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To: County Department of Human Services Directors
County Department of Social Services Directors
County Department of Community Programs Directors
Children's Long-Term Support Supervisors and Leads

From: Bill Hanna, Director
Division of Medicaid Services

A handwritten signature in black ink, appearing to read "Bill Hanna".

Children's Long-Term Support Program Funding Guidance for Children's Foster Care Services

Purpose

This memo describes updates to the Children's Long-Term Support (CLTS) Program's children's foster care service's rates, funding methodology, and forms. The guidance in this memo is designed to promote access to CLTS funding for children in foster care across Wisconsin and promote consistent program and benefit operations.

The following clarifications describe how to:

1. Fund the children's foster care service through the CLTS program.
2. Demonstrate and ensure the benefit and program operations align with state and federal requirements.

County waiver agencies (CWAs) must operationalize these updates for participants in accordance with the three implementation phases and standards outlined in this memo. The implementation effective dates for each phase are July 1, 2024, January 1, 2025, and January 1, 2027.

Background

In the CLTS Program, children's foster care services are allowable for a participant who is placed in a residence that is operated as a foster home by a person licensed under [Wis. Stat. § 48.62](#) and [Wis. Admin. Code ch. DCF 56](#).

The CLTS Program's children's foster care service provides funding beyond the basic maintenance payment made to foster parents to address a participant's exceptional emotional or behavioral needs, or physical or personal care needs, when residing in a family environment. There are five [Level of Care certifications](#) that are given during the foster care licensing process.

Standardized Instructions to Determine CLTS Funding for the Children's Foster Care Service

The CLTS Program uses the Wisconsin Department of Children and Families (DCF) Uniform Foster Care Rate methodology to determine funding for the children's foster care service. The [Uniform Foster Care Rate](#) is a standard scale of monthly payments to foster parents for the cost of caring for a foster

child. The Uniform Foster Care Rate includes a basic maintenance rate and may include a supplemental and exceptional rate, based on the needs of each child.

Use these standardized instructions to determine the amount that the CLTS Program may contribute under the children’s foster care waiver service.

Basic maintenance rate

CLTS funds may not be used to cover a participant’s basic maintenance rate, regardless of the foster home’s level of care certification. The child welfare system is responsible for the basic maintenance rate.

Supplemental rate

The supplemental rate is an additional monthly payment based on the emotional, behavioral, or physical needs of the foster child that exceed normal child development and expectations. The supplemental rate is determined on a case-by-case basis using the [Child and Adolescent Needs and Strengths \(CANS\) Tool](#).

Only licensed foster parents certified at a Level 2 or higher are eligible for the supplemental payments. CLTS funds may cover the entire supplemental rate under the children’s foster care service if the requested funds meet an identified outcome that aligns with the service description for children in Levels 2 through 5 Foster Homes.

When the providers’ Level of Care Certification for Level of 3 or 4 exceeds a child’s assessed Level of Need, a Level of Care/Level of Need value of \$100.00 is added to the supplemental portion of the foster care rate. CLTS funding may be used to cover this cost. CWAs must keep a copy of the CANS Results ([DCF-F-2612-E](#) or [DCF-F-2611-E](#)) in the participant’s CLTS file.

Exceptional rate

If a child has extraordinary needs, the foster parent may receive an additional payment called an exceptional rate. This payment may be provided if the child’s placement in the foster home allows the child to move from a more restrictive setting or prevents the child’s placement in such a setting. The CWA must ensure that the exceptional rate justification is related to the child’s disability to authorize CLTS payment for the children’s foster service. CWAs must keep the child’s [Uniform Foster Care Rate Setting Page \(DCF-F-CFS0834-E\)](#) in the participant’s CLTS file.

Only licensed foster parents certified at a Level 2 or higher are eligible for the exceptional payments. The CWA determines if the exceptional rate justification is CLTS-allowable using Table 1 for children in Levels 2 through 4 Foster Homes. For participants placed in a Level 5 Foster Home, the exceptional rate justification is not required to determine the CLTS contribution. Clarifications for financial oversight regulation for Level 5 Foster Homes are included in the [Medicaid Home and Community-Based Services Waiver Manual \(P-02256\)](#).

