



# Enhancing County and Provider Contract Discussions

JANUARY 28, 2026

# Background

- ▶ Rate Methodology Task Force (RMTF) 2019 identified a lack of transparency and communication between counties and providers during contract discussions.
- ▶ The Provider Needs Based Plan & Budget (NBPB) Tool was developed as an optional method providers and counties can utilize to share information during NBPB process. (tool is optional)
- ▶ A RMTF recommendation was to provide an annual conversation among counties and providers discussing effective ways of communicating concerns and funding needs. The following discussion includes:
  - ▶ Learning Goals
  - ▶ Challenges
  - ▶ Benefits and Enhancements to Process Since 2020
  - ▶ Timelines

# Learning Goals

- ▶ Create a collaborative environment for financial planning and contracting.
  - ▶ Discuss NBPB timelines incorporating Title IV-E and Act 148.
  - ▶ Understand the challenges from all perspectives.
  - ▶ Understand the value of providing justification for projected increased costs.
  - ▶ Discuss the importance of forecasting accordingly based on economic shifts in varying degrees (food, fuel, salaries, etc).
  - ▶ Learn the benefits of utilizing the Provider NBPB Tool.
  - ▶ Discuss the importance of partnership among counties and providers.
  - ▶ Provide technical support and information to providers and counties for NBPB and Title IV-E processes.

# Challenges

- ▶ Providers have been vague when providing documentation to counties for increased costs. Lack of explanation regarding:
  - ▶ Programmatic enhancements/unexpected costs.
  - ▶ Increase in insurance costs.
  - ▶ Expanding cost of retaining and/or hiring employees.
  - ▶ Projecting budget information accordingly.
- ▶ Documentation submitted to counties supporting rate increases should encompass underlying cost drivers impacting the agency's entire operational budget.
- ▶ Providers are encouraged to incorporate detailed information that is associated with a county's specific programmatic needs.
  - ▶ Counties should request the specific documentation if not provided that is tailored to their specific needs.

# Challenges

- ▶ The request for rate increases and accompanying financial information from providers did not always align with the county's process to project increases in NBPB allotment.
- ▶ Utilization of the Provider NBPB Tool has increased but has not been consistently submitted in its entirety creating a challenge to obtain additional information to support the request for rate increases.
- ▶ Lack of utilizing a mechanism to project increases creates a challenge to obtain additional information to support the request for rate increases.
- ▶ Lack of justification for increase request may result in a denial for the county requested budget.

# Challenges

- ▶ Lack of including detailed explanation as to the purpose of increased cost request. Need to justify the cost increase.
- ▶ Continued increase in vacancy rates and operational costs among both county and provider agencies.
- ▶ Approved increase should be utilized as intended.
- ▶ Misinterpretation of the county budget submission process and the relation county commissioners play regarding budget increase request and utilization of approved county budgetary funds.

# Challenges

- ▶ Federal/State Participation Level does not validate increase request of Contracted Rates.
- ▶ Federal/State Participation Level is determined based on Allowability of expenditures submitted within Placement Services Budget documentation.
- ▶ There is a complexity of projecting a budget when considering Title IV-E eligibility and a variety of funding streams that may be available.

# Challenges

- ▶ Agencies are encouraged to be attentive regarding Federal and/or state financial status and regulatory revisions that may have an impact on their budget for the upcoming year.
- ▶ Provider and county agencies not forecasting a budget to include the potential for continued delayed state budget approval, which has been the recent trend.
- ▶ Communication continues to be a challenge; partnering and conversations should occur year-round discussing evolving environment, economy shifts, programmatic changes and accurate claiming to be able to justify increases.
- ▶ Communication should occur among counties and providers to discuss consistent payments regarding services that have been provided.

