

199.641 Definitions -- Payments to child-caring facility or child-placing agency.

- (1) As used in this section, unless the context otherwise requires:
 - (a) "Allowable costs report" means a report from each child-caring facility or child-placing agency that contracts with the department for services and includes all allowable costs as defined by the Federal Office of Management and Budget's guidance, including Title 2 of the Code of Federal Regulations, and other information the department may require, utilizing cost data from each child-caring facility's or child-placing agency's most recent yearly audited financial statement;
 - (b) "Department" means the Department for Community Based Services of the Cabinet for Health and Family Services;
 - (c) "Model program cost analysis" means a report based on a time study, the allowable costs report, and other information required by the department from each child-caring facility or child-placing agency that contracts with the department for services that determines a statewide median cost for each licensed program category of service provided by child-caring facilities or child-placing agencies; and
 - (d) "Time study" means the process of reporting the work performed by employees of child-caring facilities or child-placing agencies in specified time periods.
- (2) Subject to the limitations set forth in subsection (4) of this section, when the department chooses to contract with a child-caring facility or child-placing agency for services to a child in the custody of or committed to the department, the department shall make payments to that facility based on the rate setting methodology developed from the model program cost analysis. The department shall also assure that the methodology:
 - (a) Provides payment incentives for moving children as quickly as possible to a permanent, continuous, stable environment;
 - (b) Provides children who require out-of-home care or alternative treatment with placements that are as close as possible to their home geographic area and ensure continuity with their families, schools, faiths, and communities;
 - (c) Provides appropriate placement and treatment services that effectively and efficiently meet the needs of the child and the child's family as close as possible to the child's home geographic area; and
 - (d) Facilitates provider participation in the state Medicaid program established in accordance with KRS Chapter 205.
- (3) The department shall use the model program cost analysis as a basis for cost estimates for the development of the department's biennial budget request.
- (4) The secretary shall, to the extent funds are appropriated, establish and implement the rate setting methodology and rate of payment by promulgation of administrative regulations in accordance with KRS Chapter 13A that are consistent with the level and quality of service provided by child-caring facilities. The administrative regulations shall also include the forms and formats for the model program cost

analysis.

- (5) Nothing in this section shall prohibit the department from soliciting proposals to improve or expand alternative services for children in the custody of or committed to the cabinet.

Effective: July 14, 2018

History: Amended 2018 Ky. Acts ch. 159, sec. 5, effective July 14, 2018. -- Amended 2005 Ky. Acts ch. 99, sec. 190, effective June 20, 2005. -- Amended 2000 Ky. Acts ch. 14, sec. 21, effective July 14, 2000; and ch. 307, sec. 1, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 426, sec. 153, effective July 15, 1998. -- Amended 1992 Ky. Acts ch. 297, sec. 1, effective July 14, 1992. -- Created 1988 Ky. Acts ch. 239, sec. 1, effective July 15, 1988.

Legislative Research Commission Note (7/14/2000). This section was amended by 2000 Ky. Acts chs. 14 and 307. Where these Acts are not in conflict, they have been codified together. Where a conflict exists, Acts ch. 307, which was last enacted by the General Assembly, prevails under KRS 446.250.