
OVERVIEW

This policy outlines fund sources utilized in paying for out-of-home care of youth. The fund source is determined by a combination of factors including legal status, living arrangement, and federal regulations.

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 government benefits must be conducted. If the child may be eligible for or is currently receiving government benefits a DHS-3205, Foster Care/Juvenile Justice Benefit Eligibility Record must be sent to the Government Benefits Unit at MDHHS-govtbenefits@michigan.gov.

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

PAYMENT FOR OWN HOME PLACEMENTS

Foster care payments are not to be made for a child living in their parent's home; see [FOM 901-7, Service Types and Living Arrangements](#). If the family is in need, based on public assistance standards, family programs such as the Family Independence Program (FIP) are to be used. This includes when a parent resides in the same home as the child.

Supplemental Security Income (SSI) may also be an appropriate source of income for children living at home who have a qualifying disability; see [FOM 902-12, Government and Other Benefits](#).

FUNDING SOURCES

Title IV-E Funding

Title IV-E funds are established by section 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, Funding Determinations and Title IV-E Eligibility](#).

County Child Care Funding

Child care fund (CCF) is a state legislative appropriation to partially reimburse counties for the cost of foster care and other services provided for court wards; see [SRF 904, Child Care Fund Handbook Published Policies and Business Procedures](#).

State Ward Board and Care Funding

State ward board and care (SWBC) 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/service is not title IV-E reimbursable; see [FOM 902, Funding Determinations and Title IV-E Eligibility](#).

SWBC funds are available to support youth in out-of-home placements under certain conditions. SWBC 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 case service payments, and for independent living payments to the youth if all the following criteria are met:

- The youth is a state ward committed to the Michigan Department of Health and Human Services (MDHHS) under Act 150 (Delinquent), Act 220 (MCI or MCI-O), or Act 296 (Adoption Voluntary Release).
- The child is in a MDHHS 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.
- 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 Fund

Limited term/emergency/general fund is a limited fund source providing foster care payment and service under the following specific circumstances:

- 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 on or after the child'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 (DOC) supplements, administrative rates, the cost of residential care, or costs that exceed the AFC rates established in [ASM 077, ACP SSI/SDI Provider Rates](#), are **not** covered.
- Voluntary foster care for children under specific requirements; see [FOM 722-01, Entry Into Foster Care](#) for further details. Open a voluntary foster care case in the electronic case management system through the non-CPS intake process with legal status 51 No Court Involvement/Voluntary Foster Care and fund source limited term/emergency/general funds.
- Children may be placed in foster care prior to release to MDHHS under the Michigan Adoption Code.
- Temporary court ward (TCW) children placed with unapproved relatives.
- TCW children who are not title IV-E reimbursable and placed with approved relatives.
- Youth in the young adult voluntary foster care (YAVFC) program who are not eligible for title IV-E funding.

POLICY CONTACT

Questions about this policy item may be directed to FCD at MDHHS-federalcompliance@mdhhs.gov.

