



Rate Methodology FAQ for Chief Juvenile Probation Officers

How do Chief Juvenile Probation Officers play a part in the Needs-Based Plan and Budget (NBP&B) Process?

Communication is vital to this process. The strength of Pennsylvania's system is that the state and counties can provide services for youth or contract with private organizations to provide services. Many counties do a mix of each. The budgeting process creates the needed funding for the service array in each county. The state pays for a large majority of services at different reimbursement rates through ACT 148, which could include 60%, 80%, and 95% of the service costs. Ask your county's Children and Youth agency to share information about the budget and how the delinquency dollars are budgeted and spent for this upcoming year and the projected year. Stay informed and review the annual NBP&B bulletin release from the state. It is important to understand the timelines around the NBP&B process so Chiefs should communicate with the Children and Youth Office while the NBP&B is being prepared.

What is the general timeline for the Needs-Based Plan and Budget?

Example Timeline:

- January – March: Provider establishes a budget projection for the upcoming year and a forecasted year.
- March 1 – April 15: Provider submits for Federal/State Participation Levels to the state based on actual and budgeted projections for residential services (IV-E).
- April 1: Provider sends budget projections to the county for upcoming and forecasted years.
- May (roughly) – Draft of NBP&B annual bulletin update is released.
- April – July: Counties and providers negotiate rates.
- August – September: The County submits the NBP&B that includes the provider's projections and rationale to the state for approval for allocation.
- February – March: State communicates "tentative allocations" to the County. Rate contracts will have to occur for the upcoming July.
- June: Rate negotiations based on prior year submissions. Also, once the state budget is passed by the PA legislature, a "final allocation" is communicated from the state to the county.

What should Chiefs expect providers to include in the documentation for counties for increased costs?

Providers should include this year's upcoming costs based on audited actuals with a clear rationale for increases along with the Needs-Based projected year's cost. These increases include indirect and direct programmatic costs and overall staffing plans. Increases in costs could include insurance, maintenance of buildings, health care, travel, audit, and attorney fees, along with other

costs associated with independent business expenses. Any significant change in program model, practices, etc... should also be communicated from providers to counties as changes may have underlying fiscal impacts that need to be understood/considered/negotiated.

What is included in the overall process of budgeting and contracting?

Title IV-E and the Needs-Based Plan & Budget are both part of the overall process of budgeting and contracting. Some other funding streams can be included in funding from mental health, Title 1, and grants.

Will the Office of Children, Youth and Families accept a county's additional submissions for justification?

Yes, OCYF will accept a county's submission of workbooks along with NBP&B to be used as justification documents. Counties have incorporated the information within an overall narrative and/or cover letter with the NBP&B. Development of a summary of the provider's budgeting tool to submit along with NBP&B assists OCYF approval of county requests.

What enhancements have been made to the Needs Based Process and Budget?

Through the work of the Rate Methodology Task Force (RMTF), the rate projection process has created an environment that better supports the counties in receiving appropriate funding for services from the state. The RMTF work resulted in new tools that supplement/enhance the traditional work/information submitted in the NBP&B. Counties and providers using these supplemental tools have found success in acquiring increased funds from the state to more appropriately cover the cost of programs (staffing, program expenses, etc...).

What is the provider budget tool?

The "Provider Needs Based Plan and Budget Tool", also referred to as "The Budget Tool", is a communication tool that is accepted by the Office of Children, Youth and Families as an attachment/supplement to the NBP&B to support the county's justification. Community-based providers can also use the same process in order to project costs out two years.

Why is there not one established rate for services?

Each organization has different cost structures, staffing plans, benefits packages, salary bands and revenue calculations. Each congregate care organization submits budgets to be approved for allowable costs which creates the IV-E and Act 148 state participation rate. There are specific laws that protect businesses from rate setting through antitrust laws. Free competition of rates benefits the consumers which allows the market to drive rates.

How can Juvenile Probation Chiefs use the 2-year forecasted per diems to best support providers?

Administrators and Chiefs should use the forecasted cost of care rates to build their future county's budgets by program type. For example, you may start to see an increase in petitions and you are using certain community-based programming, the JPO budget should include both an increase in volume of cases along with the increased rates included in the provider projections. The years of 1 to 3% increases are a thing of the past and recruitment/retention of quality staff are driving increased costs.