



OFFICE OF CHILDREN, YOUTH AND FAMILIES BULLETIN

COMMONWEALTH OF PENNSYLVANIA * DEPARTMENT OF PUBLIC WELFARE

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SUBJECT:

Out Of Home Placement Services - Contract Documentation

BY:

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SCOPE:

COUNTY COMMISSIONERS AND COUNTY EXECUTIVES
COUNTY CHILDREN AND YOUTH SOCIAL SERVICE AGENCY ADMINISTRATORS
CHIEF JUVENILE PROBATION OFFICERS
COUNTY CHILDREN AND YOUTH FISCAL OFFICERS
PRIVATE CHILDREN AND YOUTH SOCIAL SERVICE AGENCIES

PURPOSE:

The purpose of this bulletin is to give guidelines to county children and youth social service agencies and where applicable, public and private providers of contracted children and youth social services, concerning the Commonwealth's fiscal policies relating to reimbursement for out of home placement services and programs.

Specific topics contained in this bulletin are:

- An explanation of the Commonwealth's policies for Departmental financial participation in the costs of services provided through contracted agencies; including policies regarding the maximum allowable expenditures for Departmental participation in accordance to 55 Pa. Code §§ 3170.84 and 3170.103.
- The procedures the Department is using to review the allowability of costs for reimbursement for services to children in out of home care, including guidance to classify the expenditures in the out of home placement service funding requests in accordance with 55 Pa. Code §§ 3140.17, 3140.21, 3140.22, 3140.23, 3140.131, 3140.132, 3140.133, 3140.134, 3170.83 and 3170.84.
- An explanation of the documentation and reports the Department requests to be included in all out of home placement service contracts using Federal Title IV-E and State Act 148 funding in accordance with 55 Pa. Code § 3170.93.

COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:

Office of Children, Youth and Families

Origin: Bureau of Budget and Program Support

- The documentation requested from public and private providers to support the anticipated direct and indirect costs associated with the provision of out of home placement services in accordance with 55 Pa. Code §§ 3170.60 and 3170.92; and the Department's Office of Children, Youth, and Families (OCYF) Bulletin 00-95-12 Indirect Cost Guidelines for County Children and Youth Agencies.
- Explanation of the requirements for program funded out of home placement services, including the requirements for the contract components in any agreement between the county and a program-funded provider in accordance with 55 Pa. Code §§ 3170.23 and 3170.93.
- Instructions for the submissions of the pre-contractual audit reports to OCYF to allow OCYF to perform its due diligence to determine compliance with regulations and policies in accordance with 55 Pa. Code § 3170.106.

BACKGROUND:

In accordance with 55 Pa. Code §§ 3170.11 and 3170.84, the Department is responsible for establishing the maximum allowable expenditures for its participation in reimbursing counties for services provided through the county agency on an unit of service funding basis. Moreover, in accordance with 55 Pa. Code §§ 3170.11 and 3170.23, the Department is authorized to ensure that expenses for reimbursed program funded services are allowable, reasonable, and meet the requirements established by the Department. Finally, both state and federal regulations require that the Department manage the day-to-day operations of State Act 148 and Title IV-E supported activities, including monitoring all activities to assure compliance with the applicable state and federal requirements under 55 Pa. Code § 3130.12(b)(4) and 45 CFR § 92.40(a).

Previous audits by the Federal Department of Health and Human Services, Office of the Inspector General (HHS/OIG) have identified internal control weaknesses in Pennsylvania's monitoring practices of the Federal Title IV-E Program. The HHS/OIG audits prompted the Department to review its practices for monitoring State Act 148 funded programs and services in conjunction with Title IV-E expenditures. One necessary component for an effective monitoring program for both the Title IV-E and State Act 148 funds is the assurance of accurate and reasonable accounting for expenditures relating to out-of-home placement service public funding requests.

In Fiscal Year (FY) 2008-2009, the Department issued OCYF Bulletin 3170-08-01 to address the lack of monitoring and auditing highlighted in the HHS/OIG reports. Public and private providers of out of home placement services were asked to submit pre-contractual audit materials that explained, documented, and supported the county-contracted Federal Title IV-E and State Act 148 funding rates for which reimbursement was or would be claimed. Based on feedback from the county agencies and providers of out of home placement services, as well as OCYF observation, the Department determined that the content within OCYF Bulletin 3170-08-01 was not sufficient to ensure the accurate and reasonable accounting for the Department's out-of-home placement service expenditures; therefore, for FY 2009-2010 the Department revised the process in OCYF Bulletin 3170-08-01 through the release of OCYF Bulletin 3170-09-01.

