
PAYMENT FOR OUT-OF-HOME PLACEMENTS

Payments for out-of-home placement (hereafter called foster care payments) are made from legally defined fund sources for which specific eligibility must be determined. Funding comes from federal, state and county monies.

In addition to determining the appropriate fund source for a child, an evaluation of the child's eligibility for other benefits and parental support orders must be conducted. Obtaining these funds is the responsibility of either the Reconciliation and Recoupment Section of DHS or the local office, depending on the fund source being used for placement.

In order to appropriately determine the fund source to pay for out-of-home care, staff must review the legal status, living arrangement and federal regulations.

NO PAYMENT ELIGIBILITY CASES

For children who are found ineligible for foster care payments, or for whom independent (parent-paid) foster care is requested by their parents, DHS is to provide information about placement resources.

PAYMENT FOR OWN HOME PLACEMENTS

Foster care payments are not to be made for a child living in his/her parent's home. If the family is in need, based on public assistance standards, family programs such as the Family Independence Program (FIP) are to be used.

Exception: There is a provision in child care fund statute for payment for services that are alternatives to institutional and family foster care with prior approval through the annual plan and budget process; refer to County Child Care Fund Handbook for details.

Supplemental Security Income (SSI) may also be an appropriate fund source for children at home who have a qualifying disability; see FOM 902-10, SSI Benefits Application and Determination.

TITLE IV-E FUNDING

Title IV-E funds are established by title IV-E of the Social Security Act to provide federal financial participation in the administrative costs and foster care maintenance payments for youth; see FOM 902 for details regarding title IV-E eligibility and funding.

COUNTY CHILD CARE FUNDING

County child care fund is a state legislative appropriation to partially reimburse counties for the costs of foster care and other services provided for court wards.

The county child care fund is a county-state fiscal program whereby the State of Michigan reimburses counties which provide care and service for children and their families. Based upon proper establishment of a county child care fund account by the county treasurer, an approved county annual plan and budget for the expenditure of foster care money and a county child care fund policy, county costs are reimbursed at a rate of 50 percent for foster family care, independent living, placement agency foster care (PAFC) supervision, residential facility, county-operated facility, in-home service, and intermittent or non-scheduled payments. Foster care costs during the appeal period following parental release are 100 percent reimbursable.

The county child care fund may be divided into a court sub-account and a DHS sub-account. The DHS sub-account may be used for any of the following types of care:

- The family division of the circuit court has given DHS responsibility for placement and supervision of a court ward.
- The Friend of the Court has requested foster care services for a child of divorced parents ordered into foster care by the family court.
- An application for voluntary foster care has been made by the parents. **The need for service must be more than financial.** There must be a written agreement between the county and the parent(s) specifying the terms of care and service. No agreement is to be for more than 90 calendar days. No more than two consecutive 90 calendar day agreements are permitted. The agreement must specify the amount of financial support to be provided by the parent. If care is needed for

seven days or less; see Limited Term and Emergency Foster Care - 05.

Service delivery and reporting requirements for youth whose care is funded through the DHS sub-account of the county child care fund are the same as for state wards or title IV-E funded court wards receiving DHS foster care/neglect or delinquency services. See ACM 504 for detailed instructions for reporting expenditures through the use of the DHS-206B, Monthly Report on Child Care Fund.

Additionally, the Bureau of Child Welfare Funding and Juvenile Programs may approve the use of the county child care fund for in-home care service which serves as an alternative to out-of-home placement or aids in the earlier return home of children from foster care.

STATE WARD BOARD AND CARE FUNDING

State ward board and care is the state legislative appropriation to provide payment of foster care costs for state wards who are not eligible for title IV-E or the placement is not title IV-E reimbursable; see FOM 902, Funding Determinations and Title IV-E Eligibility.

State ward board and care funds are available to support youth in out-of-home placements under certain conditions. State ward board and care funds may be used to reimburse the foster family, placement agency foster care (PAFC) provider or residential facility for care provided, for certain intermittent or non-scheduled payments and for independent living payments to the youth if the following criteria are met:

- The youth is a state ward committed to DHS under Act 150 (Delinquent), Act 220 (MCI or MCI-O), or Act 296 (Adoption Voluntary Release).
- The child is in a DHS supervised and approved out-of-home placement. This includes placement through a PAFC provider.
- The child (or the placement) is not eligible for title IV-E funding; see FOM 902, Funding Determinations and Title IV-E Eligibility.
- The youth has not attained age 19. An exception is a P.A. 150 state ward who has had court jurisdiction extended to age 21

due to a class I or II criminal offense; see FOM 903-08, Payments Requiring Special Processing.

LIMITED TERM/ EMERGENCY/ GENERAL FUNDS

Limited term/emergency/general funds is a limited funding source to assist DHS staff in providing foster care payment and service under the following specific circumstances:

1. The child is a court ward (legal status 40, 41 or 42) and title IV-E eligible except for the receipt of SSI. The Reconciliation and Recoupment Section determines eligibility for this fund source.
2. Former MCI wards between age 19 and 20 who are in foster care or independent living.
 - Limited term and emergency foster care may be used to meet the living expenses of former MCI wards but funding is not to extend beyond the ward's 20th birthday; see FOM 903-08, Payments Requiring Special Processing.
 - Payment for the basic board and care rate will be made for youth placed in family foster care, independent living or adult foster care (AFC) homes as a case service payment. Payments for determination of care supplements, administrative rates, the cost of residential care or costs that exceed the AFC rates established in ASM 377, Monthly Provider Rates, are **not** covered.
3. Emergency foster care for children in families receiving FIP and the caretaker is hospitalized or incarcerated for seven days or less and no other plan can be made through the FIP program. If care is needed for more than seven days see Payment for Own Home Placements.
 - Open a voluntary foster care case in MiSACWIS through the non-CPS intake process with legal status 51 (non-ward) and fund source limited term/emergency/general funds.
 - No case service payments are to be authorized.
 - For purposes of the use of these funds, the limit of such emergency care will be one week.

4. Children may be placed in foster care prior to release to DHS under the Michigan Adoption Code.