assessment tool for probation youth. Until such time as there is an approved assessment tool, probation youth will be assigned to the therapeutic category of supervision unless a CANS has been completed by a Community Mental Health Center which shows a different category of supervision.

The department has determined the maintenance payment and enhanced supervision payment rates that will be paid to all foster parents for calendar year 2013³ to be:

| Category of Supervision | Infant – 4 years | 5 – 13 years | 14 – 18 years |
|-----------------------------------|-----------------------|--------------|---------------|
| Foster Care (maintenance payment) | \$19.49 | \$21.17 | \$24.42 |
| Foster Care with Services | \$27.26 | \$28.94 | \$32.19 |
| Therapeutic Foster Care | \$39.40 | \$41.08 | \$44.33 |
| Therapeutic Plus | \$63.15 | \$64.83 | \$68.08 |
| Non-ward baby ⁴ | +\$19.49 ⁵ | n/a | n/a |

Each CPA is required to pay its foster parents at least the amount set forth above. If a CPA chooses to pay its foster parents at a higher rate it may do so, but those costs cannot be passed on to the department.

Child Specific Determination of Maintenance and Enhanced Supervision Payment Rates

For CHINS, the department will complete a CANS on each child placed through a CPA in foster care. The result will be used to assist the department in determining whether the child needs enhanced supervision. The family case manager, to the extent possible, will include input from individuals familiar with the child when completing the CANS. The CANS corresponds to the above listed rates as follows⁶:

| CANS | CATEGORY OF SUPERVISIONS |
|---|-----------------------------------|
| 1-Foster care | Foster Care (Maintenance payment) |
| 2- Foster Care with Services | Foster Care with Services |
| 3 – Therapeutic | Therapeutic |
| 4 or higher – Group home and residential care | Therapeutic Plus |

The below are guidelines for the categories of supervision:

Foster Care – This option is for a child 0-18 years old that scores at a “1-Foster Care” on the CANS placement decision model. The child’s needs can be met in a family and community setting with access to school, friends and community-based resources. Child may have a history of mild behavioral/emotional needs that require a low level of service (such as outpatient therapy).

Foster Care with Services – This option is for a child 0-18 years old that scores at a “2-Foster Care with Services” on the CANS placement decision model. For children 0-5, child has moderate developmental needs. For children 5-18 years old, child has moderate behavioral/emotional needs. In addition to foster

³ A cost of living adjustment has been applied for 2013 of 3.22%. The rates shown have the 3.22% included.

⁴ If the baby is a CHINS, then the baby would be assessed using the CANS and would be assigned a rate based on their category of supervision.

⁵ \$19.49 will be added to the teen mom’s per diem for a non-ward baby. The teen mom’s per diem will be determined through the CANS assessment.

⁶ The CANS tool differs depending on the age of the child. There is a tool for 0-5 year olds and a tool for 5-18 year olds. While both tools have the same categories for results, the questions within the tool vary somewhat based on the differences between young and older children.

care in the community, the child, family and foster family may be supported with treatment and support services to address and manage identified needs.

Therapeutic Foster Care – This option is primarily for a child 5-18 years old who scores at a “3- Therapeutic” on the CANS placement decision model. At this level of care, child has either a medical, developmental or behavioral/emotional need, or a high-risk behavior, that is moderate to severe. In addition to foster care in the community, the child, family and foster family are supported with treatment and support services to address and manage identified needs. (Note: child may also have combination of any of the needs above.) This also may be an option for a child 0-5 years old in appropriate circumstances as determined by the department.

Therapeutic Plus Foster Care – This option is primarily for a child 5-18 years old who scores either at the group home or residential placement on the CANS (i.e., 4-7 on the CANS placement decision model) but can be supported in a foster home with intensive services. This also may be an option for a child 0-5 years old in appropriate circumstances as determined by the department.

It is important to note that a child in any of the above categories of supervision can be, and likely will be, receiving some level of services. Additionally, foster parents licensed as regular or special needs can accept a placement at the therapeutic or therapeutic plus category of supervision. Prior to making the placement, the CPA should assess whether the foster family needs additional training to meet the needs of the child and whether the approved capacity must be reduced to be in line with a therapeutic license.

If the CANS is completed after placement, the family case manager has five (5) days to complete the CANS. When the CANS is completed, the rate will be retroactive to the first day of placement.

CANS reassessments are required every 180 days and at critical case junctures. See DCS Policy 4.32 for more information. When a reassessment is completed and DCS determines a higher category of supervision, the rate will increase to match the new category of supervision. The effective date of the new rate will be the date of the CANS assessment. When a CANS assessment is completed at the 180 day follow-up and DCS determines a lower category of supervision, the department will continue to pay the current rate as a stabilization rate. The department will not lower the rate until two (2) consecutive CANS assessments show the lower category of supervision⁷.

Probation youth will be paid the rate corresponding to that of the therapeutic category of supervision until there is a probation approved assessment tool. The only exception is if the Probation youth is seen by a Community Mental Health Center which conducts a CANS.

Pilot Programs

The department may develop and implement pilot programs by written agreement with a CPA, relating to a foster home or group of foster homes that the CPA supervises. The pilot program may include payment amounts or procedures during a specified time period that differ from the amounts or procedures determined under the Administrative Rule for rate setting. Any payments made to a CPA will be made pursuant to a written agreement with the CPA.

⁷ As an example, a CANS completed at placement shows “foster care with services.” At the 6 month reassessment, the new CANS shows “foster care” as the category of supervision. DCS will continue to pay at the “foster care with services” category of supervision as a stabilization rate. If the next 6 month reassessment also shows “foster care”, DCS will at that time reduce the category of supervision to “foster care.”

Chapter 4: Additional Payments and Benefits to Foster Parents

The department may make payments for and/or cover the costs of additional items for the benefit of a foster child as set out below. By unbundling some items from the maintenance and enhanced supervision rates, the department will more fairly cover the actual costs borne on behalf of the foster child. Such additional payments will be paid by the department to the CPA, and not to the foster parent directly, upon receipt of a properly claimed invoice.

Travel Expenses

The foster care maintenance payment includes travel up to 5.3 miles a day or approximately 162 miles per month⁸.

