



**TEXAS**  
Department of Family  
and Protective Services

# **Foster Care Rate Modernization**

**Semi-Annual Progress Report**

**As Required by**

**2022-23 General Appropriations Act, Senate Bill 1,  
87<sup>th</sup> Legislature, Regular Session, 2021 (Article II Special  
Provisions Relating to All Health and Human Services  
Agencies, Section 26)**

February 2022





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## Purpose of Report

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Senate Bill 1, The General Appropriations Act, 87<sup>th</sup> Regular Legislative Session, Special Provision 26 requires the Texas Department of Family and Protective Services (DFPS) to develop, with the assistance of the Health and Human Services Commission (HHSC), an alternative reimbursement methodology proposal for the Eighty-eighth Legislature for foster care and community-based care rates. As part of Special Provision 26, DFPS is required to submit a semi-annual progress report detailing all related activities undertaken by DFPS every six months beginning on February 28, 2022. All reports under this special provision are to be submitted to the Legislative Budget Board, the Governor, the Chair of the House Appropriations Committee, the Chair of the Senate Finance Committee, the Speaker of the House, the Lieutenant Governor, the permanent standing committees in the House of Representatives and the Senate with jurisdiction over health and human services, and HHSC.

This progress report provides DFPS's activities associated with Special Provision 26 conducted covering the period from June 2021 to February 2022.

## Required Reporting

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In September 2021, DFPS published the [Foster Care Rate Modernization Report: Preliminary Service Descriptions](#), which included:

- Background information on the Texas Service Level System/rate methodology and the legislative charge;
- The goals, objectives, and parameters of the current Rate Modernization Project;
- Information detailing the approach DFPS utilized to arrive at the preliminary service descriptions contained in the report;
- DFPS's preliminary new service descriptions; and
- An overview of project next steps for the fall of 2021.

On December 31, 2021, DFPS published [Foster Care Rate Modernization Report: Final Service Descriptions](#), which provides information on several significant changes made to the preliminary service descriptions released in September 2021. The report includes details on:

- New service add-ons;

- Use of evidence-informed (as opposed to evidence-based) treatment models;
- Potential for gradation of foster care rates within each service add-on; and
- Implementation of a developmentally appropriate universal Human Trafficking training and prevention model for children, youth, and young adults in foster care.

Below is a chart of the completed reports and the remaining progress reports.

<b>Special Provision 26 – Required Reports</b>	<b>Begin Date</b>	<b>Due Date</b>	<b>Completion Date</b>
Report detailing the preliminary new service descriptions upon which the new rate methodology.	June 2021	09/30/21	09/30/21
Report detailing the final service descriptions.	10/01/21	01/01/22	12/31/21
Semi-annual Progress Report of all related activities undertaken by DFPS every six months.	June 2021	02/28/22	02/28/22
Semi-annual Progress Report of all related activities undertaken by DFPS every six months.	03/01/22	08/28/22	
Semi-annual Progress Report of all related activities undertaken by DFPS every six months.	08/29/22	02/28/23	
Semi-annual Progress Report of all related activities undertaken by DFPS every six months.	03/01/23	08/28/23	

## **General Approach**

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With little modification, the existing foster care rate methodology and Texas Service Level System structure has been in place since September 1988. To undertake the type of systemic transformation envisioned by the Legislature as directed by Special Provision 26, DFPS, in collaboration with HHSC, has taken the following approach:

- Conducted a thorough review of Texas-specific child-level and needs assessment data to determine services needed to improve capacity and address gaps in the foster care continuum.
- Identified minimum standards, statutory and court requirements that are inherent in the different types of service add-ons.

- Conducted national research and engaged with stakeholders to identify and validate best practices and build out models in a manner that allows for identification and capture of reasonable and necessary expenses under a new rate methodology.

DFPS is tracking several projects to ensure consistency, this includes implementation of the provisions of Senate Bills 1575 and 1896 from the 87<sup>th</sup> Legislative Session, as well as the Qualified Residential Treatment Program pilot as outlined in Rider 48 of the General Appropriations Act.

