

# SENATE BILL REPORT

## SB 5645

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As of February 10, 2019

**Title:** An act relating to child-placing agencies.

**Brief Description:** Concerning child-placing agencies.

**Sponsors:** Senators Darneille, Van De Wege, Wilson, C. and Hunt.

**Brief History:**

**Committee Activity:** Human Services, Reentry & Rehabilitation: 2/06/19.

### Brief Summary of Bill

- Directs the Department of Children, Youth and Families to conduct a child-placing agency (CPA) contract evaluation and rate analysis of the current rates compared with actual costs incurred by CPAs.
- Creates a stakeholder workgroup to design a CPA rate payment methodology based on actual provider costs of care.
- Provides an emergency clause.

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### SENATE COMMITTEE ON HUMAN SERVICES, REENTRY & REHABILITATION

**Staff:** Alison Mendiola (786-7488)

**Background:** Out-of-Home Care. When children are removed from the home of a parent or guardian due to allegations of abuse or neglect, those children may be placed with relatives or in foster care. Relatives care for almost half the children placed in out-of-home care and are required to meet certain safety requirements, but are not required to be licensed. Foster parents may pursue licensure by either the Department of Children, Youth and Families (DCYF) or private CPAs and provide temporary care to children with the goal of reunifying the child with their parent or guardian.

Child-Placing Agencies. CPAs provide a number services for foster families and children in foster care, including case management services for the child and caregiver, coordinating parent-child visitation, providing follow up services after a youth changes placement, and providing case aide services, among other things. CPAs also assist with licensing foster

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parents by working with families to meet the licensing requirements and certifying to DCYF that an individual meets the requirements. DCYF has final approval for licensing foster applications. In 2018, CPAs certified approximately 36 percent of the 5072 licensed foster homes.

**Summary of Bill:** Contract Evaluation. DCYF must conduct a CPA evaluation. The contract evaluation must include, but is not limited to:

- consideration of whether current contracts reflect services provided by and responsibilities awarded to CPAs;
- appropriateness of data-sharing agreements between CPAs and DCYF and whether such changes agreements are recommended; and
- whether the contracts appropriately clarify the role of CPAs within the foster care continuum in relation to foster parents, state case workers, and other stakeholders.

The contract evaluation is to be completed by July 15, 2019.

Rate Analysis. DCYF is to contract with an outside entity to conduct a rate analysis of current rates compared with actual costs incurred by CPAs. The analysis is to be completed by October 1, 2019.

Stakeholder Workgroup. DCYF is to convene a stakeholder work group to design a CPA rate payment methodology based on actual provider costs of care. The work group is to consider the findings of the contracted rate analysis in designing the methodology. By December 15, 2019, DCYF is to submit a report of the workgroup's findings and recommendations to the Legislature.

A CPA is an agency that contracts with DCYF to place a child or children for temporary care, continued care, or for adoption.

**Appropriation:** None.

**Fiscal Note:** Requested on February 2, 2019.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Staff Summary of Public Testimony:** PRO: Washington is different from other states in that we do placements as well as private agencies—CPAs—that do placement. CPAs account for 36 percent of all foster homes. The state pays \$447.56 per child per month for administrative costs. This includes recruitment, retention, birth parent and child engagement and other things. Other states pay much more. In 2018 we did our own report of CPA costs and discovered CPAs experience a 47 percent shortfall in the cost of providing services. The contract between CPAs and DCYF has not been reviewed in ten years. CPAs want to be a value add, we want to be a partner in reducing DCYF workload. One agency is shutting down due to the low reimbursement rate and they added 40 foster care homes. The low reimbursement rates is pushing families to BRS which pays more, leaving a gap for kids without special needs. We want to be an example of how the private sector and state can

work together. The fundamental problem of foster care is that too few care for too few children. There are 9,000 kids in care yet we only have 5,000 licensed homes. Many hands make light work. We cannot afford to license new homes anymore, as the agency spends \$200 more than what the contract pays and they cannot cover the shortfall. A rate study is the right way to go.

**Persons Testifying:** PRO: Senator Jeannie Darneille, Prime Sponsor; Jill May, Washington Association for Children and Families; Mark Fullington, Community and Family Services Foundation; Ray Deck, citizen.

**Persons Signed In To Testify But Not Testifying:** No one.