

TITLE 89: SOCIAL SERVICES
CHAPTER III: DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SUBCHAPTER c: FISCAL ADMINISTRATION

PART 356

RATE SETTING

Section

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AUTHORITY: Implementing and authorized by the Children and Family Services Act [20 ILCS 505].

SOURCE: 5 Ill. Reg. 324, effective December 29, 1981; amended at 6 Ill. Reg. 11851, effective September 30, 1982; amended at 10 Ill. Reg. 11432, effective July 1, 1986; amended at 11 Ill. Reg. 675, effective January 2, 1987; amended at 11 Ill. Reg. 7255, effective April 15, 1987; amended at 18 Ill. Reg. 11512, effective July 8, 1994; emergency amendment at 20 Ill. Reg. 9265, effective July 1, 1996 for a maximum of 150 days; amended at 20 Ill. Reg.14390, effective November 1, 1996; emergency amendment at 23 Ill. Reg. 8461, effective July 6, 1999 for a maximum of 150 days; emergency expired on December 2, 1999, amended at 24 Ill. Reg.7692, effective June 1, 2000; amended at 29 Ill. Reg. 8696, effective June 8, 2005.

Section 356.10 Purpose

The Department's requirements for determining purchased care rate reimbursements are described in these rules. Also described are certain reporting requirements, audit requirements, allowable costs, disallowable costs, cost standards, profit factors, and the relationship between units of service provided and reimbursement rates.

(Source: Renumbered from Section 356.1 at 20 Ill. Reg., effective November 1, 1996)

Section 356.20 Definitions

"Administrative cost" means those costs related to the management and organizational maintenance of the purchase of care provider such as program administration, postage, and clerical support.

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"Allowable costs" means those reasonable costs, as defined in this Section, that will be considered for reimbursement. Prior to the final rate determination, allowable costs are subject to revenue offset and application of reasonable cost standards if applicable, as specified in [Section 356.50](#).

"Cost report" means a report of all costs incurred and revenue earned by a provider that are directly associated with services purchased by the Department for its clients.

"Department" or "DCFS" means the Department of Children and Family Services.

"Disallowable costs" means those costs that will not be considered for reimbursement.

"Fiscal year" means July 1 through June 30.

"For-profit agencies" means those agencies that are registered as for-profit by the Secretary of State and recognized as for-profit entities by the Internal Revenue Service.

"Fringe benefits" means those provider costs not paid as salaries but incurred by agencies directly for the benefit of their employees. Fringe benefits include, but are not limited to employee health and retirement benefits, payroll taxes, worker's compensation insurance and unemployment compensation insurance. Liability insurance and malpractice insurance are not considered fringe benefits because the provider itself receives substantial benefits and protections from incurring those costs.

"Historical costs" means the total expenditure incurred for all programs the purchase of care provider provided for the previous State fiscal year that are presented via certified audit.

"Ownership costs" means the costs of maintenance, utilities, property and building insurance, depreciation, amortization of leasehold improvements, rent, property taxes, interest and other related costs.

"Preoperating expenses" are those operating expenses that are incurred in making preparation for rendering client care before the first client is admitted (e.g., costs based upon the amount of time an executive director spends on developing a new program prior to the initiation of program services, staff salaries paid during training prior to the initiation of program services, etc.).

"Purchase of care providers" means those service providers with whom the Department of Children and Family Services (Department) does business through contracts on a reimbursable basis for units of service delivered to specific clients.

"Reasonable costs" means those costs incurred by purchase of care providers that are determined to be necessary and appropriate in accordance with [Section 356.50](#).

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"Reimbursement rates" are rate levels used by the Department to reimburse for institutional and group home care; foster care; day care center and home care; adoption, counseling and homemaker service; and others as required for contracting purposes. These services are further defined in 89 Ill. Adm. Code 302 (Services Delivered by the Department of Children and Family Services).

"Revenues to be offset" means funding provided by a governmental unit via a grant mechanism that is not clearly linked to the provision of service to any one particular client. The Department will wholly or partially discount such funding in determining the providers' reimbursable costs.

"Support costs" means food and dietary, laundry, housekeeping, and other related costs.

"Total agency costs" means the total expenditure incurred for all programs the purchase of care provider provides during a State fiscal year.