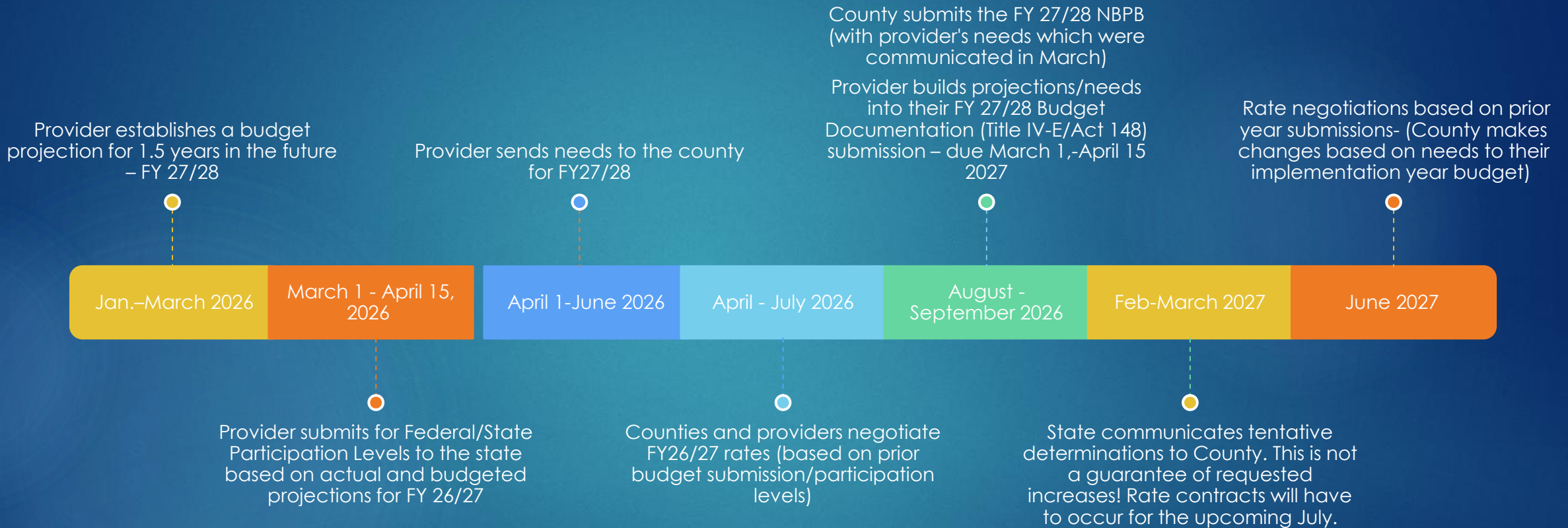
# Challenges

- ▶ 62 P.S. § 704.1 (g.2) requires contracts or agreements between counties and providers to include timely payment provisions, specifically within 30 days of the counties receipt of an invoice.
  - ▶ Counties are encouraged to include specific language within contracts with service providers to identify timeframes of which payments are to be made.
  - ▶ In the event of a state budget impasse, counties are not required to make payment for services within the 30-day period. During a budget impasse, most payments authorized through the budget are delayed until a budget is enacted.
  - ▶ Counties and providers are encouraged to communicate and to include perimeters within contracts among each other to identify what constitutes service payments to be delayed.

# Challenges

- ▶ Lack of timely claiming for all services, hinders overall financial health.
- ▶ It is vital to maintain consistent fiscal operations regarding invoicing practices, including submission of Act 148 invoices.
- ▶ Over the years, OCYF has noted an increase in county overspending; however, annual budgetary increases have remained consistent.
- ▶ Overall, the availability of a surplus of state funding, has been diminishing.

# Timeline



# Benefits and Enhancements to Process Since 2020

- ▶ Providers submit Placement Services Budget documentation (Title IV-E/Act 148 budgets) between March 1 – April 15 to allow for counties to incorporate NBPB projections.
- ▶ PA Statewide Standardized Time Study process was implemented January 2021. The process assists providers report staff job category percentages for the next budget reporting period more accurately.
- ▶ The Provider NBPB Tool was revised to include Placement & Community-Based services.
- ▶ Utilizing the tool decreases the amount of time a provider and county spend on follow-up conversations.

# Benefits and Enhancements to Process Since 2020

- ▶ Decreased request for counties to submit additional documentation during NBPB process to support increase in NBPB.
- ▶ Increase in accurate information and/or documentation submitted by providers.
- ▶ Clear rationale is evident for increases using data.
- ▶ Counties have incorporated the information provided within a narrative and/or cover letter within the NBPB.
- ▶ Development of a summary of the provider's tool to submit along with NBPB assists OCYF approval of county requests.

# Benefits and Enhancements to Process Since 2020

- ▶ OCYF will accept a county's submission of Provider NBPB tool along with NBPB to be used as justification documents.
- ▶ Counties requests through NBPB received increases based on additional justification submitted by providers.
- ▶ Counties should communicate to providers when requested increases are not granted due to reallocation of funds based on county need.
- ▶ Providers were able to enhance technical needs to accommodate challenges created by the pandemic.
- ▶ Providers were able to increase starting and current wages for employees.
- ▶ As challenges arise, communication is vital.



