

Talking Points - Contracting Practices for Child Welfare and Juvenile Justice Services

- County Children and Youth and Juvenile Probation Offices are not required to purchase services from private providers. However, the majority (75-80%) of direct services – foster care, group home care, residential, as well as an array of therapeutic, support and in-home services, are purchased by counties from private agencies across the Commonwealth.
- Services, other than behavioral health or education, are funded through a complex combination of federal, state and local dollars. Private agencies also add significant numbers of private dollars to this mix.
- 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 costs with providers, not DPW. These contracts define the working relationship and payment process between private providers and the individual counties purchasing services.
- The Department of Public Welfare, Office of Children, Youth and Families originally attempted to “mandate” changes in county contract language through a Bulletin process, creating fiscal and contracting requirements and imposing them upon private agencies. DPW withdrew the Bulletin caps on administrative overhead, retained revenues and occupancy levels following legislative inquiry and provider objections to the process and content.
- The DPW is now proposing amendments to existing statute (PA Welfare Code/Act 148) to incorporate the objectionable contracting provisions into law. While the legislative process supports greater transparency and accountability, the timeframe and minimal opportunity for input from stakeholders, once again, limits inclusion in addressing these significant changes.
- The focus of discussion is now on the content of the proposed amendments. DPW prepared this language and circulated it within legislative offices as they announced withdrawing the same provisions from the proposed Bulletin.
- Compilation of comments and input on the Bulletin have not been shared with providers as was referenced during OCYF convened stakeholder meetings. It does not appear as though any comment or input from the private provider community was considered in the amendments as proposed.
- OCYF has never shared written confirmation with providers of the federal Administration for Children & Families (ACF) acceptance of Pennsylvania’s effort to comply. Documentation of fiscal information instituted in 2008-2009 and that proposed for 2009-2010 clearly exceeds that required in other county administered states for Title IV-E compliance.
- Private providers are committed to complying with reasonable requirements for fiscal detail and transparency that support compliance with federal ACF requirements to ensure continued Title IV-E funding. The May 1 deadline looms as training continues.
- The absence of clear guidance and direction from OCYF prior to and during the current fiscal year has created significant delays in finalization of contracts and payments to private providers. Services to children and youth have continued without disruption largely due to private agency borrowing and use of private funds.

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