

## **PROCEDURES FOR IMPLEMENTATION AND DISTRIBUTION OF COMMUNITY TREATMENT FACILITY (CTF) SUPPLEMENTAL RATE**

### **STATUTORY AUTHORITY**

The statutory authority and general guidelines for the CTF supplemental rate process are found at Welfare and Institutions Code, Section 4094.2. A copy is provided as Enclosure 3.

### **BASIC PRINCIPLES**

- The county in which the CTF is located (called the host county) will have primary responsibility for facilitating the development and payment of the CTF supplemental rate that is paid to the host county by the State on an annual basis. A different host county may be designated by agreement among all the counties that expect to use the CTF. If all expected users do not agree, the county in which the CTF is located will be the host county.
- The host county and the CTF will develop a budget specifying the type of mental health services and level of care to be provided. A suggested format for the budget is provided as Enclosure 2. The full rate per child per month that will cover the costs included in the budget will be established by the host county and used by all placing counties.
- A supplemental rate will be paid to the CTFs of up to \$2,500 per month per child for children eligible for foster care or those placed pursuant to an Individualized Education Program (Section 7572.5 of the Government Code). The CTF supplemental rate may not exceed the full rate per child per month.
- Placing counties are responsible for paying 60 percent of the CTF supplemental rate, up to a maximum of \$1,500. The State will pay 40 percent of the rate, up to a maximum of \$1,000. The provision of the CTF supplemental rate is subject to availability in the State budget. If only partial funding is available in the State budget, both county and State shares of the CTF supplemental rate will be reduced.

## SUPPLEMENTAL RATE PROCEDURES

### Reporting CTF child days

The host county mental health department will report the actual number of child days per month per CTF for the year to DMH on the CTF Budget Sheet (Enclosure 2). Child days per month are the total number of days spent in the facility by each child in that month. For example, if a CTF houses 30 children in the facility, 20 of whom would be there for the full month (30 days) and 10 who would be there for 10 days each, the total child days would be 700 [(30 \* 20) + (10 \* 10) = 700]. The average number of child days for the month would be 23 [700 / 30 = 23].

### Setting CTF Supplemental Rates

Within 30 days after the end of the fiscal year, the host county will submit the actual average number of child days for each month in which the CTF was in operation. DMH will then determine the amount of the State's supplemental rate funding to be provided to the host county mental health department of each facility based on the submitted information. The CTF supplemental payment amount will be settled annually within 60 days of the end of the fiscal year.

Two examples of calculations of CTF supplemental rates in months in which the average State funding for the month is less than the maximum amount payable to the CTFs are provided below.

Facility Start Date	Max Sup Rate Total (State)	Average # Child Days/ Month	Example Final State Supp Rate July-Sept <sup>1</sup>	Example Final State Supp Rate Oct-June <sup>2</sup>
Facility A July	\$2,000 (\$800)	30	\$763.64	\$506.67
Facility B July	\$2,500 (\$1,000)	60	\$963.64	\$706.67
Facility C July	\$2,500 (\$1,000)	20	\$963.64	\$706.67
Facility D October	\$2,500 (\$1,000)	40	NA	\$706.67

<sup>1</sup>Example 1: There is an average of 110 child days per month for July through September. The total available monthly State funds are \$100,000. The maximum amount for Facility A is \$800 per month per child based on its budget; the maximum for the other two facilities is \$1,000. If each facility received its maximum, the total payment would be \$104,000, which is \$4,000 above the available State funds. \$4,000 divided by 110 child days is \$36.36. Each facility's maximum rate is reduced by \$36.36. The total supplemental rate for Facility A is \$274,908 (\$763.64 X 30 child days = \$22,909 X 12 months = \$274,908). The total supplemental rate for Facility B is \$693,816 (\$963.64 X 60 child days = \$57,818 X 12 months = \$693,816). The total supplemental rate for Facility C is \$231,276 (\$963.64 X 20 child days = \$19,273 X 12 months = \$231,276).

<sup>2</sup>Example 2: Now there is an average of 150 child days per month for October through June. The total available monthly State funds continue at \$100,000. If each facility received its maximum, the total payment would be \$144,000. \$44,000 divided by 150 child days is \$293.33. Each facility's maximum rate is reduced by \$293.33. The total supplemental rate for Facility A is \$182,400 ( $\$506.67 \times 30$  child days = \$15,200 X 12 months = \$182,400). The total supplemental rate for Facility B is \$508,800 ( $\$706.67 \times 60$  child days = \$42,400 X 12 months = \$508,800). The total supplemental rate for Facility C is \$169,596 ( $\$706.67 \times 20$  child days = \$14,133 X 12 months = \$169,596). The total supplemental rate for Facility D is \$339,204 ( $\$706.67 \times 40$  child days = \$28,267 X 12 months = \$339,204).