

**What CSA Programs Need to Know about the Use of Medicaid,  
Title IV-E, and Implementation of the Family First Prevention  
Services Act (FFPSA) as it Applies to Children in Foster Care and  
Congregate Care Placements**

**(Congregate Care Guidance)**



**Office of  
Children's Services**

**Effective Date: July 1, 2021**

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## I. Applicability

This document contains information specific to the activities of the Children’s Services Act (CSA) with regard to the placement of children in foster care into congregate care settings (psychiatric residential treatment facilities (PRTF) and group homes).

The information reflects changes in payment responsibilities for PRTFs resulting from policy determinations made by the Department of Medical Assistance Services, (DMAS or Medicaid) and addressed in [Office of Children’s Services’ Administrative Memo #20-11](#), issued on November 20, 2020.

This document also addresses changes to policies and practices in the state and local departments of social services resulting from the implementation of the Family First Prevention Services Act (FFPSA), and specifically, the Qualified Residential Treatment Program (QRTP). Information on specific FFPSA requirements for local departments of social services for congregate care placements that do not directly impact CSA should be found in the appropriate VDSS guidance documents (i.e., Section 6B. of the VDSS Foster Care Guidance) and will not generally, be repeated here.

## II. Background<sup>1</sup>

The Family First Prevention Services Act, or FFPSA, is a significant change in federal child welfare law impacting the placement of children in foster care in congregate care placements, including psychiatric residential treatment facilities (PRTF), therapeutic group homes (TGH), and children's residential facilities (CRF).<sup>2</sup>

Concerning congregate care placements, the FFPSA intends to:

- 1) disincentivize the use of such placements by instituting restrictions on the use of federal child welfare funds (i.e., title IV-E) to support such placements; and
- 2) improve outcomes for children in foster care placed in these settings by instituting a series of requirements to raise the quality of care.

The CSA system of care approach and its practitioners promote and advocate for community-based services. There are instances where a higher level of support is required to meet the needs of a child. In such circumstances, a non-family-like (congregate care) setting may be most appropriate. The system of care and the FFPSA encourage non-family-based placements to be short-term, focusing on individual children's needs, and preparing them for return to family and community life.

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<sup>1</sup> FFPSA also affects the provision of and funding for services to prevent placement in foster care. That “side” of FFPSA is discussed in other guidance documents.

<sup>2</sup> PRTF and TGH placements are licensed/regulated by the Department of Behavioral Health and Development Services. CRF placements are licensed/regulated by the Department of Social Services.

### **A. Requirements to be designated as a QRTP**

The FFPSA establishes a series of requirements for a congregate care facility to be designated as a Qualified Residential Treatment Program (QRTP) and eligible to receive federal (and matching state) title IV-E funding. The requirements to become a QRTP include a trauma-informed treatment model, accreditation approved by the Children's Bureau (the federal title IV-E oversight agency), on-site or accessible medical and clinical staff available 24 hours a day seven days a week, outreach to families, and family-based aftercare support. These requirements are detailed in the Virginia Department of Social Services' Family First webpage and are found here:

[https://familyfirstvirginia.com/foster\\_care/qrtip.html](https://familyfirstvirginia.com/foster_care/qrtip.html).

- Also at that site is a Frequently Asked Questions (FAQ) document regarding QRTPs: ([https://familyfirstvirginia.com/foster\\_care/qrtip\\_faq.html](https://familyfirstvirginia.com/foster_care/qrtip_faq.html)) and
- A list of those programs designated or being considered for designation as a QRTP: ([https://familyfirstvirginia.com/foster\\_care/qrtip\\_applicants.html](https://familyfirstvirginia.com/foster_care/qrtip_applicants.html)).

### **B. Requirements of the Placing Agency (VDSS and LDSS)<sup>3</sup>**

In addition to using QRTP-designated facilities, there are several necessary practice changes at the local department of social services to meet the FFPSA requirements for congregate care placements. These are:

- Within 30 days of a child's placement in a QRTP, an assessment must be performed by a "qualified individual" to determine if the placement is appropriate.
- Within 60 days of a placement in a QRTP, a court review must take place to approve or disapprove the placement, based on a judgement of whether the child's needs can be met through placement in a foster family home and whether or not the QRTP provides the most effective and appropriate level of care.
  - If the court does not approve the placement, the LDSS has 30 days from the date of the court hearing to move the child. Title IV-E or CSA funds (depending on the child's title IV-E eligibility) may be used during these 30 days.
  - If the court does not hold a hearing with 60 days of the placement, title IV-E funding can be used only for the first 60 days.<sup>4</sup>
- A QRTP placement must be reviewed by the VDSS Commissioner with a specified period (12 months if a youth in foster care 13 years of age or older and six months if the youth in foster care is 12 years of age or younger).

