



Coronavirus Q&A Webinar #11 with DCFS Acting Director Marc Smith

Wednesday, July 8, 2020

(Recording: <https://attendee.gotowebinar.com/recording/9169900995495050512>)

On July 8, DCFS Acting Director Marc Smith joined ICOY's bi-weekly COVID-19 membership call to deliver updates and answer questions on Illinois' child welfare system. Please see a transcript of his updates and answers to our members' questions below:

DCFS Acting Director Marc Smith:

Thanks for having me today. I just wanted to tell everyone how much I appreciate them working with us over these last two very challenging and difficult months. I think that we really shone our excellence and commitment to the children and families that we serve. So, I look forward to having them a brief but fruitful conversation with you.

Q: One question previously received has been around whether or not there was ever a final determination made about the rate enhancement for residential for June?

A: We're still making a final determination on that. But you should be getting info on that that shortly.

Q: Another question come in around indemnity. That question that was asked: "Can we revisit whether the Governor is willing to consider specific indemnity regarding COVID-19 for human service contractors? Now that we are returning to providing visits and other client services face-to-face, we do have the increased risk of a foster parent or biological parent claiming they got COVID-19 from our staff or staff claiming they got COVID at work.

These insurance claims, even if they are not winnable, would suck up time and resources. Carriers are adding exclusion clauses that exclude coverage for COVID claims. We are looking at having clients sign an informed consent acknowledging the risks. So, is there any thought to how, you know, we might consider that specific indemnity."

A: I know that we have not looked at making any changes in the current policy, protocol, or practice regarding indemnity. We're open to reviewing this possibility and seeing what the impact of this very specific circumstance may be. But at this point, there is no plan to make an adjustment in our process. I think that people will have to continue to work with their providers to manage the support and policies that they have. But at this point, there's no actual plan to make any adjustments in our process.

Q: There's another question about the status of waiving the excess revenue for intact services.



A: At this point, the plan is that we are still moving forward with the 7% plan for excess revenue. We have really tried to expand your capacity to use the money that you've received within the system as it relates to any and all services that you've rendered regarding intact, residential, or foster care services. But at this point, we're still on track to maintain the system as written in the contracts of FY20.

Q: There's another question around the Paycheck Protection Program (PPP) Loan and how DCFS is responding to that.

A: So where we stand right now as a Department is that we're following the statute. We have not stopped any of our payments, so you'll continue to receive payments from us. As long as there's any issues with you receiving PPP loans, there's always going to be a question about double billing for any specific services.

And so, if we paid you for a service, our expectation is that that our monies are regular service delivery that we're paying for. It's my understanding that in this process that you are not in a position to receive monies for duplication of payments that we've made. And the message that we're receiving from the State is that if that loan becomes a grant, then the expectation is that you'll be following the protocols as placed by the State.

Frankly, our hands are tied in that. I understand the rationale since some state agencies and some providers have not been able to maintain payment, but DCFS has maintained making those payments to your organizations and other organizations. The spirit in which the PPP loans exist is that it was to supplement any interruption and payment from the provider. We did not interrupt payments and we were able to keep maintaining those payments. At this point, my understanding is that the monies will have to be reimbursed. If there's a change in that, then DCFS will follow whatever guidance we receive as a funder. But at this point, we're at the, at the mercy of the of the law and the way it's written out.

ICOY Member (chimed in to provide additional info):

I'd say that right now, those are still loans. We're treating them as loans and moving forward at that rate. When they get converted into grant down the road, you'll be hearing from right At that point. And we can reconcile those things. But at this point, the department is considering them loans. They have not been converted to grants yet.

ICOY CEO Andrea Durbin

One issue, is that a lot of the state funding is supplemented by private agency fundraising and philanthropy. And so, there's what the state pays for and then there's the additional funds that are



supplemented with fundraising. And because of the Coronavirus, a lot of fundraising efforts have been canceled since people aren't going to galas, 5k fun runs, golf outings, etc. So to the extent that providers are using the PPP money to replace the payroll and other expenses that were covered by their private fundraising dollars, DCFS would not have any claim on those dollars. Correct?

Marc Smith, DCFS

As long as any decisions are made based on the way that the loan is structured as it was received. So if there's structure within the loan that states that you can use that to replace funding differently than funding individual staff members, paychecks, supplementing ongoing pay or ongoing service delivery, then I think that's something that that would have to be discussed and addressed with the accountants.

We will give guidance with Royce about where we stand with that, but our funding is very specific to ensuring your staffing levels are there and services directly related to supporting our kids.

Andrea Durbin, ICOY

Thank you. I think that, for example, if providers are using the PPP money to continue to give risk exposure pay, even if DCFS is not covering that, then that would be an appropriate use of PPP if it's not a state-related expense. If DCFS is not reimbursing people for that, then we're doing that on our own. So, figuring it out is definitely challenging.

I've had some conversations with some of our Congressional delegation about this and I've advised them that if they go forward in the future with some kind of COVID relief, specifically for non-profits, that they should be more clear about their expectations up front and recommending they make it an outright grant. There's guidance and information that still continues to come out. For example, last week, we just saw that the federal CMS came out and said with regard to Medicaid there can't be duplication of retention payments with the PPP loans or anything like that. So that happened on June 30 and people got their money as early as early April, so it's very much a fluid situation and is really frustrating.

Marc Smith, DCFS

So, I'm very empathetic to those concerns, and we can commit to making sure that as things change or as there's ebbs and flows to the process, we will make sure that that Royce and his team are presented with the best, most recent current information.