

Department of Child Services, IARCCA reach settlement agreement to dismiss lawsuit

Settlement a victory for Indiana children

Today the Indiana Department of Child Services (DCS) and IARCCA, an Association of Children and Family Services, are announcing an agreement to end a 13 month long lawsuit which led to an injunction issued by the Federal District Court for the Southern District of Indiana that froze the rates for DCS's providers at 2009 levels.

We believe this settlement outlines a way for public and private child serving agencies alike to best protect the interests of the children we serve," said Cathleen Graham, executive director of IARCCA. "Our 107 member agencies serve some of Indiana's most vulnerable abused, neglected and delinquent children, who on average have experienced at least two previous placements in out-of-home care and who require services to address their multiple special needs. We plan to collaborate with DCS to increase federal participation in funding the service and quality care that these 5,000 young people require and deserve."

IARCCA filed the lawsuit to challenge reimbursement reductions, which IARCCA alleged could compromise care for children. Under the terms of the agreement DCS will begin cost-based rate setting for child welfare service providers in January, 2012. For 2011, terms of the settlement require DCS to impose a limited 5 percent reduction for the reimbursement of agencies serving children through foster and residential care. DCS reiterated its goal of ensuring children receive the best education available.

DCS will also move forward with plans to unbundle child welfare service costs, a change IARCCA had previously opposed. During settlement discussions, both IARCCA and DCS pledged to work closely to ensure that the new funding procedures do not impact service to children.

"We value our long-standing partnership with IARCCA and its membership," said James W. Payne, DCS Director, "and look forward to working with them to continue advancing Indiana's child welfare reform efforts."

Graham echoed his comments saying, "It is our goal to work jointly with DCS to ensure children receive the right services for the right length of time and continue to achieve successful outcomes."

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For more information, please contact:

Ann Houseworth
Department of Child Services
317-234-3924

Cathleen Graham, Executive Director
IARCCA
(317) 849-8497 or (317) 442-0709