

Final Regulation impact assessment Foster Care Law

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Problem definition

- With the implementation of the new Foster Care Law (NN 57/11) in June 2011 a new organization of social care centres was regulated. In connection with that it was necessary to harmonise the provisions of the Foster Care Law. Foster care service differs in distribution across the Republic of Croatia and so does the quality of foster family services. The quality and number of foster services provided also differs according to beneficiary categories: children, adults, physically disabled, mentally disabled, children with behaviour disorder.
- In line with the social care system reform deinstitutionalisation is very important. It implies the development of out-of-institution forms of care among which foster care is one of the priority forms of care (especially for children) because it provides the experience of family life. It is necessary to improve and make foster care more popular as well as to systematically expand the network of services according to the needs of local communities. At the same time this creates opportunities for costs reduction of institutionalized placement and for transferring those savings into the improvement of foster care quality and implementation of prescribed standards of service quality.

What is the evidence of the problem (with quantification where possible)?

In the Joint Memorandum on Social Inclusion of the Republic of Croatia¹ what was emphasized among the key challenges was the need for the development of out-of-institution forms of care parallel with the process of deinstitutionalisation of social services. In connection with that the Ministry of health and social care created the National plan for deinstitutionalisation and transformation of social care homes and other legal entities that perform social care services in the Republic of Croatia 2011–2016 (2018.). Although in the last few years the indicators are showing that the deinstitutionalisation process is developing and that the proportion between institutional and out-of-institution care is increasing towards the out-of-institution care, the development process is still slow. There is still a great number of beneficiaries placed in the social care homes, while the number of foster families that care for particular beneficiary categories does not match the needs.

In certain areas there are no foster families whatsoever – Dalmatia region, while in some areas such as Zagrebačka county, Varaždinska county, Međimurska county there is a large number of foster families where beneficiaries from other areas are placed which presents a huge cultural and climate change for

¹ Joint Memorandum on Social Inclusion of the Republic of Croatia /JIM/ was signed between the Republic of Croatia and European Commission in 2007.

them. This regional disproportion in number of foster families is a result of a barrier which prevents people to engage in foster care in some areas where it is in a way stigmatized. Furthermore, the quality of care in institutional and out-of-institution placement is assessed as insufficient and the control as faulty, which the reason why it is necessary to develop the standards of service quality with all the service providers along with the enhanced control over them.

What was done wrongly?

Not enough attention has been given to the development of foster care for different beneficiary categories especially for children and youths with behaviour disorder, physically or mentally disabled adults. Foster care services for children and the elderly are not precisely defined, and specialized foster care has not been developed so far. Social care centres do not have sufficient capacities to provide the full support for foster families so it is necessary to include other partners for their continuous support and monitoring. It is necessary to define the rights and obligations of foster families more precisely, as well as the obligations of social care centres and other partners that provide support and monitoring. Seen that the “source of income” is often the motivation for becoming a foster family, it is necessary to change the perception of fostering. Moreover, most of the beneficiaries are placed in social care homes, but they cannot provide the family life experience, which is especially important for children and youths. At the same time the placement in certain social care homes is more expensive than the placement in a foster family.

Who are the affected groups?

The affected groups are the beneficiaries of social care homes, beneficiaries of foster families, social care centres employees, civic society organizations that provide out-of-institution forms of care, the ministry responsible for social services as the client and the local self-government units as the founders of homes for the elderly and adults.

What will happen if nothing is done?

- The new Law on Social Care prescribes the reorganization of social care centres and formation of social care institutes on county level which is why it is necessary to harmonize the authorities and competences in the fostering sector. Namely, if a new regulation is not passed, this will result in legal inconsistencies, slowing down of deinstitutionalization process as well as the transformation process of social care institutions in line with the adopted strategies and plans, and in dissatisfaction of both fosterers and beneficiaries.

Why is the intervention from the Government necessary?

- In the pre-accession documents the Republic of Croatia committed to the process of deinstitutionalization which is why it is necessary to enable the development and expansion of social services. The intervention is necessary to provide the grounds for the quick comprehensive social care system reform, which includes monetary remuneration system reform, social care system and its financing reform, public social service system reform, and the deinstitutionalization of beneficiaries placed in social care homes, especially children in line with the National plan for deinstitutionalisation and transformation of social care homes and other legal entities that perform social care services in the

Republic of Croatia 2011-2016 (2018).