The foster parent may receive an additional amount for properly claimed travel expenses incurred on behalf of a child placed in the foster home if the foster parent travels more than the above miles in a month for the below purposes:

1. Travel between the foster family home and the school in which the child was enrolled before placement and continues to be enrolled while residing with the foster family, to the extent that school transportation is not provided or required to be provided under applicable Indiana law by a public school corporation or other state or local agency⁹;
2. Travel to and from the following types of health related appointments¹⁰:
 - a. Doctor (primary care physician and any specialists)
 - b. Dentist (including orthodontist)
 - c. Health clinic
 - d. Hospital/Emergency Room (including foster parent visits during child inpatient episodes)
 - e. Occupational and Physical Therapists
 - f. Behavioral Health Counselor and Therapist
3. Travel to and from the following types of case activities:
 - a. Administrative case reviews
 - b. Judicial reviews (court appearances)
 - c. Case conferences
 - d. Child and family team meetings
 - e. Foster parent training sessions
 - f. Parent and/or sibling visits (including visits to other relatives that are authorized by the department and are a part the child's case plan) and visits to facilitate the transition to another placement
4. Travel to and from Head Start (if transportation not provided for by the school), summer school (if transportation not provided for by the school), pre-school (this does not include daycare), summer camps (if not for daycare) and school extracurricular activities.
5. For youth 16 years and older, travel to and from employment for the youth or job searching for the youth.
6. Other travel that is extraordinary and has been approved by the local office director in writing prior to travel taking place (e.g. out of state travel for an educational enrichment program for the child).

⁸ This is calculated by taking the average travel of \$2.13 a day as determined by the Ball State Study and dividing it by \$.040 a mile for daily mileage (which was the rate used by Ball State). The daily mileage was then calculated to monthly mileage.

⁹ This does not include school extracurricular activities.

¹⁰ This does not include trips to the pharmacy or the like to pick up medications, etc.

The above travel must be consistent with the child's individual case plan or a court order to be claimable. The CPA on behalf of the foster parent must invoice the department for the additional travel as specified in Chapter 8 below, Invoicing and Billing.

Reasonable travel costs by CPA staff for visits to the child in the foster home, to foster parent training and support groups, and to other activities as case management costs in the OMB Circulars would be proper to include in cost reports submitted to the department. This will be paid through the Administrative payment and should not be billed to the department separately.

Foster Care Liability Insurance

The department will make foster care liability insurance available to foster parents. To this end, the department has entered into a contract with the Indiana Foster Care and Adoption Association (IFCAA) to provide foster care liability insurance to foster parents where the department will pay the premium. Foster parents do not have to be members of IFCAA to obtain the insurance. Foster parents who wish to obtain foster care liability insurance should contact IFCAA at info@ifcaa.org, 800.468.4228 or 317.308-6555 and state their name, address, phone number and name the agency, or county with whom they are licensed. The department will not pay for foster care liability insurance through any other source.

Initial Clothing Allotment

The department permits payment of an initial clothing allotment of up to \$200. This is available when the child is initially removed from the home and placed in out of home care. An Initial Clothing and Personal Items Allotment can be requested within 60 days after the initial removal. The department can pay for the clothing through a p-card, voucher or reimbursement. A p-card is a credit card that staff of the department can use; department staff will join the foster parent at the store and purchase the clothing using the p-card. A voucher is issued to the foster parent and is for a specific store. If a voucher is given to the foster parent, the foster parent must spend it within 30 days of receipt from the department.

If a p-card or voucher are not available and the CPA is being reimbursed for clothing purchased by the foster parent upon approval by DCS, the CPA will need a referral from the family case manager before invoicing DCS for the clothing. See Chapter 8 below, Invoicing and Billing, for more information.

When the family case manager places a child into a foster home, the family case manager will assess the child's need for initial clothing and obtain approval from the supervisor. The family case manager will inform foster parents if an initial clothing allotment is approved.

After the initial clothing funds are spent, the foster parent will use a portion of the per diem to pay for clothing. Subsequent clothing allotments may be available in special circumstances through an appeal by the family case manager to the Regional Manager. For additional information, see DCS Policy 8.19.

Annual Personal Allowance

The department permits an annual personal allowance for every child regardless of age once the child has been in placement for at least 8 days. The department will reimburse up to \$300 annually for each child in placement. The annual personal allowance can be reimbursed in increments, up to \$300. It does not have to be spent on just one item. Items purchased with the personal allowance belong to the child and go with the child when he or she leaves the foster home.

Examples of items that fall within the personal allowance include but are not limited to a high chair, other baby equipment, prom dress or other special occasion clothing, school pictures, other school related

events, equipment and fees associated with extracurricular activities (including activities for young children), tutoring, summer enrichment programs, and bus passes.

If the child moves placements mid-year, the new foster parent can be reimbursed for any personal allowance that is remaining for the year. The new foster parent should discuss with the family case manager whether the personal allotment has been depleted for the year.

Foster parents will need a referral from the family case manager before purchasing and invoicing the department for the personal allowance. See Chapter 8 below, Invoicing and Billing, for information on invoicing the personal allowance.

Special Occasion Allowance

The department will provide a special occasion allowance on the child's birthday of up to \$50 and during the December holidays of up to \$50. For the child's birthday, the child must be in the foster parent's care on the day of their birthday for the foster parent to seek reimbursement. For the December holiday, the child must be in the foster parent's care on December 25th for the foster parent to seek reimbursement.

Items not eligible for reimbursement include but are not limited to piercings, tattoos, tobacco products, alcoholic products or beverages, firearms/weapons, fireworks, lottery tickets, gift cards (gas, visa, Wal-Mart, etc.), cash, checks or money orders.

Examples of items eligible for reimbursement include but are not limited to party supplies or food, educational classes or materials, sports or team fees, beauty salon or spa services, amusement or theme park admissions, memberships or subscriptions, concert or program tickets, toys, video games or other electronics, clothing, jewelry, sporting equipment.

See Chapter 8 below, Invoicing and Billing, for information on invoicing the special occasion allowance.

Other Payments

A foster parent may also receive payment for other costs of caring for a child that are not included in the maintenance or enhanced supervision payment and that are not described above. The costs must be determined by the department to be prudent and reasonably necessary in order to serve the child's assessed needs in connection with the child's permanency plan or other plan of care and treatment. Such additional payments may be provided if the department family case manager, supervisor, or local office director appeals for funds to the Regional Manager to cover unusual circumstances and situations.

Chapter 5: Administrative Payments

General Information

The department will make payments to each CPA for reasonable costs related to administration of the CPA, based on the administrative payment approved by the department.

Establishment of the Administrative Payment

The department will set the CPA's administrative payment pursuant to **465 IAC 2-17** and will utilize the CPA's cost report to do so.¹¹ The CPA shall submit the cost report to the department on an annual basis. The department will provide notice to CPAs by February of each year as to when the cost report is due. Failure to submit the cost report timely may result in delay in payment or non-payment by the department for administrative costs incurred or services rendered by the CPA.

The cost report will be based on a single year's costs, not multiple years. The cost report shall include actual costs incurred on behalf of each foster care program in the most recently completed calendar year and shall be completed in accordance with the CPA Cost Report Instructions. A copy of the most current CPA Cost Report Instructions can be found on the DCS website at www.in.gov/dcs (click on placement).