"Unit of service" means a measured length of time, such as an hour or a day or some other measurable service component, that will enable the Department to determine the amount of service provided individually or in aggregate to clients.

(Source: Amended at 29 Ill. Reg. 8696, effective June 8, 2005)

Section 356.30 Types of Reimbursement Made by the Department

- a) The Department will reimburse providers through payments made according to standard reimbursement levels and through reimbursement levels which are specifically negotiated through contract. The Department shall notify the provider in writing of the reimbursement rate.
- b) Reimbursement according to rate reimbursement levels.
 - 1) The Department shall adopt the rates promulgated by another state agency where that agency is the primary purchaser of service. This shall include hospitals, nursing homes, community living facilities, day care providers and individual medical care providers.
 - 2) The Department shall calculate standard rates in accordance with Section 5a of the Children and Family Services Act [20 ILCS 505/5a]. This calculation will consider the minimum wage law, U.S. Department of Agriculture cost statistics, the age of the children to be served, the nature of the children's service needs, the experience and background of the individual provider, and the type of service provided. Reimbursement rates for these providers are set by the Department utilizing market surveys and independent cost analyses in order to arrive at a reasonable cost for specific units of service unless otherwise specified in this Part. Services for which the Department shall

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calculate standard rates include, but are not limited to, agency foster care and agency adoption services.

- 3) The Department shall calculate individual program rates for child care institutions, group homes, independent living arrangements and maternity centers subject to the provisions of [Section 356.50](#).
- c) Reimbursement according to negotiated contracts.

Agencies that provide services which reflect a significant variance in the type of service and type of client are reimbursed according to reasonable cost standards as established by the Department's approved rate methodology. See [Section 356.50](#).

(Source: Amended at 24 Ill. Reg.7692, effective June 1, 2000)

Section 356.40 Cost Information Requirements of Providers

- a) **Cost Reporting** – Except as otherwise provided by this subsection, all providers shall annually file a certified cost report on a schedule provided by the Department. The time period covered by the cost report shall correspond to the Department's fiscal year unless otherwise approved by the Department. The Department may designate cost reports filed by the provider with other State agencies as suitable for fulfilling this requirement when those reports provide all of the information needed by the Department in a clear and usable way. Any provider that completes an audit in accordance with 89 Ill. Adm. Code 357.120 (Purchase of Service Fiscal Reports and Records) shall bind the DCFS cost report required by this subsection within that audit. Day care providers are exempt from all audit and cost reporting requirements unless they are involved in the cost based rate negotiations authorized under [Section 356.30\(a\)](#) of this Part. Providers involved in those rate negotiations shall file the cost report on the Department schedule, as described in this subsection, and, if required to file an OMB Circular A-133 audit, a copy of that audit with the cost report bound within the audit.
- b) **Accrual Accounting** – The provider shall use the accrual basis of accounting when reporting financial data.
- c) **Audits** – Providers shall cooperate in any audits undertaken to verify the truth, accuracy, and completeness of reported costs, in accordance with 89 Ill. Adm. Code 434 (Audits, Reviews, and Investigations).
- d) **Total Costs and Revenue** – Providers must report all costs of service and must disclose their total costs and revenue. Supporting documentation will be required to verify the costs allocated to each of the various services the Department purchases and to the sum of other services the agency provides. The reported total cost and revenue must be certified by a licensed public accountant.

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- e) **Historical Costs** – Historical costs will be established when the provider has operated one or more years and independent auditors concur with the reported total costs. New providers who have not established their historical costs shall be permitted to submit budgeted information for the first fiscal reporting period. However, no rate increases shall be authorized for the next fiscal year until audited historical costs are available. When the rate increase is authorized based on historical costs, it will coincide with the effective date of the contract if the audit is received in accordance with contractual requirements.

- f) **Other Information Required** – As a condition of contract issuance or renewal, the Department will request and receive promptly any other financial information, reasonably related to rate determination, needed to determine the provider's costs. For determining State Fiscal Year 2000 rates, this may include submission of program budgets. (See [Section 356.50\(f\)](#).)

(Source: Amended at 29 Ill. Reg. 8696, effective June 8, 2005)

Section 356.50 Determining Rate Reimbursement Levels

This Section applies to those situations where the Department promulgates standard or individual rates identified in [Section 356.30\(b\)\(2\)](#) and (3).

