

FOSTER FAMILY AGENCY INSURANCE CRISIS ANALYSIS

The Department of Children and Family Services (DCFS) partners closely with licensed private Foster Family Agencies (FFAs) to ensure that children who cannot remain safely in their homes have the highest quality care. FFAs are non-profit agencies that work alongside the County to recruit and certify new resource parents and continue to support children and families once a foster placement has occurred. FFAs are a critical component of the child welfare landscape and critical to the successful placement, reunification, and/or adoption of children every year. Currently DCFS contracts with 46 FFAs throughout the County, with approximately 1,800 children placed with caregivers through FFAs.

Due to the nature of their work, FFAs are exposed to liability risks that require insurance coverage. Last month, the Nonprofit Insurance Alliance of California (NIAC), which insures 90% of all FFAs across the state, issued non-renewal notices to all FFA providers. This includes 30 FFAs in Los Angeles County that are now facing an insurance crisis and may be forced to close. The impact of this will be felt immediately in Los Angeles County, jeopardizing the care of 500 to 600 children placed with FFAs whose insurance policies end in the next two months. The impact is not just in terms of capacity but the emotional toll and trauma that any move entails when it comes to foster children’s stability and safety in home-like settings. Unfortunately, for many FFAs previously insured by NIAC, finding a new insurer has been challenging and significantly more expensive, with quotes for rates two to five times higher. Should an FFA find a new insurer, the increased cost may make it cost prohibitive for them to continue to operate.

While this is a crisis impacting FFAs across the state that requires a statewide solution, we need to simultaneously explore what the County can do locally to support our foster children and families.

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MOTION

SOLIS _____

MITCHELL _____

HAHN _____

BARGER _____

HORVATH _____

I, THEREFORE, MOVE that the Board of Supervisors instruct County Counsel, in consultation with the Chief Executive Office and the Department of Children and Family Services to report back in writing in 15 days on possible solutions.

I, FURTHER, MOVE the Board of Supervisors request CEO- Legislative Affairs to continue to support and advocate for legislative and State budget proposals that can provide a sustainable long-term solution to this insurance crisis.

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KB: mbf