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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 95 LCM-31

Date: March 29, 1995

Division: Services and
Community
Development

TO: Local District Commissioners

SUBJECT: Foster Care and Subsidized Adoption Payment Changes

ATTACHMENTS: Notification Letter - Attachment 1 (available on-line)
DSS-3527 A - Attachment 2 (not available on-line)
DSS-3527 B - Attachment 3 (not available on-line)
DSS-3527 C - Attachment 4 (not available on-line)

This is to advise you of changes to the requirements for the way payments are authorized and made in both the foster care and adoption subsidy environment.

The changes are being introduced to maximize and expedite accurate payment and reimbursement to districts for services provided by taking full advantage of the Statewide Service Payment System (SSPS) to streamline both cash flow and claiming.

The Phase I enhancements of SSPS (payment for the provision of Foster Care and Adoption Subsidy directly to Foster and Adoptive parents) will be piloted during the months of March through July 1995 in Dutchess County. Implementation for the remaining upstate districts is planned for the latter half of calendar year 1995.

Currently in the BICS environment, it is acceptable to utilize either a monthly or daily rate structure for foster care and adoption subsidy payments. Effective with the implementation of Phase I of the SSPS, local districts will be required to utilize only a daily rate structure in authorizing payments for board, maintenance and clothing to their foster care and subsidized adoption parents.

The most significant change is that all rates on the CCRS and BICS/SSPS provider files will have to be entered in a daily format. Additionally the shift to daily rate application will result in providers receiving checks in different amounts during the course of the year depending on the number of days in the month covered (the annual amount will remain the same within the limits of rounding). As a result the board payments for foster care and subsidized adoption will be higher for some months and lower for others.

The utilization of a daily rate for payments is consistent with the manner in which local districts now pay for voluntary agency indirect (purchased) foster care and will facilitate SSPS's automated retroactive payment and claiming capability.

Recently, Local Commissioner Letter 94 LCM-103 advised districts of both monthly and daily Maximum State Aid Rates (MSARs) to promulgate this change ahead of SSPS Phase I implementation.

It is important that we advise parents of the monthly fluctuations they will see with the change. To assist you in this effort, please find attached a copy of a draft letter which could be sent as a notification to parents advising them of the change to the daily rate payment method.

We recommend implementation of the daily rate structure along with notification to both foster and adoptive parents of this change as early as possible to facilitate a smooth transition into SSPS Phase I operation.

Please be advised that adoption subsidy payments are covered by individually signed subsidized adoption agreements between local districts and parents. It is recommended that, local districts utilize the revised interim adoption subsidy agreement that includes per diem payment provisions for all new cases. Copies of the interim forms (DSS-3527 A, B & C) are attached for your use.

We are asking districts to utilize the agreement even before the upstate implementation of SSPS' Phase I in order to ensure sufficient notification and to minimize any potential administrative difficulties that may occur as a result of payment changes.

If there is a need for clarification on this memorandum, please contact John Kaminsky from the Bureau of Services and Community Development Information Systems at 1-800-342-3727, extension 2-2920, or Ofislink User ID 0FL200.

Anona Joseph
Acting Deputy Commissioner
Division of Services and Community
Development

Dear Adoptive Parent:

Please be advised of a change in the Adoptive Subsidy Payment currently received from _____. While payment will continue on a monthly basis, beginning with the _____ check, the payment calculation will be based on a daily instead of a monthly rate. This means that the monthly check will not always be the same amount because it will be based on the number of days in the month. The example below illustrates how the new calculation is performed.

Payments based upon a daily rate will allow for more accurate payment, including adjustments that may be due your child.

If you have any questions regarding this change, please contact _____.

Sincerely,

Calculation of Daily Rate Equivalent of Monthly Rate

This example is based on a monthly rate of \$510.00 and for a year with 365 days.

Current Monthly Rate	\$ 510
Multiplied By 12 Months	x 12

Equals the Annual Amount	\$6,120
Divided By 365 Days	\$6,120/365
Equals the Daily Rate	\$16.77

For example:

The payment for a 30 day month would be \$503.10 (30 days x \$16.77)

The payment for a 31 day month would be \$519.87 (31 days x \$16.77)