Placement of beneficiaries in social care homes is highly expensive, and the quality of social services in some of the homes varies with some not achieving the required quality standards. Placement of beneficiaries in a foster family is a type of out-of-institution placement which provides a family environment with lower costs than the institutional placement and is considered far more beneficial to the recipient.

The Law on Social Care introduces priority recognition of out-of-institution services and prohibits of the placement of children under seven years of age in a social care home, the priority is to place them with relatives or foster family. Improvements are required to the quality of services provided by existing foster families to increase the number of foster families and specialised foster care.

What will happen if the Government fails to implement measures (short-term and long-term)?

- It will not be possible to perform the actions and measures specified in the pre-accession documents and the strategies adopted by the Croatian Government. The placement of beneficiaries in institutions still implies higher costs per beneficiary along with lower quality, while the costs of institution maintenance are still high. Rising of care quality in foster families will develop slowly because foster families are not motivated enough to improve the care quality nor are they educated and qualified to provide care for certain beneficiary categories – the disabled, children with behaviour disorders, the mentally ill.

Target setting

Target:

The increase in number of foster families; improvement of foster family care service quality regardless of the beneficiary category; and implementation of the specialized, professional and periodical foster care for certain beneficiary categories.

Specific targets:

- Deinstitutionalization: by 2012 66% of children without adequate parental care be in out-of-institution forms of care, 40% of children and youths with behaviour disorders, by 2016 30% reduction in the number of children with development problems in permanent or weekly placement in homes; in number of disabled adults in permanent or weekly placement in homes; and other legal entities that provide social care services by 30% by 2016. By 2018 20% reduction in number of beneficiaries permanently placed in homes for mentally disabled adults, especially those that do not require intensive care in an institution.
- Improvement of service quality in all foster families regardless of the beneficiary category
- Implementation of specialized foster care for certain beneficiary categories
- Professionalization of foster care
- Improvement of professional support for foster families
- Clear demarcation and definition of foster care services for children and foster care for adults

Option identification

What are the options for achieving targets and solving problems?

Option 1 • “nothing” (status quo)

In the last three years a slight increase in number of foster families has been noticeable, as well as in the number of children placed with foster families. The total number of persons placed with foster families increased from 5 153 in 2008 to 5 267 in 2009 (increase of 2.2%), and to 5 308 in 2010 (increase of 0.8% compared to the previous year). In 2010 there were 5 172 persons placed with foster families, among which 2 042 children and youths (without adequate parental care, children and youths with behaviour disorders, youth and children with development problems), and 3 130 adults (mentally ill adults, physically disabled adults, elderly and dependent persons). The total number of arranged places in foster families for all beneficiary categories was 6 227 in 2010, and the number of foster families 2 820.

If no measures are taken, it will not be possible to perform the actions and measures specified in the pre-accession documents and the strategies adopted by the Croatian Government. The placement of beneficiaries in institutions is still of a lower quality along with the high maintenance costs. Foster families are not motivated enough to improve the care quality, and are also not motivated to provide foster care services to certain beneficiary categories that are more demanding such as the physically disabled, children with behaviour disorders and the mentally ill. The existing foster families will continue to be dissatisfied and civic society organizations will continue to be insufficiently involved in terms of support for the foster families and help for the social care centres. The existing insufficiency in the centres' capacities will be restricting for the complete provision of support for foster families and for the expansion of fostering services. The process of deinstitutionalization will continue, but it will be much slower.

Option 2 • legislation – adopting new regulation

By adopting a new regulation on foster care it will be possible to harmonize it with the provisions of the new Law on Social Care (Official gazette, no. 57/11). It will prescribe the conditions for traditional foster care, specialized foster care, urgent foster care i.e. foster care for emergency situations, and occasional foster care. It will also prescribe foster care according to foster status: non-related, related, and professional fosterer. The procedure of receiving, renewing and termination of foster care licence will be prescribed more clearly. General and particular obligations of the fosterers to the beneficiaries under their care will be regulated, the jurisdiction of the Institute for social care on the municipality level and the social care centres as the branches of the Institute. Obligatory education for the fosterers will be prescribed as well as the adoption of individual plans of care for beneficiaries placed with foster families and monitoring the execution of such plans. The rights and obligations of fosterers, the obligations and responsibilities of the Social Care, the rights and obligations of the beneficiaries will be defined, as well as the pay for fosterers. A more precise defining of the jurisdiction as well as the obligations of every participant in the foster care process, and especially the support for fosterers will ensure a higher motivation of foster care providers and improvement in the quality of foster care especially for particular beneficiary categories. It will also insure a higher quality of foster family monitoring and a timely intervention.