## **Semi-Annual Listing of All Related Activities and Progress**

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### **June 2021**

- Began joint workplan meetings between the DFPS Office of Finance Leadership and HHSC-Provider Finance Division. Weekly Meetings were scheduled beginning on June 9<sup>th</sup>.
- Developed Statement of Work for Consultant Contract, initiated procurement process and identified a potential university partner.
- Initiated review and internal analysis of DFPS Foster Care Needs Assessment and capacity data, child specific contract and exceptional care utilization data, and children under staff supervision (commonly referred to as children without placement) data.

### **July 2021**

- Collaborative weekly joint workplan meetings were held between the DFPS Office of Finance Leadership and HHSC-Provider Finance Division during the month of July.
- Continued review and internal analysis of DFPS Foster Care Needs Assessment and capacity data, child specific contract and exceptional care utilization data, and children under staff supervision (commonly referred to as children without placement) data.
- Researched service model provision in other states to help inform and identify best practices.
- Defined scope, goal, objectives, and parameters for the Rate Modernization project.
- Initiated conversations with the Texas Institute for Child & Family Wellbeing at the University of Texas about helping consult on the project.

- Engaged and secured an agreement with Casey Family Programs who contracted with the Deckinga Group, LLC to help lead facilitation of stakeholder Focus Groups.
- Facilitated an “Introduction to Rate Modernization” webinar with the Texas Alliance of Child and Family Services Board of Directors on July 22<sup>nd</sup>.
- The Deckinga Group, LLC facilitated a focus group with a diverse subset of providers from across the state on July 29<sup>th</sup>. The DFPS Office of Finance served as a resource to the group. The objective of the focus groups was to gather feedback on current practice in relation to the anticipated changes needed to support a new foster care service continuum and rate methodology.

## **August 2021**

- Collaborative weekly joint workplan meetings were held between the DFPS Office of Finance Leadership and HHSC-Provider Finance Division in August.
- Established a dedicated e-mail box (went live on August 2<sup>nd</sup>) to help facilitate communication between the Department and stakeholders. The email address is [DFPSRateModernization@dfps.texas.gov](mailto:DFPSRateModernization@dfps.texas.gov).
- In collaboration with The Texas Alliance for Child and Family Services, DFPS hosted an “Introduction to Rate Modernization” webinar for all residential child-care contractors in Texas on August 4<sup>th</sup>.
- On August 11<sup>th</sup>, the DFPS Office of Finance hosted a presentation and focus group with DFPS leadership representing Child Protective Services (CPS), Contracts, the Office of Community-Based Care Transition, IT, and HHSC leadership representing Child Care Regulation.
- The Deckinga Group, LLC assisted in facilitating a series of 6 virtual focus groups with residential childcare providers from across the state and leadership from the various provider trade associations. The DFPS Office of Finance and staff from HHSC Provider Finance Division served as resources to the group. The purpose of the focus groups was to gather information on best practices used in child welfare to help inform the preliminary service packages for the Rate Modernization project. The focus groups included:
  1. General Residential Operations specializing in Basic Child Care on August 24<sup>th</sup>.
  2. General Residential Operations specializing in Residential Treatment on August 24<sup>th</sup>.

3. Child Placing Agencies specializing in Treatment Foster Family Care on August 26<sup>th</sup>.
4. Child Placing Agencies specializing in Basic and Therapeutic Foster Family Care on August 26<sup>th</sup>.
5. General Residential Operations that specialize in Emergency and Assessment services on August 27<sup>th</sup>.
6. Single Source Continuum Contractors that oversee a network of service providers as a part of Community-based Care on August 27<sup>th</sup>.

## **September 2021**

- Collaborative weekly joint workplan meetings were held between the DFPS Office of Finance Leadership and HHSC-Provider Finance Division in September.
- The DFPS Office of Finance reviewed and provided comment on HHSC's draft scope of work for a consultant contract to aid in the development of the new rate methodology.
- Began work with the Texas Institute for Child & Family Wellbeing at the University of Texas who along with the Institute's project partner, Blackstone Solutions, LLC, serve as consultants on the Rate Modernization project. During the month of September through November, the Institute's work focused on research development of a stakeholder engagement plan to include workshops and a robust survey which could be used to validate assumptions inherent in the new service add-ons models.
- Using data analysis, national research, and input received from key stakeholders in focus groups as the basis, DFPS released a report detailing the preliminary service descriptions as a part of the Foster Care Rate Modernization effort on September 30<sup>th</sup>.

