



IMPLEMENTING  
THE SUBSTANCE  
USE DISORDER  
PROVISIONS OF  
THE FAMILY FIRST  
PREVENTION  
SERVICES ACT

A TOOLKIT FOR CHILD WELFARE  
AND TREATMENT STAKEHOLDERS

SECTION 4: DEVELOP  
A COMPREHENSIVE  
UNDERSTANDING OF AVAILABLE  
FUNDING STREAMS

CONTRIBUTING ORGANIZATIONS:



Children and Family Futures  
Strengthening Partnerships. Improving Family Outcomes

childfocus®



NASADAD National Association of  
State Alcohol and Drug Abuse Directors

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## SECTION

# 4

## DEVELOP A COMPREHENSIVE UNDERSTANDING OF AVAILABLE FUNDING STREAMS

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Once a state's Title IV-E Prevention Plan is submitted and approved by the federal government—which may take several months—the state is permitted to claim Title IV-E prevention services payments for evidence-based programs and services for eligible children and their caregivers. Many state child welfare agencies will partner with SUD treatment and other providers to deliver the services approved in their state plan. States rely on multiple funding sources to provide SUD treatment, and the number of funding sources and how these funds are procured and administered can vary a great deal from state to state. Family First funding will need to be blended with other funding sources to support the full array of services that can keep children safe and support treatment and recovery for the parents.

To understand how best to finance and sustain an array of services that meets the holistic needs of families, stakeholders should consider four key questions. These build off key considerations from Section 2 related to evidence-based programs for parents with SUDs whose children are candidates for foster care:

1. What are the services and supports families need to stay together and prevent out of home placement?
2. What services and supports are necessary to regain and maintain the health of the family?
3. What services and funding are already available in communities to help these families and where are the gaps?

4. How can Title IV-E funding work together with other funding streams to support treatment and recovery for the family and provide for the developmental needs of children?

### Primary Sources of Funding to Support Treatment and Recovery for Families Involved in the Child Welfare System

There are six primary sources of funding on which child welfare and SUD treatment partners rely to keep families together, ensure child safety, and support treatment and recovery for all eligible populations. These funding sources are summarized in the table that follows.

**A WORD ABOUT CLINICAL NEED:** The majority of state agencies and SUD treatment providers use the ASAM criteria or similar criteria to determine the most appropriate service levels of care for adults and youth who need SUD treatment. A biopsychosocial assessment is used to determine the composition of the individual's treatment plan, including the most appropriate level of the care for treatment. It is important for child welfare agencies to understand that treatment services and costs vary by the levels of care. Therefore, to keep a parent and child in a more intensive setting (i.e., residential treatment) for longer than is required is both clinically inappropriate and not cost-effective.

## PRIMARY SOURCES OF FUNDING TO SUPPORT TREATMENT AND RECOVERY FOR FAMILIES INVOLVED IN THE CHILD WELFARE SYSTEM

### TITLE IV-E FOSTER CARE MAINTENANCE

*New funding for family-based residential treatment available through Family First for children already in foster care*

ELIGIBLE USES	OTHER USES
<p>Title IV-E can pay the cost of room and board for children in foster care when they are placed with their parents in residential family-based SUD treatment settings. These costs include food, clothing, shelter, and daily supervision for the child.</p> <p>Child welfare agencies can also claim administrative costs, such as case management and related activities, as well as training costs.</p> <p>Title IV-E can pay as long as Medicaid is not paying; typically, Medicaid does not support the cost of room and board for children in family-based residential treatment.</p>	<p>States must submit a Title IV-E amendment to HHS to begin claiming costs associated with placing a child in foster care with their parent.</p> <p>The Title IV-E income eligibility guidelines from 1996 do not apply to this provision.</p> <p>Title IV-E is an open-ended entitlement, so it is available to all eligible children (eligibility requirements are outlined in step 6 of this resource).</p> <p>States submit claims for funding through their state child welfare agency in their usual IV-E claiming reimbursement system.</p> <p>States are reimbursed for the residential family-based treatment program at the federal medical assistance percentage Federal Medical Assistance Percentages (FMAP) rate – between 50-83%.</p>

### TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

*Federal block grant supporting an array of support services for low-income families*

ELIGIBLE USES	OTHER USES
<p>Many states have used TANF funds to support SUD treatment services. TANF can be used for nonmedical aspects of SUD treatment services such as screening and needs assessments that are performed by counselors, technicians, social workers, and others not in the medical profession and not provided in a hospital or clinic.</p> <p>Assistance is limited to needy families with children, as defined by each state.</p> <p>In general, states have broad flexibility in setting eligibility requirements and can choose to vary eligibility.</p>	<p>Inclusion of substance use treatment in service provided in the state's TANF plan varies across states.</p> <p>To meet the goals of TANF, state plans must specify work readiness activities that include substance use disorder services for a recipient to become self-sufficient.</p> <p>Cannot be used to provide medical services but leaves it to states to determine which services are medical and which are not.</p>

## PRIMARY SOURCES OF FUNDING TO SUPPORT TREATMENT AND RECOVERY FOR FAMILIES INVOLVED IN THE CHILD WELFARE SYSTEM

### TITLE IV-E PREVENTION SERVICES

*New funding available through Family First for “candidates” for foster care and pregnant and parenting youth in foster care*

ELIGIBLE USES	OTHER USES
<p>Title IV-E can pay for SUD prevention and treatment services on behalf of children and youth at risk of entering foster care. Services can be provided to:</p> <ul style="list-style-type: none"> <li>• Parents</li> <li>• Children/youth</li> <li>• Kinship Caregivers</li> <li>• Pregnant and parenting youth in foster care whose children are at risk of entering care.</li> </ul> <p>Other eligible services include mental health prevention and treatment services and in-home parent skill-based programs.</p> <p>Services can be provided for up to 12 months and can be extended if it is documented in a child’s case plan that more time is needed.</p> <p>Title IV-E can pay as long as Medicaid is not already funding these services.</p>	<p>To claim Title IV-E prevention services, states must submit a five-year state plan to HHS that details the services they plan to use, how they will monitor and oversee the safety of children receiving the prevention services, plans for evaluation of the program, consultation and coordination among other agencies, steps to support the child welfare workforce, and other requirements.</p> <p>Treatment agencies must provide parenting skills training, parent education, and individual and family counseling as part of the treatment of SUDs; these services must be provided under a trauma-informed organizational approach; and providers must be licensed.<sup>8</sup></p> <p>Programs are rated by the federal Title IV-E Prevention Services Clearinghouse.</p> <p>Title IV-E income eligibility guidelines do not apply to this provision.</p> <p>Title IV-E is an open-ended entitlement, so it is available to all children who are candidates for foster care. The definition of candidacy will be determined by each state.</p> <p>States submit claims for the funding through their usual child welfare reimbursement system.</p> <p>States are reimbursed for the prevention provision at 50 percent and state funds must be used to match 50 percent.</p> <p>Maintenance of effort (MOE) provisions require that states maintain their previous level of spending on foster care prevention services to ensure that Title IV-E prevention funding supplements (not supplants) previous spending on allowable child welfare prevention services.</p>

<sup>8</sup> The statute is not specific on who must license the treatment facility. This is a state-level decision.