In Fiscal Year 2010-2011, the Department released Bulletin 3170-10-01. The Bulletin did not introduce any major changes to the practice. The Bulletin was used to clarify roles and distinguish more detail related to current functioning practices.

In this bulletin, the Department is announcing its intent to continue to clarify and refine its auditing and monitoring processes of the out-of-home placement service expenditures, as well as its procedures for establishing the maximum allowable levels of reimbursement for state and federal dollars for out-of-home placement services. The Department will ask for an increased level of detail so expenditures can be identified so an allowable assessment can be made. The increased level of detail will help ensure that claims of Federal and State funding can be tied to allowable expenses as reported in this process. More specific instructions will be provided through upcoming special transmittals.

The pre-contractual audit reports are designed to identify direct and indirect expenditures and categorize allowable from non-allowable expenditures for **Federal Title IV-E and State Act 148 funding** and will allow the State to fulfill its responsibility to determine the maximum levels of reimbursement in which it will participate in accordance with 55 Pa. Code §§ 3170.84, 3170.92 and 3170.106. Additionally, the documentation contained in this bulletin will assist public and private providers of out of home placement services and county agencies to review the allowability of their out of home placement service expenditures under State and Federal regulations prior to their negotiating a contract rate. In addition, county agencies will be able to analyze the out of home placement service provider's expenditure and service trends prior to contracting for services to help the counties meet their responsibility to obtain the best possible rate for the purchase of services under 55 Pa. Code § 3170.85.

DISCUSSION:

This bulletin is directed to county children and youth social services agencies and providers of service to county agencies, where applicable, including any public or private provider of out of home placement services eligible for Federal Title IV-E and/or State Act 148 funding directly from OCYF or indirectly through a contractual relationship with a county agency. This includes any public or private provider that is not eligible for federal Title IV-E "Foster Care" funding but nevertheless receives State Act 148 funding for out of home placement services such as Juvenile Detention, Secure Residential, or a publicly operated facility with more than 25 beds as well as any provider that meets the Federal definition of "Foster Care" found in 45 CFR § 1355.20:

Foster Care - Twenty-four (24) hour substitute care in a placement away from his/her parents or guardians and for whom the county has placement and care responsibility. This includes: foster family homes, foster homes of relatives, kinship foster homes, group homes, emergency shelters, residential facilities, child-care institutions, (public facilities with less than 25 beds or private facilities with any number of beds), and pre-adoptive homes. Foster care does **not** include a child in one of the following placements: detention (or facilities that are primary for the detention of children who are adjudicated delinquent), secure treatment facilities, psychiatric facilities, hospitals, and forestry camps.

In accordance with 55 Pa. Code §§ 3170.83, 3170.85 and 3170.93, county authorities are responsible for the negotiation and execution of agreements with providers of out-of-home services.

Counties are responsible for ensuring that the agreements are for the best possible rates under 55 Pa. Code § 3170.85 and that they conform to the procedures promulgated by the Department in 55 Pa. Code § 3170.93. Furthermore, the Department may establish maximum levels of state and federal reimbursement under 55 Pa. Code § 3170.83. Counties may “fund programs, services and facilities at rates they elect. However, the expenditures above the approved levels are the responsibility of the county. See 55 Pa. Code § 3170.103.

The Department is requesting that all public and private providers of out of home placement services who anticipate receiving Federal Title IV-E and/or State Act 148 funding in FY 2011-2012, submit pre-contractual audit reports for FY 2010-2011. The Department will review the pre-contractual audit forms to verify the appropriate and allowable expenditures for the prior and/or anticipated out of home placement services and also will provide the maximum allowable federal and state reimbursement. Counties may decide to wait to enter into contracts until the Department’s determination of the approved levels or may enter into contracts prior to receiving the Department’s approval. However, consistent with 55 Pa. Code § 3170.103, **expenditures above the level of Departmental participation and those services funded without Departmental approval will be the fiscal responsibility of the county.**

The state and federal regulations and policies the Department will use to verify the Federal Title IV-E and State Act 148 allowable expenditures are listed below.

