



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

February 6, 2019

SENT VIA ELECTRONIC MAIL

The Honorable Joyce Krawiec, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 308, Legislative Office Building
Raleigh, NC 27603

The Honorable Josh Dobson, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 307B, Legislative Office Building
Raleigh, NC 27603

The Honorable Donny Lambeth, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 303, Legislative Office Building
Raleigh, NC 27603

Dear Chairmen:

Session Law 2017-41, Section 7.(c), requires the Department of Health and Human Services, Division of Social Services (Division), to establish a pilot program that will allow the Division to waive the employment requirement for foster parents with children utilizing the Intensive Alternative Family Treatment (IAFT). The Division shall then submit a report on the pilot waiver program to the Joint Legislative Oversight Committee on Health and Human Services. Pursuant to the provisions of law, the Department is pleased to submit the attached report.

Should you have any questions, please contact Michael Becketts, Assistant Secretary for Human Services, at Michael.Becketts@dhhs.nc.gov.

Sincerely,

for Mandy Cohen, MD, MPH
Secretary

cc:	Michael Becketts	Marjorie Donaldson	Katherine Restrepo	Theresa Matula
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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Pilot Waiver for IAFI Foster Parents

Session Law 2017-41, Part VII, Section 7.(a)(b)(c)



**Report to
The Joint Legislative Oversight Committee on
Health and Human Services**

By

**North Carolina
Department of Health and Human Services**

February 6, 2019

Background

In January 2017, the Family Focus Treatment Association (FFTA) convened a workgroup to develop a solution to the high number of disruptions in therapeutic foster care placements. The FFTA proposed the elimination of the income/financial stability requirement for IAF families to determine if this would result in better outcomes for youth receiving IAF services.

This advocacy resulted in a provision in Rylan's Law (Session Law 2017-41), which required the North Carolina Department of Health and Human Services (NCDHHS), Division of Social Services (DSS), to establish a pilot project that would allow DSS to waive the income/financial stability requirement for foster parents who provide IAF services.

Intensive Alternative Family Treatment (IAFT) is a specialized family type, residential service provided to youth in a family home setting as a cost-effective intervention for youth who would have previously been treated in Medicaid congregate care, such as psychiatric residential treatment facilities. These youth are often suspended or expelled from school or day programs and require multiple appointments on a weekly basis to address needs, such as therapy, medication management, and school individual education plans.

IAFT is provided by private child placing agencies with oversight by Rapid Resource for Families (RRFF) and authorization of the local management entities/managed care organizations (LME/MCOs) in North Carolina. IAF provider families must maintain compliance with administrative rules and policies that govern foster home licensing.

Administrative rule 10A NCAC 70E .0803 (C)(7) requires that "The foster home applicants shall be assessed with respect to their financial ability to provide foster care". The foster home licensing policy manual states "To be licensed as a foster family, the applicant's home must be financially stable and secure. Income in a foster home must cover the bills. Foster care payments are not to be used for basic household expenses. Some sources of income are not stable and are temporary ... The objective is to show that the household is able to meet its financial needs without providing foster care services".

In order to meet the financial stability requirement, foster parents usually maintain outside employment while providing foster care. The constant demands of meeting the needs of youth receiving IAF services often lead to disruption in placement, as the foster parent is unable to meet those needs while maintaining employment obligations.

The pilot project was developed in a series of meetings convened by DSS throughout the spring of 2018. The following stakeholders participated:

Stakeholder Name	Organization
Vanessa Anderson	Partners Behavioral Health Management
Danny Nolen	Rapid Resource
Kate Peterson	Alliance Behavioral Health Care
Lisa Lackmann	UNC – Chapel Hill
Karen McLeod	Benchmarks
Treva Johnson	Omni Visions
LeJay Parker	NC Medicaid
Katherine Nichols	NC Medicaid
Eric Harbor	DHHS Division of Mental Health/Developmental Disabilities/ and Substance Abuse and Services

Wayne Black	DHHS Division of Social Services
Linda Waite	DHHS Division of Social Services
Michelle Reines	DHHS Division of Social Services

RRFF, the oversight body for IAF, provided information in a letter to private agencies explaining the pilot project, how to report the required data and additional financial incentives (extra \$20/day per youth given to families, \$2.50/day to agencies, \$2.50/day to RRFF). Private agencies that provide IAF services were asked to identify and recruit IAF families who already had one stay-at-home parent in the household as prospective participants.

