



DATE: March 28, 2025

TO: Executive Directors of Prepaid Inpatient Health Plans (PIHPs) and Community Mental Health Services Programs (CMHSPs); Business Service Center and County Child Welfare Directors

FROM: Kristen Morningstar, Director, MDHHS Bureau of Specialty Behavioral Health Services *KM*
Patty Neitman, Director, MDHHS Bureau of Children's Coordinated Health Policy & Supports *PLN*

SUBJECT: County of Financial Responsibility (COFR) for Children in Foster Care

The purpose of this memo is to update the guidance related to roles and responsibilities for coverage of behavioral health services for children and youth in foster care and children and youth placed in child Caring Institutions (CCIs). The prior guidance related to COFR issued on February 28, 2020, is obsolete.

The county of financial responsibility is defined as the county within the service area of the CMHSP that is determined to be financially responsible for the cost of specialty mental health services provided to the identified child or youth.

When a child is placed in the community, financial responsibility is held by the county CMHSP where the child is residing/placed. Placements considered in the community include foster homes, relative or kinship placement, Transitional Placement Program (TPP), Independent living Program (ILP) and adult foster care (AFC) homes.

When a child is placed outside the community, financial responsibility is held by the county CMHSP where the child welfare case originated. Placement considered to be outside the community include: CCIs, including residential treatment facilities, shelters and state hospitals.

When a youth resides in a CCI, the CMHSP is financially responsible for the following services: Intensive Care Coordination with Wraparound and Case Management up to 180 days prior to discharge; Crisis residential and respite services in a CCI that is licensed as a Children's Therapeutic Group Home; behavioral health services to support children with intellectual/developmental disabilities (I/DD) in a CCI that exclusively serves children with I/DD; and assessment for Autism and related services, including Applied Behavioral Analysis (ABA) in a CCI that exclusively services kids with Autism Spectrum Disorder (ASD)/IDD youth. All other necessary treatment services outlined in MDHHS contracts are the responsibility of the CCI where the child or youth is placed.

Disputes related to financial responsibility must never interfere with timely access to medically necessary services for a child or youth. Questions can be directed to: MDHHS-BCCHPS-BHHELP-INQUIRIES@michigan.gov.

A job aid outlining the information in this memo can be found here: [COFR Job Aid](#).