- 55 Pa. Code Chapters 3130, 3140 and 3170;
- OCYF Bulletin 3140-08-01, “Title IV-E Foster Care Maintenance and Adoption Assistance Program Costs Allowable for Federal Financial Participation”;
- The Social Security Act, Title IV, Part E (http://www.socialsecurity.gov/OP_Home/ssact/title04/0400.htm); and
- The Child Welfare Policy Manual, specifically the chapters delineating allowable administrative and placement costs. (<http://www.acf.hhs.gov/j2ee/programs/cb/lawspolicies/laws/cwpm/policy.jsp?idFlag=8>)

Purchase of service funding may be by unit of service funding or by program funding. Unit of service funding contracts must meet the requirements set forth in 55 Pa. Code §§ 3170.81-3170.86 and § 3170.94 in order to qualify for reimbursement. Program funded contracts must meet the requirements set forth in 55 Pa. Code §§ 3170.23 (d) and (e) and 3170.94. If a county chooses to contract for a service using program funding, the county must certify and document that the requirements of 55 Pa. Code §§ 3170.23 (d) and (e) have been met and attach that certification and documentation to the contract agreement between the county agency and the service provider.

The forms and instructions to complete the forms will be included in an upcoming special transmittal which will be released by the Department. The purpose of the forms is to provide a foundational reporting document. In addition to the forms, other supporting documentation will be needed to assist in verifying allowable cost claiming.

- **Out-Of-Home Placement Services - Foster Family Providers**

The pre-contractual audit report forms, instructions and definitions in the upcoming special transmittal related to Foster Family Home Services pertain to public and private out-of-home

placement services for foster family providers. This includes: foster family homes, foster homes of relatives, kinship foster homes and/or pre-adoptive homes.

The pre-contractual audit report forms and accompanying audit documentation will be used to identify the expenditures for each assigned class of foster family service, the local service provider expenditures, and the proportionate share of indirect staff and operational expenditures. The combination of expenditures will be used to calculate the maximum allowable Federal Title IV-E and/or State Act 148 expenditures for Departmental participation based on each assigned class of foster family service for children in placement.

The pre-contractual audit report forms and accompanying required audit documentation for **Public Out-Of-Home Placement Services - Foster Family Providers** include:

- Foster Family Providers - Cover Sheet.
- Summary Rate Sheet.*
- Current Foster Family Service Descriptions.
- Foster Family Per Diems Calculations.

Prior to the Department's reimbursement of a county children and youth agency for services rendered by a **Private Out-of-Home Placement Services- Foster Family Provider**, the Department will review the pre-contractual audit report forms to support the requested allowable State Act 148 and/or Federal Title IV-E maintenance funding. In addition, the remaining applicable pre-contractual forms within the upcoming special transmittal related to Foster Family Home Services will be used to support the Title IV-E administrative funding request. These forms include:

- Local Service Provider Staff Roster.
- Local Service Provider by Job Classification.
- Direct Administrative Expenditure.
- Indirect Administrative Staff Roster.*
- Indirect Administrative Expense.*
- Master List of All Agency Programs.*
- Service Projection Chart.
- Administrative Cost Per Child By Class of Service.
- Cost Allocation Description.

*Please reference the Indirect Package section on page 8 of this bulletin.

NOTE: Only the allowable maintenance expenditures paid to the foster family provider or third party organization that provides allowable maintenance items for the foster family provider are reimbursable under the foster care maintenance program. The Child Welfare Policy Manual which provides the federal guidelines for administration of Title IV-E of the Social Security Act require that

the allowable Title IV-E administrative expenditures associated with foster family providers **must be separated** from the allowable foster care maintenance expenditures for a separate Title IV-E administrative claim.

As defined in the Social Security Act, 42 U.S.C. § 625 (4)(A), “foster care maintenance payments means payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, reasonable travel to the child's home for visitation, and reasonable travel for the child to remain in the school in which the child is enrolled at the time of placement. In the case of institutional care, such term shall include the reasonable costs of administration and operation of such institution as are necessarily required to provide the items described in the preceding sentence.”