If the CPA has not been licensed, or operated a program for which an administrative payment is required, for a period of at least twelve (12) months in the reporting period before the cost report is due to the department, the CPA shall submit a cost report utilizing a comprehensive twelve (12) month operating budget for the new program. The cost report shall be submitted at least ninety (90) days before the start of the program.

The department will review each cost report for reasonableness and eligibility under Title IV-E, OMB circulars and the CFR. The department may, in its discretion, adjust historical costs to reflect current costs by applying a cost of living adjustment. For costs that are not eligible under Title IV-E, the department will review the cost report for allowability as determined by the department. Based on that review, the department will submit to the CPA a final approved cost report that the department will use in calculating the applicable rates.

Each cost report submitted by the CPA is subject to further review or audit by the department. The department will perform annual desk audits on all cost reports and occasional field audits when appropriate. Such a review or audit may result in an administrative payment adjustment as specified in a new administrative payment notification letter issued and mailed to the CPA.

Allowable Costs on the Cost Report

To be an allowable cost on the cost report, a cost must relate to identification of foster family homes, placement of children referred by the department or a probation department, or the provision of services to foster families and children placed with the CPA. This includes but is not limited to¹²:

1. Case work.
2. Case management¹³.

¹¹ The cost report also will be used to set CPAs Title IV-E rate.

¹² Costs related to supervising visits between a child and his or her parents or sibling should not be included here. Instead, if the department wishes the CPA to supervise a visit, the department will issue a separate referral to the CPA for the supervision.

3. Foster home recruiting.
4. Foster home licensing preparation and maintenance.
5. Foster parent training.
6. Foster parent support;
7. General administration and management.
8. Accounting and finance.
9. Human resources.
10. Management information systems.
11. Quality assurance procedures.
12. Legal expenses, other than fees and costs related to certain litigation.
13. Office supplies.
14. Professional fees and dues.
15. Subscriptions.
16. Printing and postage.
17. Independent living services as specified in written agreements with CPAs¹⁴.
18. Medical examinations required as a condition of employment.
19. A reasonable profit margin if the agency is not a tax-exempt entity.

The cost must also generally satisfy the following criteria:

- The cost is reasonable, necessary and related to the care of children; and,
- The cost is related to goods or services actually provided by the CPA.

The department determines if costs are reasonable by determining if they are consistent with applicable guidelines as described in 2 CFR Part 225 (OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments)¹⁵, 2 CFR Part 230 (OMB Circular A-122 Cost Principles for Non-Profit Organizations)¹⁶, and 48 CFR Part 31, Section 201-3 (Determining Reasonableness).

As discussed in 2 CFR Part 225 and 2 CFR Part 230:

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when governmental units or components are

¹³ For the foster care category of supervision, the case worker to child ratio shall be 1:18, as set out in rule 465 IAC 2-2 and shall include at least one visit with the child at the foster home monthly and weekly telephone contact with the foster parent. For all other categories of supervision, the case worker to child ratio shall be between 1:12 and 1:8 depending on the level of need of the child. As to visits with the child and foster family, the following are minimums. For foster care with services, there shall be visits at least every other week with the foster child and with the foster parents, with at least every other one being in the foster home. For therapeutic, there shall be visits at least weekly with the foster child and with the foster parents, with at least every other one being in the foster home. For Therapeutic Plus, there shall be visits at least twice a week with the foster child and with the foster parents, with at least every other one being in the foster home.

¹⁴ The department's master contract with CPAs specifies the independent living services that must be provided as part of the administrative payment. This includes but is not limited to completion of Ansell-Casey Life Skills Assessment and adherence to the department's service standards with regard to independent living services in CPA foster homes.

¹⁵ OMB Circular A-87: http://www.whitehouse.gov/omb/circulars/a087/a87_2004.pdf

¹⁶ OMB Circular A-122: http://www.whitehouse.gov/omb/circulars/a122/a122_2004.pdf

predominately federally-funded. In determining reasonableness of a given cost, consideration shall be given to:

- a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the Federal award.
- b. The restraints or requirements imposed by such factors as: Sound business practices; arm's-length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the Federal award.
- c. Market prices for comparable goods or services.
- d. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal Government.
- e. Significant deviations from the established practices of the governmental unit which may unjustifiably increase the Federal award's cost.

As discussed in 48 CFR Part 31, Section 201-3:

- (a) A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person in the conduct of competitive business. Reasonableness of specific costs must be examined with particular care in connection with firms or their separate divisions that may not be subject to effective competitive restraints. No presumption of reasonableness shall be attached to the incurrence of costs by a contractor. If an initial review of the facts results in a challenge of a specific cost by the contracting officer or the contracting officer's representative, the burden of proof shall be upon the contractor to establish that such cost is reasonable.
- (b) What is reasonable depends upon a variety of considerations and circumstances, including:
 - (1) Whether it is the type of cost generally recognized as ordinary and necessary for the conduct of the contractor's business or the contract performance;
 - (2) Generally accepted sound business practices, arm's length bargaining, and Federal and State laws and regulations;
 - (3) The contractor's responsibilities to the Government, other customers, the owners of the business, employees, and the public at large; and,
 - (4) Any significant deviations from the contractor's established practices.

Offsetting Revenue and Netting

Eligible cost reimbursement offsetting will be applied as a credit in accordance with federal regulations as identified by 2 CFR Part 230 (OMB Circular A-122 Cost Principles for Non-Profit Organizations). The resulting net cost will be used to establish the administrative payment.

“Applicable credits” refers to those receipts, or reduction of expenditures which operate to offset or reduce expense items that are allocable to awards as direct or indirect costs. Typical examples of such transactions include but are not limited to the following: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds, other governmental funding sources (other than per diem payments), such as the U.S. Department of Education school lunch program and Medicaid funding, and adjustments of overpayments or erroneous charges.

To the extent that such credits accruing or received by the CPA relate to allowable cost, they shall be credited to the department either as a cost reduction or cash refund, as appropriate.

Unallowable Costs in the Administrative Payment

Expenditures for the below services are ineligible costs under Title IV-E and should not be included on the cost report as allowable costs:

1. Counseling/Therapy; and,
2. Health and medical services or treatment.

Consistent with Federal guidelines, the department will not pay any CPA for the unallowable expenses and costs specified below. The unallowable costs and expenses will not be considered by the department in calculating the administrative payment and must be paid with funds secured from a funding source other than the department.

