

State of California—Health and Human Services Agency



July 8, 2016

ALL COUNTY INFORMATION NOTICE (ACIN) NO. I-52-16  
MENTAL HEALTH AND SUBSTANCE USE DISORDER SERVICES (MHSUDS)  
INFORMATION NOTICE NO. 16-031

TO: ALL ADOPTION DISTRICT OFFICES  
ALL CHIEF PROBATION OFFICERS  
ALL COUNTY ADOPTION AGENCIES  
ALL COUNTY WELFARE DIRECTORS  
ALL FOSTER FAMILY AGENCIES  
ALL GROUP HOME PROVIDERS  
ALL TITLE IV-E AGREEMENT TRIBES  
COUNTY ALCOHOL AND DRUG PROGRAM ADMINISTRATORS  
COUNTY BEHAVIORAL HEALTH DIRECTORS  
CALIFORNIA ALLIANCE OF CHILD AND FAMILY SERVICES

SUBJECT: THERAPEUTIC FOSTER CARE (TFC) SERVICES AND  
CONTINUUM OF CARE REFORM (CCR)

REFERENCE: [ACL 16-10 \(February 17, 2016\)](#)  
[ACIN I-06-16 \(January 12, 2016\)](#)  
[ACL 14-79 \(October 16, 2014\)](#)  
[MHSUDS INFORMATION NOTICE NO. 14-036](#)  
[MHSD INFORMATION NOTICE NO. 13-03](#)

The purpose of this ACIN and MHSUDS Information Notice is to provide counties, mental health plans (MHPs), child welfare departments (CWDs), and providers with information to prepare for implementation of TFC services and CCR.

**BACKGROUND**

On October 11, 2015, the California Legislature passed Assembly Bill (AB) 403 (herein referred to as CCR). The CCR changes include, but are not limited to, providing services and supports to youth and families to reduce the reliance on congregate care, thereby increasing placements in home-based settings. One of the goals of CCR is to advance the shared commitments of county child welfare departments, county probation

departments, and county MHPs to address the mental health needs of children and youth. One of the ways to do this is to provide TFC as a Medi-Cal Specialty Mental Health Service (SMHS).

As a result of the *Katie A. v. Bontá* Settlement Agreement in December 2011, the State of California agreed to provide a more intensive array of well-coordinated, clinically-appropriate, and community-based mental health services. In 2013 California added Intensive Care Coordination (ICC) and Intensive Home-Based Services (IHBS) to the existing Medicaid (Medi-Cal)-covered mental health service array for these high-risk children and youth. The Settlement Agreement includes TFC services as part of the service array available to eligible children and youth. The TFC services will be available effective January 1, 2017.

The Centers for Medicare and Medicaid Services (CMS) approved [State Plan Amendment \(SPA\) 09-004](#) on February 16, 2016. This SPA provides a methodology for TFC to be reimbursed by Medi-Cal.

## **TFC SERVICES**

The TFC services will be provided through Medi-Cal SMHS under the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit. It is a short-term, intensive, highly-coordinated, and individualized Medi-Cal service provided to children and youth up to age 21 with complex emotional and mental health needs who are placed with trained, intensely supervised, and supported TFC parents.

The TFC services are intended for youth who require intensive and frequent mental health support in a one-on-one environment. The TFC is a home-based alternative to high-level care in institutional settings such as group homes and, in the future, as an alternative to Short-Term Residential Therapeutic Programs (STRTPs). The TFC homes may also serve as a transitional placement from STRTPs to other care levels. The TFC services are but one service option in the continuum of care for eligible youth. Counties are encouraged to continue to develop the resources, supports, and services needed to maintain foster youth in family-based home settings while promoting permanency for the youth through family reunification, adoption, or legal guardianship. These efforts may include the provision of ICC, IHBS, and Wraparound services, as appropriate.

Counties should use the Child and Family Team (CFT) process as outlined in the Pathways to Mental Health Core Practice Model, and as required under AB 403 (Statutes of 2015) to determine whether the youth can benefit from TFC services. Additional guidance will be issued regarding the CFT process and its role in determining appropriate mental health services for children in foster care.

The Department of Health Care Services (DHCS) and the California Department of Social Services (CDSS) continue to work closely and collaboratively with stakeholders and experts throughout California to finalize the TFC model and its fundamental components. Key concepts of this model are described below and additional detail is included in the attached TFC model and parent qualifications documents. As the state continues to finalize the model, information on other critical components of TFC will be forthcoming.