Option 3. • alternative to formal legislation

As Option 3 the the document Guidelines for implementing social services quality standards adopted by the Ministry of health and social care was considered. The quality standards are an important part of the quality system, professional agency of the service system; permanent improvement in quality of the services, satisfaction with and trust in the quality of services, responsibility of care providers to clients and service beneficiaries, as well as to the community at large. During 2010 harmonization of the quality standards was started in all social care facilities founded by the Republic of Croatia.

Implementation of quality is a significant process in improving the social services, but the said document solves the problem only partially and only in the domain of implementation of service quality. The process of deinstitutionalization implies different activities in connection with the expansion of the social services network so that the services could become evenly distributed in every area of the country, and also the development of foster care for particular beneficiary categories.

At the present time Option 3 is not a viable option as it is only a partial solution to the problem identified, therefore no further action has been taken on Option 3. We will however, monitor the situation and continue to look for possible alternatives to regulation. .

Options comparison

What are the costs and benefits (advantages and disadvantages) of each of the options?

Option 1 –Do Nothing. If this option is under consideration, it can be assessed that the costs of placement in the institutions will continue to be high, the network of fosterers will develop but with a weaker intensity. The number of foster families will not increase with the process of deinstitutionalization, and the service quality will rise slowly and the existing foster families will continue to be dissatisfied. The beneficiaries will continue to be placed in social service institutions with high maintenance costs, which are high due to the needs of the special category of beneficiaries. Namely, precisely for those beneficiaries it is necessary to develop specialized foster care in order to ensure the appropriate conditions in foster families. The foster families will continue to receive support from the social services centres, yet due to capacity the level of support is insufficient for improving the overall quality of social services. Social service institutions will not be able to follow the plan for deinstitutionalisation since special foster care will not be developed, and the required capacity for accommodation will not be ensured in foster families. Moreover, the development of new services in institutions will be delayed since they will have to care for a greater number of beneficiaries. Option 'do nothing' implies that the number of employees in institutions of social services is still the same, and that their role does not change nor do they need additional education or training.

Option 2 • legislation – adopting new regulation

Is there a probability of the effects on the economy?

It is expected that the better defining of foster care will increase the number foster families and specialized fosterers whose remunerations will be increased. Along with the Law on Foster Care and the National plan for deinstitutionalisation and transformation of social care homes and other legal entities that perform social care services in the Republic of Croatia 2011–2016 (2018.) – social care homes are supposed draw up **individual plans of transformation**. With the decrease in the number of beneficiaries placed in institutions it is expected that within a certain time period the number of employees in social care homes will decrease as well. According to information from 2009, a total of 4980 employees were employed in public and private social care homes for four beneficiary types, among which 3175.5 expert employees and care employees, and 1688.5 in accounting, administration and technical support. The rest were employed in managing positions. Out of the total number in 2009 there were 610 employees in 16 homes for children and youths without adequate parental care (including 385 experts and 198 r in accounting, administration and technical support); in 40 homes for physically disabled children and adults there were 2464.5 employees (including 1.660 experts and 757 in accounting, administration and technical support); in 28 homes for mentally ill adults there were 1443 employees (including 804.5 experts and 609 in accounting, administration and technical support), while in 11 homes for children and youths with behaviour disorder there were 462.5 employees (including 326 experts and 124.5 in accounting, administration and technical support). In line with the projections of decrease in the number of beneficiaries in permanent or weekly placement and increase in the number of out-of-institution services and types of placement (organized accommodation), it can only be roughly assumed that it will result in a rearrangement of the personnel employed in the social care homes and other legal entities. While they are drawing up their individual transformation plans, each home will determine the number and structure of current employees, the number and structure of employees needed to provide the program of support for out-of-institution beneficiaries (determine the daily duration of support on the basis of the beneficiary's ability to live outside of an institution), and the required number and structure of employees that could be transferred with or without the need for additional qualification or requalification. The employees of social care homes will have to change their current working method due to the transformation process, and some of them even the type of work which will, in some cases, call for additional education or requalification in order to prepare some of the employees for work in out-of-institution types of care. The extent and the dynamics of the transformation and deinstitutionalization processes in relation to employees will be determined after the analysis of individual plans.²

