

Bulletin

October 28, 1996

Minnesota Department of Human Services ■ 444 Lafayette Rd. ■ St. Paul, MN 55155

OF INTEREST TO

- * Children's Mental Health Collaboratives
- * Community Action Agencies
- * Community Services Directors
- * Corrections Administrators
- * County Administrators
- * County Human Services Directors
- * Family Services Collaboratives
- * Head Start Directors
- * Mental Health Directors
- * Public Health Directors
- * School Superintendents
- * Social Services Directors
- * Special Education Cooperatives
- * Collaborative Partners

ACTION

Read for instructions on the possibility of claiming federal reimbursement for your local collaborative.

DUE DATE

The LCTS starts quarterly beginning January 1, 1997

DHS ANNOUNCES THE OPPORTUNITY TO PARTICIPATE IN THE LOCAL COLLABORATIVE TIME STUDY (LCTS)

TOPIC

Funding for eligible local collaborative organizations through federal reimbursement for certain activities performed by the collaboratives' formal partners.

PURPOSE

To explain the requirements of the Local Collaborative Time Study (LCTS) and provide the information needed to:

- 1) determine eligibility for claiming federal reimbursement; and,
- 2) participate in the LCTS

CONTACT

Jean Thompson (651) 297-5516
Bette O'Donnell (651) 296-5286

SIGNED

ANNE DAMON
Assistant Commissioner
Children's Initiative

INTRODUCTION

This bulletin provides information on the opportunity to participate in the Local Collaborative Time Study (LCTS) and is of particular interest to social and mental health services, Family Services Collaboratives, and Children's Mental Health Collaboratives. The LCTS is an interagency initiative that supports the efforts of local collaboratives to design and deliver integrated services to children and families. Because the funding involved is federal social service entitlements, state statute has designated DHS as the lead agency for this project and to provide information on the criteria and requirements for participation.

The LCTS is a method of claiming federal reimbursement for some of the activities currently performed by the partners in local collaboratives that provide:

- administrative services and training for children in certain placements or who are at risk of out of home placement; and/or
- administrative services that help children attain or maintain a favorable condition of health (physical and mental) through treatment and maintenance services that are reimbursable under Medical Assistance.

The LCTS is based on the Social Services Time Study, which is used by county social services departments to establish claims for federal reimbursement. The LCTS was piloted by four local collaboratives in Minnesota during 1995 and 1996 and found to be an efficient mechanism to earn federal revenue for local collaboratives by claiming federal reimbursement for eligible activities performed by the staff of other public sector child serving organizations that belong to a local collaborative. These other organizations are *public health, public schools, and corrections*.

DHS has agreed to use the same definition of children at risk and process approved by the federal government for the Social Services Time Study. This process involves an assessment to distinguish between children who are merely facing difficult situations, hard times, or other circumstances which, though troubling, do not signal a clear risk of out-of-home placement, versus children who are candidates for foster care. All participants in the LTCS must adhere to these criteria.

To obtain approval for including these other agencies in our claims for reimbursement, DHS also assured the federal government that the LCTS is based on Minnesota's commitment to support these key concepts of collaboration:

- To eliminate the artificial distinctions between service systems and focus on the needs of individual children, collaboratives will look first at the needs of a child rather than the role of the services system to determine a child's service plan.

- To promote collaboration and system redesign, the partners in a collaborative organization are equal and no single agency will benefit disproportionately from their participation in the LCTS.

Because of these assurances, federal revenue earned through the LCTS must be under the control of either a Family Services Collaborative or a Children's Mental Health Collaborative and this revenue must be used to develop or expand prevention, early intervention, and mental health services to children and families. The local collaborative is responsible for identifying needs, developing systems of care, and assuring that services cut across traditional system boundaries. Federal revenues developed through the LCTS will be sent from DHS to the local collaborative via the county social service agency and cannot be used to supplant other revenues or fund out-of-home placements.

THE TIME STUDY

The LCTS described in this bulletin is used to determine the portion of activities performed by local collaborative partners that can be charged to the following federal programs, based on the relationship between each activity and the requirements of each federal program. The LCTS targets administrative claims in two federal entitlement programs:

- Foster Care and Adoption Assistance through Title IV-E; and
- Medical Assistance through Title XIX

The LCTS is a process for generating revenue that will be deposited into an integrated fund over which the local collaborative has decision-making authority. It has five basic components:

1. *Codes and definitions:* The LCTS identifies groups of activities that are consistent with established federal categories. Some of these activities are eligible for reimbursement under the above federal entitlement programs.
2. *Random moment sampling:* A random moment sampling process is used with the above codes to determine the amount of time staff spend in various activities. This process is designed to minimize the amount of documentation and staff time needed to claim federal reimbursement.
3. *Eligibility:* The LCTS will allocate eligible activities to the appropriate reimbursement source. Additional factors are the applicable Medical Assistance and Title IV-E population percentages.
4. *Cost Report:* A cost report for the LCTS is developed from the salaries and benefits of the LCTS participants, the salaries and benefits of administrative support staff, and other direct and allocated indirect costs.