## **TFC MODEL OVERVIEW**

### **Target Population**

The TFC services will be provided as an EPSDT benefit to full scope Medi-Cal children and youth up to age 21 who meet medical necessity criteria for SMHS as set forth in California Code of Regulations, Title 9, Chapter 11, Section 1830.205 or Section 1830.210 and who have more complex emotional and mental health needs.<sup>1</sup>

### **TFC Program Operational Requirements**

The TFC services will be provided by resource parents under the direction of a Foster Family Agency (FFA). The FFA must meet licensure and accreditation<sup>2</sup> requirements as established by CDSS. In order to operate a TFC Program, the FFA must also meet applicable specialty mental health Medi-Cal requirements and be certified by the county MHP as a Medi-Cal provider. If the FFA is county owned or operated, DHCS will conduct the Medi-Cal certification. The FFAs must have a contract with an MHP to provide TFC services, and other specialty mental health services, as appropriate.

Alternatively, if the county does not have a FFA available or suitable to serve as a TFC provider, the county may assume the functions of the FFA. Under this approach, the county child welfare services agency may recruit, train, approve, and provide direct supervision and support of the TFC parents as resource parents. The MHP may provide supervision to the TFC parents as TFC providers. Additional instructions regarding this alternative model will be forthcoming.

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<sup>1</sup> DHCS is finalizing specific TFC service criteria.

<sup>2</sup> CDSS to include accreditation language that aligns with AB 1997 indicating when FFAs will need to be accredited and that further guidance on accreditation will be forthcoming.

### **Role of the Agency Operating a TFC Program**

The FFA or county agency is responsible for ensuring that resource families who become TFC parents meet the Resource Family Approval (RFA) standards established by CDSS in addition to the TFC training requirements and qualifications. The agency must provide support to TFC parents that includes, but is not limited to, competency-based training, and on-going supervision and support. The agency will also ensure the TFC parent, approved as a Medi-Cal service provider, meets and maintains all relevant requirements as a Medi-Cal provider and complies with Medi-Cal documentation standards. These requirements include, but are not limited to, having a National Provider Identifier; using a taxonomy code; only providing services that TFC parents are allowed to provide; completing progress notes that meet Medi-Cal specialty mental health documentation standards; participating on the child and family team; and meeting Health Insurance Portability and Accountability Act requirements. In addition, the agency must have a qualified Licensed Mental Health Professional (LMHP) as part of their staff in order to provide clinical and program oversight to the TFC parent to ensure their service meets Medi-Cal and other applicable requirements.

### **Role of the TFC Resource Parent**

The TFC parent is a primary change agent for the trauma-informed, therapeutic treatment of the child or youth as documented in the child or youth's mental health client plan. The TFC parent will operate under the direction of an LMHP. The TFC parent will provide daily therapeutic services and support to the child or youth, and be available 24 hours per day, 7 days per week so that the treatment and services are timely and meet the individual needs of the child in care. The TFC parent will receive extensive training prior to rendering services under TFC, and will receive extensive support and supervision under the direction of a LMHP that is able to direct services and is employed by the FFA. The TFC resource family will also provide daily care and supervision as an approved foster care provider paid for by the child welfare agency.

The TFC parent will also need to meet the requirements of the RFA training requirements. TFC parent activities will include participating as a member in the CFT, implementing in-home evidence-based, trauma informed TFC interventions, in consultation with the CFT, and assisting the child or youth in accessing needed services to meet the child or youth's mental health treatment needs and achieve client plan goals (see attached TFC parent qualifications for additional details).

## **Rates**

### Rate for Care and Supervision

Resource families providing care and supervision for children and youth who qualify for Aid to Families with Dependent Children-Foster Care payments will receive an enhanced rate for the board, care, and supervision of the child or youth. Additional information regarding the rate level will be provided in a forthcoming ACL.

### Rate for TFC Services

The DHCS will reimburse the MHPs a per diem rate based upon the cost incurred by the MHP to provide the TFC service. The MHPs will receive an interim payment based upon an approved claim. Interim payments will be settled to the lower of the MHP's certified public expenditures or its non-risk upper payment limit as described in MHSD Information Notice 12-06.

The interim per diem rate for TFC services depends upon whether or not the FFA is a contractor of the MHP or is county owned and operated.

- If the FFA is a contractor of the MHP, the FFA will be paid by the MHP a rate that is negotiated between the MHP and the FFA. The MHP submits a claim to DHCS for federal reimbursement based upon the per diem rate the MHP paid the FFA. After approving the claim, DHCS will reimburse the MHP the federal share of the approved amount.
- If the FFA is county owned and operated, DHCS will reimburse the MHP the federal share of the MHP's interim rate. The county interim rate is currently set at \$87.40 per day. Each county's interim rate will be updated annually based upon its most recently filed cost report.