- a) **Forms** – Financial reporting forms shall be used in establishing rates of reimbursement, regardless of the type of service provided.

- b) **For-Profit Agencies** – Contracts with for-profit agencies must clearly identify any profit factor that must directly correspond to units of services provided. Profit will be categorized as an administrative cost and will be limited to 9% of the total contract amount. Profit will also be included in calculating the overall administrative cost standard.

- c) **Reasonable Cost Standards** – Reasonable cost standards shall be applied to certain categories of costs except that program and transportation costs may be exempted if warranted by the special needs of the clientele. The reasonable cost standards establish reimbursement ceilings for categories of costs. The standards are derived from the median costs of all agencies providing similar services. Fringe benefits above 25% of salaries shall not be reimbursed by the Department. Administrative costs may not exceed 20% of the costs for other services. Reimbursement may exceed the reasonable cost standards if a higher rate is negotiated as a result of a rate appeal or rate enhancement that clearly demonstrates that costs in excess of the standards are the result of a necessary level of resources purchased in a prudent manner. However, administrative costs may not exceed 20% of the costs of other services.

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- d) Revenues to be Offset – Revenues to be offset shall include grants, other non-purchase-of-service revenue from other governmental agencies, revenues from the school lunch program, and revenues from local education agencies. All revenues to be offset shall be reported by the provider. These revenues will be considered as part of the resources available to the provider in determining reasonable costs. The Department will not reimburse a provider for the proportion of services or administrative charges that have been paid, wholly, or in part, by such revenues.
- e) Units of Service and Provider Capacity – Reimbursement rates shall be determined on the basis of actual units of service provided or the median utilization for all agencies providing similar services, whichever is greater. However, significant deviations from the utilization level may be used in rate-setting if unusual circumstances beyond the control of the provider directly caused a significant change in occupancy rates.
- f) Special Provisions for Calculating Individual Rate Reimbursement including Child Care Institutions, Group Homes, Maternity Centers, and Shelter Programs – For State Fiscal Year 2000 (from July 1, 1999 through June 30, 2000), the rates for all child care institutions, group homes, maternity centers, independent living, specialized foster care, treatment foster care and shelter programs will be calculated as outlined in this Section except that programs that would receive reductions will be held harmless at State Fiscal Year 1999 levels if both Fiscal Year 1998 cost reports and a program budget for State Fiscal Year 2000 are submitted within 30 days after notice to the program. If a program fails to submit a cost report within the 30-day period, the rate will be adjusted to 80% of the applicable State Fiscal Year 1999 rate. If a program files a cost report but not a budget, the rate will not be held harmless and will be adjusted downward based on the rate calculation methodology, but in no instance shall the rate be less than 80% of the program's State Fiscal year 1999 rate. This rate adjustment for State Fiscal Year 2000 applies regardless of the other provisions of this Part.
 - 1) The Department will conduct a joint rate calculation with the Illinois Department of Human Services.
 - 2) Reimbursement rates shall be determined on the basis of actual units of service provided, or the median utilization level for all similar providers, whichever is greater. The maximum utilization level that will be used to determine reimbursement rates shall be 98% of licensed or approved program capacity. For the purpose of establishing the median utilization level, residential programs will be grouped into two categories:
 - A) Child Care Institutions and Group Homes; and
 - B) Maternity Homes and approved Shelter programs.

