

# Child Welfare Policy Manual

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## Questions & Answers

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### 8.3B.2 TITLE IV-E, Foster Care Maintenance Payments Program, Payments, Rates

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**1. Question: What are the restrictions for rate setting with respect to for-profit child-care institutions?**

**Answer:** States used non-Federal dollars when contracting with for-profit child-care institutions prior to the amendments to section 472 (c) of Social Security Act (the Act) which provide Federal financial participation (FFP) for children placed in for-profit child-care institutions. The availability of FFP should have little or no impact on title IV-E agency's rate setting practices for for-profit child-care institutions if a single set of standards has been utilized for facilities regardless of title IV-E eligibility. The approved rates should, however, clearly identify and separate payments for foster care maintenance, as defined at section 475 (4)(A) of the Act, from those for tuition, treatment, social services, and other expenditures not reimbursable under title IV-E foster care maintenance.

- **Source/Date:** ACYF-CB-PA-97-01 (7/25/97); (11/07/19)
- **Legal and Related References:** Social Security Act - sections 472, 475, and 479B; the Personal Responsibility Work Opportunity Reconciliation Act (PRWORA) (PL 104-193)

**2. Question: In our State, we pay four different rates for foster care maintenance. A basic rate to all foster parents covers food, clothing, shelter, and personal incidentals. In addition, there are three levels of supplements which are paid to foster parents who care for children with varying degrees of physical or emotional handicaps. The higher rates in these cases relate to the increased supervision required for children with special needs and are considered a part of the foster care maintenance payment. Are these supplemental payments to foster parents allowable for reimbursement under title IV-E foster care as a maintenance cost?**

**Answer:** Yes. These costs are allowable for Federal financial participation under the title IV-E foster care program. Certain categories of children, including those with physical or emotional disabilities, may require more day-to-day supervision and attention than those without such conditions. Although Congress did not intend that salaries be paid under title IV-E to foster parents for ordinary parental duties, "daily supervision" is one of the items included in the definition of "foster care maintenance payments" in section 475(4) of the

Social Security Act. A supplement to the basic maintenance payment for a particular child is justified when the child has greater than usual needs for the items included in the definition, as determined by the title IV-E agency.

- **Source/Date:** ACYF-CB-PIQ-86-04 (8/20/86); (11/7/19)
- **Legal and Related References:** Social Security Act - section 475 (4) and 479B