



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 466, 467, and 469 (as reported without amendment)
Senate Bill 468 (Substitute S-1 as reported)
Sponsor: Senator John Bizon, M.D. (S.B. 466 & 468)
Senator Marshall Bullock II (S.B. 467 & 469)
Committee: Families, Seniors, and Veterans

CONTENT

Senate Bill 466 would amend Public Act 116 of 1973, the child care licensing Act, to modify the definition of "foster family home" and "foster family group home", and to define "qualified residential treatment program" (QRTP).

Senate Bill 467 would amend the child care licensing Act, to modify the reasons for which the Department of Health and Human Services (DHHS), under certain circumstances, could grant a variance to one or more licensing rules or statutes regulating foster family homes or foster family group homes.

Senate Bill 468 (S-1) would amend the child care licensing Act, to do the following:

- Within 30 days after a child in foster care was placed in a QRTP, require a qualified individual to assess the child's strengths, needs, circumstances, and goals.
- Require a child placing agency responsible for care and supervision of a child to assemble a team consisting of certain individuals.
- Require a child placing agency responsible for a child in foster care who was placed in a QRTP to document certain information in the child's case plan.
- Within 60 days after the start of a child's placement in a QRTP, require the court to evaluate certain information and circumstances related to the child.
- Require the court to approve or disapprove of a child's QRTP placement at each dispositional review hearing and permanency planning hearing held with respect to the child.
- Require the signed approval of the Director of the DHHS for placements longer than the prescribed time periods.
- Prohibit the DHHS, in response to the restrictions on Title IV-E foster care payments for child caring institutions of the Family First Protective Services Act, from enacting or advancing policies or practices that would result in a significant increase in the population of youth in the juvenile justice system.

Senate Bill 469 would amend the juvenile code to require the court to approve or disapprove a QRTP placement at a review hearing.

The bills are tie-barred.

MCL 722.111 (S.B. 466)
MCL 722.118b (S.B. 467)
Proposed MCL 722.123a (S.B. 468)
MCL 712A.19 & 712A.19a (S.B. 469)

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

Senate Bill 466 would have no direct fiscal impact on State and local government with the addition of the definition of a "qualified residential treatment program" and the various requirements included therein. However, this definition would satisfy Federal requirements made as a condition under the Family First Prevention Services Act (FFPSA). Under FFPSA requirements, to receive Federal child welfare funding (also known as Title IV-E funding) for congregate care or residential out-of-home placements, these placements will need to meet the qualifications described in the new definition. Nationally, the QRTP requirements will go into effect on October 1, 2019 (though this requirement could be delayed until September 29, 2021, if other Title IV-E funding incentives included in FFPSA are delayed as well). Thus, at some point in the future, when Michigan DHHS caseworkers make congregate care or residential placement determinations for children removed from their home, in order for the State to qualify for Federal reimbursement, service providers will need to meet the QRTP definition.

When QRTP guidelines take effect in Michigan, there is an uncertain, but likely a fairly significant fiscal impact to the DHHS. Information provided by residential service providers suggest there will be increased costs due to QRTP implementation which includes: training requirements to provide trauma-informed treatment, full-time coverage from licensed nursing and other licensed clinical staff, six months of after-treatment care (including transportation and staffing cost), and other administrative requirements, such as accreditation and background checks.

Congregate care or residential providers are paid through a daily administrative or maintenance payment by the State through both Federal and State funding sources. The current rates are contractual terms based on service requirements found in current law and DHHS policy. Qualified residential treatment program requirements will place additional requirements on service providers, though some providers may provide these services as a part of their current operations. To the extent that current rates are sufficient to cover provisions under QRTP, there would be no increased cost. For those requirements placed on providers that are not currently covered under current rates, rates likely would be increased to provide the obligatory services. The DHHS and the provider community are currently engaged in determining the additional QRTP costs that will factor into rate determination.

Local government fiscal impacts likely would be indirect as children served through the shared State and county child welfare structure (the County Child Care fund and State Ward Board and Care fund) are not subject to the Federal funding requirements under QRTP. However, QRTP requirements could create additional overhead costs or more generally raise rates of existing providers of congregate care or residential placements that would increase the local contribution for out-of-home placements.

Senate Bill 467 would have no fiscal impact on the State to the extent that the Michigan DHHS has developed processes to facilitate licensing variances. There would be no fiscal impact on local government.

Senate Bill 468 (S-1)'s potential fiscal impact is estimated to be approximately \$5.0 million to State government per information provided by the Michigan DHHS. The \$5.0 million estimate is on a Gross basis and includes likely Federal sources, so depending on the mix of Federal financing, the total State General Fund/General Purpose cost likely would be \$2.5 million or less annually. The increased cost would result from Federal requirements made as a condition under the Family First Prevention Services Act. The FFPSA requires that a "qualified individual" make assessments of QRTPs on an on-going basis to ensure that these placements are meeting the needs of the child. Since under the bill, the "qualified individual" could not

be an employee of the Department or connected to or affiliated with the placement setting (unless a waiver were obtained from the Federal government), contracting with third-party assessor would necessitate increased cost.

The bill would increase costs for circuit courts slightly. The bill would require the family division of Michigan circuit courts to review and approve or disapprove QRTP placements. Minor costs associated with these tasks likely would be absorbed by circuit court budgets.

Senate Bill 469 would have no fiscal impact on the Michigan Department of Health and Human Services.

The bill would increase costs for circuit courts slightly. The bill would require the family division of Michigan circuit courts to review and approve or disapprove QRTP placements. Minor costs associated with these tasks likely would be absorbed by circuit court budgets.

Date Completed: 9-16-19

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