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Report From Agency

Rule Report for Legislative Review

**Proposed Rules Relating to Regulation of Rates Charged by Residential
Care Centers, Group Homes, and Child-Placing Agencies**

**DCF 52, 54, and 57
CR 11-026**

Basis and Purpose of the Proposed Rules

The proposed rules implement rate regulation of child welfare providers under s. 49.343, Stats.

Public Hearing Summary

The department had a public hearing on the proposed rules in Milwaukee on May 18, 2011. A summary of the hearing comments and the department's responses is attached.

Response to Legislative Council Staff Recommendations

All comments were accepted or rendered moot by revisions. In response to comment 4.a., ss. DCF 56.23 and 56.13 (5) and (6) were created by Emergency Rule 1050.

Changes to Analysis Prepared under Section 227.14 (2), Stats.

The statutory authority for the department to promulgate rules on the percentage add-on for profit for contracts for purchase of care and services with proprietary agencies was added. The rules incorporate the methodology that has been in the department *Allowable Cost Policy Manual* for many years.

The provision regarding department action if a provider fails to submit a cost report or a proposed rate was changed from "the department may order a rate" to "the department may impose sanctions and penalties."

A reference to s. 301.26 (4) (d) 4., Stats., as created by 2011 Wisconsin Act 32, was also added.

Final Regulatory Flexibility Analysis

The proposed rules affect small businesses but do not have a significant economic impact on a substantial number of small businesses as defined in s. 227.114 (1), Stats.

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