As required by 45 CFR § 1356.60 and 55 Pa. Code Chapters 3140 and 3170, the Title IV-E allowable administrative expenditures are limited to the following and the services delivered by the providers relating to these allowable expenditures must be specifically detailed in the contract between the county agencies and the foster family providers' agencies.

- Per diem development, defined as the administrative time spent by the private foster family providers in completing the pre-contractual audit documentation forms required by this OCYF bulletin.
- Referral to services, comprised and including the administrative activity when the worker is providing a child or his/her family with requested information about needed services, directing an individual to needed treatment, aid, or information; administrative time only and does not include the participation in service delivery or providing a service directly to a client.
- Placement of children, which is the administrative activity of identifying appropriate foster family providers, completing necessary paperwork to submit and to review criminal background checks for prospective foster family providers, matching of a particular child referred by the county agency to the private foster family provider agency with a particular foster family provider to meet the child's particular needs, working with foster provider to prepare them to receive a specific child.
- Day-to-day administrative case management when foster family provider agency workers arrange for services, monitors and assures that services are being provided, schedules and arranges for appointments for the provision of services for the children in placement; arranges for services and assures that services are provided, excludes participating in a service delivery/provision or providing a service directly to the client; and supervises a particular child's adjustment in the foster family home.
- Recruitment, licensing, and approval of foster family providers (finding, training, approving, monitoring, and supervising of the particular homes).
- **Out-Of-Home Placement Services - Institutional Facility Providers**

The pre-contractual audit report forms, instructions and definitions in the upcoming special transmittal related to Group Home/Institutional Care Services pertain to public and private providers of out-of-home placement services for Institutional facility providers. This includes: group homes, emergency shelters, residential facilities, juvenile detentions and secured facilities. The pre-contractual audit report forms and accompanying audit documentation will be used to

identify the expenditures for the facility, the expenditures for direct care of the children in placement and the proportionate share of indirect staff and operational expenditures related to the facility/unit. These expenditures, along with the number of licensed beds and occupancy rate, will be used to calculate the maximum allowable Federal Title IV-E and State Act 148 expenditures for Departmental participation for each facility/unit.

The maximum allowable Federal Title IV-E and State Act 148 expenditures for Departmental participation for the unit of service funding basis are calculated based on the pre-contractual audit reports, accompanying documentation and the licensed bed capacity of the institution. The licensed bed capacity is indicated on the Certificate of Compliance issued by the Pennsylvania Department of Welfare, except as follows:

- **Institutional facility providers that program fund a portion of their beds/capacity** - A contract must show the number of beds that are proposed to be program funded. The balance of beds listed on the certificate of compliance will be used to calculate the Title IV-E and/or State Act 148 funding requests.
- **Institutional facility providers that are licensed by the Office of Developmental Programs (ODP)** - The expenses for ODP-licensed providers will be child specific. Please read the "Office of Developmental Programs" section listed below to verify the documentation needed to request for State Act 148 and Title IV-E funding.

Prior to the Department's reimbursement of a county children and youth agency for services rendered by an Institutional facility provider, the Department will review the applicable pre-contractual audit report forms in the upcoming special transmittal related to Group Home/Institutional Care Services to support their State Act 148 and Federal Title IV-E funding requests. The pre-contractual audit report and accompanying documentation for **Public Out-Of-Home Placement Services-Institutional Facility Providers** include:

- Institutional Residential Facilities-Cover Sheet.
- Summary Rate Sheet.*
- Institutional Facility Staff Roster.
- Institutional Facility Staff Projection.
- Institutional Facility Expenditures.
- Master List of all Agency Programs.*
- Service Delivery Chart.
- Institutional Facility Per Diem Calculation.

*Please reference the Indirect Package section on page 8 of this bulletin.

Prior to the Department's reimbursement of a county children and youth agency for services rendered by a **Private Out-of-Home Placement Services - Institutional Facility Providers**, the Department will review the above mentioned pre-contractual audit report forms to support the requested total State Act 148 and allowable Title IV-E requests. In addition, the remaining applicable pre-contractual audit report forms within the upcoming special transmittal related to

Group Home/Institutional Care Services will be used to support the Federal Title IV-E and State Act 148 funding requests. These forms include:

- Indirect Administrative Staff Roster.*
- Indirect Administrative Expense.*
- Cost Allocation Description.

