

SUBCHAPTER 70D - PAYMENT OF GRANTS-IN-AID TO PRIVATE CHILD-CARING INSTITUTIONS

SECTION .0100 - PAYMENT OF GRANTS-IN-AID TO PRIVATE CHILD-CARING INSTITUTIONS

10A NCAC 70D .0101 PURPOSE

The purpose of this Subchapter is:

- (1) to establish standards and procedures for the payment of State funds by the Division of Social Services to private child placing agencies and to private residential child care facilities for care and services provided to children who are in the custody or placement responsibility of a county department of social services;
- (2) to assure the equitable distribution of the available funds to the eligible agencies;
- (3) to assure the purchase of the minimum sufficient level of care for foster children;
- (4) to assure adequate accountability by the eligible agencies for the use of State funds.

History Note: Authority G.S. 143B-153(2)(d);
Eff. July 1, 1983;
Amended Eff. July 1, 1992.

10A NCAC 70D .0102 DEFINITIONS

As used in this Subchapter, unless the context requires otherwise, the following terms shall have the meaning specified:

- (1) "State funds" means money appropriated by the General Assembly, including federal matching funds, to be paid to eligible private not-for-profit child placing agencies or private not-for-profit residential child care facilities.
- (2) "Child placing agency" means a private not-for-profit agency licensed by the Department of Health and Human Services to receive children for purposes of placement in residential child care facilities or family foster homes.
- (3) "Residential child care facility" means a private not-for-profit agency licensed or approved by the Department of Health and Human Services to operate a staffed premise with paid or volunteer staff where children receive continuing full-time foster care. Residential child care facility includes child-caring institutions, group homes, and children's camps which provide foster care.
- (4) "Eligible agency" means an agency which during the last State fiscal year before the payment system described in this Subchapter is inaugurated, received a State grant-in-aid to a private child-caring institution, or any agency which has become eligible to receive State funds under Rule .0103(e) and .0103(f) of this Subchapter.
- (5) "Eligible population" means children placed by a county department of social services with a private not-for-profit child placing agency or in a private not-for-profit residential child care facility. Children who are 17, 18, 19 or 20 years old continue to be eligible if they are full-time students or are accepted for enrollment as full-time students for the next school term pursuing a high school diploma or its equivalent, a course of study at the college level, or a course of vocational or technical training designed to fit them for gainful employment.
- (6) "Allowable cost" for each type of care (institutional group care, group home care, family foster care, emergency shelter care, wilderness camping) for each State fiscal year means the expenditures of the eligible agency during the agency's last complete fiscal year to provide the essentials of daily living for eligible children in that type of care, less the standard foster care board payment, and limited to the cap described in Rule .0107(b) of this Subchapter. The essentials of daily living include shelter, meals, clothing, personal incidentals, school supplies, recreation, and individual supervision. The per diem allowable cost for each agency for each type of care means that agency's annual allowable cost divided by the number of child care days provided by the agency in that type of care. When an eligible agency begins offering a type of care which it has not offered during the last fiscal year, the per diem allowable cost for that type of care for that agency during the current fiscal year will be equal to the average of the per diem allowable costs for all of the eligible agencies currently offering that type of care.
- (7) "Rate of reimbursement" means the percentage of each agency's per diem allowable cost for each type of care which is eligible for State and federal participation.

History Note: Authority G.S. 143B-153(2)(d);

Eff. July 1, 1983;
Amended Eff. July 1, 1992.

10A NCAC 70D .0103 ADMINISTRATION OF STATE FUNDS

- (a) The Division of Social Services shall have responsibility for administering State and federal funds appropriated for this purpose in accordance with rules established by the Social Services Commission.
- (b) The State funds administered under this Subchapter will be paid by the Division of Social Services directly to the eligible agencies.
- (c) The Division of Social Services will collaborate with the Child and Family Services Association of North Carolina to develop the budget proposal for these funds to be recommended to the Secretary of Health and Human Services for inclusion in the Department's budget requests.
- (d) The Division's budget recommendation will take into account the following factors:
- (1) the projected eligible population for the eligible agencies;
 - (2) the allowable cost for each type of care offered by each eligible agency;
 - (3) any proposed change in the reimbursement for each type of care;
 - (4) any inclusion of additional eligible agencies;
 - (5) State and federal funds required to make the requested appropriation, separated into three components:
 - (A) continuation funding for the eligible agencies;
 - (B) expansion funding to increase the rate of reimbursement to the eligible agencies;
 - (C) expansion funding to include additional eligible agencies.
- (e) To be eligible for receipt of State funds under this Subchapter, an agency must have been licensed or approved by the Department of Health and Human Services for the three consecutive years immediately prior to the State fiscal year for which the funds are requested, except that an agency exercising its exemption from licensure under G.S. 131D-10.4 may apply as soon as it is licensed or approved by the Department.
- (f) Private not-for-profit child placing agencies and residential child care facilities may request inclusion in the payment of State funds under this Subchapter by submitting to the Division of Social Services a written budget request, including the following:
- (1) certification that the agency has signed Civil Rights Compliance;
 - (2) copy of the agency audit for the last complete fiscal year, including a listing of the amounts and sources of public funds received for each type of care provided;
 - (3) documentation of the agency's allowable cost for each type of care offered;
 - (4) documentation of the average eligible population in each type of care provided for the last complete fiscal year; and
 - (5) the dollar amount required to include the agency at the current rate of reimbursement for eligible agencies.