# Future Events

- ▶ 2026 Federal Title IV-E Review Audit July 20-24, 2026
  - ▶ The purpose of the Title IV-E Federal Audit is to determine whether youth in out of home care meet federal eligibility requirements for payments claimed on their behalf.
  - ▶ Youth and provider case records and payment history is examined by the Children's Bureau to validate accuracy of a Title IV-E agency's reimbursement claims of payments.
  - ▶ It is vital to maintain on-going communication among counties and providers that contract and have youth in placements especially in the event there may be a conflict to effect Title IV-E eligibility to claim.
  - ▶ Lack of communication among a county and a provider agency may result in funds needing to be returned and potential for an error to be found during the Federal Title IV-E audit.
  - ▶ Language surrounding notifying a contracted county if there is a lapse in an agency's IV-E eligibility status should be included in the contract.

# Future Events

- ▶ OCYF recently provided a training opportunity for private placement service providers, County Children & Youth Agencies and Juvenile Probation Offices regarding the placement services budget documentation review process for FY 2026-27.
- ▶ Individual technical sessions will be offered January 26 –February 20, 2026, for any provider or county agency to meet with a Per Diem Analyst to discuss any questions regarding the budget packet documentation.
  - ▶ Placement agencies and counties are encouraged to attend a session to discuss any questions regarding the budget packet review process, federal and state regulatory requirements, and completing the budget packet but more importantly, understand how to interpret the information within the budget packet.
  - ▶ For additional information or to schedule a technical assistance session, contact the OCYF Contracts Resource Account:  
[ra-ocyfcontracts@pa.gov](mailto:ra-ocyfcontracts@pa.gov).

# Future Events

- ▶ Quarterly meetings with OCYF, county and providers to:
  - ▶ Establish consistent messaging among county and providers.
  - ▶ Obtain clarification regarding federal and/or state policy, invoicing, and specific current topics.
  - ▶ Systematic changes that may affect county and/or provider internal processes.
  - ▶ The last meeting was held Jan 26. If you would like to sign-up for future meetings, reach out to research account: [ra-ocyfcontracts@pa.gov](mailto:ra-ocyfcontracts@pa.gov).
- ▶ PCYA future conferences will be held:
  - ▶ March 11-12, 2026
  - ▶ June 10-11, 2026
  - ▶ October 14 -15, 2026
- ▶ PCCYFS Conference will occur April 8 –9, 2026 – Check the PCCYFS website for additional information: [HbgOffice@pccyfs.org](mailto:HbgOffice@pccyfs.org).
- ▶ NBPB trainings will be held in May; check your email for notifications.

# Healthy Child Welfare System



Sustainable Financial Process



Commitment to Collaboration



An opportunity for PA to increase outcomes and better serve youth and families



Quality Services



CQI – Monitoring and Improvement



Why we do what we do

# Additional Items to Consider

- ▶ As a provider, have you incorporated detailed information to the county to support requests?
- ▶ As a county, are you receiving the detailed information you require?
- ▶ As a county, if you are not receiving the detailed information, what are the next steps?
- ▶ As a county, was the Provider NBP&B Budget Tool and/or summary incorporated into the NBPB?
- ▶ Was your NBPB request approved by the state?

# Additional Items to Consider

- ▶ What questions do you have that were not addressed today?
- ▶ Additional resources/trainings and the Provider NBPB Tool can be accessed [here](#).
- ▶ Rate Methodology Task Force Recommendations 2019 can be accessed [here](#).
- ▶ Additional county questions are to be directed to [bbornman@pacounties.org](mailto:bbornman@pacounties.org).
- ▶ Additional provider questions are to be directed to [HbgOffice@pccyfs.org](mailto:HbgOffice@pccyfs.org).

# Q&A Session

# Group Members

- ▶ Brian Bornman, PCYA
- ▶ Terry Clark, PCCYFS
- ▶ Dave Mattern, PCCYFS
- ▶ Sandy Shedlock, PCG
- ▶ Dr. Craig Adamson,  
CSF/Buxmont Academy
- ▶ Elaine Kita, Northampton County  
CYA
- ▶ Andy Benner, Cumberland County  
JPO
- ▶ Nancy Kukovich, Adelphoi
- ▶ Stephanie Devilbiss, The Bair  
Foundation
- ▶ Scott Webb, Kidspeace
- ▶ Michelle Fronheiser, Bucks County  
CYA
- ▶ Kim Young, Pressley Ridge
- ▶ Evelyn Cruz, OCYF
- ▶ Melissa Erazo, OCYF