## **CCR AND RFA**

To advance the implementation of CCR, CDSS has formed additional workgroups and is actively completing early development of structures and processes required by CCR, including but not limited to licensure, audits, protocols, a new rate structure, and identification of Core Services.

The CDSS released [ACL 16-10](#) on February 17, 2016, to provide information about RFA, a new foster caregiver approval process that improves the way related and non-related caregivers are approved by preparing families to better meet the needs of vulnerable children and youth in the county child welfare and/or probation systems. The process is streamlined and unifies approval standards for all caregivers regardless of the child's case plan, thereby eliminating process duplication.

The CDSS and DHCS are mindful of the need for counties to have as much time as possible to establish services in time to meet the January 1, 2017 statewide implementation date for CCR, RFA, and TFC. Counties should continue preparing for implementation while additional guidance is finalized. At a minimum, county MHPs, child welfare departments, and probation departments should discuss how fiscal and programmatic decision makers will engage one another to determine local application and impact of the myriad changes underway. Revenue sharing, client and program data and information sharing, child and family teaming, interagency policy, and management, and other functions necessitate greater local collaboration than ever before.

The DHCS and CDSS strongly encourage counties to review the Pathways to Mental Health Core Practice Model Readiness Assessment and Service Delivery Plans submitted in accordance with the Katie A. Settlement Agreement<sup>3</sup> and consider updating the information to reflect planning for TFC and integrating any relevant content into their RFA readiness assessment and implementation plans prior to submitting to CDSS. Many of the elements of the RFA readiness assessment and planning tools, such as the Workload Data Analysis, Placement Resources Action Plan, and the tasks and timeframes described in the RFA/CCR Implementation Guide for Counties, can be applied to the efforts of a multi-agency county team to prepare for TFC implementation in a manner that coordinates with CCR and RFA. Counties and providers may find the following resource documents helpful in early planning and implementation at the local level:

- [Continuum of Care Reform Communications Toolkit](#) – A series of 11 fact sheets that provide an overview of each primary area of impact under CCR.
- County Child Welfare/Mental Health Implementation Toolkit – A library of tools and forms for counties to use in assessing their readiness for implementation of TFC within the CPM. The Planning Tools section includes the [Overview of the Integrated Core Practice Model: Pathways to Well-Being—Implementation as Intended](#), the [Pathways to Well-Being Implementation Planning Tool](#), and the [Initiative, Program, or Intervention Readiness Assessment Tool](#).

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<sup>3</sup> See MHSUDS Information Notice 13-03.

- [Resource Family Approval Program](#) – This website includes information and updates on the RFA Program, readiness assessments and planning tools, a link to the California Social Work Education Center RFA Implementation Toolkit, and resources from early implementing counties.
  - RFA/CCR Implementation Guide for Counties – A framework to guide planning and implementation of RFA within CCR, including suggested committees or workgroups, tasks, and timeframes. Multi-agency county teams including CWS, MHP, and Probation may be able to leverage the activities described in this document to guide preparation for TFC implementation.

County welfare departments, probation departments and mental health authorities are encouraged to develop policies, procedures, and practices, such as support and training for caregivers that establish a shared and collaborative recruitment strategy. These strategies should include recruiting and preparing Resource Parents to also serve as TFC parents and mobilization of local resources that can assist resource parents of all types to become “TFC ready.” These strategies may include providing access to services for the parents such as General Education Diploma preparation courses, and TFC specific trainings including documentation and HIPAA requirements. Having these services and supports in place can facilitate the acceptance of a child or youth that needs TFC. This will facilitate the process for resource parents to become TFC parents sooner than if they were not prepared for this role in advance.

Please address questions regarding this information notice to the DHCS, Mental Health Services Division, at (916) 322-7445 or email [KatieA@DHCS.ca.gov](mailto:KatieA@DHCS.ca.gov) or the CDSS, Children and Family Services Division, Integrated Services Unit, at (916) 651-6600 or email [KatieA@DSS.ca.gov](mailto:KatieA@DSS.ca.gov).

Sincerely,

original signed by

KAREN BAYLOR, Ph.D., LMFT  
Deputy Director  
Mental Health and Substance Use  
Disorder Services  
California Department of Health Care Services

original signed by

GREGORY E. ROSE, MSW  
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Attachments