5. *Claim development:* DHS will calculate federal reimbursement claims based on time study results, the local collaborative cost reports, and the identified eligibility ratios.

THE FUTURE OF FEDERAL FUNDING

The future of the LCTS is dependent upon the continued existence of federal entitlements in two areas: Title XIX, Medical Assistance and Title IV-E, Foster Care and Adoption. *The LCTS will end if these entitlements are eliminated through block grants or other congressional action and the State of Minnesota will not replace any federal funds that are reduced or terminated.*

USE OF LCTS REIMBURSEMENTS

Minnesota requires that all federal revenue received through the LCTS and distributed to local collaboratives will be used by the collaboratives to expand services for children and families. Funding priorities must be established by collaboratives based on local needs. LCTS funds must be used in ways that are consistent with the legislation governing collaboratives and these goals:

- prevention of out-of-home placements;
- enhancement of family support and children's physical and mental health services;
- development of a seamless system of services; and
- strengthening of local community-based collaborative efforts.

No supplantation of existing funds will be allowed.

CRITERIA FOR PARTICIPATION IN THE LCTS

To participate in the LCTS, a local collaborative must meet the set of minimum criteria listed below, submit an application to DHS (attached), provide information to develop cost reports, and assure participation and training of the collaborative partners. Upon approval of the application, the county, as fiscal reporting and payment agent for the LCTS, will enter into a contract with DHS on behalf of the collaborative. A Family Services Collaborative with a fiscal agent other than the county is eligible to participate in the LCTS where a county social services agency agrees to be the fiscal reporting and payment agent for the LCTS.

The following minimum criteria are covered in the application form and must be met by a local collaborative wishing to participate in the LCTS.

1. The local collaborative must be approved by the Children's Cabinet and be operating according to Minnesota Statutes 121.8355 for Family Services Collaboratives and/or Minnesota Statutes 245.491 to 245.496 for Children's Mental Health Collaboratives.

2. In any county where multiple collaboratives are operating (whether they are Family Services or Children's Mental Health Collaboratives), they must all work in partnership to participate in the LCTS. Only one LCTS will be conducted per county.
3. A coordinator for the LCTS must be identified who will be responsible for training, implementation of the time study, and ongoing participation of the members. This individual will be the sole contact between the Department of Human Services and the collaborative members for all aspects of the time study.
4. If not already required by the statutes in item 1 above, the local collaborative must also include at least one school district, the public health department, and the local corrections agency. (See the chart on page 7 for specific membership requirements.)
5. The county social service agency must agree to be the fiscal reporting and payment agent for the LCTS, although another agency may be the fiscal agent for the collaborative. As the fiscal reporting and payment agent for the LCTS, the county social service agency will fulfill these responsibilities:
 - a. Serve as the fiscal liaison between all participating collaborative partners and DHS.
 - b. Ensure accurate and timely cost reporting by each participating partner.
 - c. Combine the individual cost reports into a collaborative summary.
 - d. Establish and maintain reports on the base level expenditures for all LCTS spending by the collaborative.
 - e. Receive federal reimbursement revenue on behalf of the local collaborative organization.
6. The collaborative must have a governance agreement that is signed by each partner outlining membership, decision-making authority, roles and responsibilities, and the distribution of fiscal and legal responsibilities.
7. If not addressed in the governance agreement in item 6 above, an additional formal agreement (such as a signed interagency agreement) must be submitted that binds each participant in the LCTS to the collaborative and to the LCTS contract between the county and DHS.

Following approval of the application, a contract will be developed between the county social service agency (acting on behalf of the local collaborative) and DHS that: specifies mutual responsibilities; ***provides for the cancellation of the project in the event of block grants or other federal entitlement reform***; requires the appropriate use of funds claimed through the LCTS; identifies the quarter when the time study will begin; and provides the foundation for beginning to claim reimbursement.