Along with the decrease in the number of employees it is expected that the employees be additionally educated for other types of work – providing services for the community. Furthermore, social care homes have to adapt to the possibilities of providing other services, full day's residence, house help and care, support for foster families. It is expected that in a short term those changes will require additional funding, while in the long term they will result in cutting the costs of the entire care and social services system at the same time improving the quality. Financial resources that have been released for the reduction of the number of beneficiaries and employees in institutions will be reallocated for costs of different measures and activities related to the transformation of the

² Source The National plan for deinstitutionalisation and transformation of social care homes and other legal entities that perform social care services in the Republic of Croatia 2011–2016 (2018.).

institutions, the development of the extra-institutional services that the institutions provide. This primarily includes the costs of the reallocation of the current space in living rooms, furniture, necessary medical supplies, for services of help and care in the home, costs for delivering food, travel costs for providing services to the beneficiaries in their own home, and all other costs related to the new institutions. The responsible ministry for social services will organise the administration of necessary training for employed professionals of the centre and for professional officers of the social services homes. Depending on the transformation plan and the compatibility with conditions and standards for expert and other employees, as well as on the expected percentage of employees to be retired in the subsequent period, it will be necessary to make a final projection as the basis for the plan to rearrange a certain number of employees. Those changes present an active contribution from the service providers themselves for the successful realization of the transformation.

Is there a probability of social effects?

Placement of beneficiaries in foster families is a type of out-of-institution placement which is much more humane for the beneficiary and provides a family environment with lower costs than the institutional placement. Foster care is a type of care outside one’s own family which provides a child or an adult with accommodation and care in a foster family, and it is carried out in line with the basic principles of social care and the principles of family environment, sustainability of social connections and involvement of beneficiaries. A foster care beneficiary has an active role in fulfilling their own needs which they are provided with by the interconnected and coordinated service providers in a local community.

Determining of the need and the circumstances for placing a beneficiary with a certain foster family depends on the needs of each beneficiary, i.e. on the objectives of an individual plan. By implementing specialized foster care it is expected that certain beneficiary categories, which could not be placed with foster families due to their specific needs, will be transferred from institutions into foster families. Implementation of quality standards and education for foster families will enhance the visibility and social sensitivity for certain beneficiary categories which are underrepresented as beneficiaries of foster families, especially for children without adequate family care, children with development problems, physically disabled and mentally ill persons.

A greater involvement of civil society organizations and other partners in providing the professional support for the fosterers a better quality and monitoring of the services is achieved. At the same time it makes it easier for the social care to monitor the quality of foster family service quality as well as the social involvement of the beneficiaries.

Is there a probability of the effects on the environment?

This Law does not imply any effects on the environment.

Options analysis

Options to be considered	costs/ disadvantages: economic, social and ecological	Benefits / advantages: economic, social and ecological
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Option 1: “Do Nothing”	Expensive system currently in place An underdeveloped network of foster care providers. Unequal national coverage Dissatisfaction with existent foster families and the quality of services being provided A large number of beneficiaries placed within institutions. Limited alternatives to institutional care	Existent employees within social care institutions do not need to modify their working methods
Option 2: Adopting new regulation	In order to implement the new Foster Care Law it shall be necessary to provide certain financial resources for the first year of programme implementation - Possible dissatisfaction of employed experts in social care institutions Necessary education of employees working in homes - education of foster care families for specialized foster care	Deinstitutionalization Better quality of services Satisfied service providers - foster families and happier beneficiaries Decrease in expenses of placement per beneficiary Professional support for fosterers Expansion of the social services network Increase in the number of foster families Inclusion of other social care services providers Transformation of social care institution to provide different types of social services

Cost benefit analysis

Which would be the expenses and the benefits for the implementation of each of the options?

