

DATE

Dear Legislator:

I am writing on behalf of the more than 145 private provider member agencies of the Pennsylvania Council of Children, Youth and Family Services (PCCYFS). The focus of our shared concerns is the language proposed by the Department of Public Welfare (DPW), Office of Children, Youth and Families (OCYF) which would modify the Pennsylvania Welfare Code.

As you may recall, earlier this year, OCYF attempted to promulgate a Bulletin which was viewed as an attempt to circumvent regulatory and legislative processes. The proposed changes addressed the contracting relationship between private providers and the counties purchasing services. Private providers were not included in the development of these proposed changes even though they have direct implications for private business operations and the continued ability of providers to deliver mandated services to at-risk children, youth and their families.

Legislative intervention, responding to concerns voiced by private providers across the Commonwealth, resulted in DPW OCYF deleting the mandates they initially presented to providers as non-negotiable items. In making this announcement of the Bulletin changes to the House Appropriations Subcommittee on Health and Human Services, DPW Secretary Richman acknowledged transfer of these same provisions as proposed changes to the PA Welfare Code.

While DPW has convened a work group to address these proposed changes to the Welfare Code, they have not been willing to withdraw their proposals until an agreed upon version by the working group is developed. Not only do DPW's proposed changes hamper providers from offering mandated services, it is a continuation of DPW decision making without input from key stakeholders.

Deterioration continues in the private provider community that has worked to ensure child safety and community protection for centuries. The Commonwealth is not prepared to take full responsibility for the array of mandated services currently delivered by private agencies. Random mandates put forth by DPW clearly indicates that the expectation is to serve more individuals with fewer dollars per person. Serving more with less is in direct conflict with increasing expectations of performance, deliverables and outcomes. Ultimately, this leads to further erosion of the quality and quantity of the services delivered by private providers putting at-risk children and families in greater jeopardy.

We are asking you to oppose the proposed Welfare Code changes by DPW relating to child welfare services, especially those that propose caps on private provider administrative overhead, retained revenues, executive compensation and residential service occupancy levels. Contracts governing the purchase of services are required by existing county fiscal regulations (Chapter 3170), applicable federal rules, and local county government requirements. By regulation, Counties must establish rates and negotiate with Providers, not DPW. These contracts define the working relationship, deliverables and payment structures between private providers and the individual counties purchasing services.

We are also asking your support to ensure that a mechanism is put in place that supports public tax dollar funding reaching the direct service level. We agree that the Needs-Based Plan and Budget (NBP&B) process established by Act 30 is clearly not working as it was intended. This Act delineates the public responsibility to fund these mandated services. Needs Based Plan and Budget requirements in Act 30 structures county funding and private providers that deliver the clear majority of direct services, have very limited input into this process. In many cases, contracted rates do not even come close to the actual costs of mandated services, which must increasingly be subsidized by private donor dollars. Currently Act 30 does not provide any requirement for payments of actual costs of purchased mandated services nor does it address a reasonable process for increasing rates.

The Pennsylvania Council of Children, Youth and Family Services (PCCYFS) is a statewide membership association of private agencies that provide a broad array of services to support Pennsylvania's at-risk children and families within the child welfare, juvenile justice and related systems. PCCYFS members deliver prevention, in-home, foster care, group home, and residential care, as well as behavioral and mental health, drug and alcohol, educational, early intervention, mental retardation, and transition services. PCCYFS member agencies are funded, in part, by contracts with counties using local, state and federal dollars and employ approximately 20,000 Pennsylvania residents. Private providers deliver the majority (80%) of mandated direct child welfare and juvenile justice services through purchase of service agreements with county children and youth agencies, and purchased services are paid for by a combination of federal, state and county dollars.

We look forward to continued interaction with you on these important issues. Please do not hesitate to contact me at (717) 651-1725 (or Alex Rahn, our Government Relations Consultant at 717-236-2050 - arahn@wannerassoc.com), if you have any questions or comments.

Sincerely,

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