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<sup>3</sup> Specific details of these DSS requirements can be found in VDSS Foster Care Guidance, Section 6B.

<sup>4</sup> Title IV-E funding cannot be utilized in a Psychiatric Residential Treatment Facility (PRTF), regardless of the facility's status as a QRTP. Title IV-E funds may be used in group home settings only.

Responsibilities in the event of a failure to meet these VDSS/LDSS requirements are discussed in Section V of this document.

Note: Certain specialized, non-QRTP congregate settings may utilize title IV-E funds.<sup>5</sup> These include:

- Placements for pregnant and/or parenting youth
- Specialized placements for youth at risk and victims of sex trafficking
- Family-based residential treatment facilities for substance use disorder

Note: The FFPSA allows the use of title IV-E funds for congregate care placements for up to 14 days, independent of whether the placement is designated as a QRTP or one of the other specified settings. After the first 14 days of placement, an alternative funding source (e.g., Medicaid, CSA state pool) would need to be utilized if the placement does not meet a placement setting outlined in the FFPSA and VDSS Title IV-E Guidance (Section 1.8). QRTP placements must additionally adhere to the specific QRTP requirements.

### **III. Status of FFPSA Implementation – July 1, 2021**

#### **A. Date of Applicability:**

FFPSA becomes effective in Virginia on July 1, 2021. Generally speaking, all of the requirements apply only to youth in foster care placed in congregate care settings on or after that date. Youth already in a congregate care placement on July 1, 2021, are exempt and may continue, if eligible, to receive title IV-E support for the placement.<sup>6</sup> If a youth in placement on July 1, 2021 subsequently transfers to another congregate placement, the FFPSA requirements become applicable for that new placement.

#### **B. For which children do the FFPSA Requirements apply?**

During the *initial implementation* of FFPSA, children in foster care may continue to be placed in non-QRTP facilities. This allowance is because there are not sufficient designated QRTPs to ensure necessary placements. Local DSS and CSA programs are encouraged to prioritize the use of QRTP-designated facilities or one of the other specified settings.<sup>7</sup> Children in foster care placed in a non-QRTP setting are eligible for appropriate funding from CSA and Medicaid.<sup>8</sup> Title IV-E funds may not be used to support placements in non-QRTP designated facilities.

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<sup>5</sup> As of July 1, 2021, there are limited facilities designated as one of the approved, non-QRTP congregate settings in Virginia. These programs will be authorized by VDSS.

<sup>6</sup> Effective July 1, 2021, title IV-E will not be a payment source for psychiatric residential treatment facilities (PRTF) regardless of their QRTP status. See Section III A of this document.

<sup>7</sup> For all QRTP designated placements, the FFPSA requirements (e.g., assessment by a qualified individual within 30 days of placement and judicial review and approval within 60 days of placement apply).

<sup>8</sup> For placements in a PRTF or TGH, the existing Medicaid IACCT process continues to be required to obtain Medicaid authorization and funding. The CSA FAPT and CPMT processes remain unchanged.

VDSS and the Office of Children's Services (OCS) have agreed that VDSS will implement a policy that children in foster care may not be placed in a non-QRTP congregate care setting, although they may be placed in one of the three other specified settings. A set time for this policy issuance has not yet been established and there may be exceptions to this policy.

**C. What is the process for the "assessment by a qualified individual" necessary for an approved QRTP placement under FFPSA?**

(Information available as of the issuance of this Guidance)

Local departments of social services will meet this requirement through a collaborative approach utilizing current practices of the Medicaid Independent Assessment, Certification, and Coordination Team (IACCT), Family Partnership Meetings (as defined in VDSS Guidance and Policy), and the Family Assessment and Planning Team (FAPT). This process will ensure alignment of the placement recommendation from the three sources and provide the final QRTP Assessment recommendation.

Local DSS agencies will utilize the current IACCT process (for all Medicaid eligible youth) to evaluate if a residential placement (PRTF or TGH) is needed. *The FAPT will review the IACCT recommendation and if a congregate care placement is determined necessary and appropriate, establish long and short-term goals for the child/youth (through the IFSP).* A Family Partnership Meeting will be held by the LDSS to engage the family and incorporate the family's voice and decision making regarding the long and short-term goals for the child, as well as any recommendations of the IACCT and the FAPT.

