



CDSS

WILL LIGHTBOURNE
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



EDMUND G. BROWN JR.
GOVERNOR

March 19, 2015

Via Electronic Delivery Only

Dear Step Up Coalition Members:

Thank you very much for acknowledging the thoughtful and detailed work that the department and its many stakeholders have undertaken since 2011 to develop the Continuum of Care Reform (CCR) report. The CCR report is child-focused, and is intended to improve the quality of out-of-home care, and to reduce the use of congregate care placements that so often are associated with poorer outcomes than are achieved in home-based family care placements.

The Administration is grateful for the support offered in your letter for the CCR report's recommendations, and for the Step Up Coalition's (Coalition) comments. Assemblymember Mark Stone recently introduced Assembly Bill 403 (AB 403) to implement recommendations in the CCR report. As introduced, the measure states the intent of the Legislature to reform CCR in the areas of placement setting, accreditation, temporary transition strategies, foster family agency licensure, provision of core services, residential treatment service provisions, residential treatment center employment requirements, rates, program auditing, and performance measures and transparency. AB 403 will be amended in the coming weeks with language specifying how California can implement these reforms; this draft language has been made available to the Coalition and other stakeholders.

The Coalition letter's primary concern relates to the ability of the CCR's proposed rate structure to accomplish the goals of CCR. We note that the concern was raised prior to draft legislative language for CCR being available. The Administration concurs with the Coalition that rates should be adequate to support not only the recruitment and retention of capable resource families and other home-based family care placement options, but also to provide the services and supports necessary to meet the individualized needs of children and families, regardless of the placement setting selected for the child or youth. This letter therefore is intended to clarify precisely how the proposed rate structures will be developed and implemented under AB 403. Specifically, the rate restructuring is implemented in the following ways:

- In acknowledging the need to transition to other placement settings that offer a variety of core services and supports, AB 403 allows existing facilities to continue to exist, upon county request and with certain conditions and approvals, for up to one year so that the health and safety and welfare of children is not jeopardized due to the lack of appropriate placement alternatives.
- Associated with each proposed placement setting, including short-term residential treatment centers, treatment foster family agencies (FFAs), non-treatment FFAs, and therapeutic and intensive treatment foster care settings, AB 403 mandates that the CDSS develop a new rate setting system that is specific to each placement setting, and consider a variety of enumerated factors in the development of each rate setting system. These provisions in the language are proposed to become effective immediately upon enactment – prior to the dates by which placement settings must fully comply with CCR reforms – because adequate rates must be developed in order for existing placement settings to make fully informed decisions about any transitions they may wish to make, and for new licensees to pursue those licenses in time for implementation of CCR more generally.
- Consistent with the historical treatment afforded in statute for existing facility types, AB 403 sets forth the framework for the development of those rates, in consideration of various factors enumerated in our proposal. These rate factors include the costs of accreditation, mental health certification, staffing standards, and health and safety protections, among others. The Administration intends that these rate development processes be conducted by the CDSS with our county partners and stakeholders, informed by the previous efforts of the CCR workgroup. In addition to other collaboration opportunities, this actual rate development work will begin no later than mid-April, 2015. The Coalition members and others will be invited to participate in this effort, and we look forward to continuing to receive your constructive input and suggestions. Children and families urgently need this reform, and beginning rate development work concurrently with the progress of AB 403 will allow successful child placement and transitions as soon as possible.

Regarding some of the other comments in the Coalition's letter, it is our shared goal that services and supports should be available to children, youth, families, and caregivers regardless of placement setting. As reflected in AB 403, those necessary services and supports should be identified based on the assessment of specified domains, using a valid tool, and in partnership with the child and family team. The assessment and case planning process need to have the flexibility to also reflect potential additional considerations such as the needs of probation youth, other sub-populations such as sex offenders or commercially sexually exploited youth, or other community characteristics. AB 403 requires that assessments cover standard domains in a consistent and valid manner, but also allows additional individual considerations.

We acknowledge that there are proposed rate restructuring provisions within AB 403 that differ in meaningful ways from the Coalition's suggestions. Because the CCR is an interdependent set of recommendations, each of which is necessary to achieve its broad goals and principles, no single recommendation should be relied upon in isolation, and similarly, no recommendation should be adjusted without considering the impact on the overall child welfare system.

We appreciate the diverse perspectives within the Coalition, and share its commitment to California's children. It will take the expertise, energy, and commitment of all of us to accomplish the goals of CCR. We look forward to ongoing discussions with the Coalition about how we can ensure that AB 403 can best serve the children whose improved futures depend on the successful implementation of the CCR effort.

Sincerely,



WILL LIGHTBOURNE
Director

Cc: Senator Kevin de León, President pro Tempore
Assemblymember Toni Atkins, Speaker
Assembly Committee on Budget, Subcommittee on Health and Human Services
Assembly Committee on Human Services
Senate Committee on Human Services
Senate Committee on Budget, Subcommittee on Health and Human Services
Assemblymember Mark Stone, Author, Assembly Bill 403