

# Public Policy Priorities

2025-2028





## A United Voice for Providers

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

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.

### MISSION

*PCCYFS is a leading statewide membership organization serving as a united voice for our valued partners through education, data, resources and advocacy towards achieving a brighter future for children, youth and families.*

# A Well-Funded Children's Services System

While we support the state supervised, county-based system, the structure leads to complexities, especially related to 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, leading to the staffing and capacity shortages that are currently prevalent in child welfare, children's behavioral health, and juvenile justice systems.

The rate evaluation and negotiation cycle commonly 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 in times of emergent circumstances.

Given this precarious financial foundation, unanticipated circumstances such as budget delays, contracting delays, and federal funding shifts have had and will continue to have catastrophic impacts on our system. In these circumstances, agencies lose millions in unreimbursed expenses in order to continue providing services.

Likewise, in these circumstances, there should also be a focus on minimizing the duplication of spending. Agencies are often unnecessarily duplicating spending and limited resources when contracting across a pool of 67 different counties, all of which have their own contractual and monitoring requirements, in addition to state licensing requirements.

- Based on this structure, child welfare and juvenile justice providers negotiate rates with 67 different counties: a model that is proving to be unsustainable.
- Similarly, for Medicaid-funded providers that rely on payment through Behavioral Health Managed Care Organizations (BHMCOs), negotiated rates rarely reflect the actual cost of services.

## PCCYFS POSITION

- **Maximum Funding:** Maximum state and local funding within child welfare, juvenile justice, and children's behavioral health will fully support the evolving and long-unmet needs of the children and family services system, and ensure an effective continuum of care from prevention, to treatment, placement, and permanency.
  - Maximum funding means a providers' ability to receive the state maximum allowable rate, which would allow counties and providers to create unique service models at various levels of care without assuming unsustainable risk.
  - In behavioral health, it also means funding models that promote whole-person care while also distinguishing the importance of increased access, improved service use, and system creativity through a designated behavioral health funding source.
  - Consistent and regular rate increases for children's services providers also directly contribute to sustainability and quality of services.
- **Rate Study:** As costs related to workforce, liability insurance, and other expenses continue to skyrocket, the state must commission an actuarial study, ideally through a third-party, of the disparity between the state maximum allowable rate and the per diem that counties and BHMCOs actually pay.
- **Designated Funding:** Funding should also be specifically allocated for providers during circumstances that will result in significant unanticipated fiscal health impact to the provider community, including federal funding lags, and the designation of child-servicing providers as essential services during a budget impasse or delay.
- **Minimizing Duplication:** Given the limited resources available within children's services, serious attention must be given to minimizing duplication and unnecessary spending of agency resources. Increased coordination across government partner in areas such as audits, evaluations, contractual requirements, etc. can help streamline and simplify costs.
  - The state should explore additional ways to maximize funding for providers with minimal loss for administrative costs that may otherwise go to counties, MCOs, or other entities before reaching the provider who is delivering the actual service.



# Workforce Development

Our association represents provider organizations that employ more than 12,000 Pennsylvanians, contributing over \$925 million a year in economic activity. Yet, most 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 bachelor's degree is required for over 65 percent of jobs in this field, and master's degrees also required or preferred for many, but wages are stagnant at entry-level rates and not enough to pay off student loans. 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, bed capacity limitations, lack of service availability and an overall reduction in the safety, permanency and well-being of children being served.

## PCCYFS POSITION

**Workforce Best Practices:** Seek and encourage the implementation of strategies that incentivize and promote the retention of quality workers within the field of child and family services, including:

- Sufficient rates that allow providers to pay competitive salaries that adequately compensate staff for the demands of the work in this field;
- Financial and other supports, especially for working parents;
- Fellowships and other formal pipelines that include private provider agencies;
- Student loan forgiveness options for workers who enter and remain in this field;
- Establishment of high-quality professional development and other practices to prevent and treat secondary trauma, compassion fatigue, or vicarious trauma;
- Inclusion of private provider organizations in state workforce-support to county agencies; and
- Funding mechanisms to promote flexible caseload models that support agencies when they are facing a limited workforce.

**Flexibility in Requirements:** Promote flexibilities and waivers that reduce labor demands while offering safe, but accommodating options when agencies are unable to meet staffing, degree, or credential requirements. Similarly, encourage the implementation of physician extenders within Pennsylvania to address the specific shortage of professionals with prescribing authority.

# Access to Affordable Liability Insurance

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.

## There are a number of factors driving this shift.

- Providing human services, particularly direct, 24-hour care through foster care, adoption, or residential services, carries inherent risk.
- County contract language often includes excessive insurance requirements that have grown increasingly challenging to meet.
- At the same time, as a party with no level of immunity, private providers have been met with a mounting number of lawsuits many of which are dated and outside the scope of a provider’s responsibility, seeking multi-million dollar settlements.

*Given the risky nature of the work, county contract requirements, and the highly litigious approach of many towards the child welfare system, providers of the insurance have withdrawn from the market or significantly curbed their offerings*

## PCCYFS Position

- **Contracting:** Continue to work with government partners to address language in contracts to mitigate unfair risk shifting include manageable insurance requirements, and educate on the need for rates that address the surging cost of insurance.
- **Procedural Reform:** Identify potential tort-related solutions to alleviate the financial strain of numerous lawsuits and settlements have taken on provider and their insurance companies including capping damages in certain circumstances limiting venue shopping, sharing risk equitably, and providing a balanced approach to statute of limitations legislation.
- **Time-Limited Demands:** Allowing for adequate time and information when insurers and providers are offered time-limited settlement demands.
- **Equitable Risk Sharing:** Pursue alternative solutions that allow insurers to safeguard the availability of required insurance at a fair and reasonable cost and minimize the scope of risk that insurers are expected to cover .

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