These three elements ensure compliance with the requirements of the FFPSA and this collaborative process will be utilized by the VDSS-designated qualified assessor to determine that a child's needs cannot be met in a family-based setting and that a QRTP is the best placement for the child consistent with their short and long-term goals.

The following graphic illustrates this process and it is the expectation that each of the components is completed within 21 days of the child's placement, in order to allow sufficient time to meet the 30-day requirement.



**IV. Setting Specific Placement and Funding Considerations:**

**A. Psychiatric Residential Treatment Facilities (PRTF)**

Independent of the FFPSA requirements, the Department of Medical Assistance Services (DMAS), with the concurrence of VDSS and OCS, has determined that when a Medicaid member is in a PRTF, all costs (other than education) must be paid by Medicaid and cannot be "shared" with title IV-E. As described in [CSA Administrative Memorandum #20-11, Upcoming Changes to Congregate Care Funding for Children in Foster Care](#), effective with services provided on or after July 1, 2021, title IV-E must not support placements in PRTF settings. This change is summarized in Table A. Costs for PRTF placements are split between Medicaid (PRTF per diem components and additional Medicaid covered services) and CSA (education in the residential setting).<sup>9,10</sup>

**Table A**

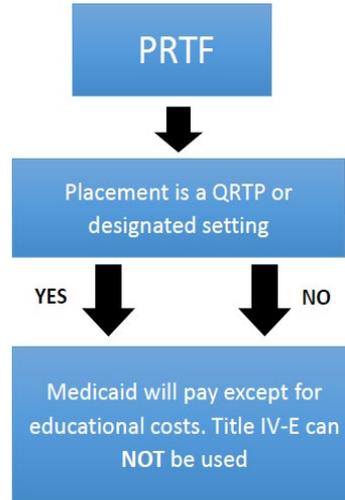
Service Category	Youth is a Medicaid Member <u>and</u> meets Medical Necessity Criteria for PRTF <sup>11</sup>	Funding Source
<b>PRTF per diem components - Room and Board, Daily Supervision, some Therapeutic Services</b>	<b>YES</b>	<b>Medicaid</b>
	<b>NO</b>	<b>CSA</b>
<b>Educational Services</b>	<b>YES</b>	<b>CSA</b>
	<b>NO</b>	<b>CSA</b>
<b>Medicaid covered services in addition to the PRTF per diem, including EPSDT funded services</b>	<b>YES</b>	<b>Medicaid</b>
	<b>NO</b>	<b>CSA</b>

This distribution of funding applies whether or not the PRTF is designated as a QRTP. However, the guidance about the preference for placing a child in a QRTP designated facility remains relevant.

The following graphic summarizes PRTF funding.

<sup>9</sup> The local Medicaid match collected on behalf of DMAS by OCS will increase with the elimination of title IV-E funding, as it is replaced by Medicaid.

<sup>10</sup> For purposes of coding in the Local Expenditure, Data and Reimbursement System (LEDRS), costs for title IV-E eligible children placed in a PRTF currently coded as Expenditure Code 1a, should continue to be coded as such to allow tracking of the impact of the shift from title IV-E to Medicaid funding.



If Medicaid determines that the child does not meet medical necessity criteria for the placement, the local DSS and CSA program should carefully consider whether a PRTF is the appropriate placement. This circumstance should rarely occur, and alternative placements should be sought whenever possible. Consultation with VDSS and DMAS is appropriate in such cases. However, if the qualified assessor and the FAPT decides the placement is appropriate, the placement is “acceptable” and CSA will be the payer.

**1. What about children in foster care who do not have Medicaid?**

Although this should be a rare occurrence (as children not eligible for Medicaid are not typically eligible for title IV-E), title IV-E can be used if the PRTF facility is a QRTP.

**2. What about children placed in an out-of-state PRTF?**

Prior to placement, the LDSS and the local CSA program should consult with VDSS Regional Permanency, title IV-E, and Interstate Compact for the Placement of Children (ICPC) consultants about whether the proposed placement is eligible for title IV-E funding through the LDSS.