The first year of the implementation of the Law

For the implementation of the Foster Care Law certain assets are required and are to be assigned from the State Budget of the Republic of Croatia for the time frame between 2011 and 2013 in order to pay for the costs directly connected to the enforcement of the Law and relate to the increase of the fee for placement in foster care families. This Law would eliminate the personal fee for the foster care provided by relatives. For these purposes the estimated resources amount to cca **7.900.000,00** HRK for the time frame between 2011 and 2013 and these funds shall than be directed to serve for the payment of new types of foster care (specialized and professional foster care) as for the bonus payments destined to those families successfully providing foster care throughout a number of years.

It is expected that up to 70% out of a total of 79 children under the age of 7 currently placed in

social care homes, 54 will be in a very short while (by the end of 2012) placed from home to foster care families, while the remaining 30% of the children shall be ready for adoption. By undertaking such actions the average expenses to be paid for the placement in homes - currently amounting to **8.770,00 HRK (for 2010) shall be reduced.**

In accordance with the calculated expenses per user the average fee for each user placed within a foster care family is of **2.400,00 HRK** (that is it can vary from 1.600,00 to 2.880,00 HRK (plus 20%) depending on the age and the actual needs of the user). The average amount paid for the personal fee for the foster care family caring for one child, younger adult or an adult is of 900,00 HRK. Therefore, the total average amount per user placed within a foster family is of 3.300,00 HRK.

Taking into account the total number of state homes and the total number of users placed within those homes, the average amount per user for the year 2010 is of 5.950,00 HRK, where the highest average amount per user of a home for children and young people without adequate parental care in accordance with the date for 2010 is of 8.778,00 HRK, and the lowest is per user of homes for mentally ill adults - 4512,00 HRK. It is clear the expenses per user in social care facilities are double in comparison to the average amount paid for the same user placed within a foster care provider.

Later stages of the implementation of the Law

The process of implementation of the deinstitutionalization is expressed in percentages of shares of users in out-of-institution types of care within the Table 2 which shows the graduate increase in the number of users in the out-of-institution types of care for different years until the year 2018.

The most significant decrease in the number of users can be expected in the last three years of the period determined for the deinstitutionalization and transformation, after which the number of children and adults of other user groups will be reduced and accordingly resources shall be released to be redirected for the purposes of providing care for mentally ill adults. The redistribution of the structure of a part of expenses of the existing system of institutionalized care for the financing of the development of the out-of-institution types of services, shall enable savings of resources within the process of reduction of the number of persons placed permanently or weekly in institutions. The redistribution of the expenses has to be based on quantitative projections which shall be binding to the decision makers when distributing financial resources.

By developing foster care as well as other types of out-of-institution types of care we shall gradually be able to decrease the level of expenses needed per user placed within institutions, and those funds shall than be free to be assigned to raise the quality of foster care and other services within the civil society communities and other partners working on the provision of social care services.

Table 1- Average monthly expenses per user in HRK

Type of home	Resources used in 2008	Average monthly amount per user in 2008 year	Resources used in 2009	Average monthly amount per user in 2009 year	Average monthly amount per user in 2010
1.	3.	4.	6.	7.	8.
Total homes and other legal entities	760,697,460.	5,617.	785,154,714.	5,878.	5,463.
State owned homes	632,508,972.	6,039.	645,285,816.	6,357.	5,950.
Homes for children and young people without adequate parental care	89,146,108.	8,983.	89,659,533.	9,555.	8,778.
Homes for children with behaviour disorders	76,257,757.	6,134.	78,412,719.	6,495.	5,973.
Homes for children with development disorders and disabled adults	294,505,168.	7,747.	301,183,009.	7,790.	6,563.
Homes for mentally ill adults	172,599,939.	3,891.	176,030,555.	4,253.	4,512.
Total non-governmental homes and other legal entities	128,188,488.	4,176.	139,868,898.	4,362.	4,073.
Homes and other legal entities for young people and children without adequate parental care	22,182,301.	4,279.	25,259,783.	4,976.	4,461.
Homes and other legal entities for children with development problems and disabled adults	84,208,668.	4,430.	89,726,659.	4,653.	

					4,411.
Homes and other legal entities for mentally ill adults	21,797,519.	3,351.	24,882,456.	3,230.	3,048.

