



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #213

### **Qualified Residential Treatment Facility (Children and Families -- Child Welfare)**

[LFB 2021-23 Budget Summary: Page 106, #10]

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#### **CURRENT LAW**

The federal Families First Prevention Services Act (FFPSA), enacted in 2018, included several policy changes that limit federal reimbursement for congregate care and favor child placements in family foster homes. The act also provides uncapped Title IV-E funding for a portion of the costs of up to 12 months of services that are intended to prevent the need for children to enter out-of-home care. A state may elect to delay the provisions of the FFPSA regarding the limitation of reimbursement for congregate care. However, by doing so, the provisions for federal reimbursement of prevention services are similarly delayed. DCF requested delayed implementation until October 1, 2021.

Pursuant to the FFPSA, states may claim Title IV-E reimbursement for only up to two weeks' worth of out-of-home care maintenance payments paid on behalf of an eligible child placed in a child care institution. This includes any private or public group home or care center that serves 25 or fewer children. States may continue to claim administrative expenses after the two-week limit expires on maintenance payments.

Placements in certain child care institutions are exempt from the two-week limitation on maintenance claims, such as pre- and post- adjudication juvenile justice facilities and qualified residential treatment programs (QRTPs). A QRTP is a licensed, accredited program that uses a trauma-informed treatment model, has nurses on staff or on call, provides discharge planning and family-based aftercare for at least six months after a discharge, and to the extent appropriate, documents and facilitates outreach to and participation from a child's family members. An assessment by a "qualified individual," such as a trained professional or licensed clinician who is not an employee of the child welfare agency, must be conducted within 30 days after a child is

placed at a QRTP to review the needs of the child, develop child-specific mental and behavioral health goals, and determine which placement setting is appropriate for the child. While conducting the assessment, the qualified individual must work in conjunction with the child's family and permanency team, comprised of family members and appropriate professionals. Within 60 days of the start of the QRTP placement, a court must either approve or disapprove the placement, by considering the assessment and determining whether the child's needs can be met through placement in a family foster home, or whether, generally, a QRTP program provides the most effective and appropriate level of care for the child. If the appropriate placement is not in a family home, the assessment must specify the reasons why the child's needs cannot be met by their family or in a foster family home. A shortage of family foster homes is not an acceptable reason to find that the needs of the child cannot be met in a family foster home. If the assessment is not completed within 30 days of the placement at the QRTP, no claim may be made for Title IV-E reimbursement of maintenance payments.

## **DISCUSSION POINTS**

1. Facilities must meet certain federal standards to qualify as a QRTP. For example, a facility must be nationally accredited, have a nurse employed or under contract who is available 24 hours a day, seven days a week, and must use a trauma-informed treatment model. Without meeting these strict criteria, counties and DCF cannot claim Title IV-E cost reimbursements for placements.

2. According to DCF, the current requirements for congregate care facilities in Wisconsin do not meet federal QRTP guidelines. Thus, unless additional facilities meet qualification requirements to operate as QRTPs, some children will necessarily be placed in facilities for which no federal reimbursement may be claimed, or placed in distant, out-of-state facilities that qualify as QRTPs.

3. As of April 10, 2020, 62 children were placed in out-of-state residential care centers. Of these placements, 36 were ages 15 and up, 20 were ages 12 to 14, and six were ages 5 to 11.

4. DCF states that it is poor practice to send children out of state for out of home care when it is possible for these children to remain closer to home, primarily because there are far fewer opportunities for them to be in contact with their families. Infrequent contacts with family members harm children, and make reunification harder to accomplish.

5. Further, it is more difficult to provide oversight of the care children receive in distant facilities, due to additional travel and staff time expenses, which limits DCF's opportunities to gather information on the quality of care a child is receiving through site visits and interviews.

6. In order to meet the needs of all children who are currently residing in out-of-state facilities, DCF estimates that it would need to develop QRTP facilities with a total of 60 beds, with staffing to serve the highest needs of children. DCF estimates that a 15- bed facility would be needed in Milwaukee County, and 45 beds would be needed to serve children from other Wisconsin counties.

7. Assembly Bill 68/Senate Bill 111 would provide \$1,300,000 GPR in 2022-23 to create

and staff a 15-bed QRTP facility in or near Milwaukee County to care for youth in out-of-home care that require special services who would otherwise require treatment in out-of-state facilities.

8. Of the funding that would be provided, \$1,050,000 GPR would support the start-up costs for a 15-bed QRTP facility for a six-month period. In addition, \$250,000 would support QRTP facility staff during a the six-month start-up period and six months of services. Facility staff would include an administrator, one office staff, one psychologist, one licensed practical nurse, one recreation manager, one school administrator, one teacher, one teacher assistant, one cook, one kitchen staff, 15 residential staff, and one maintenance staff.

9. The Division of Milwaukee Child Protective Services would plan and complete a request for proposals process in 2021-22, with the six-month startup phase beginning in 2022-23. After the start-up period completes, DCF anticipates that ongoing costs for services would be \$500,000 annually.

10. Because a new QRTP facility would limit the need to send children to out-of-state placements and reduce placements into settings that do not qualify for IV-E reimbursement, the Committee could decide to approve the provisions in AB 68/SB 111 and provide \$1,300,000 GPR in 2022-23 (Alternative 1).

11. Alternatively, the Committee could provide \$2,600,000 GPR in 2022-23 to establish the Milwaukee QRTP and to also establish a second 15-bed facility elsewhere in the state (Alternative 2). This would provide for additional capacity so that the number of children placed outside the state in the near term would be reduced by half.

12. Finally, the Committee could find that it is unnecessary to provide funding to establish and operate a QRTP at this time because some facilities may choose to meet requirements of QRTPs without state assistance (Alternative 3). Rather than directly contracting for a facility to convert to a QRTP, DCF could modify its rate regulation practices by establishing higher maximum rates for facilities that meet QRTP requirements, which would create an incentive for facilities to meet the higher QRTP standards. In the meantime, because placement costs to facilities outside the state are comparable to in-state costs, funding for child welfare services could be maintained at current levels. DCF could request funding for QRTP facilities a later time if it determines that there insufficient number of beds available in QRTPs to provide care for children who currently receive services in out-of-state facilities.

13. However, note that DCF indicates that additional providers are needed to serve the needs of children with significant mental health related concerns and physically aggressive behaviors. Thus, if DCF does not directly contract to provide for a QRTP, such children would likely continue to be placed in out-of-state facilities in the near term.

## **ALTERNATIVES**

1. Provide \$1,300,000 GPR in 2022-23 to create and staff a 15-bed qualified residential treatment program facility in Milwaukee County to care for youth in out-of-home care that require

special services.

<b>ALT 1</b>	<b>Change to Base</b>
GPR	\$1,300,000

2. Provide \$2,600,000 GPR in 2022-23 to create and staff a 15-bed qualified residential treatment program facility in Milwaukee County and another 15-bed facility elsewhere in the state to care for youth in out-of-home care that require special services.

<b>ALT 2</b>	<b>Change to Base</b>
GPR	\$2,600,000

3. Take no action.

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