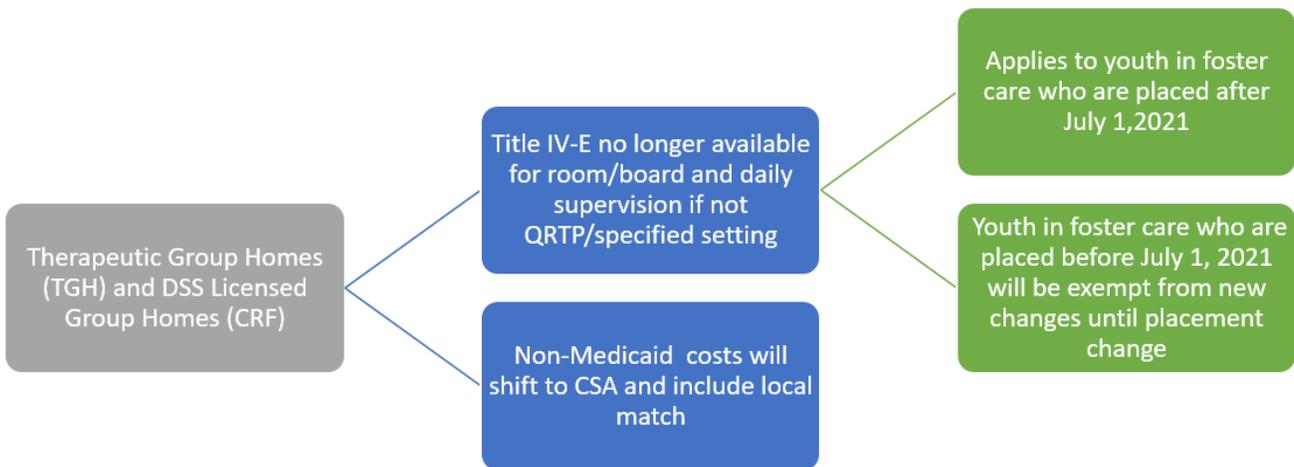
**B. Therapeutic Group Homes (TGH)**

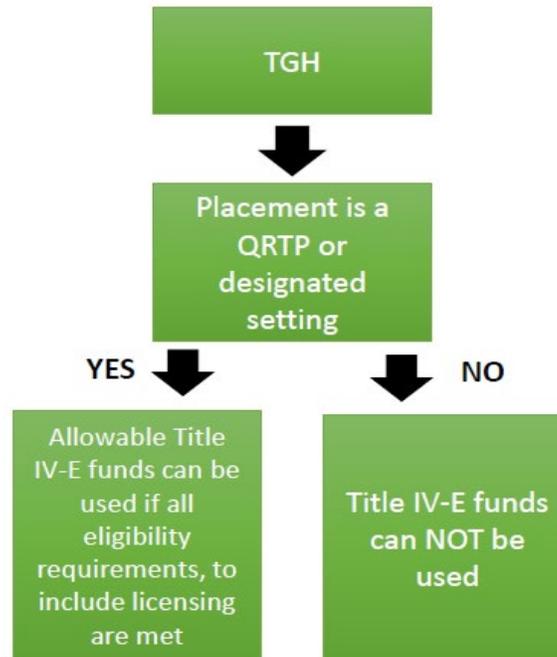
Under FFPSA requirements, effective with placements occurring on or after July 1, 2021, TGH facilities not designated as a QRTP are not eligible for title IV-E funding. Previously title IV-E funded group home services (room and board and daily supervision) will now become the CSA program's responsibility as these elements are not eligible for Medicaid reimbursement. Funding for TGH placements is seen in Table B.

**TABLE B**

Service Category	Youth is a Medicaid Member <u>and</u> meets Medical Necessity Criteria for a TGH	Funding Source
Medicaid TGH per diem components (i.e., Therapeutic Services)	YES	Medicaid
	NO	CSA
Room and Board, Daily Supervision (youth title IV-E eligible <u>and</u> QRTP designated facility)	YES	Title IV-E
	NO	CSA
Room and Board, Daily Supervision (youth not title IV-E eligible <u>or</u> not a QRTP designated facility)	YES	CSA
	NO	CSA

The following graphics illustrate title IV-E funding for a TGH (and CRF).





In addition to Medicaid (IACCT) authorization, the guidance about the preference for placing a child in a QRTP designated facility remains relevant, and the use of QRTP designated TGH programs reduces local CSA costs for title IV-E eligible children.