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- 3) The reasonable cost standards for support and ownership costs shall be 120% of the median costs of all similar providers. Providers shall be deemed dissimilar, and subject to an adjusted cost standard if one or more of the following conditions has occurred on or after July 1, 1983:
 - A) the provider has built an entirely new building used directly by clients of the program,
 - B) the provider has renovated a building used directly by program clients and the annual depreciation and/or interest costs are \$20,000 or more, or
 - C) the provider has entered a first-time lease for a building used directly by program clients.
- 4) These costs shall be demonstrated by an annual audit cost report and accompanying notes as prescribed by 89 Ill. Adm. Code 357.120 (Purchase of Service Fiscal Reports and Records). The reasonable cost standards shall include a geographic differential factor to reflect the differences in costs due to geographic location when such cost differentials exist. The existence of such differentials is determined by measurement of the audited costs reported by providers and the application of generally accepted statistical tests to these costs. Any geographic differential factor that results from these tests is included in the Department's rate notices sent to providers.
- 5) Historical costs, except depreciation, interest and amortization of allowable pre-operating expenses shall be increased by inflation adjustment factor to reflect the increases in costs caused by general inflation. The maximum increase in a facility's reimbursement rate shall be 150% of the inflation adjustment factor for the most current year. The percentage limitation shall be applied to the most recent rate unless that rate declined due to a combination of both reduced utilization and reduced costs. In such case, the next most recent rate shall be used to determine the allowable maximum increase. This limitation will not be applied to cost increases mandated by regulatory agencies or program changes approved by the Department Director.
- 6) New programs not having historical costs shall have a rate set via a process that begins with completion of a projected historical cost budget in the same format used to set historical cost rates. The Regional Office developing the contract shall negotiate costs based on a comparison of the budget with levels of staffing generally needed for similar programs; with prevailing wage rates; and with levels of supply, ownership, support and other costs common to similar programs. The Department shall review the results and shall engage in further negotiations when an examination of submitted data determines an anomaly or disparity in the data in comparison to other data submitted by

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other providers. A new start rate shall then be set using the reasonable cost standards applying to the particular program under the terms of this Part with one exception: To allow for the phase-in placement of clients, the divisor applied to costs will be the greater of:

- A) the number five percentage points lower than the median utilization level applying to ongoing programs of the same type; or
 - B) the projected utilization agreed to by the Department and the provider.
- g) The Department will adopt Day Care Rates developed by the Illinois Department of Human Services for similar day care services.

(Source: Amended at 29 Ill. Reg. 8696, effective June 8, 2005)

Section 356.60 Disallowable Costs and Reduced Reimbursement

Certain costs shall not be considered by the Department for reimbursement. Cost standards may be applied to costs claimed to yield reasonable costs. Disallowable costs shall include:

- a) expenses resulting from transactions with related parties and/or parent organizations which are greater than the expense to the related party;
- b) non-straight line depreciation;
- c) research items except as approved by the Department for program evaluation;
- d) bad debts;
- e) special benefits to owners, including owner and key-man life insurance;
- f) compensation to non-working owners and officers;
- g) discounts, rebates, allowances, and charity grants offered by the agency;
- h) entertainment expenses;
- i) fund-raising;
- j) revenue producing expenses;
- k) legal fees for litigation with governmental agencies;

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- l) non-program related activities;
- m) membership to national, state, or parent organizations;
- n) awards and grants to individuals;
- o) fines and penalties;
- p) mortgage and loan principal payments;
- q) contingency funds;
- r) losses on other grants and contracts;
- s) expenses relating to the development of bids or proposals;
- t) housing of non-clients (does not prohibit the expense of live-in staff);
- u) severance pay;
- v) federal and state income tax;
- w) sales tax; and
- x) other costs not reasonably related to services.

(Source: Renumbered from Section 356.6 at 20 Ill. Reg., effective November 1, 1996)

Section 356.70 Notice and Appeal of Provider Rates

- a) Provider Eligibility - Purchase of service providers for whom the Department calculates individual rates ([refer to Section 356.30\(b\)\(3\)](#)) or negotiates rates ([refer to Section 356.30\(c\)](#)) are eligible to appeal their rates, subject to the provisions of this Section.
- b) Notice in Filing of Appeal - Appeals of the rate reimbursement determination shall be submitted in writing by the provider to the central office manager responsible for the administration of reimbursement rates within 60 days after the written notice by the Department disclosing the provider reimbursement rate. Notice shall be effective upon the date of mailing to the provider's address. Appeals submitted more than 60 days after the notice will not be considered by the Department.
- c) Principles of Appeals Process - The appeals process is designed to allow a provider to petition for an increase in its reimbursable cost rate in response to mechanical or clerical errors and/or circumstances which are beyond the control of the provider, which have an impact upon current operating costs, and which were not included in

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the Department's determination of the current allowable costs. In order to hear an appeal, the provider must have a current signed contract.

