



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
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Secretary

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APR 07 2009

Dear Department of Public Welfare Stakeholders:

The Department of Public Welfare (Department) is issuing the attached bulletin (Bulletin) as final. Our intent in issuing the bulletin is threefold: (1) to make changes to ensure compliance with Title IV-E reporting requirements from the federal government, (2) to streamline the reporting and data gathering process instituted last year and (3) to allow as much time as possible for counties to complete contracts with their providers in preparation for the new fiscal year beginning July 1, 2009.

Issuing the Bulletin at this time will maximize the amount of time that providers have to provide the information required in its associated forms. The Department, working with the county-state review teams described in the bulletin, will commit to providing validation of the information in the forms no later than June 15, 2009 provided that all requested information is provided by the providers no later than May 1, 2009.

If the requested documentation is provided timely and the Department is unable to provide a response by June 15, 2009, counties will be allowed to proceed with the contracting process using the amounts established for Fiscal Year 2008-09. Once the Department provides the validation of the information, however, the maximum federal and state amounts established for Fiscal Year 2009-10 may differ from the previous year.

Not included in the Bulletin are provisions requiring an 85 percent occupancy rate, a limit of 15 percent for administrative costs and a limit of three percent for retained earnings or gross profit. The Department has heard the concerns with these provisions being included in the Bulletin and has removed them from the final version.

Instead, the Department is pursuing these changes and others designed to better align the contracting process with good outcomes for children through legislation that will be effective July 1, 2010. This change in the effective date will allow the Department to create a workgroup to permit stakeholders' input into the system and afford more time for stakeholders to make any changes that are required.

The Department understands the need for both counties and providers to be involved in these discussions and believes that their input will help us craft a system that is more accountable, aligned with better outcomes for children while remaining fair to providers. We look forward to beginning the workgroup process shortly and hearing any suggestions or concerns you may have.

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If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Estelle B. Richman

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