APPLICATION

An application form is attached to this bulletin. Submitting this form will begin a process that includes these steps:

1. Review of the application by the Inter-agency LCTS Team.
2. Development of a contract between the county and DHS.
3. Implementation of the time study which includes:
 - identifying participants;
 - developing cost reports; and
 - training for the identified collaborative trainer/s.

Additional applications and information may be obtained from DHS by calling either Jean Thompson at (651) 297-5516, or Bette O'Donnell at (651) 296-5286. Technical assistance and training support for local collaboratives wishing to participate in the LCTS will be provided by the Inter-agency LCTS team to help achieve compliance with the requirements and implement the time study.

**Collaborative Membership Required for
 Participation in the Local Collaborative Time Study**

Collaborative Organization	Minimum Membership Required by Legislation *	Additional Membership Required to Participate in the LCTS
Children's Mental Health Collaborative	<ul style="list-style-type: none"> ➤ County social services ➤ Public school district <i>or</i> special education cooperative ➤ Mental health entity 	<ul style="list-style-type: none"> ➤ Public health entity ➤ Corrections ➤ Public school district if not already included as a member
Family Services Collaborative	<ul style="list-style-type: none"> ➤ County social services ➤ Public school district ➤ Public health entity ➤ If the FSC was formed after August 1, 1996, other members are required as noted below 	<ul style="list-style-type: none"> ➤ Corrections
Combined Children's Mental Health and Family Services Collaborative	<ul style="list-style-type: none"> ➤ County social services ➤ Public school district ➤ Mental health entity ➤ Public health entity ➤ If the FSC was formed after August 1, 1996, other members are required as noted below 	<ul style="list-style-type: none"> ➤ Corrections

* As of August 1, 1996, all *newly forming* Family Services Collaboratives must also include one community action agency and one Head Start grantee if the community action agency is not the designated federal grantee for the Head Start program.

LCTS APPLICATION FORM

OFFICIAL USE: Grant Manager _____
Target Population _____
Geographic Area _____

Complete below and send to Jean Thompson, Department of Human Services, 444 Lafayette Road, St. Paul, Minnesota 55155-3832.

1. Collaborative name and address:

2. Date of application:

3. Collaborative LCTS Coordinator's name, address, and phone (This person is the sole contact for DHS and will be responsible for training, implementing the time study, and ongoing participation of the LCTS members.):

4. Statutory authority:

_____ This collaborative was approved by the Children's Cabinet on _____ and operates as a: (Date)

_____ Family Services Collaborative under MS 121.8355.

_____ Children's Mental Health. Collaborative under MS 245.491 to 245.496.

_____ Combined collaborative under both of the above statutes.

(In counties where both types of collaboratives operate, they must show that they function together cooperatively to participate in the LCTS.)

5. Collaborative membership:

_____ Community Action Agency * _____ County Social Services

_____ Public Health Entity _____ Head Start Program *

_____ Public School District _____ Mental Health Entity

_____ Corrections

(also check below)

_____ State Supervised

_____ County Probation Office

_____ Community Corrections

* As of August 1, 1996, all *newly formed* Family Services Collaboratives must also include one community action agency and one Head Start grantee if the community action agency is not the designated federal grantee for the Head Start program.

6. Please attach letters of intent to participate from all collaborative members who will be joining the LOTS. Each letter should state the name of the organization, the quarter they will begin participating, and a paragraph indicating management's support for participation and dedication of necessary staff resources.

7. Fiscal reporting and payment agent:

The _____ County Social Services agency will serve as the LCTS fiscal reporting and payment agent.
(Name of County)

This agency will:

- A. Serve as the fiscal liaison between all participating collaborative partners and DHS.
- B. Ensure accurate and timely cost reporting by each participating member.
- C. Combine the individual cost reports into a collaborative summary.
- D. Establish and maintain reports on the base level expenditures for all LCTS spending by the collaborative.
- E. Receive federal reimbursement revenue on behalf of the collaborative.

8. Governance agreement:

_____ The attached governance agreement outlines collaborative membership, decision making authority, roles and responsibilities, and the distribution of fiscal and legal responsibilities.

9. Interagency agreement:

_____ The above governance agreement binds each partner in the LCTS to the collaborative and to the LCTS contract between the county and the DHS.

_____ The attached interagency agreement binds each partner in the LCTS to the collaborative and to the LCTS contract between the county and the DHS.

10. Signatures:

(Collaborative Coordinator)

(Corrections Representative)

(Public School Representative)

(Public Health Representative)

(County Social Services Fiscal Liaison)