

**Department of Legislative Services**  
 Maryland General Assembly  
 2002 Session

**FISCAL NOTE**

House Bill 1117  
 Appropriations

(Delegate R. Baker, *et al.*)

**Department of Human Resources - Foster Care and Group Home Care -  
 Reimbursement and Payment Rates**

This bill requires the Department of Human Resources (DHR), when determining the appropriate reimbursement rate in a particular county for foster care and group home care providers, to consider the rates paid for similar services in a jurisdiction outside the State. The other jurisdiction must be adjacent to the Maryland county, place children in foster care in the Maryland county, and place more than 50% of its children in the Maryland county.

**Fiscal Summary**

**State Effect:** General fund expenditures could increase by \$955,700 in FY 2003 if DHR increases the reimbursement rates paid to Prince George’s County providers to match the higher rate paid by Washington, D.C. for children from D.C. who are placed in foster care and group homes in Maryland. Future years reflect annualization and inflation. Revenues would not be affected.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	955,700	1,287,000	1,299,900	1,312,900	1,326,000
Net Effect	(\$955,700)	(\$1,287,000)	(\$1,299,900)	(\$1,312,900)	(\$1,326,000)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** Potential meaningful. Group home care providers in Prince George's County that are small businesses could receive additional compensation pursuant to the bill.

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## Analysis

**Bill Summary:** This bill also allows DHR, when determining the monthly rate paid to foster care service providers, to include increments based on the age of the child, rather than requiring the department to do so.

The bill requires DHR to set the monthly foster care rate for children who need the most demanding special care in a single family home to not less than the rate that the Department of Juvenile Justice pays for the current fiscal year and the rate paid for similar services by a jurisdiction outside the State that is adjacent to the particular county, that places children for foster care in the county, that places more than 50% of its children in the State, and places more than 50% of those children in that county.

**Current Law:** DHR operates a program of out-of-home placement for children who are put into the custody of a local department of social services, for not more than six months, by a parent or legal guardian under a voluntary written agreement. The State also places minor children who are abused, abandoned, neglected, or dependent, if a juvenile court has determined that continued residence in the child's home is contrary to the child's welfare and has committed the child to the custody or guardianship of a local department of social services.

DHR must provide for the care, diagnosis, training, education, and rehabilitation of children by placing them in group homes and institutions operated by for-profit corporations or nonprofit charitable corporations. DHMH must reimburse these corporations for these services at appropriate monthly rates the department determines. The reimbursement rate may differ between homes and institutions that provide intermediate services and homes and institutions that provide full services.

There is no provision for matching the reimbursement rates of neighboring jurisdictions outside the State.

**Background:** Washington, D.C. annually places 1,600 of its children with Maryland families and institutions. Approximately 1,300 of those children are placed in Prince George's County with the remaining 300 children placed throughout the rest of the State.

**State Expenditures:** General fund expenditures could increase by \$955,725 in fiscal 2003 if DHMH increases the reimbursement rates paid to providers in Prince George's County to match the rates paid by Washington, D.C. to Prince George's County providers. The average monthly Washington, D.C. rate per child for children from birth to age 11 is \$180 more than the comparable Maryland rate (\$728 in D.C., \$548 in the State). The average monthly Washington, D.C. foster care rate per child for children 12 years of age and older is \$194 more than the comparable Maryland rate (\$802 in D.C., \$608 in the State).

However, the percentage of children from Washington, D.C. receiving services in Prince George's County could fluctuate on a daily basis and fall below the threshold that would allow those providers to receive the higher reimbursement rates.

The reimbursement rates for Montgomery County and for the counties adjacent to Pennsylvania, Rhode Island, Virginia, and West Virginia would not see an increase in their rates because that county and those states do not have 50% of their caseload placed in those Maryland counties.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Prince George's County, Department of Human Resources, Department of Legislative Services

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