1. Fines and penalties resulting from violations of, or failure of the organization to comply with Federal, State, or local laws and regulations, except when incurred as a result of compliance with specific provisions a contract with the department or instructions in writing from the department;
2. Investment management counsel and staff and similar expenses incurred solely to enhance income from investments;
3. Lobbying as defined in 2 CFR Part 230 (OMB Circular A-122 Cost Principles for Non-Profit Organizations);
4. Organized fundraising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions; A portion of administrative costs will be allocated to fundraising costs;
5. Donations and contributions including cash, property, and services made by the organization, regardless of the recipient;
6. Donated goods or services received by the organization, except when donated services utilized in the performance of a direct cost activity are material in amount;
7. Bad debts including losses arising from uncollectible accounts and other claims, related collection costs, and related legal costs;
8. Compensation and special benefits to owners in excess of amounts reasonable for the services rendered;
9. Entertainment, including amusement, diversion, and social activities and any associated costs not directly related to reasonable entertainment and recreation for foster children, such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities;
10. Alcoholic beverages;
11. Litigation expenses and fees if the proceeding:
 - a. Relates to a violation of, or failure to comply with, a Federal, State, local, or foreign statute or regulation by the organization (including its agents and employees); and, results in a conviction in a criminal proceeding, a determination of liability in a civil or administrative proceeding involving an allegation of fraud or similar misconduct, the imposition of a monetary penalty in any civil or administrative proceeding, termination of the contract with the department by reason of a violation or failure to comply with a law or regulation, or a disposition by consent or compromise if the action could have resulted in any of the proceeding dispositions;
 - b. Is initiated by the CPA against the department for:
 - i. Administrative or judicial review of any final rate, payment, child assessment, or child category of supervision determination made by the department;
 - ii. Interpretation or application of this rule, any other rule of the department, or any department policy;
 - iii. Alleged noncompliance by the department with any provision of Title IV-E or any other federal or state law, rule, or regulation; or,

- iv. Alleged breach of any contract between the department and the CPA.
 - c. Names as a party defendant any other federal or state governmental agency; or,
 - d. Is initiated by, or on behalf of, a child, a child's parent or legal guardian, or a foster parent, against the CPA, alleging a claim for damages, breach of contract, violation of a constitutional or statutory right, or any other basis for liability of the CPA to the plaintiff or plaintiffs.
12. Mortgage and loan principal payments;
 13. Contingency reserves or similar provisions made for events the occurrence of which cannot be foretold with certainty as to time, intensity, or with an assurance of their happening;
 14. Advertising and marketing except those which relate to the core foster care mission of the CPA or are solely for the recruitment of personnel, the procurement of goods or services necessary to support the program, and other specific purposes necessary to meet the requirements of the department;
 15. Housing of non-clients;
 16. Taxes from which exemptions are available to the CPA directly, or which are available to the CPA based on an exemption afforded by the federal government when the awarding agency makes available the necessary exemption certificates;
 17. Federal income taxes;
 18. Non straight line depreciation except where clear evidence indicates that the expected consumption of the asset will be significantly greater or lesser in the early portions of its useful life than in later portions of its useful life.

The following costs and expenses are considered by the department to be unallowable costs on the cost report and will not be considered in calculating the administrative payment:

1. Salaries: Amounts exceeding the maximum allowable variation established by the department from the median salary for the job category that is determined by the department using:
 - a. The most recent available Child Welfare League of America Salary Study published by CWLA Press, that contains a survey of applicable job category salaries; or,
 - b. The applicable job category salaries paid by all CPAs in Indiana, as determined by reports compiled by, or available to, the department.
2. Fringe benefits: Amounts exceeding the maximum allowable variation established by the department from the median fringe benefit rate (total fringe benefits as a percent of total wages) for all Indiana CPAs, as determined by reports compiled by, or available to, the department.
3. Case management caseloads: Costs associated with staff in significant excess of licensing requirements as established by 465 IAC 2-2, as amended, or services standards adopted by the department and incorporated in a written agreement with CPAs¹⁷.
4. Case manager to supervisor ratios: Costs associated with supervisory staff in significant excess of licensing requirements as established by 465 IAC 2-2, as amended, or services standards adopted by the department and incorporated in a written agreement with CPAs.
5. Indirect cost allocations: Any indirect cost allocations as a percentage of total operating costs in excess of the maximum percentage of total costs operating established by the department for allowable indirect costs.
6. Total administrative costs: Any amount by which total administrative costs, as defined in the cost report, exceed a maximum percentage of total operating costs as established by the department.

The cost limits for the above items will be reviewed on an annual basis. The current cost limits will be published in a bulletin on an annual basis prior to the effective date of the new base rates.

¹⁷ See Footnote 9 also.

Annual Review of Administrative Payment Rate Setting Methodology

An independent third party contractor, currently Public Consulting Group (PCG), will conduct an annual review of the department's administrative payment rate setting methodology. PCG also currently provides the department with ongoing consulting services related to Federal IV-E requirements, rules, and guidance. This includes the following activities:

- 1) As-is process maps and process write-ups;
- 2) System review and assessment;
- 3) Policy development and improvement and support with compliance issues;
- 4) On-going technical assistance;
- 5) On-going review and assessment of federal policy development and changes; and
- 6) On-going review and assessment.

The department, as the statutorily designated Title IV-E agency and not the contractor is ultimately responsible for ensuring compliance with IV-E requirements. The contractor is an agent of DCS for that purpose.

Notification of the Administrative Payment

The department will mail to the CPA a letter stating the administrative payment(s) that the department agrees to pay, for each applicable CPA program. The letter will include the effective date of the administrative payment(s) as approved by the department. The effective date will be not less than forty-five (45) days after the date of the initial annual rate letter.

If the CPA accepts the administrative payment offered by the department in the rate letter, any agreement between the CPA and the department shall be automatically amended to the new administrative payment rate. If the CPA does not accept the administrative payment offered by the department in the administrative payment notification letter, the CPA must comply with the Review and Appeal section in Chapter 9 below.

Chapter 6: Behavioral Health¹⁸

General Information

Pursuant to the CPA rate rule, behavioral health services are unbundled from the maintenance and administrative payment to the CPA so that actual costs are identifiable and alternative funding sources can be accessed to enable the most efficient use of state funds to pay for child services. As such, the department will refer separately for behavioral health services to CPAs or other behavioral health providers who are able to bill Medicaid and who have a contract with the department. The referral given at the time of placement authorizes the provider to provide the service. Providers do not have to wait until Medicaid approves units to start performing the services. If the child is not Medicaid eligible or Medicaid denies the approved service, then DCS will pay based on the initial referral. CPAs can collaborate with other providers to provide Medicaid services with reference to behavioral health services.

