

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas  
2 82nd General Assembly  
3 Regular Session, 1999  
4

*As Engrossed: H3/9/99 H3/10/99*

# A Bill

HOUSE BILL 2111

5 By: Representative Laverty  
6 By: *Senator Roebuck*  
7

## For An Act To Be Entitled

10 "AN ACT TO MAXIMIZE CHILD PLACEMENT OPTIONS, ENCOURAGE  
11 THE CREATION OF NEW PLACEMENT ALTERNATIVES FOR  
12 CHILDREN, AND TO FOSTER COST-EFFECTIVE ADMINISTRATION  
13 OF CHILD WELFARE SERVICES; AND FOR OTHER PURPOSES. "

### Subtitle

16 "TO REQUIRE OPEN ENROLLMENT OF CHILD  
17 WELFARE RESIDENTIAL SUBSTITUTE CARE  
18 PROVIDERS WHO MEET CERTAIN  
19 QUALIFICATIONS. "

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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#### SECTION 1. Intent.

25 It is hereby intended by the General Assembly of the State of Arkansas  
26 to maximize residential placement alternatives for children placed in  
27 substitute care settings by Arkansas child welfare agencies to ensure the  
28 quality of substitute care placements for children, and to encourage cost-  
29 effective administration of substitute care services for children by  
30 establishing an open enrollment of substitute care providers who meet certain  
31 qualifications and by requiring demonstration of cost-conscious positive  
32 outcomes from substitute care providers who desire to receive funding from the  
33 State of Arkansas.

35 SECTION 2. Relationship to other laws. The requirements in this act  
36 shall be in addition to any requirements for contracting with state agencies

1 set forth in Arkansas Code Title 19, chapter 4, Subchapter 17 and Arkansas  
2 Code Title 19, Chapter 11, Subchapter 2. In the event that any provision of  
3 this act conflicts with any provision of Arkansas Code Title 19, Chapter 4,  
4 Subchapter 17 or Arkansas Code Title 19, Chapter 11, Subchapter 2, the  
5 provisions of this act shall control.

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7 SECTION 3. Definitions. As used in this act, unless the context  
8 clearly indicates otherwise:

9 (1) "Purchase of care providers" means those service providers licensed  
10 to operate as residential child care facilities or psychiatric residential  
11 treatment facilities pursuant to Arkansas Code Title 9, Chapter 28, Subchapter  
12 4, with whom the state agency does business through contracts on a  
13 reimbursable basis for units of service delivered to specific clients.

14 (2) "State agency" means any agency of state government that is  
15 responsible for placement of, planning for the placement of, or funding the  
16 placement of a child in a substitute care setting for care to be provided on a  
17 twenty-four hour basis.

18 (3) "Unit of service" means a measured length of time such as an hour  
19 or a day or some other measurable service component that will enable the state  
20 agency to determine the amount of service provided individually or in  
21 aggregate to clients.

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23 SECTION 4. Open enrollment of purchase of care providers.

24 (a) The state agency shall be required to purchase care from purchase  
25 of care providers in conformity to the provisions of this act.

26 (b) The state agency shall maintain a current list of purchase of care  
27 providers who are licensed to operate as a child welfare agency pursuant to  
28 Arkansas Code Title 9, Chapter 28, Subchapter 4.

29 (c) Unless prohibited by federal law or regulation, the state agency  
30 shall enroll each purchase of care provider who is currently in substantial  
31 compliance with the provisions of this act and with Arkansas Code 9-28-401 et  
32 seq., and the regulations promulgated thereunder, as being eligible to enter  
33 into purchase of care agreements with the state agency for the purchase of  
34 substitute care for children.

35 (d) Any purchase of care provider as described in paragraph (c) that  
36 desires to enter into purchase of care agreements with the state agency for

1 the provision of substitute care for children may submit a purchase of care  
2 proposal to the state agency which contains, at a minimum:

3 (1) A detailed description of the services to be provided by the  
4 purchase of care provider, including a description of whether the service will  
5 be provided by the purchase of care provider directly or by contract with  
6 another vendor.

7 (2) A statement of the per diem cost for services rendered.

8 (3) A summary of the provider's history of achieving positive  
9 client outcomes.

10 (e) Unless prohibited by federal law or regulation, the state agency  
11 shall approve each purchase of care provider submitting a proposal for  
12 purchase of care agreement pursuant to this section, provided that the  
13 purchase of care provider is currently in substantial compliance with the  
14 provisions of this act and with Arkansas Code Title 9, Chapter 28, Subchapter  
15 4 and the regulations promulgated thereunder.

16 (f) In no event shall the state agency deny enrollment to a purchase of  
17 care provider on the basis of the provider's status as a faith-based  
18 organization.

19 (g) Completion of a purchase of service agreement between the state  
20 agency and a purchase of care provider shall not obligate the state to  
21 purchase any specified minimum number of service units from the purchase of  
22 care provider, but it shall specify the maximum number of service units that  
23 can be purchased from the purchase of care provider, based upon the provider's  
24 unit of service capacity and other relevant factors.

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26 SECTION 5. Purchase of service selection.

27 (a) Purchase of service selection shall be made by state agency staff  
28 directly responsible for case management and administration.

29 (b) Purchase of service selection shall be made after completion of a  
30 comprehensive assessment of the needs of the family and child's needs by  
31 qualified agency staff, and shall include selection of a purchase of service  
32 provider who can provide the services that are clinically indicated by the  
33 assessment.

34 (c) Purchase of service selection shall consider the following factors:

35 (1) Appropriateness of the services provided to the needs of the  
36 child and family.

1           (2) Cost effectiveness of the purchase of service provider  
2 selected.

3           (3) Documented client outcomes history of the purchase of care  
4 provider in the following three areas of adolescents who finish the program:

5                   (A) Client recidivism;

6                   (B) College entrance;

7                   (C) High school graduation.

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9           SECTION 6. Cost information requirements.

10           (a) The state agency shall require the annual filing of a certified  
11 audit on a schedule provided by the providers' fiscal year.

12           (b) The provider shall use the accrual basis of accounting when  
13 reporting financial data.

14           (c) The provider shall use a certified auditor to conduct the audit.

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16           SECTION 7. *All provisions of this act of a general and permanent nature*  
17 *are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code*  
18 *Revision Commission shall incorporate the same in the Code.*

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20           SECTION 8. *If any provision of this act or the application thereof to*  
21 *any person or circumstance is held invalid, such invalidity shall not affect*  
22 *other provisions or applications of the act which can be given effect without*  
23 *the invalid provision or application, and to this end the provisions of this*  
24 *act are declared to be severable.*

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26           SECTION 9. *All laws and parts of laws in conflict with this act are*  
27 *hereby repealed.*

28   */s/ Laverty, et al*  
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