



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2009 Senate Bill 567

Senate Amendments 1 and 2

Memo published: March 17, 2010

Contact: Anne Sappenfield, Senior Staff Attorney (267-9485)

2009 Senate Bill 567

2009 Senate Bill 567 does the following:

- Exempts child welfare agencies, group homes, and residential care centers (RCCs) for children and youth from current law limiting the amount of reserves a provider may retain from surplus generated by a rate-based service in a contract period to 5% of the contract amount.
- Permits the Department of Children and Families (DCF) to grant an exception to a child welfare agency, group home, or RCC, upon request of the child welfare agency, group home, or RCC, to current law under which a provider may be required to return surplus funds or reduce the provider's per client rate if the amount of surplus funds accumulated from all contract periods for a rate-based service exceeds 10% of the amount of all current contracts for that service.
- Requires DCF to consider changes to the consumer price index for the medical care group and whether a child welfare provider is accredited by a national accrediting body that has developed child welfare standards when reviewing a provider's proposed per client or administrative rate.
- Provides that, if after mediation, an RCC, group home, or child welfare agency and DCF do not agree to a rate for a service, DCF must order a rate. The draft permits an RCC, group home, or child welfare agency to appeal the rate as a contested case.
- Creates a performance-based contracting system for group homes, RCCs, and child welfare agencies that will be implemented over a three-year period beginning January 1, 2011.

Senate Amendment 1

Under current law, RCCs for children and youth are subject to a determination of need requirement under s. 48.60 (3), Stats. That statute provides that before issuing or continuing any license to a child welfare agency, DCF must review the need for the additional placement resources that would be made available by licensing or continuing the license of any child welfare agency. DCF and the Department of Corrections are prohibited from making any placements to any child welfare agency where DCF review has failed to indicate the need for the additional placement resources.

Senate Amendment 1 creates a similar requirement for reviewing need before licensing a new group home for children, or increasing the bed capacity of an existing group home. Under the amendment, no person would be permitted to apply for a license to operate a new group home, or for an amendment to a license that would increase the bed capacity of an existing group home, until DCF has reviewed the need for the additional placement resources that would be made available. DCF would also be required to certify in writing that a need exists for the proposed additional placement resources.

The amendment requires DCF to promulgate rules to implement this requirement, and to submit them to the Legislative Council staff for review by the first day of the third month after the effective date of the legislation. DCF is authorized, under the amendment, to promulgate emergency rules to implement this requirement. The emergency rules would remain in effect until the permanent rules take effect.

Senate Amendment 2

Senate Amendment 2 increases the authorized full-time equivalent positions for DCF by 3.0 and increases the DCF appropriation for general operations relating to services for children and families by \$200,000 in general purpose revenue for fiscal year 2010-2011 for the performance of services associated with the implementation of the performance-based contracting system created by the bill.

Legislative History

The Senate Committee on Children and Families and Workforce Development offered Senate Amendments 1 and 2. On March 17, 2010, the committee recommended passage of Senate Amendments 1 and 2 and passage of the bill, as amended, on votes of Ayes, 3; Noes, 2.

AS:ksm