Effective January 1, 2012, for children who are Medicaid eligible, behavioral health costs shall be billed to Medicaid for services authorized by the department that are Medicaid eligible. For services that are not covered by Medicaid but are authorized by the department, the department will pay through a contract with the provider. When the department makes a referral for behavioral health services, the referred counseling units will include both Medicaid billable units and DCS billable units. DCS will only pay for counseling sessions that are denied by Medicaid. The referred units should not be interpreted to limit the amount of units billed to Medicaid, but serve as a cap as to what can be billed to DCS. The department will also refer units, for billing to the department without first billing Medicaid, for when the therapist is requested by the department to write court reports and attend child and family team meetings and court.

The CPA is required to first bill Medicaid for the Medicaid eligible referred services and request Prior Authorization. If the initial 20 Medicaid units are used and PA is denied, the provider can bill DCS if the number of units on the referral has not been maximized by Medicaid billings. The number of units listed on the referral will last the length of the ICPR¹⁹. NOTE: If a PA is initially denied and later there are changed circumstances involving the child that would necessitate medically necessary behavioral health (e.g. a critical case juncture), the CPA is expected to request another PA from Medicaid.

If the child is not Medicaid eligible and if private insurance is not available or does not cover the costs of services or treatment, behavioral health costs that are referred by the department shall be billed to the department through a contract with the department.

For new placements made on or after January 1, 2012, the department shall refer therapy to the CPA as part of the placement for children in therapeutic and therapeutic plus categories if the CPA has a contract with the department for therapy, unless it is in the child's best interest to be referred to a different behavioral health provider. If the department refers therapy to the CPA but the child is also eligible for Medicaid Rehabilitation Option (MRO) services, the department will also make a referral to a community mental health center (CMHC) for additional MRO services.

¹⁸ The department will pay the state match for Medicaid Rehabilitation Option services paid by Medicaid on behalf of department and probation youth placed in CPA foster care. Any state match related to Medicaid-eligible services will be paid directly to the community mental health center (CMHC) if the CMHC is providing services on behalf of a CPA that has a CPA master contract with the department. There is no match for services paid with state dollars.

¹⁹ The ICPR will expire at the end of each year. Thus, if an ICPR is created on 1/1/13, then the number of behavioral health units on the ICPR will be for 1/1/13 through 12/31/13.

The department will utilize the CANS assessment to assist in determining the appropriate behavioral health services for the child.

All behavioral health services must be completed in accordance with service standards set by the department. The LCPA services standards can be found on the department's website at www.in.gov/dcs (click on Placements, then on service standards).

Medicaid Enrollment for Wards of the Department and Probation

When a child enters out of home placement, the DCS Central Eligibility Unit (CEU) determines the child's IV-E eligibility a minimum of 30 days after removal, or once all information is entered into the appropriate data system by the FCM or probation officer, whichever is later. If the child is determined to be IV-E eligible and child does not currently have Medicaid, the DCS Medicaid Enrollment Unit enrolls the child in MA4 (a type of Medicaid). If the child is IV-E eligible and already has Medicaid, MEU sends a transmittal to the Division of Family Resources (DFR) to have the child's Medicaid changed to MA4. This process can take DFR up to 4 weeks. If the child is not IV-E eligible, MEU sends a Medicaid application to DFR for processing. This application can take up to 45 days for processing by DFR. Thus, the entire Medicaid enrollment process can take up to 75 days.

When there are changes in placement or IV-E eligibility or a reunification, Trial Home Visit or case closure, MEU receives a report and notifies DFR as appropriate so that appropriate Medicaid changes can be made. For DFR redeterminations, MEU receives the notices from DFR, requests information from the family case manager or probation officer and communicates eligibility information back to DFR, so there are no lapses in Medicaid coverage.

For issues with Medicaid eligibility, contact the family case manager or probation officer assigned to the child's case. They will then contact MEU for assistance.

Chapter 7: Health and Medical Services or Treatment

The department will pay for health and medical services or treatment, including prescription medication, directly to the service provider, on behalf of children within the department or probation's system of care who are placed in foster care through a CPA if Medicaid denies a claim. The department will also pay if the child is not Medicaid eligible and private insurance is not available or does not cover the costs of services or treatment.

The department will pay on a reimbursement basis for services that are authorized but not otherwise covered. The provider should submit documentation with the invoice that shows that Medicaid or private insurance denied the claim or is not available.

Chapter 8: Invoicing and Billing

Any payments to a CPA for the placement of a child or for behavioral health services while the child is placed in the CPA foster home will be made pursuant to an Individual Child Placement Referral (ICPR) that is generated by the department (or by the Probation Department when appropriate) at the time the child is placed with the CPA. A new ICPR is required for any change in the payment rate. If an ICPR cannot be generated before the child is placed, the family case manager will complete the ICPR within 48 hours of placement.

Any payment/reimbursement other than what is covered in the CPA master contract or ICPR requires a separate referral authorizing these services.

General Information on Submission of Invoices

The department requires each provider to submit an invoice for services. All providers must submit a completed State Form 28808 to receive payment, a copy of which can be found on the DCS website at www.in.gov/dcs (click on forms, then finance). To invoice travel, providers must use the Foster Parent Travel Invoice (see below for more information on invoicing foster parent travel)

The following are important items to remember when submitting invoices:

- An ICPR and, if applicable, child welfare service referral, are needed to invoice DCS; if you do not receive these documents, contact the local office or probation department.
- A claim cannot be submitted prior to the last day of placement or service claimed.
- Only days that ended with an overnight stay are billable; the last day of placement is not claimable.
- You must bill within 90 days from the last day of the month the service/placement occurred.
- An original signature is required for submission of a claim²⁰; submission via fax or e-mail cannot be accepted.
- The invoice must be received within 10 business days (including Saturday) from the Date of Invoice.
- New vendors (that have not previously received payments for services rendered to the State of Indiana) must submit a Vendor Information form prior to submitting an invoice, a copy of which can be found on the DCS website at www.in.gov/dcs (click on forms, then finance). For questions contact the DCS Resource Unit at DCSResourceUnit@dcs.in.gov or 877-340-0309 and select Option 2.

The following are instructions for completion of your claim form (line numbers below coincide with item numbers on the claim form):

1. **Name of Vendor** must match the name listed on the submitted Vendor Information form.
2. **Tax ID Number** must match the Tax ID listed on the submitted Vendor Information form.
3. **ST Number** is your unique identifier assigned by the KidTraks payment system. DCS Payment Research Unit (contact below) will provide the ST# if needed.

²⁰ DCS intends to roll-out e-invoicing in 2013. When this is available, a wet signature may not be required as an e-signature may be acceptable.