Table 1 – Level 2 through 4 Foster Home Exceptional Rate CLTS Allowability

Exceptional Rate Justifications	CLTS Allowable
Least Restrictive (Foster Parent Supervision, Time, and Training)	Sometimes
Additional supervision	Yes

Exceptional Rate Justifications	CLTS Allowable
Additional time	Yes
Additional training	Yes
Personal incidentals – care needs	No
Personal incidentals – normalcy activities	No
Child care costs not covered by Wisconsin Shares	No
Placement of siblings or minor parent and minor children together	No
Transportation to the school the of origin	Yes
Replace a child’s basic wardrobe	No
Equalization	No

Phased Implementation

The following phased implementation timeline will standardize the CLTS Program’s children’s foster care service operations to align with the current waiver benefit and state and federal authorities.

Phase 1: New Standard Instruction to Determine Funding Amounts

Placements on and after July 1, 2024

Effective July 1, 2024, CWAs must use the new standardized instructions to determine the amount that may be authorized under the CLTS Program’s children’s foster care service for dates of placements on and after July 1, 2024.

Placements before July 1, 2024

The CWA may, but is not required to, use the new standardized instructions to determine CLTS funding for children’s foster care services for participants with dates of placements before July 1, 2024. If the CWA does not use the new methodology, the CWA may authorize up to the last amount of children’s foster care services for the participant that was authorized before July 1, 2024. The CWA may continue to authorize funding at the previous amount for children’s foster care until a placement change or until January 1, 2027 (see Phase 3 below).

If the CWA has not previously authorized children’s foster care services for a participant and the CWA chooses to authorize CLTS funding for children’s foster care services for that participant, the CWA must use the new methodology to determine the CLTS funding amount.

Placement changes

If there is a change in placement, CWAs must use the new standardized methodology to determine the CLTS contribution to the children’s foster care service for dates of placement before July 1, 2024.

Removed forms

DHS will remove the following forms from the Data Collection (Forms) Library on July 1, 2024:

- Calculating Expenses for a CLTS Foster Home Using Actual Expenses (F-01715)
- Calculating Expenses for a CLTS Foster Home Using the Uniform Foster Care Brochure (F-01716)
- Instructions—Calculating CLTS Foster Care Room and Board Expenses (F-01721)

Phase 2: Discontinue Administrative Rates

Placements on and after January 1, 2025

Effective January 1, 2025, the CLTS Program will prohibit payment for administrative rates under the children's foster care service for dates of placements on and after January 1, 2025. CWAs may not authorize CLTS payment for foster care administrative rates for participants in Levels 3 through 5 Foster Homes with dates of placements on and after January 1, 2025.

Placements before January 1, 2025

The CWA may continue to pay for administrative rates under CLTS' children's foster care service for dates of placements before January 1, 2025. If the date of placement is before January 1, 2025, the CWA may only authorize up to the approved 2023 administrative rate amount (not percentage of allowable costs) for CLTS participants in Levels 3 through 5 Foster Homes. DHS will not update the administrative rate amounts in the [Approved CLTS Treatment Foster Care Administrative Rates \(P-00700\)](#) publication.

If the date of placement is before January 1, 2025, but the CWA was not previously claiming the administrative rate for that participant, the CWA may not authorize CLTS payment for foster care administrative costs for that participant effective January 1, 2025.

Placement Changes

If there is a change in placement, a CWA must discontinue funding for administrative rates for children with dates of placement before January 1, 2025.

Phase 3: Full Implementation

Effective January 1, 2027, CWAs must use the standardized methodology to determine CLTS' contribution to children's foster care services and discontinue administrative rate payments for all CLTS participants, regardless of placement date.

Assistance

Direct any questions to the BCS Technical Assistance Center at DHSBCSTAC@dhs.wisconsin.gov.