

Office of the Assistant Secretary for Planning and Evaluation
U.S. Department of Health and Human Services

OFFICE OF HUMAN SERVICES POLICY

How some states use title IV-E foster care funding for family-based facilities that treat substance use disorders

Project Officer: Laura Radel
Authors: Rivka Weiser and Jill Spielfogel, Mathematica

KEY FINDINGS

- The Family First Prevention Services Act (FFPSA) permits states to use title IV-E foster care funding for children placed in foster care with their parent in a licensed residential family-based treatment facility for substance abuse. However, almost three years into implementation, few states use this funding due to barriers such as competing priorities and lack of facilities.
- This brief describes the planning processes and experiences of three states that use or plan to use this funding, and one state that funds these costs using other means. This information may be useful to other states that have not yet fully considered the utility of this funding opportunity.
- Child welfare officials in these states noted that foster care placements in family-based facilities can have several benefits for families. For example, the intensive services, supports, and supervision in the facilities enables some children in foster care to be with their parents and might help to promote reunification.

Introduction

The Family First Prevention Services Act (FFPSA) allows states to claim reimbursement from the federal title IV-E foster care program for the cost of maintenance payments of eligible children in a foster care placement alongside their parent in a licensed residential family-based treatment facility for substance abuse (referred to as a family-based facility in this document, see Box 1).¹ Foster care maintenance payments cover such things as the cost of providing food, clothing, and shelter and are commonly referred to as room-and-board payments. Family-based facilities use various funding streams to fund services and supports for parents and children. States and facilities have, however, sometimes found it challenging to secure funding for children's room and board when they reside with a parent who is receiving treatment. Although FFPSA provided a new funding opportunity as of

¹ Additionally, tribal and territorial title IV-E agencies can claim this reimbursement. Payments can be made for up to 12 months and may not include any costs of the parent's treatment or of administration and operation of the facility. The child must meet all the title IV-E foster care eligibility requirements, except the AFDC (income) eligibility requirements in [Sections 472\(a\)\(1\)\(B\) and \(3\)](#) of the Social Security Act. For more information, see page 4 of [ACYF-CB-PI-18-07](#) (July 9, 2018) and the Joint CMS and ACF Informational Bulletin, "Support for Family-Focused Residential Treatment-Title IV-E and Medicaid – Guidance" (October 5, 2020).



October 2018, only a few states use or are actively planning to use this funding. States that have not implemented it report a variety of barriers to doing so, such as competing priorities, lack of family-based facilities, and challenges of aligning policies and funding streams relevant to both adults and children. Additionally, some state officials are concerned that because children must be in foster care for the state to claim title IV-E reimbursement, eligibility may be limited, placements could be complex to administer, and implementation might result in unnecessary foster care placements.

Box 1. What is a licensed residential family-based treatment facility for substance abuse?

- A **licensed residential family-based treatment facility for substance abuse** is a foster care placement type under title IV-E in which a child is placed with a parent who is residing in the facility. These placements must meet the requirements in [Sections 472\(j\) and 472\(a\)\(2\)\(C\)](#) of the Social Security Act, such as the facility providing trauma-informed care and particular services (including parenting skills training). (See page 4 of [ACYF-CB-PI-18-07](#) [July 9, 2018] for more information on the title IV-E requirements.)
 - Generally, **residential treatment facilities** for substance use disorders provide services in a structured residential setting staffed 24 hours a day. Treatment professionals assess individuals using criteria such as the [American Society of Addiction Medicine Criteria](#) to determine whether residential or other levels of care are appropriate.
 - Some residential facilities are **family based**, meaning that a child can reside in the facility with a parent who is receiving treatment.² Family-based facilities often also provide a range of services for children, such as counseling and therapeutic daycare.
 - In this document, we sometimes use the term **family-based facility** to refer more broadly to family-based residential treatment facilities whether or not they meet title IV-E requirements.
-

This document highlights key features of how some states use family-based facilities for foster care placements and use title IV-E foster care funding to support these placements. The objective is to help state officials understand how some states are making foster care placements in family-based facilities and using title IV-E foster care funding. Information in this document is based on discussions in April and May 2021 with child welfare officials in four states (see Table 1).³

Table 1. States and status of using title IV-E foster care funding

State	Using title IV-E foster care funding for placements in family-based facilities?
California	Plans to do so
Minnesota	Yes
Montana	No; it uses Substance Abuse Prevention and Treatment Block Grant funding.
Utah	Yes

² In 2020, about 10 percent of residential substance use treatment facilities (397 of 3,825) in the [National Survey of Substance Abuse Treatment Services](#) had residential beds for clients' children. For information by state, see Tables 6.13a and 6.5a of the 2020 survey and the related [directory of facilities](#).