4. **Invoice Number** can be any combination of numbers and letters you assign, but must be different for each claim (e.g. Jan-2011, Feb-2011, etc.).
****INVOICE NUMBER MUST BE NO MORE THAN 8 CHARACTERS (including letters, numbers, spaces, dashes, slashes, etc.)****
5. **Date of Invoice** is the date the claim is completed. The date cannot be prior to the last date of service provided and also cannot be more than 10 days after the signature date (item 23).
6. **Address** must match the address previously submitted on the Vendor Information form.
7. **Invoice Type** – **first submission**, **re-bill** due to denial of past invoice lines or **appeal** after multiple denials.
8. **Claim Pages** will generally be 1 of 1 for expediting the processing and approval of the invoice, unless multiple pages are needed
9. **Invoice Service Type** – **LCPA** for placement services or **Medicaid** for Behavioral Health services. Please note that Behavioral Health services should be billed on a separate invoice from placement services.
10. **Claim Period** will be from the first of the month thru the last day of the month, unless the placement ended sooner.
11. **Total of Claim** must equal the sum of the total cost column (box 21).
12. **County** of wardship for each child.
13. **Billable Unit Referral ID** from the ICPR.
14. **Case ID** from the ICPR.
15. **Name/Comments/Documentation - Name** of the child in placement and/or any documentation that helps to explain the expense (especially useful for Behavioral Health expenses).
16. **Billing Code** – Service & Component code that matches the appropriate LCPA program or Behavioral Health service
17. **Begin Date** is generally the first day of the month, unless placement started later.
18. **End Date** is generally the last day of the month, unless placement ended sooner.
19. **Unit** reflects the number of days in placement during the month or appropriate Behavioral Health unit.
20. **Rate.** The per diem listed on the ICPR or appropriate Behavioral Health rate.
21. **Total cost** = days x rate.
22. **Signature** -- Claim must be signed; signature should be in BLUE ink.
23. **Telephone number** – contact number of the person completing/responsible for the Claim for Support of Children Invoice.
24. **E-mail address.** – e-mail address of the person completing/responsible for the Claim for Support of Children Invoice.
25. **Signature Date** is the date the claim is signed. The date cannot be prior to the last date of service provided and also cannot be more than 10 days after the invoice date (item 5).

Failure to follow the above guidelines could result in the claim being denied and/or returned for correction. Invoices must be mailed to:

**DCS KidTraks Invoicing
Room W364, Mail Stop 54
402 W. Washington Street
Indianapolis, IN 46204-2739**

If you are re-billing, mail the invoice to KidTraks and follow the below guidelines:

1. Complete a new invoice and re-date to the current date.
2. Assign a new invoice number (NO MORE THAN 8 CHARACTERS).
3. Use blue ink when signing and a current signature date.
4. Ensure all corrections on the invoice have been made.
5. Remember that the 90-day filing rule begins at the original invoice submission date or from the denial date, whichever is later.
6. Please write "Re-Bill" at the top of the returned invoice.

For an appeal of a denied invoice, an appeal must be submitted no later than twelve (12) months after the service was provided. Mail the appeal information directly to the attention of the Assistant Deputy Director of KidTraks, using the same address as above. You must include the following when you submit an appeal:

1. An Appeal letter clearly explaining the situation leading up to the appeal and including why you think this expense should be paid.
2. A copy of the denial letter(s).
3. A copy of the originally submitted invoice(s).
4. A new invoice with a current invoice date.
5. Any supporting documentation (referrals, Medicaid denials, etc.)

All appeals will be reviewed by a DCS Invoicing Appeals committee made up of fiscal, program and legal staff.

Invoicing the Per Diem

When invoicing the per diem, you can utilize one invoice for multiple children but you must invoice each foster child on a separate line. Ensure that you invoice the amount that is stated on the ICPR. The amount represents the appropriate category for the foster child based on the child's age and category of supervision. For example, if a sibling group of three (3) is placed in the foster home, each sibling will receive an ICPR with their category of supervision and corresponding rate. Each child should be invoiced on a separate line based on the unique and individual rate.

If the child's age changes mid-month and the new age places the child in a new age bracket, you should invoice the new rate for the days of the month that the child was in the new age bracket. For example, if a child turns 6 years old on September 15th, you would bill the department at the 0-5 year rate for September 1-14 and at the 5-12 year rate for September 15-30 for the September invoice. A new ICPR will be needed for the new rate.

Invoicing Initial Clothing

If an initial clothing allotment is approved by the family case manager, but a p-card or voucher are not available from DCS to purchase initial clothing, the CPA will need a referral from the family case manager before invoicing DCS. After the referral has been generated, the CPA can invoice DCS by including a receipt for item(s) purchased by the foster parent. This is entered on the regular placement invoice at the end of the month that the clothing was purchased. The CPA should note “initial clothing” on the invoice and list the reimbursement amount requested. An original receipt is preferred, but a copy of the receipt is acceptable if it is marked “copy.” The billable unit ID from the referral must be entered on the invoice.

Invoicing the Personal Allowance

To seek reimbursement for the personal allowance, the family case manager must give the CPA a referral. After the referral has been generated, the CPA can invoice the department by including a receipt for item(s) purchased. This is entered on the regular placement invoice at the end of the month that the personal allowance item was purchased. The foster parent should note “personal allowance” on the invoice and list the reimbursement amount requested. An original receipt is preferred, but a copy of the receipt is acceptable if it is marked “copy.” As stated in Chapter 4, the personal allowance is up to \$300 annually.

Invoicing the Special Occasion Allowance

The foster parent may seek reimbursement for the special occasion allowance by including a receipt for item(s) purchased. This is entered on the regular placement invoice at the end of the month of the child’s birthday or on the January claim for the December Holiday Allowance. The foster parent should note “birthday allowance” or “holiday allowance” on the invoice and list the reimbursement amount requested. An original receipt is preferred, but a copy of the receipt is acceptable if it is marked “copy.” A referral is not needed to submit the request for reimbursement but it is highly recommended that the CPA discuss the items with the family case manager prior to purchase. As stated in Chapter 4, the special occasion allowance is up to \$50 at the December holiday and at the child’s birthday.

Billing Codes for Personal and Special Occasion Allowance

| | | | | |
|-----------|--|--|--------------|---|
| 300002.2 | Summer Camp | | 300002.17 | Special Clothing |
| 300002.5 | Graduation Items | | 300002.18 | Application Fees |
| 300002.6 | Prom Items | | 300002.19 | Tutoring |
| 300002.7 | Children’s Bed and Bedding | | 300002.20 | Special Programs |
| 300002.8 | Parental Travel for Visitation | | 300002.28 | Weight Gain or Loss |
| 300002.9 | Initial Clothing | | 300002.29 | Special Circumstance (Other) |
| 300002.10 | Musical Instrument | | 300002.31 | Extra Curricular Activities |
| 300002.11 | Lessons (Indicate what type of lesson/class) | | 300002.33 | Driver’s Education (For IL Eligible Only) |
| 300002.12 | Sporting Equipment | | 300002.34 | Community Center Dues |
| 300002.13 | Special Event | | 300002.35 | Internet Classes |
| 300002.14 | Sports Team Costs | | 300002.36 | Summer School/Programs |
| 300002.15 | Dues (Indicate what type of dues) | | 300002.11492 | Holiday Allowance * |
| 300002.16 | Uniforms | | 300002.11493 | Birthday Allowance * |

* Please note: Holiday and Birthday allowances do **NOT** require a referral from your FCM.