NOTE: The Title IV-E maintenance and administrative expenditures do not need to be separate for institutional care providers as they are for out-of-home placement services for foster family providers. The reasonable cost of administration and operation of the institution that is necessary to provide services for children served under the Title IV-E foster care maintenance program are allowable elements in payments to child care institutions. The costs of supporting activities provided to a program or another unit of a program shall be apportioned into the service to directly benefit the facility.

*Indirect Package

This package is designed to capture expenditures related to the parent organization that indirectly oversees the operation of the facility and has indirect management responsibilities of all programs.

For auditing purposes, HHS/OIG uses OMB Circular A – 122 Attachment A Section C 1. (http://www.whitehouse.gov/omb/circulars_a122_2004/#ac) to define Indirect Costs. Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. Direct cost of minor amounts may be treated as indirect costs under the conditions described in subparagraph B.2. After direct costs have been determined and assigned directly to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefiting cost objectives. A cost may not be allocated to an award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to an award as a direct cost. If applicable, the service provider should complete this individual fiscal packet which should provide the necessary details to support the indirect amounts allocated to the local service provider office.

Prior to the Department's reimbursement of a county children and youth agency for services rendered by a **Private Out-of-Home Placement Services- Foster Family Provider or Institutional Facility Provider**, the Department will review the pre-contractual audit report forms to support the requested allowable State Act 148 and/or Federal Title IV-E maintenance funding.

Indirect Package for upcoming special transmittal related to Foster Family Home Services

- Summary Rate Sheet
- Sheet V - Indirect Admin Roster
- Sheet VI – Indirect Admin Expense Sheet
- Sheet VIII – Master Program List

Indirect Package for upcoming special transmittal related to Group Home/Institutional Care Services

- Summary Rate Sheet
- Sheet IV – Indirect Admin Roster
- Sheet V – Indirect Admin Expense Sheet
- Sheet VII – Master Program List

Please Note: Because indirect costs are incurred for common or joint objectives, each provider should compete only one indirect package even if it operates several different programs for which it submits separate pre-contractual audit report forms.

ALL OUT-OF-HOME PLACEMENT SERVICE PROVIDERS:

The remaining sections of this bulletin (Out-Of-State Providers, Publicly Operated Programs, Office of Developmental Programs, Documentation and Provider Invoicing) apply to public and private out-of-home placement services for foster family providers and public and private out-of-home placement services for institutional facility providers.

In order for the Department to complete a pre-contractual audit of a provider of out-of-home placement services to ensure the accountability of state and federal expenditures or proposed expenditures, it must review the provider's cost allocation plan for Federal Title IV-E and State Act 148 funding requests and the fee-for-service contracts. A cost allocation plan is a narrative description of the procedures that an out of home placement services provider will use in identifying, measuring, and allocating expenditures incurred in support of multiple programs. Providers who receive federal and state funds for the operation of out of home placement services will need to submit their OMB Circular A-122 and Title 45 CFR Part 95 cost allocation plans to the Department at the time they submit the additional pre-contract audit documents.

To ensure conformity with the procedures outlined in this bulletin as well as the contract requirements contained in 55 Pa. Code § 3170.93, the county agencies should implement a quality assurance process to verify that their service contracts have the appropriate set of standard contract documentation forms (from upcoming special transmittal related to Foster Family Home Services - Out-Of-Home Placement Services for Foster Family Providers or upcoming special transmittal related to Group Home/Institutional Care Services - Out-Of-Home Placement Services for Institutional Facility Providers) and the necessary documentation to support each contracted rate they negotiate. Each Appendix provides the revised required pre-contractual audit forms, instructions for completion and line item definitions, to obtain the required information to calculate the allowable state and federal maximum reimbursable expenditures in the per diems.

All supporting documentation will be retained by the county for OCYF review and future audits. In accordance with 55 Pa. Code § 3170.92, records shall be kept by the county children and youth agency for a minimum of five (5) years after the close of the fiscal year.

OUT-OF-STATE-PROVIDERS:

For providers of out-of-home placement services that operate in states other than Pennsylvania, to qualify for State Act 148 and Title IV-E funding in accordance with [45 CFR §](#)

1356.71(g) the provider of out-of-home placement services must be licensed by the state in which the child/children are being placed.