³ Information about barriers is based on the authors' discussions with national stakeholders and providers in spring 2021.

How and why are states making foster care placements in family-based facilities?



In the context of growing numbers of substance use disorder-related foster care placements, FFPSA offers a funding opportunity to support keeping children with parents who need residential substance use disorder treatment.⁴ States may claim title IV-E reimbursement for maintenance payments paid on behalf of eligible children placed in foster care in licensed residential family-based treatment facilities for substance abuse. Child welfare officials noted that the intensive services, supports, and supervision in family-based facilities enabled some children in foster care to be with their parents while the parent received residential treatment.

Utah and **Montana**'s state-administered child welfare systems have used family-based facilities for trial home visits for many years before FFPSA.⁵ Utah began using title IV-E foster care funding for family-based facilities in 2018. At that time, family-based facilities had an acute need for funding of children's room and board, which did not have a sustained funding mechanism. Funding sources had included donations, short-term grants, and some state funds via legislative appropriations. While using title IV-E funding, Utah shifted to using foster care placements in family-based facilities *before* a trial home visit, allowing children to be with their parents sooner than they previously were. When a parent who has a child in foster care needs residential treatment, child welfare staff assess whether placement in a family-based facility would be appropriate and feasible. Because the state has seen positive reunification outcomes after these placements (see Box 2), it is working to increase the number of these placements.

"The parents are stabilized enough that we can place the child there and let that placement help motivate the parent, and be able to have the parent practice parenting skills with the children, with the staff at the facility helping support that."

— *Utah child welfare official*

Box 2. Outcomes after foster care placement in family-based facilities in Utah (as of January 2021)

Of children who were in these foster care placements from October 2018 to December 2020:

- 62 of 97 children (64 percent) who had exited the placement remained with their parent right after the placement in a family-based facility.
- 48 of 57 children (84 percent) who had subsequently exited foster care were reunified with their parent at case closure. For context, among all children in foster care in Utah for all abuse and neglect allegation types, 45 percent were reunified with their parent at case closure.

Source: Personal communication with Utah Division of Child and Family Services.

Minnesota and **California**'s county-administered child welfare systems did not make foster care placements in family-based facilities before FFPSA. Both states are beginning to make use of the FFPSA provision and give counties discretion regarding whether to place children in foster care in these facilities. In Minnesota, placements in family-based facilities can be made for trial home visits or voluntary placements.⁶ As of late 2020, Minnesota counties had made a few dozen title IV-E reimbursable placements in family-based facilities. California plans to begin allowing counties to

⁴ For more information on the benefits and implementation of family-centered substance use disorder treatment, see the National Center on Substance Abuse and Child Welfare's [Family-Centered Approach Modules](#).

⁵ Trial home visits are used to support families as they prepare for reunification. They occur when a child has been in foster care and is returned to their principal caretaker for a limited and specified time period, under continuing child welfare agency supervision. See [Section 1.2B7](#) (Question 5) and [Section 8.3C.5](#) of Administration for Children and Families' Child Welfare Policy Manual.

⁶ A voluntary placement occurs when the title IV-E agency and the child's parents or legal guardians agree that the child should be in the care of the title IV-E agency. In a removal through a voluntary placement agreement, the court does not authorize the child's initial removal from the home. However, in order for a child to remain eligible for title IV-E foster care maintenance payments when the child has been voluntarily removed, the title IV-E agency must secure a judicial determination within 180 days to the effect that the placement is in the best interests of the child. For more information on voluntary placement agreements, see [Section 472\(f\)](#) of the Social Security Act and [Section 8.3A.13](#) of Administration for Children and Families' Child Welfare Policy Manual.

make title IV-E reimbursable placements in family-based facilities via voluntary placement agreements. A child welfare official in California described hoping the voluntary placement agreements will be an opportunity “to actively work with families to get them the supports they need without the heavy hand of a court.”

What requirements do the facilities need to meet? How many facilities are there?



As Box 1 describes, placements in family-based facilities must meet particular requirements to be eligible for title IV-E reimbursement. California, Minnesota, and Utah have aligned licensing requirements for title IV-E reimbursable placements with existing substance use residential facility licensing, which vary by state (see Box 3). In relation to other title IV-E requirements, Utah implemented a supplement to substance use agency contracts with family-based facilities to ensure that facilities offer the required parenting skills training. California plans to ask facilities to certify that they meet the title IV-E requirements.

Minnesota, Montana, and Utah each have about five family-based facilities that can serve families with children in foster care. California has more than 80 family-based facilities across the state. The number of facilities in which title IV-E reimbursable placements may occur will depend in part on which California counties choose to implement the provision.

