This chart shows the vendor rate for Family Preservation Services (FPS) since the program began in 1997 through 2013, and what the rate would be if adjusted for inflation. Data from the Bureau of Labor Statistics Consumer Price Index were used to construct the vendor rate plus CPI line. As the chart illustrates, in the first five years the FPS rate was adjusted each year to match cost of living increases given to state employees. That stopped in 2002, and the rate stagnated until 2009 when there was a 2.3% rate reduction.

The rate for FPS was selected for the purposes of illustration. A similar deterioration in vendor rate could be shown for other long-time services including Crisis Family Intervention (formerly Family Reconciliation Services) and Professional Services. In addition, newer services, including evidence based programs, are basing some or all parts of their vendor rates on the FPS rates. It is important to note that this chart does not address the half-rate paid for travel to deliver in home services; that is a separate and serious concern. It also does not address the question of whether the $45.00 per hour rate first set in 1997 was adequate.
In July 2006 the Child Placing Agency’s agency fee (CPA Fee) for a child receiving case management services was $414.16 per child per month. The rate dropped to $379.19 or 8.63% below that of four years ago. This rate reduction was in addition to an already documented reimbursement rate covering only 49% of Child Placing Agencies costs for providing child welfare services (Washington State Child Welfare Private Nonprofit Agency Cost Study-Prepared by MCPP Healthcare Consulting, Inc. August 2009).

According to the Bureau of Labor Statistics Consumer Price Index Calculator, the agency fee would need to be $495.27 per child/per month to maintain the same purchasing power in 2013. That is a total inflationary increase of 19.5% since 2006. To achieve purchasing power of 2006 the actual rate increase would have to be 30.6% over current rates.

*This document does not include reductions to Intensive Case Management, Borrowed Beds, or Visitation Services, which also occurred starting in 2009."
In July of 2009 the BRS rate for a 1-A child was $7,795 per child per month. That rate dropped to $7,015 or 10% below the rate of four years ago. Please note that the current rate is almost identical to the amount BRS paid for 1-A kids in 2005. According to the Bureau of Labor Statistics Consumer Price Index Calculator, the BRS rate would have to be $8,392 per child per month to maintain the same purchasing power in 2013. That is a total inflationary increase of 19.8% since 2005. To achieve the purchasing power of 2005 the actual rate increase would have to be 17.6% over current rates. This would still not cover actual costs, as the BRS rates have always paid less than the true cost of care. Although from 2004 to 2009 the rates increased, there was subsequently a similar decrease, resulting in an increase since 2005 of only .21%. 