Michigan Department of Human Services CSA Children's Services Administration Communication Issuance	**Type:** ☒ Informational Memorandum (IM) ☐ Program Instruction (PI) ☐ Policy Guide (PG)	
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	Log No.: 13-129	
	Contact: Jenifer Pettibone pettibone@michigan.gov	
	Originating Office: Federal Compliance Division	
	Subject/Title: $3.00 Legislative Adminstrative Rate increase for general foster care	
	Distribution: ☒ DHS Child Welfare Staff ☒ Private Agency Child Welfare Staff ☒ CSA Central Office Managers/Staff ☒ Native American Tribes ☐ Data Management ☒ DHS County Directors ☐ Adult Services Staff ☒ Other: Court Administrators	☐ BCAL ☐ CWTI ☒ SACWIS

Pursuant to 2013 PA 59, Section 546 (4) and (5), DHS shall pay placement agency foster care (PAFC) providers of general foster care services an additional $3.00 administrative rate.

DHS will make quarterly payments for the $3.00 increase. Additionally, PAFC providers of general foster care will be required to submit quarterly expenditure reports to DHS to show actual costs in order to comply with federal title IV-E requirements. If a PAFC fails to submit their quarterly expenditure reports in a timely manner to the office of Contracts and Purchasing (OCP), they will not be able to receive the $3.00 increase for the next quarter.

To meet this mandate, DHS will have to initiate the following payment plan:

a. State funded or title IV-E reimbursable youth:
    i. The PAFC will simply follow the normal billing practice.
    ii. Federal Compliance Division (FCD) will run quarterly data reports that will identify all cases that paid a foster care $37.00 rate.
    iii. Per that report, FCD will authorize the $3.00 legislative increase for that same service period and submit for payment.
b. CCF Funded youth:
    i. The PAFC will be required to fill in the attached spreadsheet, scan and email to the FCD email DHS-Federalcompliancedivision@michigan.gov.
    ii. FCD will verify the authorization with either the local office or the Business Service Center.
    iii. Once verification is complete, FCD will submit for payment.
    iv. This process will take approximately 30 days after the quarterly report is received from the PAFC.

Any changes to this process due to the implementation of MiSACWIS will be communicated at a later date. Thank you for your support as we work through this temporary payment solution.