If the out-of-state provider of out-of-home placement services have developed budget reports and have support documentation that can reflect Title IV-E expenditures in detail, the provider can submit that documentation in lieu of the pre-contractual audit forms and accompanying documentation outlined in this bulletin. If the cost reports and support documentation developed by the out-of-state provider of out-of-home placement services do not reflect Title IV-E expenditures, the Department will review the above mentioned pre-contractual audit report forms outlined in upcoming special transmittal related to Foster Family Home Services - Out-Of-Home Placement Services for Foster Family Providers, upcoming special transmittal related to Group Home/Institutional Care Services - Out-Of-Home Placement Services for Institutional Facility Providers, or both before it will reimburse Act 148 and Title IV-E funding to the counties. It will be the responsibility of the contracting counties to inform their out-of-state providers of the requirements contained in this bulletin.

PUBLICLY OPERATED PROGRAMS:

Prior to the Department's reimbursement of a county children and youth agency for services that are operated by publicly operated county agencies, the Department will review the applicable pre-contractual audit report forms as outlined in upcoming special transmittal related to Foster Family Home Services - Out-Of-Home Placement Services for Foster Family Providers, upcoming special transmittal related to Group Home/Institutional Care Services - Out-Of-Home Placement Services for Institutional Facility Providers, or both. OCYF will review the pre-contractual audit forms to validate the appropriate and allowable expenditures for the anticipated out-of-home placement services and also will provide the counties with the maximum allowable federal and state reimbursement. Counties may decide to wait to enter into contracts until they have received the Department's determination of the approved levels, or they may enter into contracts prior to receiving the Department's approval. However, pursuant to 55 Pa. Code § 3170.103, **expenditures above the level of Departmental participation and those services funded without Departmental approval shall be the fiscal responsibility of the county.**

NOTE: If there is a change in the projected fiscal year's per diem(s), the publicly operated out-of-home placement service providers must submit documentation to the Department for review to support the change in the Federal Title IV-E and State Act 148 funding requests.

OFFICE OF DEVELOPMENTAL PROGRAMS (ODP):

Prior to the Department's reimbursement of a county children and youth agency for services by a provider licensed by the Office of Developmental Programs (ODP), the Department will review the applicable pre-contractual audit report forms. Additionally, the Department requests that the ODP-licensed provider also use the submission process listed below.

NOTE: In order for the Department to complete a pre-contractual audit of an ODP-licensed provider to ensure the accountability of state and federal expenditures or proposed expenditures, the Department may review the provider's documentation from the ODP budget reports to reflect the relationship between the Total expenditures and the Total budgeted expenditures listed on the contract documentation for the child/children in care.

DOCUMENTATION SUBMISSION AND REVIEW:

The Department has established a time frame and procedure for the submission and review of the pre-contractual audit forms. Counties and providers may choose whether to participate in this process and whether to meet the time frames established below. **However, pursuant to 55 Pa. Code § 3170.103, expenditures above the level of Departmental participation and those services funded without Departmental approval shall be the fiscal responsibility of the county.**

The Department originally requested that all public and private providers of out-of-home placement services who anticipate receiving Title IV-E or State Act 148 funding through the Department in FY 2011-2012 submit all information listed within the pre-contractual audit report forms (upcoming special transmittal Forms) electronically via e-mail to OCYF by April 15th, 2011 to the following resource account: **ra-ocyfcontracts@state.pa.us**. The subject line should contain: Legal Entity/Parent Org Name - FY11-12 – “Initial Submission/Re-Submission.” (i.e. 123456 FY 11-12 Initial Submission”) When naming the file, the file name should contain: Certificate of Compliance Number - Unit ID – FY 11-12 – “Initial Submission/Resubmission.” (i.e. Certificate of Compliance Number-AA-FY11-12-Initial Submission) Once received, OCYF will post the contract documentation on the following secure contract website: **http://www.dpwds.state.pa.us/docushare/dsweb/Login** for distribution to the **County Review Teams**.

NOTE: The County Review Teams are defined by the county agencies. Each County Review Team designates a County Review Team Lead to facilitate the process with each provider of out of home placement services. Also, each County Review Team has a Regional Lead to coordinate the overall process for their region and to verify that all contract documentation submissions are being addressed accordingly.