Invoicing of Foster Parent Mileage

A foster parent is entitled to payment for properly claimed travel expenses incurred for a child placed in their care once they exceed the monthly mileage allowance per child. To claim additional travel, the foster parent must document all travel on the state form Foster Parent Travel Invoice, including the travel already included in the per diem. The Foster Parent Travel Invoice and instructions for completing the invoice can be found on the DCS website at www.in.gov/dcs (click on forms, then finance)..

Each entry on the Travel Invoice must include the purpose of the trip as indicated by the reason code on the invoice, the date of the travel, the point of origin and destination, and the total number of miles for the one way trip.

Each foster parent must include on the travel invoice all children for which they are claiming travel. Foster Parents cannot submit separate invoices for each child.

The following terms and conditions apply to claiming travel:

1. The mileage is incurred through the use of a private vehicle;
2. The route or routes taken to and from the destination are the shortest and most cost effective;
3. Mileages are to be computed from Mapquest with adjustments where appropriate; (i.e.; detours which must be documented on the travel invoice in order to claim mileage reimbursement). If you are unable to do so and use your car odometer, note that reimbursement will be based on the shortest distances on the above websites.
4. Mileage reimbursement is a flat rate per mile based on the current State employee approved mileage per diem. As of October 1, 2010, the mileage is \$0.44 a mile. Foster parents can check for the most up to date rate at: <http://www.in.gov/idoa/2459.htm>; see also www.in.gov/idoa/files/travel_policy.pdf, Section 5.3 for additional information.

When a CPA foster parent has a travel claim, the travel log must be submitted to the CPA. The CPA is responsible for processing the travel claim through the department and for reimbursing the foster parent.

Invoicing Behavioral Health

To invoice for behavioral health, the CPA must have a CPA contract with the department that contains a behavioral health component. The CPA must also receive an ICPR that specifies the service and units to be billed to the department.

The CPA must first bill Medicaid and receive a denial before billing the department. The CPA must include the Medicaid denial with the invoice (unless the child is not Medicaid eligible).

The CPA will have 90 days from the date of the Medicaid denial to invoice the department for the services.

Invoice/Billing Questions

CPAs should contact the following with questions:

- For questions involving the placement, please contact the local DCS or probation office.
- For questions involving payments as well as completion of a claim form, contact DCS Payment Research Unit at DCSPaymentResearchUnit@dcs.in.gov or 877-340-0309 and select Option 1.

- For a name change, change of address or change of bank accounts, contact DCS Resource Unit at DCSResourceUnit@dcs.in.gov or 877-340-0309 and select Option 2.

Chapter 9: Review and Appeal of the Administrative Payment and Other Cost Based Rates

General information

A CPA may request an administrative review of the administrative payment approved by the department as stated in a letter issued to the CPA. See 465 IAC 2-17-27. After the department issues a decision on the administrative review, the CPA can request an administrative appeal. See 465 IAC 2-17-28. Below is information on both processes.

Process for Requesting Review of Administrative Payment and Other Cost Based Rates

A CPA may request an administrative review of the administrative payment when it believes that:

- Errors have been made in the cost report submitted to the department, calculation of the administrative payment, or the determination by the department of the reasonableness of any cost; or,
- The determination of the administrative payment by the department has an adverse impact on child welfare in Indiana and no other CPA in the State of Indiana, or other licensed provider, can adequately address the adverse impact to child welfare in the State of Indiana.

A request for administrative review of the administrative payment approved by the department must be submitted in writing to the department no later than thirty (30) days after the written notice of the approved rate has been sent by the department. Notice is effective upon mailing of the letter notifying the CPA of the rate to the CPA's address. A request for administrative review submitted more than thirty (30) days after the notice of the rate was mailed will not be considered.

The request for administrative review of the administrative payment shall be submitted on the department form titled "Residential Treatment Services Provider (RTSP) and Child Placing Agency (CPA) Rates Administrative Review Request," with the required documentation attached. The form can be found on the DCS website at www.in.gov/dcs (click on forms, then finance). As required by the rule, the CPA shall include in the request for review but not be limited to the following items:

- Identification of the current administrative payment and approved new administrative payment, as applicable to a specific program or service offered by the CPA;
- An updated or revised cost report for the applicable program or service, including an itemized statement of administrative and indirect costs that the CPA considers allowable under the provisions of this rule;
- A clear, concise statement of the reasons for the requested change; and,
- A detailed statement of related information in support of the change.

The CPA shall send the completed form and all required attachments to the department via email or U.S. Mail at:

Indiana Department of Child Services
Attention: General Counsel, Rate Review
302 West Washington Street, Room E306, MS 47
Indianapolis, IN 46204
DCS.RateReviewAndAppeals@dcs.in.gov

The department cannot accept or process an incomplete request for review of the administrative payment that does not include at least the items specified in this subsection. No request for review of the administrative payment can be acted upon if the CPA has a current license that is in the process of being revoked by the department.

The Department's Administrative Review

The department's review will be conducted by at least three (3) representatives from the department, with at least one (1) representative each from Fiscal, Programs and Services and Legal/Licensing. The review will consist of a review of the documentation submitted by the CPA as well as other documentation that the department has relating to the reason for appeal. The CPA can only submit documentation for review and does not have the right to be present or present witnesses.

The department will mail notice of the review decision to the CPA within thirty (30) days of the department's receipt of the Administrative Review Request form.

Process for Appealing the Administrative Payment and Other Cost Based Rates

Before requesting an Administrative Appeal, a CPA must have requested an Administrative Review and received a review decision from the department. A CPA may request an appeal of the department administrative review decision by submitting a written request within fifteen (15) days of receipt of the Department's notice of the administrative review decision. See 465 IAC 2-17-28.

The request for Administrative Appeal shall be submitted on the department form titled "Residential Treatment Services Provider (RTSP) and Child Placing Agency (CPA) Rates Administrative Appeal Request," with any documentation attached. The form can be found on the DCS website at www.in.gov/dcs (click on forms, then finance). When an administrative hearing is requested, the administrative appeal case file will contain only information that is filed with the Hearings and Appeals office for a specific case. It will not contain the file from the Administrative Review.