History Note: Authority G.S. 143B-153(2)(d);
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10A NCAC 70D .0104 PAYMENT OF FUNDS

- (a) The Division of Social Services will annually compute each agency's allowable cost for each type of residential care: institutional group care; group home care; family foster care; emergency shelter care; wilderness camping. For each type of care, the annual allowable cost will be divided by the number of child care days to determine the per diem allowable cost.
- (b) The total annual State appropriation will be divided into 12 equal monthly appropriations. Each monthly appropriation will be distributed to the eligible agencies so that each month the rate of reimbursement will be the same for each type of care and for each eligible agency.
- (c) The Division of Social Services will compute each eligible agency's monthly payment for each type of care based on the per diem rate of reimbursement times the number of days of care provided to children in the eligible population during the preceding month.

History Note: Authority G.S. 143B-153(2)(d);
Eff. July 1, 1983;
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10A NCAC 70D .0105 STANDARDS FOR PAYMENT

(a) Each agency receiving State funds under this Subchapter shall meet the following standards:

- (1) the agency will provide care to children in the eligible population during the month in which it receives payment;
- (2) the agency will operate its residential child care pursuant to the appropriate licensure rules for the type of care provided;
- (3) the agency will file with the Division of Social Services a written statement of compliance with Title VI of the Civil Rights Act of 1964 and will have non-discriminatory admission policies;
- (4) the agency will annually submit to the Department of Health and Human Services a report of its operations on forms provided for this purpose; and
- (5) the agency will annually submit to the Department of Health and Human Services an independent audit of its financial records prepared by a certified public accountant or public accounting firm.

(b) The Department of Health and Human Services will determine whether each agency meets the conditions specified in Paragraph (a) of this Rule.

(c) Any agency which objects to the Department of Health and Human Services' determination concerning compliance with conditions specified in Paragraph (a) of this Rule may submit its objections in writing to the Secretary of Health and Human Services within 30 working days of the receipt of the Department's written determination. In such instances, the Secretary will make the final determination of compliance within 60 days.

History Note: Authority G.S. 143B-153(2)(d);
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10A NCAC 70D .0106 PHASE IN

During the first 12 months after the payment system described in this Subchapter is inaugurated, each eligible agency will receive a monthly payment per eligible child at least equal to the monthly State grant-in-aid payment per child it received during the prior 12 months to the extent funds are available for this purpose by the General Assembly.

History Note: Authority G.S. 143B-153(2)(d);
Eff. July 1, 1992.

10A NCAC 70D .0107 COST CONTAINMENT

(a) The Department will base the distribution of funds on payment of allowable foster care maintenance costs to the extent state and federal funds are available. The Department's financial obligation will be limited to the annual State appropriation as determined through the normal State budget process plus any federal receipts approved in the Department of Health and Human Services' budget for this purpose.

(b) For each annual budget recommendation, the Division of Social Services will consult with the Child and Family Services Association of North Carolina in establishing the cap to be placed on the per diem allowable cost for each type of care, taking into account the following factors:

- (1) the comparative cost data of the eligible agencies in providing the type of care;
- (2) the intensity of care required for children in the type of care;
- (3) the availability of alternative public funding for the type of care;
- (4) utilization rate of licensed capacity; and
- (5) the comparison of available space in the type of care to the need for placements by department of social services. The cap on the per diem allowable cost for each type of care will be expressed as a percentile of the eligible agencies offering that type of care, and the allowable cost for each agency will be limited to the maximum cost at the designated percentile.

History Note: Authority G.S. 143B-153(2)(d);
Eff. July 1, 1992.