The County Review Teams complete an initial evaluation of the assigned pre-contractual audit forms and documentation to preliminarily review the allowability of the Federal Title IV-E and State Act 148 funding requests pursuant to state and federal regulations. In all cases, this review will consider 55 Pa. Code § 3170.84(a)(2), which requires that the maximum level of reimbursement in which the Department will participate when services are provided on a unit of service basis cannot exceed that charged another government agency which purchases the same service from the provider agency.

The County Review Teams are responsible for contacting the providers to facilitate the initial phase of the pre-contractual audit review process, including setting up meetings/conferences, and making requests for any additional documentation to support the out of home placement providers Federal Title IV-E and State Act 148 funding requests. All additional documentation (i.e., Audit Reports, Program Descriptions, Cost Allocation Plans, Organizational charts, etc.) that is requested during the initial phase of the pre-contractual audit review by the County Review Team lead should be sent directly to that County Review Team. Only documentation outlined in the pre-contractual audit reports in the related upcoming special transmittal Forms should be submitted to the resource account. Any supporting documentation that is sent to the resource account will be returned to the sender.

Supporting documentation is a vital component to completing a review. The reviewer’s task is to ensure adequate support is provided to appropriately apply for Federal Title IV-E and/or State Act

148 funds. The reviewer may ask for any relevant documentation that may include all or any combination of the following:

- Audit reports,
- Job Descriptions,
- Program Descriptions,
- Organizational Charts, and
- Consolidated Staff Rosters.

Each review is unique so it is possible that other related information may be requested at the behest of the reviewer. In the situation where an Out-of-State service provider submits information for reimbursement and the reviewer cannot delineate the allowable costs for Federal and or State participation, the reviewer may ask the service provider to complete the foundational fiscal forms to adequately support any claims of Federal and/or State allowable cost reimbursement.

Once the County Review Teams have completed the initial phase of the pre-contractual audit review and provided a preliminary assessment of allowable State Act 148 and Federal Title IV-E expenditures, the County Review Teams will submit the preliminary findings and supporting documentation to their assigned Regional Lead, and that Regional Lead will send the documentation back to the following resource account: ra-ocyfcontracts@state.pa.us. The subject line should notate: the Certificate of Compliance number, the projected budget fiscal year, and the words "Final Contract" (i.e., 123456 2009-2010 Final Contract).

Upon receipt of the preliminary findings of the County Review Team, the Department, through OCYF, will review all of the reports and documentation to make the final determination of both the allowability of the State Act 148 and Title IV-E funding as well as the maximum levels of Act 148 and Federal Title IV-E reimbursement. Any discrepancies will be addressed with the Regional Lead, the County Review Teams and the providers accordingly. Thereafter, OCYF will post the final pre-contractual audit documentation on the following website:

<http://www.dpwds.state.pa.us/docushare/dsweb/Login>. Finally, OCYF will send a letter to each provider informing them of the allowable maximum state and federal reimbursement. That letter will explain the time frames and procedures for providers to appeal the maximum level of state and federal reimbursement.

All contracting counties may access the above web site to obtain the support documentation , which counties may use in finding the best possible rate for the purchased service. Counties should attach the final pre-contractual audit documentation in all contracts with the providers. Additionally if the county uses program funding, the county must certify and document that the requirements of 55 Pa. Code §§ 3170.23 (d) and (e) have been met and attach that certification and documentation to the contract agreement between the county agency and the service provider.

Expenditures above the level of Departmental participation and those services funded without Departmental approval shall be the fiscal responsibility of the local authorities. Notwithstanding, the maximum level of reimbursement for which the Department will participate, the county agencies may fund contracted programs, services and facilities at rates they elect. **However, the expenditures above the approved levels are the responsibility of the county. In cases where the county contracts for a lower per diem than other contracting counties, the Department will only participate in expenditures based on the lower per diem in accordance with 55 Pa. Code § 3170.84.**

Once the county agencies finalize their contracts, they should enter the information from the pre-contractual audit forms and accompanying documentation into a data base via a web page application. This information will be used in another phase of the Title IV-E monitoring and validation of all county children and youth agency Federal claims. **Detailed instructions for entering data will be provided under a separate document. The Act 148 invoicing process will remain unchanged until further notice.** State Act 148 and Title IV-E maximum allowable expenditures may be entered into the data base anytime during the fiscal year, but county agencies must utilize the documentation submission process notated above. The Department will not process any county's Title IV-E invoice submission unless the county has entered all required information into the database.