If Medicaid determines that the child does not meet medical necessity criteria for the placement, the local DSS and CSA program should carefully consider whether a TGH is the appropriate placement. This circumstance should rarely occur, and alternative placements should be sought whenever possible. Consultation with VDSS and DMAS is appropriate in such cases. However, if the qualified assessor and the FAPT decides the placement is appropriate, the placement is “acceptable” and title IV-E (if the youth is eligible and the TGH is a QRTP) and/or CSA will be the payer.

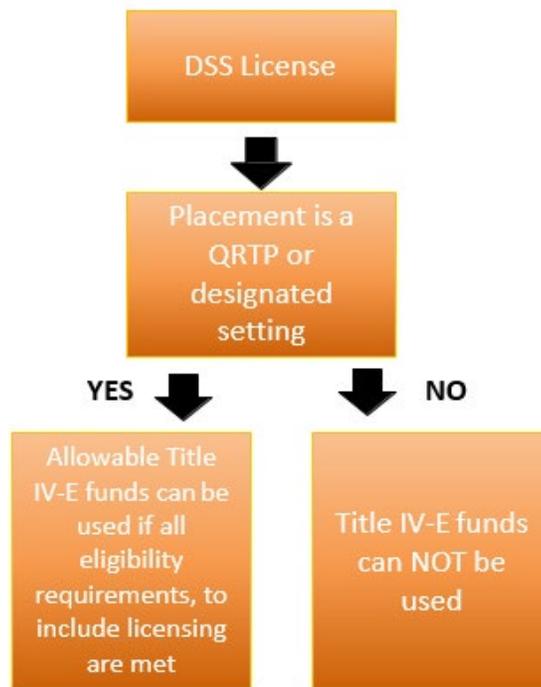
### **C. Children's Residential Facilities (CRF) (licensed by VDSS)**

Under FFPSA requirements, effective with placements occurring on or after July 1, 2021, CRF facilities not designated as a QRTP are not eligible for title IV-E funding. Previously, title IV-E funded room and board and daily supervision in a children's residential facility. For non-QRTP facilities, the total cost of the placement is the CSA program's responsibility. Funding for CRF placements is seen in Table C.

**TABLE C**

Service Category	Funding Source
Room and Board, Daily Supervision (youth title IV-E eligible <u>and</u> QRTP designated facility)	Title IV-E
Room and Board, Daily Supervision (youth not title IV-E eligible <u>and/or</u> not a QRTP designated facility)	CSA
All other non-title IV-E covered services	CSA

The following graphic illustrates title IV-E funding for a CRF.



**V. Meeting the FFPSA Congregate Care Procedural Requirements for all children in foster care placed in a QRTP**

For all children in foster care placed in a QRTP setting on or after July 1, 2021, the LDSS is responsible for meeting the three procedural requirements (see Section I.B.) for children placed in a QRTP, regardless of their title IV-E status. Failure to complete these requirements resulting in a denial of title IV-E funding (if applicable) will not generally be payable by the CSA.<sup>12</sup>

<sup>12</sup> This only applies to group homes (TGH and CRF) as title IV-E will no longer be a payment source for PRTFs

An exception may be requested (per established VDSS procedure) if the reason for the failure is due to the timely completion of the required 60-day court hearing. In such instances, title IV-E can pay up to the 60<sup>th</sup> day and then no longer for the remainder of the placement.

If the reason for not meeting this requirement can be demonstrated to be beyond the control of the LDSS (i.e., due to delays imposed by the court), upon VDSS approval conveyed to OCS, CSA may pay for the denied title IV-E component of the placement. LDSS are encouraged to work with their courts and the Court Improvement Program in the Office of the Executive Secretary of the Supreme Court of Virginia to minimize instances resulting in a title IV-E denial under the FFPSA provisions.

## **VI. Resources**

Family First Website (VDSS): [https://familyfirstvirginia.com/foster\\_care/qntp.html](https://familyfirstvirginia.com/foster_care/qntp.html).

Family First Frequently Asked Questions about QNTPs (VDSS) document regarding QNTPs:  
([https://familyfirstvirginia.com/foster\\_care/qntp\\_faq.html](https://familyfirstvirginia.com/foster_care/qntp_faq.html))

Listing of programs designated or being considered for designation as a QNTP:  
([https://familyfirstvirginia.com/foster\\_care/qntp\\_applicants.html](https://familyfirstvirginia.com/foster_care/qntp_applicants.html))

[CSA Administrative Memorandum #20-11, Upcoming Changes to Congregate Care Funding for Children in Foster Care](#)

[VDSS Foster Care Guidance \(pending update\)](#)

[VDSS Title IV-Guidance \(pending update\)](#)