The CPA shall send the completed form and any attachments to the department via mail at:

Indiana Department of Child Services
Attention: Office of the General Counsel, Hearings and Appeals
302 W. Washington Street, Room E 306, MS 47
Indianapolis, IN 46204

The Appeal

The appeal will be heard under the applicable provisions of the Administrative Orders and Procedures Act (AOPA). See IC 4-21.5-3-7(a); see also 465 IAC 2-17-28 for a listing of AOPA provisions that do not apply. In the appeal, the CPA has the burden of proof and the burden of persuasion to establish, by a preponderance of the evidence, that the department's decision following the administrative review is erroneous. The administrative law judge may, with the consent of the parties, consolidate two (2) or more

pending appeals that involve the same or substantially similar facts or issues, for purposes of a hearing and decision under this section.

Unless a continuance is granted, the assigned administrative law judge (ALJ) will hold an administrative hearing not more than sixty (60) days after the department receives the written request. The ALJ may grant a continuance of the date for a hearing for any of the following reasons:

1. The CPA files a written motion for continuance specifying the reasons for the request and alternate dates when the CPA will be available and prepared to go forward with the hearing.
2. The department files a written motion for continuance for good cause²¹.
3. The administrative law judge orders a continuance for good cause²².

If a hearing continuance is granted, the ALJ shall promptly schedule and conduct a prehearing conference under IC 4-21.5-3-18 to address the rescheduling of the hearing and any other matters relating to expediting decision of the appeal or otherwise resolving the issues presented.

Unless an extension of time is granted by the general counsel of the department for good cause stated on the record, an ALJ will issue a decision within ninety (90) days after completion of the hearing.

If the ALJ decision is favorable to the CPA, the department can request a final agency action. If the ALJ decision is favorable to the department, the CPA can request a final agency action. Instructions and time frames for this request will be included in the ALJ decision.

Rate in Effect during Pendency of Review and Appeal of the Administrative Payment

The department will pay, during the time the review and/or appeal is being conducted, the amount stated in the most recent administrative payment notice letter that was mailed to the CPA in accordance with 465 IAC 2-17-21(g) or (i).

If a new rate is calculated based on the administrative review or appeal, such rate will be retroactive to the effective date stated in the administrative payment notice letter that was mailed to the CPA. Any payments made by the department to your agency after the effective date in the administrative payment notice letter that was mailed to the CPA will be adjusted up or down in accordance with the new rate, if applicable, following completion of the administrative review or appeal.

²¹ The following shall constitute good cause requested by the department: (1) A necessary witness, or the counsel or other necessary representative of the department, is or will be unavailable on the scheduled hearing date, for a reason or reasons that could not have been anticipated at the time the hearing was scheduled; (2) A motion or other proceeding relating to the appeal is pending that could be dispositive of the appeal, or otherwise materially affect the course or conduct of the hearing; (3) Any other good cause, as determined by the ALJ at a prehearing conference.

²² The following shall constitute good cause on motion of the ALJ: (1) Unanticipated congestion of the hearing calendar; (2) Unavailability of the assigned ALJ due to unforeseen circumstances, or a change in the judge assigned to the appeal; (3) Any other good cause, as determined by the general counsel of the department or the general counsel's designee.

Chapter 10: Request for Review of the Child’s Category of Supervision at Initial Placement and Thereafter

General Information on Review of Category of Supervision at Initial Placement

A CPA may request a review of the child’s category of supervision as shown on the Individual Child Placement Referral (ICPR) at initial placement. A request by a CPA for review of the child’s category of supervision must be submitted in writing to the local office director or chief probation officer in the county of the child’s case no later than thirty (30) days after the ICPR has been sent to the CPA by the department. Notice is effective upon mailing of the ICPR. A request for review submitted more than thirty (30) days after the ICPR was delivered will not be considered.

General Information on Review of Category of Supervision after Initial Placement

A CPA may also request a review of the child’s category of supervision after the initial placement. The CPA may request review not more than one (1) time in a six (6) month period that the child is in out-of-home placement. Reasons for this type of review are as follows:

1. A critical case juncture²³;
2. The CPA reasonably believes there is relevant, new, or changed information about the child’s supervisory needs that were not adequately addressed in the CANS assessment or during discussions about the type of placement before the placement occurred; or,
3. There are supervisory or behavioral concerns that are not adequately addressed by the CANS assessment.

The CPA may request review under this section no more than one time in a six month period that the child is in out-of-home placement. A request by a CPA for review of the child’s category of supervision for reasons outlined in this Provider Manual in accordance with the administrative rule, must be submitted timely and in writing to the local office director or chief probation officer in the county of the child’s case.

Process for Requesting Review of Category of Supervision at Initial Placement or Thereafter

The request for review of the child’s category of supervision shall be submitted on the department form titled “Child Placing Agency (CPA) and Department Managed Foster Homes Request for Review of Child’s Category of Supervision,” with the required documentation attached. The form can be found on the DCS website at www.in.gov/dcs (click on forms, then foster care/relative placement). As required by the rule, the CPA shall include in the request for review but not be limited to the following items:

- Identification of the child’s current category of supervision;
- A clear, concise statement of the reasons for the requested change; and,
- A detailed statement of related information in support of the change.

²³ “Critical case juncture” means an event or episode, as determined by the department, involving the child or family that has caused or may cause a disruption in the child’s placement. The department will utilize input and feedback from providers and child and family team members in making its determination of if and when there are critical case junctures.

The department cannot accept or process an incomplete request for review of the child's category of supervision that does not include at least the items specified in this subsection or if the CPA has a current license that is in the process of being revoked by the department.

The Department's Review

When a request for a review of the category of supervision is received, the local office director or chief probation officer will hold a meeting with the CPA and their foster parent to discuss the needs of the child within 14 calendar days of the request for review. It is mandatory that a CPA representative as well as the foster parent attend this meeting as both parties will have relevant information regarding the child's strength and needs. The family case manager or probation officer also should be in attendance at this meeting also. If the foster parent and/or CPA do not attend the meeting, the department will conduct a paper review.

Any change in the child's category of supervision must coincide with a newly completed CANS assessment. Whether the child should be reassessed on the CANS is a decision made at the discretion of the department's local office director or designee. Notice of the outcome of the review must be given by the department's local office director or designee, in writing, to the CPA within five (5) business days of the meeting.

The child's category of supervision, as affirmed or revised by the department's local office director or designee upon completion of the review, will be effective as of the date of the notice of the outcome of the review. It will not be retroactive. Any payments made by the department after the effective date will be adjusted in accordance with the final approved category of supervision for the child.