NOTE: If a provider requests a change in the finalized maximum allowable state and federal reimbursement, the County Review Team responsible for reviewing the initial evaluation of the State Act 148 and Title IV-E funding requests will re-evaluate the updated request and/or supporting documentation to make an initial re-determination if the maximum State Act 148 and Title IV-E reimbursement should be modified. The submission process will remain the same with one exception. The subject line should contain: the Certificate of Compliance number, Legal Entity/Organization Name, "FY 11-12" and the word "Modification" (i.e., 123456 - Shelter for All Children - FY 11-12 - Modification). OCYF must be able to identify that the submission is a modification.

DOCUMENTATION SUBMISSION FOR PUBLICLY OPERATED PROGRAMS:

The Department requested that all public providers of out-of-home placement services who anticipate receiving Title IV-E or State Act 148 funding through the Department in FY 2011-2012 submit all information listed within the pre-contractual audit report forms (upcoming special transmittal Forms) electronically via e-mail to OCYF by April 15th, 2011 to the following resource account: **ra-ocyfcontracts@state.pa.us**. Initial contract documentation submission subject line should contain: the Certificate of Compliance number, the County name, FY11-12 and the phrase "Public Initial Submission." When naming the file for submission, the file name should be listed as follows: the Certificate of Compliance number, the unit identification (if applicable) the projected budget fiscal year and the County name and the facility name" (for upcoming special transmittal related to Foster Family Home Services, i.e., 123450-__-FY11-12-Doe County-Doe Homes; for upcoming special transmittal related to Group Home/Institutional Care Services, i.e., 649580-SH-FY11-12-Doe County-Doe Shelter).

Once received, an associate from OCYF will review the information submitted to determine if the calculated per diems stated in the contract documentation are in accordance with State and Federal regulations. Any documentation supporting the Federal Title IV-E and State Act 148 funding request will be requested by that OCYF associate directly. Please send the requested information directly to that OCYF associate.

Once OCYF has approved the maximum allowable state and federal reimbursement, OCYF will post the contract documentation back on the following website: **<http://www.dpwds.state.pa.us/docushare/dsweb/Login>**. A letter will not be sent to public out of home service providers.

INVOICING:

Pursuant to 55 Pa. Code §§ 3170.92 and 3170.93, the Department requests that all county Title IV-E Invoices for the reimbursement of out-of-home placement services be supported by the provider's invoice that contains the elements below. Furthermore, the Department requests that all contracts between the county agencies and their out-of-home placement providers contain a requirement that these same elements are reported from the providers to the counties in their invoices.

- Facility Name (in case of Foster Family Providers - Name of licensed Agency)
- Facility Location (as above - the licensed Agency)
- OCYF Certificate of Compliance Number (from the most recent certificate)

NOTE: For **Out-Of-State Placements**, the certification number should be listed as follows: Use the naming convention of: "I" + 2 digit county code + 3 digit identifier created by the county (i.e., I67333).

- Name of Unit and Unique Identifier (in case of Foster Family Providers-The Foster Family Home and unique per diem class)
- Child's Name (or identifier used by county)
- Specific Dates of Service for each child, for each facility (for each unit if applicable)
NOTE: According to 55 Pa. Code Chapter § 3170.81, the Department will participate in the cost of purchasing services on a fee-per-unit of service basis. When a child is placed in a foster care setting, the Department will reimburse for the first day or night of admission but not for the day of discharge.
- Total Cost of Out-of-Home Placement Services
- Total Allowable Title IV-E Maintenance for out-of-home placement services
- Personal Incidental Costs and the allowable Title IV-E portion must be identified separately from the placement

Applicable to private foster family providers only:

- Total Cost of Administrative Services
- Total Allowable Title IV-E Administration Services

Note: This bulletin, Bulletin 3170-10-02 supersedes the OCYF Bulletin 3170-10-02 Out Of Home Placement Services - Contract Documentation, issued on April 21, 2010.