Source: National institutionalization and transformation plan for social care homes and other legal entities performing activities of social care within the republic of Croatia 2011. – 2016. (2018) (published on the website www.mzss.hr)

Number of users analysis

Currently in Croatia there are 114 state owned and private homes and similar legal entities providing social care services for children and young people without adequate parental care, for children and young people with behaviour disorders, for children with development disorders and disabled adults, and for mentally ill adults, all the home combined provide care for a total of 12813 users, out of which 8545 are permanent or weekly users of homes. 71 of these are state homes (14 for children with no adequate parental care with a total of 782 users, 11 for children and young people with behaviour disorders with a total of 1477 users, 28 for children with development disorders and disabled adults where are currently placed 4207 users and 18 institutions for mentally ill adults, currently providing care for 3205 users), also there are 24 private homes (2 for children and young people with no adequate parental care with 188 users, 12 for for children with development disorders and disabled adults where are currently placed 1259 users and 10 for mentally ill adults currently caring for 901 users). Out of a total of 19 legal entities 6 are for children and young people with no adequate parental care with 164 users, 11 for children with development disorders and disabled adults where are currently placed 600 users and 2 for mentally ill adults with 30 users.

When it comes to out-of-institution types of placement (foster care and family homes) the total number of foster families for children and adults is 1332, and these currently provide care for 1955 users (1675 children and young people with no adequate parental care, 250 children with development disorders and 30 children and young people with behaviour disorders). The total number of foster families for adults is 1303 and these currently provide care for 1394 users (elderly and incapacitated, disabled and mentally ill adults).

State owned and managed social care homes, which are being financed exclusively from the state budget include major resources - budgets, buildings, equipment, and if possible part of these resources should be re-directed and used for living spaces, meaning for organized life communities supported by the state, homes of lower capacity or for to provide out-of-institution care within the community.

The overall budget for 71 state owned social care home for children and young people with no adequate parental care, children and young people with behaviour disorders, children with

development disorders and disabled adults and mentally ill adults in the year 2009 amounted to a total of 645.285.816,00 HRK. That amount should be reduced till 2018 for at least 30 - 40% (Table 3)

In accordance with the planned increase of persons placed in out-of-institution types of care as shown in the Table 2 for the time period until 2018 the number of certain types of users should be changed in accordance to the projected percentages. Simultaneously the expenses for the placement in social care facilities should be decreased in certain percentages, and those resources gained by the redistribution should be directed to the widening of the network of service providers and the overall increase in the quality of their services.

Within the structure of the cost of all state owned homes the most significant is the cost for the pays and fees due to the workers, app. 73% of all expenses. The average percentage of direct expenses for users (materials, food, health related services, and other types of help for the users) make a total of 14% , while the same percentage (14%) is used for the management expenses, infrastructure (electricity, services, maintenance, administrative costs and unspecified business expenses). In relation to the average state homes for mentally ill adults have the biggest percentage of direct costs for users (17%) and for business management and infrastructure (18%), while the least for the workers (65%). The highest average percentage spent for workers (77%) in relation to the state average have homes for children with development disorders and disabled adults. In accordance to the financial indicators of the Ministry of Health and Social Care for the three year time frame taken into account, the investments in key projects (reconstruction of the infrastructure of social care homes) for state owned homes for all user groups was around 10% of the overall budget of such homes.

Time frame and goals to be achieved by the deinstitutionalization 2011-2018

Table 2

Time frame	Percentage of out-of-institution types of care			
	Children and young people without adequate parental care	Children and adults with behaviour disorders	Children with development disorders and disabled adults	Mentally ill adults
Baseline - State in the beginning (2010)	62%	7%	27%	19%
2011.	64%	9%	29%	19%
2012.	66%	14%	33%	20%
2013.	69%	21%	37%	21%
2014.	72%	28%	40%	24%

2015.	76%	35%	45%	26%
2016.	80%	44%	51%	29%
2017.				32%
2018.				35%

Source: Source National de institutionalization and transformation plan for social care homes and other legal entities performing activities of social care within the republic of Croatia 2011. – 2016. (2018) (published on the website www.mzss.hr)

Table 3 - Expenses for homes and other legal entities providing social care for the time frame between 2008 and 2010 - in HRK

Type of home	Resources used in 2008	Resources used in 2009	Resources used in 2010
1.	3.	6.	
Total homes and other legal entities	760,697,460.	785,154,714.	806,674,892.
Total state owned homes	632,508,972.	645,285,816.	650,596,899.
Homes for children and young people without adequate parental care	89,146,108.	89,659,533.	88,484,382.
Homes for children with behaviour disorders	76,257,757.	78,412,719.	77,984,719.
Homes for children with development disorders and disabled adults	294,505,168.	301,183,009.	304,489,527.
Homes for mentally ill adults	172,599,939.	176,030,555.	179,638,271.
Total non-governmental homes and other legal entities	128,188,488.	139,868,898.	156,077,993.
Homes and other legal entities for young people and children without adequate parental care	22,182,301.	25,259,783.	25,326,519.