The stakeholder group was responsible for outreach to each LME/MCO for participation. Alliance Behavioral Healthcare (covering Cumberland, Durham, Johnston, Wake counties) and Partners Behavioral Health Management (covering Burke, Catawba, Cleveland, Gaston, Iredell, Lincoln, Surry, Yadkin counties) opted to participate in the pilot project. To date, no additional LME/MCOs have opted to participate. The stakeholders group will contact the non-participating LME/MCOs to discuss the possibility of and encourage future participation.

County Departments of Social Services are not participants in the provision of IAF services, however they are able to refer youth in foster care to the IAF program in coordination with the LME/MCO.

Reporting Requirements

The legislation required the LME/MCOs participating in the IAF pilot project to provide a report on the outcomes, along with any recommendations, to DSS. Further, DSS would submit a report on the pilot project to the Joint Legislative Oversight Committee on Health and Human Services by December 1, 2018.

The participating LME/MCOs are conducting a comparison between IAF families in which parents are employed and those for whom the income/financial stability requirement was waived. LME/MCOs are measuring progress based on the expectation of meeting the following outcomes:

- (1) Improved placement stability with less than twenty percent (20%) of moves of youth occurring due to therapeutic foster parent request.
- (2) Seventy-five percent (75%) of youth and families meeting their treatment goals within the projected time frame.
- (3) No more than a ten percent (10%) increase in higher-level hospital bed days.

Summary

Beginning June 2018, a total of eight families have agreed to enter the pilot project. Two families are through Alliance Behavioral Healthcare and six families are through Partners Behavioral Health Management. The number of placements slots available in this project is equal to the number of homes participating in the project. IAF family homes are participating through the following provider organizations; Omni Visions, Turning Point Family Services and Children's Hope Alliance. Additional families are currently being recruited through LME/MCOs and private agencies. IAF placements may also become available in existing therapeutic foster families and potential families as they complete IAF training. The IAF training consists of elements that are designed to provide intensive therapeutic services/supports to improve the individual's mental/behavioral health and prevent further decompensation once returned to family or lower level of care. Private agencies identify and recruit potential IAF families that demonstrate the ability "to maintain treatment focus, manage behaviors, and create change for improved futures for children".

The participants chosen for the pilot project consist of families who have at least one stay-at-home parent. Private agencies have provided information to the DSS foster home licensing office regarding families participating in the pilot project. Throughout the pilot project, all participating families must submit data regarding outcomes. RRFF maintains data regarding IAFB services which includes comprehensive information on demographics, service provision and outcomes. Data is analyzed to determine whether waiving the employment requirement for IAFB families results in better outcomes for youth receiving IAFB services.

This data has been and will continue to be used to assess the outcomes in the pilot project. Per the legislation, the LME/MCOs will compare outcomes regarding placement stability, treatment goals and higher-level hospital stays at the end of the pilot project and report their findings to DSS. There will be a comparison of the outcomes achieved by the families participating in the pilot project to the outcomes achieved by all other families who provide IAFB services during the same timeframe.

The available data has been limited due to the timeframe of the pilot project. The stakeholders group will continue to enlist participants in this pilot project moving forward.

Currently, there are six youth receiving IAFB services in homes participating in the pilot project with indications of treatment progress. Currently, there is insufficient data to determine if the IAFB pilot project has broader application in the child welfare system.

Recommendations

To measure outcomes, the LME/MCOs need time to compare discharge rates of youth receiving IAFB services and to assess whether the pilot project has been effective. More time and more participation by agencies and LME/MCOs is required to make a full assessment of the project and to answer the questions posed in the legislation.

DSS and other stakeholders recommend extending the IAFB pilot project until September 30, 2019 with a final report to the legislature on December 1, 2019 to allow for collecting additional data and adequate time to encourage more participation and to measure outcomes effectively.