- d) Basis for Increase in Reimbursable Cost - Appeals submitted for the following reasons must be received by the Department within 60 days after reimbursable rate notice. Any change in rate, either positive or negative, as a result of the appeal process will coincide with the effective date of the amendment. Increases in reimbursable cost can be granted by the Department for the following reasons and in the following categories:
- 1) Mechanical or clerical errors were committed by the Department.
 - 2) There has been a substantial decrease in external government grants which the Department determines seriously limits the ability of the agency to deliver required services to Department clients, to the extent that such revenues were considered available when the Department approved the reimbursable cost of the provider.
 - 3) The Agency was able to document and justify that the Department's treatment of its historical cost data resulted in an inequitable application of the rate-setting process.
 - 4) Mechanical or clerical errors were committed by the provider on required cost reports and used by the Department in the calculation of reimbursable costs.
- e) Procedures for Filing Appeals - An appeal for an increase in the reimbursable cost shall be submitted in writing to the central office manager responsible for the administration of reimbursement rates with a copy to the Lead Regional Administrator.
- 1) An appeal shall include but not be limited to:
 - A) Identification of the current approved reimbursable rate;
 - B) a clear, concise statement of the reasons for the appeal;
 - C) a detailed statement of financial, statistical and related information in support of the appeal;
 - D) a citation to any statutory or regulatory requirement pertinent to the appeal; and

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- E) certification under penalty of perjury by either the chief executive officer or the financial officer of the provider that the application and all the information reports, schedules, budgets, books and records submitted are true, correct and accurate.
- 2) The Department will not accept or process an appeal which does not meet the requirements of this Section. In addition, no appeal can be acted upon unless the provider has a current signed contract.
- 3) Any documentation submitted in support of this appeal which is subsequent to filing of the appeal, shall contain the same certification described in subsection (e)(1)(E) above.
- f) Review by the Central Office Manager Responsible for the Administration of Reimbursement Rates.
 - 1) When a provider has filed an appeal, the central office manager responsible for the administration of reimbursement rates shall acknowledge in writing that an appeal has been received.
 - 2) The central office manager responsible for the administration of reimbursement rates will review each appeal for adequacy of documentation and appropriateness of the request. If required for the analysis, the Lead Regional Administrator shall provide his/her comments and recommendations regarding the appeal within 15 days after receipt.
 - 3) The central office manager responsible for the administration of reimbursement rates may request a meeting at a reasonably convenient place with representatives of the provider prior to submission of recommendations to the Director of the Department. The purpose of such meetings shall include:
 - A) clarification, formulation, and simplification of issues;
 - B) resolution of matters in controversy;
 - C) exchange of documents and information;
 - D) stipulations of facts so as to avoid unnecessary presentation before the Director of the Department;
 - E) identification of all documents which the provider or staff intend to present to the Director; and

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- F) such other matters as may aid in the simplification of the evidence and disposition of the issue.

- 4) Within 30 days after receipt by the central office manager responsible for the administration of reimbursement rates, an appeal which has complied with the principles and requirements of this Section, or within 15 days after the scheduled meeting between the central office manager responsible for the administration of reimbursement rates and the provider, whichever is later, the central office manager responsible for the administration of reimbursement rates will make a recommendation to the Director or his designee on this matter.

- g) Final Decision of the Director - The decision of the Director of the Department shall constitute final action on the appeal. Decision of the Director shall be made within 60 days after receipt of the appeal by the central office manager responsible for the administration of reimbursement rates, except that, if the central office manager responsible for the administration of reimbursement rates requests additional information, the period shall be extended by the time taken in providing that information.

(Source: Amended at 24 Ill. Reg. 7692, effective June 1, 2000)

Section 356.80 Reimbursement for Program Enhancements

- a) Any change in rates due to program enhancements submitted for the reasons cited below in relation to current cost impacts, either positive or negative, as a result of the review process, will be reflected in a contract amendment. Under no circumstances will the Department be responsible for enhancements that were implemented outside of the following process.
 - 1) The Department and the provider have reached mutual agreement that substantive changes and/or enhancement of the current program are necessary and/or desirable and have been approved by the Director;
 - 2) It is necessary and/or desirable to adjust the licensed capacity of a facility or program;
 - 3) The Department required substantial program changes as a result of mandated licensing requirements; and
 - 4) State and federal regulatory requirements have generated a substantial increase in reimbursable cost during the current contract year.