## **October and November 2021**

- Collaborative weekly joint workplan meetings continued between the DFPS Office of Finance Leadership and HHSC-Provider Finance Division in October and November.
- Continued efforts to further build out the service add-on descriptions by ensuring requirements of minimum standards, statute, and court directives were incorporated into the base packages.
- Weekly meetings were held between DFPS and the Texas Institute for Child & Family Wellbeing to solidify a stakeholder engagement plan and content for workshops and a comprehensive provider survey that would be used to help validate DFPS' final service descriptions.

HHSC's Provider Finance Division began participating in these weekly work sessions the first week of November.

## **December 2021**

- Collaborative weekly joint workplan meetings were held between the DFPS Office of Finance Leadership and HHSC-Provider Finance Division in December.
- A DFPS Project Coordinator for Foster Care Rate Modernization was hired.
- DFPS' work during the month of December centered on finalizing the service add-on descriptions. This included gather final input from internal subject matter experts in the following areas:
  - Developmental Disabilities and Autism;
  - Complex and Primary Medical Needs;
  - Treatment Foster Family Care;
  - Transitional Support Service for Youth and Young Adults;
  - Substance Use Disorders;
  - Mental and Behavioral Health Services;
  - Sexual Aggression and Sex Offender Services;
  - Human Trafficking;
  - Youth who are Pregnant or Parenting; and
  - Trauma-informed care.
- DFPS released a report detailing the department's final service descriptions as a part of the Foster Care Rate Modernization effort on December 30th.

## **January 2022**

- Collaborative weekly joint workplan meetings were held between the DFPS Office of Finance Leadership and HHSC-Provider Finance Division in January. Also beginning on January 14<sup>th</sup>, members of the DFPS Office of Finance and HHSC Provider Finance teams began meeting multiple times a week to review and respond to questions to ensure a common understanding of the base model and service add-ons.
- Presented on Foster Care Rate Modernization to the HHSC-DFPS Behavioral Health Leadership Team on January 5<sup>th</sup>.
- Presented on Foster Care Rate Modernization to HHSC- Child Care Regulation and STAR Health leadership on January 5<sup>th</sup>.
- Presented information on Foster Care Rate Modernization to Senate Bill 1575 Residential Treatment Center Best Practices Subgroup lead by the Children's Commission.

- Created recorded webinar to be included in the provider workshop invitation as an introduction to the subject.
- Presented on final service descriptions to CPS and the Office of Community Based Care Transition leadership on January 12<sup>th</sup>.
- The Texas Institute for Child & Family Wellbeing in collaboration with Blackstone Solutions, LLC hosted a series of 12 workshops with stakeholders representing, a diverse group of foster parents, residential childcare providers, provider trade associations, and advocates from across the state. The workshops were facilitated by the Deckinga Group, LLC. The DFPS Office of Finance and HHSC-Provider Finance Division helped inform the content of the agendas for the workshops and participated as resources in the groups. The purpose of the focus groups was to present an overview of DFPS' final service descriptions and gather input to finalize the content of the Texas Institute for Child & Family Wellbeing's February survey which will be used to validate assumptions in the base model and service add-ons. This input is necessary to garner the level of specificity needed by HHSC-Provider Finance to establish supporting rate methodology. The focus groups included:
  1. Texas Center for Child and Family Studies, Clinical Team on January 6<sup>th</sup>.
  2. Subset of providers that are licensed as a Child Placing Agency and General Residential Operation on January 18<sup>th</sup>.
  3. Subset of providers that are licensed as Child Placing Agencies on January 18<sup>th</sup>.
  4. Subset of providers that operate Residential Treatment Centers on January 19<sup>th</sup>.
  5. Subset of providers that are licensed to provide Basic Child Care and Multiple Services in a General Residential Operation setting on January 20<sup>th</sup>.
  6. Subset of providers that operate Assessment/Emergency Shelters on January 21<sup>st</sup>.
  7. Single Source Continuum Contractors that oversee a network of service providers as a part of Community-based Care on January 21<sup>st</sup>.
  8. Advocates representing the Supreme Court of Texas Permanent Judicial Commission for Children, Youth, and Families, Texas CASA, Texans Care for Children, TexProtects, and the National Associate of Social Workers on January 24<sup>th</sup> (this workshop was facilitated by the Texas Institute for Child and Family Well-being).

