



2022
Public
Policy
Priority
Areas

A United Voice for Providers

Children and youth thrive when they are in safe communities with access to education, stable housing, food, and quality mental and physical health care. When children and youth are placed away from home due to safety concerns, mental health challenges, or involvement in the juvenile justice system, our member agencies step in to provide supportive environments in which children and youth feel socially, emotionally, and physically valued.

As Pennsylvania's premier children, youth, and family services organization, the Pennsylvania Council of Children, Youth, & Family Services (PCCYFS) plays a vital role in influencing policy for the health of the child serving system.



A Well-Funded Children's Services System

While we support the state supervised, county-based system, the structure leads to complexities, especially in the area of funding.

- Currently, through provider cost reports, the state sets a maximum allowable rate, which is the amount a provider should be reimbursed for their full cost of care. Counties and providers then negotiate a payment rate, commonly agreeing to a rate that is far lower than the one approved by the state.
- Similarly, for Medicaid-funded providers that rely on reimbursement through Behavioral Health Managed Care Organizations, negotiated rates rarely reflect the actual cost of services.

It is not unusual for the rate evaluation and negotiation cycle to take an entire year from submission of reports to the awarding of a county contract, a lengthy process that also stymies system creativity and agility to respond. Given this precarious financial foundation, volatile circumstances such as the COVID-19 pandemic or

budget impasses have had and will continue to have catastrophic impacts to our system. With the harmful effects of the COVID-19 pandemic, providers have seen a groundswell of unanticipated financial loss due to expenses such as personal protective equipment, physical space modifications, hazard pay, overtime, and COVID-19 tests, all while struggling as a result of reduced utilization, and an increased need to offer greater flexibility to workers.

Additionally, since the critical and mandated services that PCCYFS members offer were excluded from the essential services list during the FY15-16 budget impasse, providers had to continue providing services without receiving payments for approximately nine months. During the FY15-16 impasse the average county put up \$12 million to make it through the first six months of the fiscal year and about 100 service providers borrowed nearly \$172 million just to keep their doors open. Some counties and providers are still paying the interest from loans, unable to secure additional funding or credit lines, depleted reserves, and/or borrowed against building and assets.

PCCYFS POSITION

- Allow for maximum state and local funding to fully support the evolving and long-unmet needs of the children and family services system, ensuring an effective continuum of care from prevention, to treatment, to placement and to permanency. Such efforts could include providers' ability to receive the state maximum allowable rate to allow counties and providers to create unique service models without assuming unsustainable risk. In behavioral health, it would also mean the ongoing support of models that promote whole-person care while recognizing the importance of increased access, improved service use, and system creativity. A healthy provider community is critical to the ongoing support of Pennsylvania's communities.
- Designate funding specifically allocated for providers during incidents that can result in significant unanticipated fiscal ramifications to the provider community, including COVID-19 relief, and the designation of child-serving providers as essential services during a budget impasse.
- **Family First Prevention Services Act of 2018:** Family First Prevention Services Act of 2018 is an effort to prevent and reduce out-of-home placement by limiting the use of congregate care settings but providing new options for prevention services and programs. Advocate for and support efforts that ensure the state budgets adequate financial resources to effectively implement Family First, especially in the areas of:
 - recruitment and retention of high quality foster families;
 - identification, establishment, and approval of evidence-based prevention programs;
 - creation of non-evidence-based programs with demonstrated effectiveness producing positive outcomes with children, youth & families; and
 - ensuring the availability of the most effective and appropriate level of care to meet the unique needs of each child in our system.

Workforce Development

Our association represents providers that employ more than 10,000 Pennsylvanians, contributing over \$800 million a year in economic activities. Yet, the majority of agencies struggle with workforce turnover and a limited pool of qualified applicants driven in large part by historically low rates that do not allow agencies to fairly compensate employees for the demanding work. A college degree is required for over 65 percent of jobs in this field, but wages are not enough to pay off student loans. Many workers rely on multiple jobs in order to make ends meet.

After reviewing state, county and provider reports and surveys from 2015 to 2018 and comparing staff starting wages, the Pennsylvania Department of Human Services (DHS) Rate Methodology Task Force found that average salaries of private providers were \$22,659 and \$31,300 for County CW1. Benefits varied widely with the State Youth Development Centers (YDCs) and Youth Forestry Camps (YFCs) totaling more than 80 percent of benefits to salary ratio. The counties equal a mean of

44.66 percent and median 43.30 percent with the providers mean of 26 percent.

Staff safety has become a growing concern and significantly contributes to turnover. Staff supporting children in residential settings often work to overcome crisis and extreme trauma, which can manifest in negative behaviors and volatile situations. These dangerous outbursts put both residents and staff at risk, perpetuating cycles of trauma for both groups. Community-based staff are called upon to work in homes impacted by community or domestic violence, and substance abuse, among other risk factors. The COVID-19 pandemic has only increased the significant risk posed to all staff as they continue their essential work to protect and nurture children in our child welfare, juvenile justice, and behavioral health systems. In turn, children and families served by the system pay the greatest price for this turnover. Interruptions in services result in a lack of continuity of care, waiting lists, lack of service availability and an overall reduction in the safety, permanency and well-being of children being served.



PCCYFS POSITION

- Incentivize and promote the retention of quality workers within the field of child and family services, including:
 - student loan forgiveness options;
 - fellowships and other pipelines to this field;
 - establishment of practices to address the prevention and treatment of secondary trauma, compassion fatigue or vicarious trauma; and
 - financial and other supports for working parents of young children.
- Promote flexibilities and waivers that reduce labor demands while offering safe, but accommodating options when agencies are unable to meet staffing or credential requirements.

Affordable Access to Liability Insurance

Providing human services, particularly direct, 24-hour care through foster care, adoption, or residential services, carries inherent risk. Providers of foster care, adoption, residential treatment centers, and other placement services are finding it increasingly cost prohibitive, if not impossible, to obtain professional liability insurance. In many cases, regardless of claims history, providers are being denied renewal on a “class of business” basis. If a provider is able to obtain a renewal, they see significant increases in their premium cost with limits of coverage also greatly reduced and umbrella policies increasingly harder to access.

At the same time, county contracts often require significant insurance limits for their providers while also requiring providers to share in or cover the county’s risk. Naming them as an additional insured means they’re further protected by the provider’s insurance – even if an incident occurs based on their action or inaction rather than that of the private agency. Under the current system the direct service provider must indemnify and hold harmless the counties under the contract, making the process more expensive. A small foster care provider, and their insurance company, is insuring the county whenever a claim occurs.

PCCYFS POSITION

- Mitigate unfair risk shifting and safeguard the availability of required insurance at a fair and reasonable cost.
- Address permanent county contract language modifications, especially related to indemnification and cost requirements, to support insurance companies’ ability to remain in the children and family services/human services market.

©2022 PCCYFS

3425 Simpson Ferry Road, Suite 201
Camp Hill, PA 17011
717-651-1725
hbgoffice@pccyfs.org