Homes and other legal entities for children with development problems and disabled adults	84,208,668.	89,726,659.	94,343,570.
Homes and other legal entities for mentally ill adults	21,797,519.	24,882,456.	36,407,904.

Source: Source National de institutionalization and transformation plan for social care homes and other legal entities performing activities of social care within the republic of Croatia 2011. – 2016. (2018) (published on the website www.mzss.hr)

Consultations

Provide an overview of all conducted consultations (with who it was consulted and how the feedback received from the consultation was used) and how the inputs from the consultations were used within the assessment of the options?

In the first stage of preparation for the drafting of the Law we actively involved the association called 'Forum for quality foster care' which is currently engaged throughout the MATRA project to compare the regulations of other countries which successfully regulated the foster care in order to determine the best solutions for the introduction of specialized foster care. In the first stage of drafting the law all the stakeholders related to foster care were involved. Alongside the representatives from the Ministry of Health and Social Care we have invited to participate the representatives from the social care centres, representatives of the academic community, representatives of the Foster Care Organization, representatives of the social care homes, representatives from the Office of the Ombudsman for Children, representatives of the international organization UNICEF from Croatia, and the representatives of organizations of the civil society dealing with foster care issues. The Association of Foster Care Providers shall be actively involved within the process of preparation and drafting of the regulation, while within the drafting procedures regarding this law shall be involved also representatives of social care centres, and if required the representatives of professional associations as well. During the drafting of the regulation we shall organize direct consultation with different stakeholders, also we shall organize three regional workshops.

Wider public will also be involved when the proposal of the draft foster care law will be published on the internet site of the Ministry of Health and Social Care during a period of 30 days before it shall be sent to the Parliament to undergo the adoption procedure.

All observations received in writing, as well as any and all suggestions, proposals or modifications to the existing articles shall be considered separately and in case as such shall be discarded, we shall notify in writing the proposal submitter with an explanation containing the reasons for the non-acceptance.

The received suggestions related to the defined roles, rights and responsibilities of the foster care providers and the social service centres in certain phases of the foster care process, such as: processes of receiving the permit, training the foster care providers, accommodation process, process of changing or ending accommodation, determining the type of monitoring and

support for foster care providers. Provided written proposals relate to the realization of rights for pension and health insurance, increase of personal gain for the foster care providers and establishment of independent agencies. The majority of the proposals that related to settling certain procedures have been adopted, while some proposals could not be adopted. For example, the establishment of independent agencies and the increase of personal gain for the foster care providers could not be adopted because these proposals required new financial allocations of the state budget, while in the drafting phase of the Draft Proposal of the Regulation there were secured financial resources for the implementation of the Act.

Evaluation and monitoring

- ***How and when to implement monitoring and post implementation review to assess the achievement of the goals?***
- The ministry responsible for social services shall collect the annual data directly from social care homes and social care centres, that is from the Social Care Institute at the county level. The monitoring of the Law implementation is performed in accordance to the established indicators: Number of persons placed in institutionalized care providing homes, number of persons placed in out-of-institution types of care, number of users that left the institutions, number of users placed in foster families, the total number of foster families, and especially the number of professional foster families. The implementation evaluation for the Foster Care Law based on the gathered statistical data shall be: the ration of permanent placement within homes and in the alternative types of care for new users in any given year in comparison to the previous year, the increase of the number of foster families and their capacities, reduction of the average stay of permanent users placed within institutions of social care, increase of the number of users from target groups placed in foster families, increase in the number of foster families, increase in the number of professional foster families, reduction of the procedure to approve the status of a foster family, reduction in the number of users in institutions of social care permanently placed within those and the overall increase in the quality of provided services based on the monitoring of the standards application.