9. Subset of foster parents representing both the legacy and Community-based care systems on January 26<sup>th</sup>.
  10. A series of three workshops were held with three individual provider agencies based on unique services offered such as sex offender treatment, services for victims of human trafficking, and large therapeutic and treatment foster care providers.
- Presented an overview of information collected from workshops to CPS and the Office of Community Based Care Transition leadership on January 28<sup>th</sup>.

## February 2022

- Collaborative weekly joint workplan meetings were held between the DFPS Office of Finance Leadership and HHSC-Provider Finance Division in February. Members of the DFPS Office of Finance and HHSC Provider Finance teams continued meeting multiple times a week to review and respond to questions to ensure a common understanding of the base model and service add-ons.
- DFPS and HHSC Provider Finance reviewed and provided comment on a draft of the Texas Institute for Child & Family Wellbeing's survey on February 4<sup>th</sup>.
- On February 7<sup>th</sup> the Texas Institute for Child & Family Wellbeing released a comprehensive survey to gather information that will be used to validate assumptions and provide specificity needed by HHSC Provider Finance to build out the rate methodology to support the new foster care service continuum. The survey was sent to approximately 400 DFPS and Single Source Continuum Contractor (SSCC) contracted providers and was open through February 18<sup>th</sup>.
- A dedicated Foster Care Rate Modernization webpage was created and went live on the DFPS public website February 9<sup>th</sup>. It can be accessed by visiting:  
[http://www.dfps.state.tx.us/Doing\\_Business/Purchased\\_Client\\_Services/Residential\\_Child\\_Care\\_Contracts/Foster\\_Care\\_Rate\\_Modernization/default.asp](http://www.dfps.state.tx.us/Doing_Business/Purchased_Client_Services/Residential_Child_Care_Contracts/Foster_Care_Rate_Modernization/default.asp).
- On February 9<sup>th</sup>, secured an agreement with Casey Family Programs who contracted with Pam McDonald Consulting, LLC to help support the Foster Care Rate Modernization effort.

## Continued Work

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As noted above, in February, the Texas Institute for Child & Family Wellbeing deployed a comprehensive survey to Child Placing Agencies and General

Residential Operations that contract with DFPS currently. The survey gathered critical information to further solidify elements of the service descriptions. UT is analyzing the results and will provide a report to DFPS and HHSC the first week of March. This will complete the service description validation.

In the next six months, DFPS will continue work to collaborate with HHSC on the rate setting methodology. This will likely include continued weekly meetings to discuss in detail the elements for the rate setting process and identify any gaps. HHSC is in the process of contracting with an outside entity to assist in establishing the new methodology.

DFPS will work with the Texas Institute for Child & Family Wellbeing and Casey Family Programs on implementation planning to support the new service continuum. Implementation will require extensive changes to numerous systems including:

- All foster care (DFPS and SSCC) contracts;
- IMPACT system;
- Method for projecting services (using the assessment tool);
- Policy; and
- Training.

Additional work in the spring and early summer will be largely focused on the following:

- Selecting/developing an assessment tool(s) and utilization management process that can support the new service continuum and methodology;
- Establishing rate methodology to support Community-based Care;
- Establishing a proposed periodicity schedule for methodology review; and
- Evaluation efforts to ensure maximization of federal funds.

DFPS is in the process of developing a placeholder for the Legislative Appropriations Request for the 88<sup>th</sup> Regular Session to support the new rates and implementation costs.

## Closing

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DFPS appreciates the help and support of the University of Texas' Texas Institute for Child & Family Wellbeing, Blackstone Solutions, LLC, Casey Family Programs, the Deckinga Group LLC, the Texas Alliance of Child and

Family Services, the Texas Network of Youth Services, the Texas Coalition of Homes for Children, and the foster parents, providers, and advocates who contributed their expertise and resources to the development and validation of DFPS' final service packages in the Foster Care Rate Modernization effort. Additionally, the partnership with HHSC has been invaluable every step of the way as we move closer to establishing a new foster care continuum and rate methodology.