Box 3. Licensing requirements for family-based facilities

States’ substance use agencies vary in their licensing requirements for family-based facilities. For example:

- Minnesota’s statutes outline requirements for family-based facilities, including requirements related to supervision of children.⁷
- Montana licenses family-based facilities as parent-child recovery homes (at American Society of Addiction Medicine Level 3.1). The license includes requirements related to child safety, child care, and parenting programs.

How long do placements typically last?



Officials in California, Montana, and Utah report that stays in family-based facilities are usually at least three months long. In some facilities, parents are often in residential treatment on their own for one to two weeks before their children join them, allowing time for parents to stabilize in treatment before children arrive. After parents complete residential treatment, families often move to transitional housing and receive outpatient substance use disorder treatment.

National stakeholders and providers noted that stays in some family-based facilities are often shorter (for example, about 30 days), though officials in states featured in this brief did not note this. When a stay is relatively short, it can be difficult to align the timing for beginning and ending treatment and foster care placement in the facility, and the placement can be less stable for the family.⁸

How have states involved stakeholders?



State officials highlighted the importance of involving a wide range of stakeholders in planning and bridging communication between stakeholders and systems. State child welfare agencies reported working closely with other relevant state agencies (such as those responsible for behavioral health and Medicaid), federal partners, family-based facilities, and other stakeholders to develop implementation plans. For example, California convened workgroups that included providers, state health partners, county child welfare partners, probation partners, and attorneys that represent parents and children to develop their plan

⁷ See Minnesota [Statutes, section 245G.19](#).

⁸ For a discussion of this challenge, see “[Implementing the Substance Use Disorder Provisions of the Family First Prevention Services Act: Challenges and Opportunities](#)” (November 2020).

to allow for foster care placements in family-based facilities. Notably, Utah and Montana, both of which have many foster care placements in family-based facilities, have collaborated with various agencies and stakeholders for many years to develop processes and infrastructure for these placements.

State officials noted that some stakeholders, especially some legal stakeholders such as judges, guardians ad litem, and attorneys, might be hesitant about these placements because of concerns about child safety. Utah has worked with its court improvement program to help with its communication with legal partners. The state also found it useful to have leaders of family-based facilities speak with hesitant stakeholders about the services, supports, and supervision in the facilities.

“It’s crucial to make sure all partners are with you in planning. It would have been much more difficult to implement [the FFPSA provision] if we hadn’t had all of our partners statewide at the table with us as we planned and considered federal guidance.”

— California child welfare official

What else have states done to implement the placements and funding?



States have pursued a variety of activities to implement this FFPSA provision (in addition to modifying their title IV-E plans). For example:

- **Changing state laws.** California and Minnesota had to change state laws in relation to these placements. California added family-based facilities as an allowable foster care placement, and Minnesota’s new statute includes details about case planning, court review, and permanency proceedings for children in family-based facility placements.⁹
- **Setting reimbursement rates.** States have varied in how they set rates for foster care maintenance payments in family-based facilities. Utah calculated a rate based on title IV-E allowable costs in the family-based facilities. Minnesota uses and California plans to use foster care basic rates to pay the facilities.
- **Modifying information technology.** States have modified their information systems to support billing, tracking children and placements, and collecting data. For example, California created a new code in its system that identifies children in these placements, which will help ensure that facilities’ claims are paid properly and children’s Medicaid benefits are not inadvertently impacted.
- **Developing guidance and disseminating information.** States have developed various informational resources such as provider bulletins, practice guidelines, one-page fact sheets for caseworkers and legal stakeholders, and staff training about the placements. State officials noted that stakeholders are interested in information on topics such as the impact of placements on reunification timelines.

Although the states differed in how they implemented and funded foster care placements in family-based facilities, child welfare officials across these states noted that they thought these placements could have several benefits for families, including mitigating the trauma of family separation, strengthening parenting skills, and helping the parent’s recovery process.

This document was prepared by Mathematica for the U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation under contract HHSP233201500035I/HHSP23337015T (Mathematica reference number 50295). It is part of a project in which Mathematica conducted discussions with national stakeholders, state officials, and providers about implementation of and barriers to using title IV-E funding for family-based facilities. ASPE and the authors would like to thank state officials in California (Valerie Earley, Lori Fuller, and Turid Gregory-Furlong), Minnesota (Deborah Beske Brown, Beth Chaplin, and Maxie Rockymore), Montana (Isaac Coy and Nikki Grossberg), and Utah (Kyla Clark, Kevin Jackson, and Cosette Mills) as well as other stakeholders with whom we spoke for this project.

⁹ See California [Welfare and Institutions Code §11402](#) and Minnesota [Statutes, section 260C.190](#).