In accordance with certain changes to of the number of users in foster care families, and in social services homes, certain measures and policies will be harmonized in order to achieve the strategic goals related to deinstitutionalization.

The revision of the Regulatory Impact Assessment on the Foster Care Law will be completed in three years from the day it is published, and based on the reviewed data the policies within the area of social services related to increasing the quality of foster care will be harmonized.

Financial assessment of options

Options considered	expenses/ shortcomings:	First year upon implementation 2012.	Later in the implementation period until - 2018

Option 1: 'Do nothing'			
Costs for the placement in social care institutions total	650.596.000,00 HRK	649.295.00,00 HRK <i>Reduction in expenses for 0,2% yearly trend of reduction of institutionalized care</i>	641.503.000,00 HRK <i>Reduction in expenses for 0,2% yearly trend of reduction of institutionalized care (in 6 years 1,2%)</i>
Difference - saving		1.301.000 HRK	9.093.000 HRK
Costs for the placement within foster care families total	162.655.000,00 HRK	164.282.00000 HRK Increase in expenses for the increase trend of 1%	174.139.00000 HRK Increase in expenses for the yearly increase trend (for 6 years - 6%)
Increase in expenses		-1.627.00000 HRK	-11.484.000 HRK
Additional resources required		326.00000 HRK	2.391.00000 HRK
Option 2: Adoption of a new law			
Expenses for the placement within institutions of social care	650.596.00000 HRK	631.079.00000 HRK 3% reduction of expenses for a smaller number of users in the institution	455.416.00000 HRK Decrease in the expenses for the institutionalized care 30 %
Saving		19.517.00000 HRK	195,180,000.00.
Expenses for the placement within foster care families total	162.655.00000 HRK	167.534.65000 HRK Increase in expenses for the increase of the number of users placed within foster care families for 3%	195.186.00000 HRK Increase in the expenses for the increase of the number of users within foster care families for 20%
Increase in expenses		4.880.00000 HRK	32.531.00000 HRK
Saving		14.567.000,00 kn	162.649.000,00 HRK*
<p><i>*The amount of the saving is calculated based on the known expenses and on the estimation of the reduction of the number of users within institutions until the year 2018. The amounts set forth as savings shall be redirected for the expenses of different measures and activities related to the transformation of the currently existing facilities, for the development of the out-of-institution services to be provided within such institutions (to reorganize the facilities to become living rooms, for the costs of specialized care, food delivery and travel expenses for the provision of services to users in their own homes.)</i></p>			

Recommended option

Based on the comparison of possibilities regarding the benefits (the advantages) and the costs (disadvantages), what is the recommended option?

**Option 2:
Adoption of a new law**

Costs and benefits

While drafting the Foster Care Law it was guided by secured financial resources, i.e. Within an already existing financial framework. However, for the implementation of the new Law it was necessary to ensure certain financial resources for its implementation and one off implementation expenses for the first year. Since the new Law has abolished the foster care fee to family relatives providing mandatory foster care in accordance to the Family Act which regulates their obligations (Official Gazette No. 116/03, 17/04, 136/04, 107/07, 57/11 and 61/11) and those resources are directed to covering costs of new types of foster care (specialized and professional foster care) and for acknowledging foster care providers for their long-term accomplishments in providing foster care.

Furthermore, within the framework of the existing resources the new Law contributes to the deinstitutionalisation of the system and to the overall increase in the quality of services. Providing improved conditions for foster care families and with the support and monitoring of social service centres as well as other stakeholders, and increase of the number of foster care families is expected.

By increasing the number of foster families it shall become possible for those users placed within institutions to be placed in foster care families which mean a more humane type of care and a decrease in expenses. By raising the quality of care and their placement the users shall be more satisfied, and by providing expert's support to the foster care providers they shall be more content as well. In order for the foster care families to provide quality care, and for the expert officers of the social service centres to provide quality support to foster care families as well as other social services institutions, it is necessary to conduct a training for employees of the centres as well as for the foster care families that will provide specialized and professional foster care.

Therefore, in order to fully implement and operate the Deinstitutionalization Plan, another Operative plan shall be drafted for the process of deinstitutionalization and transformation of social care homes for the years 2011 and 2012. This plan shall define, among other things, the financial resources needed for the implementation of the deinstitutionalization process, which includes trainings and monitoring of foster families.