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b) Procedures for Requesting a Program Enhancement

A request shall be submitted in writing to the Administrator of the Region where the program is located with a copy to the central office manager responsible for the administration of reimbursement rates. If needed, the central office manager responsible for the administration of reimbursement rates shall supply, upon request, the name and mailing address of the Lead Regional Administrator. The request shall include, but not be limited to:

- 1) The current approved reimbursable costs and the reimbursable costs sought pursuant to the request;
- 2) A clear, concise statement of the reasons for the request;
- 3) A detailed statement of financial, statistical and related information in support of the request that clearly indicates current outcomes and the relationship between the additional costs submitted and the change of circumstances or other reasons for the higher cost;
- 4) A citation to any statutory, regulatory, or contractual requirement pertinent to the appeal;
- 5) Crucial elements that will be outlined and analyzed for every program enhancement include but are not limited to:
 - A) Summary document or letter explaining the reason for the request for a new rate;
 - B) Certified audit report for most recent provider prior fiscal year;
 - C) Consolidated Financial Reports for most recent provider prior fiscal year (reporting all programs);
 - D) The new rate being sought;
 - E) Data identifying the individual cost of each item for which additional reimbursement is being sought;
 - F) Detailed explanation of why the petitioned costs cannot be funded within the current rate;
 - G) Beginning date the costs are planned to occur;
 - H) Quantifiable programmatic outcomes occurring as a result of a rate change;

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- I) Reporting activities that will be implemented to ensure program outcomes occur at committed levels;
 - J) Quantification of past program performances for current and preceding 2 fiscal years, including, where applicable:
 - i) Number of children successfully completing program treatment;
 - ii) Rate of children leaving without completion of treatment;
 - iii) Number of incidents of psychiatric hospitalizations
 - iv) Number of runaways;
 - v) Number of incidences requiring police intervention; and
 - vi) Number of unusual incident reports;
 - K) Organization charts reflecting pre-request and post-request funds for additional staffing;
- 5) Certification under penalty of perjury by either the chief executive officer or the financial officer of the provider that the application and all the information reports, schedules, budgets, books and records submitted are true, correct and accurate.
- c) Regional Review Process
- 1) Within 30 days after filing, a request for enhancement(s) with associated cost increases, the regional contract administrator responsible for administration of the contract shall acknowledge in writing that the request has been received.
 - 2) The responsible regional contract administrator will review each request for adequacy of documentation and appropriateness of the request.
 - 3) The responsible regional contract administrator may request a meeting. The purposes of the meetings may include:
 - A) Clarification, formulation, and simplification of issues;
 - B) Resolution of matters in controversy;

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- C) Exchange of documents and information;
 - D) Stipulations of facts; and
 - E) Such other matters as may aid in the simplification of the evidence and disposition of the issue.
- d) The decision of the Director of the Department shall constitute final action. Decision of the Director shall be made within 150 days after the enhancement request.
- e) Rate Setting for Approved Program Enhancements

A summary of enhancements and costs approved by the Director of the Department shall be forwarded to the central office manager responsible for the administration of reimbursement rates. The central office manager responsible for the administration of reimbursement rates will determine, based on standard Department rate setting methodology, the change to the reimbursable unit costs.

(Source: Added at 24 Ill. Reg. 7692, effective June 1, 2000)

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DEPARTMENT OF CHILDREN AND FAMILY SERVICES

POLICY GUIDE 2017.10

COA REIMBURSEMENT FOR POS AGENCIES

DATE: August 8, 2017
TO: DCFS and Private Agency Staff
FROM: Beverly J. Walker, Acting Director
EFFECTIVE: Immediately

I. PURPOSE

The purpose of this Policy Guide is to issue revised procedures for private agencies to follow when requesting reimbursement for Council on Accreditation of Services for Families and Children (COA) accreditation costs. This Policy Guide replaces Policy Guide 2000.10.

II. PRIMARY USERS

The primary users of this Policy Guide are Quality Assurance, Contract Administration, Agency Performance, Purchase of Service (POS) Monitoring, Business Office and Administrative Service staff of the Department and purchase of service agencies with foster care contracts (traditional, relative, specialized and treatment).

III. BACKGROUND INFORMATION

Due to the Department's standard that all child welfare agencies providing foster care must be accredited DCFS agreed to reimburse COA accreditation costs to child welfare agencies providing foster care that became accredited or were reaccredited on or after July 1, 1999. The Department has since expanded the reimbursement process to child welfare agencies providing foster care services and/or Intact Family Services (IFS) on or after July 1, 2016.