## PRIMARY SOURCES OF FUNDING TO SUPPORT TREATMENT AND RECOVERY FOR FAMILIES INVOLVED IN THE CHILD WELFARE SYSTEM

### MEDICAID

*Federal health insurance program for low income families*

ELIGIBLE USES	OTHER USES
<p>Can cover SUD treatment services, depending upon what services a state covers under its Medicaid plan and the eligibility criteria it applies. Does not pay for room and board.</p> <p>Not all parents involved in the child welfare system are eligible for Medicaid; approximately 99 percent of children are eligible.</p> <p>Some states may opt to include a parent’s stay in residential family-based treatment with Medicaid funds in their state plan while Title IV-E pays the cost for the child’s placement.</p> <p>States that have taken up Medicaid expansion available through the Affordable Care Act (ACA) will have different considerations for how it can be used to support families involved in the child welfare system than non-Medicaid expansion states. These include services consistent with the ACA essential benefits and defining eligible populations.</p>	<p>Medicaid is an open-ended entitlement like Title IV-E, but state eligibility requirements vary significantly.</p> <p>States are reimbursed for Medicaid at the Federal Medicaid Assistance Percentages—between 50 and 83% across states.</p> <p>If the Medicaid state plan includes a service that cannot be provided in a timely way to families involved with the child welfare system, Title IV-E can pay for the service temporarily and receive reimbursement from the state Medicaid agency for the service.</p>

### STATE GENERAL FUNDS

*Funding can be used to fill gaps in federal funding streams and ensure sustainability*

ELIGIBLE USES	OTHER USES
<p>State general funds allocated to prevention and treatment varies in terms of services provided and how they are administered.</p> <p>State funding can be highly flexible (or designated to a specific purpose) and can be used to match Title IV-E and Medicaid funded services.</p>	<p>Funding levels and provisions on specific eligible populations and services vary depending on state priorities.</p> <p>In some states, local funds are a significant portion of states’ matching for Maintenance of Effort (MOE) requirements.</p>



## PRIMARY SOURCES OF FUNDING TO SUPPORT TREATMENT AND RECOVERY FOR FAMILIES INVOLVED IN THE CHILD WELFARE SYSTEM

### SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT (SAPTBG)

Federal block grant dollars to state substance use disorder treatment agencies to allocate to local jurisdictions or directly to community-based service providers

ELIGIBLE USES	OTHER USES
<p>Funds priority treatment and support services for individuals without insurance or for whom coverage is terminated.</p> <p>SAPTBG funds priority treatment and support services not covered by CHIP, Medicaid, Medicare, or private insurance for low-income individuals.</p> <p>SAPTBG is an annual formula grant awarded to states, and states have certain requirements for funding that must be expended to ensure federal funds do not supplant other funding sources.</p> <p>States have flexibility in how they use the SAPTBG to support treatment and recovery, including child care, job training, and transportation.</p>	<p>States have certain set asides they must meet in their expenditures for the block grant, including prevention, HIV early intervention, and services for pregnant and parenting women.</p> <p>Pregnant women must be given priority in treatment admissions.</p> <p>At a <i>minimum</i>, services for pregnant women and women with children should include:</p> <ul style="list-style-type: none"> <li>• Primary medical care, including referral to prenatal care and day care while women receive services;</li> <li>• Primary pediatric care, including child immunization;</li> <li>• Gender specific SUD treatment;</li> <li>• Therapeutic interventions for children with women in treatment; and</li> <li>• Case management and transportation.</li> </ul>

### CHILD ABUSE PREVENTION AND TREATMENT ACT (CAPTA)

Funding to support prevention and treatment for abused and neglected children

ELIGIBLE USES	OTHER USES
<p>The Community-Based Child Abuse Prevention program (often referred to as CB-CAP) supports community-based efforts to prevent child abuse and neglect.</p> <p>CB-CAP funding is used in different ways across states, and can be braided with other funding streams, including Title IV-E and SAPTBG, to support children and their families and prevent removal and placement into foster care.</p>	<p>Recent increases to CAPTA can be used to support foster care prevention efforts, particularly for children identified as affected by prenatal substance exposure who are at risk of foster care entry, and for whom child welfare and other systems are developing a plan of safe care that is required by CAPTA.</p>

## KEY QUESTIONS

1. How does my state currently support residential family-based treatment?
2. What are the gaps in funding for residential family-based treatment and how can the Title IV-E new opportunities be used to fill these gaps?
3. How can CW and SUD partners work together to expand capacity for community-based outpatient services?
4. How can funding such as the Individuals with Disabilities Education Act (IDEA) and Head Start, for early childhood services, be used to pay for developmental services for the child who is either placed with the parent in residential care or who remains at home but is a candidate for foster care?

### RELATED RESOURCES:

- [Funding Family-Centered Treatment for Women with Substance Use Disorders](#)