



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF HUMAN SERVICES

DEC 04 2019

Dear Service Provider:

The Human Services Code, Section 704.3 (a) requires placement service providers to submit budget documentation to the Department of Human Services (DHS) to support claims for federal funding and state reimbursement. Act 40 of 2018 permits DHS to include recommendations of the Rate Methodology Task Force (RMTF), established under Act 55 of 2013, as part of the documentation to ensure federal reimbursement.

Following the passage of Act 40 of 2018, the Office of Children, Youth and Families (OCYF) reconvened the RMTF to determine which recommendations made in 2014 ensure federal reimbursement. One of the recommendations made in 2014 was implementation of a standardized time study process to ensure consistency across providers as well as eliminate challenges experienced by private providers whose own time study process or other quantifiable methodology is not accepted by OCYF during the review of the budget documentation, which ultimately reduces federal Title IV-E funding.

RMTF members were able to compare the resulting Title IV-E participation levels determined for providers who participate in OCYF's standardized time study pilot process, implemented in November 2014, from those who did not. Members evaluated the results of the process to determine whether statewide implementation would improve the amount of federal funding available to support placement services. Providers who participate in the pilot also shared the benefits of participating in the process with members of the RMTF. It was determined that implementation of a standardized time study process will greatly reduce/eliminate the rejection of a provider's time study (or other methodology) during the budget documentation review process. Furthermore, OCYF's administration of a standardized time study will reduce provider time and resources spent on developing, conducting, and analyzing methodologies to support the allocation of time spent on the Title IV-E program. Lastly, it will improve the efficiency of the budget documentation review process.

Based on the findings of the RMTF, OCYF is implementing a statewide standardized time study process for all placement services programs that are eligible for federal Title IV-E reimbursement. Recognizing that some providers may be conducting a time study process for multiple purposes (not just for placement services budget documentation) or utilizing another quantifiable methodology (non-time study) that has previously been approved without concerns, OCYF will be granting exceptions. Exceptions may be requested by providers who:

- Conduct a time study process for multiple purposes beyond the placement services budget documentation process; or
- Have another quantifiable methodology that has either been previously approved in prior budget documentation reviews or that will meet the standards for establishing accurate data for allowability of federal/state participation.

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Over the next several weeks, providers will begin to receive communication from OCYF regarding their individual staff requirements for time study participation. Training on the standardized time study process will be provided January-March 2020. Initial time study periods will be conducted in April/May 2020. Time study data collected in 2020 will be used to support the budget documentation reviews for state fiscal year (SFY) 2021-22.

Providers who may be eligible for exception in SFY 2021-22 will be contacted directly by OCYF to work through the review and approval of the provider's methodology. For future SFYs, providers who wish to be considered for an exception will need to complete a "Time Study Exception Request" form no later than August 15th preceding each SFY budget documentation submission deadline.

We appreciate the efforts made by the RMTF in providing recommendations to further streamline the budget review process while also ensuring continued compliance with meeting state and federal funding requirements.

If you have any questions regarding this notification, please contact the OCYF Bureau of Budget and Fiscal Support at ra-ocyfcontracts@pa.gov.

Thank you,



Jonathan Rubin
Acting Deputy Secretary