If a private agency has another program(s) accredited by either the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) or the Commission for Accreditation of Rehabilitation Facilities (CARF), the private agency can pursue accreditation of their foster care and/or IFS programs(s) through that same accrediting agency without DCFS reimbursement. **However, DCFS will ONLY reimburse COA accreditation/reaccreditation costs.**



IV. ACCREDITATION/REACCREDITATION REIMBURSEMENT PROTOCOL

DCFS reimburses the cost of accreditation surveys conducted by the Council on Accreditation (COA) up to the limits in the schedule of accreditation costs provided by COA.

- DCFS will reimburse a private agency for the costs of accreditation AFTER the private agency has received accreditation certification from the COA. The effective month/year of the accreditation must be on or after July 2016 for agencies providing foster care services only, IFS services only or a combination of foster care and IFS. Accreditation costs refer to the application fee, accreditation fee (financial agreement with COA) and the site visit charge.
- After the agency has become accredited, the agency may submit a request for reimbursement of accreditation costs. The request should be in the form of a written letter to DCFS with a copy of the accreditation certification letter from COA and a copy of the billing from COA. DCFS will review the request to ensure the appropriate documentation is attached and that the costs fall within the COA schedule of accreditation costs.

- Requests for reimbursement should be submitted to:

Manager
DCFS Office of Contract Administration
406 East Monroe, Station #455
Springfield, Illinois 62701

- Reimbursement for the accreditation survey costs will be paid under **Type Service Code (TSC) 0134 - Accreditation Survey Costs Reimbursement**.
- DCFS will also reimburse the private agency for the COA application fee, accreditation fee (financial agreement with COA) and the site visit charge if the private agency is a provisional or full member of the Child Welfare League of America (CWLA) and CWLA reimburses the private agency or pays these costs on behalf of the private agency. The private agency must submit to DCFS the COA invoice paid by CWLA on behalf of the agency along with the COA accreditation certification letter.

V. REIMBURSEMENT FOR SITE PREPARATORY AND CORRECTIVE ACTION COSTS

DCFS will provide reimbursement for preparatory costs and the costs of correcting deficient standards identified in a COA accreditation survey, **up to a maximum amount equal to the total of the application fee, accreditation fee and site visit costs.** For example:

If the application fee is \$600, the accreditation fee is \$9,400 and the site visit costs are \$4,800, DCFS will reimburse the private agency \$14,800 under **TSC 0134**. The ceiling for matching preparatory and corrective action costs would then be \$14,800.

To receive reimbursement for corrective action costs, the private agency must submit:

- the original accreditation survey findings;
- the private agency's corrective action plan;
- documentation (i.e., invoices, etc.) to support the costs incurred; and
- a copy of the COA accreditation certification letter.

For site preparatory costs, appropriate documentation to support the costs incurred plus proof of accreditation are required.

- Providers need to clearly distinguish between reimbursements for survey costs versus reimbursement for corrective action or site preparatory costs.

NOTE: Reimbursement for preparatory and corrective action costs will only be made AFTER the agency has been accredited by COA.

- Requests for reimbursement must be submitted in writing to:

Manager
DCFS Office of Contract Administration
406 East Monroe, Station #455
Springfield, Illinois 62701

- Reimbursement for site preparatory and corrective action costs will be paid under **TSC 0135 – Accreditation Corrective Action Costs Reimbursement**.
- Corrective action and site preparatory costs are defined as one-time nonrecurring costs. On-going salary costs will not be considered.

DCFS will NOT reimburse a private agency for any penalties imposed by COA or for any of the costs associated with remedial visits. Remedial visits are follow up site visits required because of significant agency deficiencies.

DCFS will not reimburse the cost of any penalties imposed on the private agency as a result of the accreditation process. DCFS will not reimburse the annual maintenance fee for accreditation.

VI. QUESTIONS

Questions regarding this Policy Guide may be directed to the Office of Child and Family Policy at 217-524-1983 or via Outlook at OCFP – Mailbox. Non Outlook users may e-mail questions to cfpolicy@idcfs.state.il.us.

VII. FILING INSTRUCTIONS

Remove Policy Guide 2000.10 found immediately following **Rule 356, Rate Setting**, and replace with the attached Policy Guide.