

Risk Pool Application SFY 2016-17

Please complete all items and submit electronically to the Regional Managing Director. Upon review and concurrence of the Risk Pool Request, the Regional Managing Director will submit the application to the Deputy Secretary for the Department.

Lead Agency Name: **Eckerd Community Alternative Circuit 6**

Region: **Suncoast Region**

Contract No.: **QJ511**

Address: **8550 Ulmerton Road, Suite 130 Largo, FL 33771**

Lead Agency Contact: **Brian Bostick**

Phone No.: **727-359-3646**

Contract Manager: **Shannon Johnson**

Phone No.: **727-410-2634**

This request is being submitted in response to an anticipated current year deficit in excess of available carry forward funds.

Financials:

- 1) Confirm the dollar amount being requested: \$1.2M
- 2) Confirm that funds will be expended by the end of the current fiscal year: Yes No
- 3) How do you propose to use these funds to address or correct the underlying cause of the shortfall?

Underlying Cause

ECA C6 has experienced a 10% increase in the number of children served since June 30, 2016. The 10% increase has resulted in a net gain of 133 children served in paid out of home care. The projected budget shortfall in C6 is attributed to the unexpected increase in the rate in which children are removed by CPID and placed in paid OHC care. Despite the growth in the number of children placed in paid OHC, C6 continues to pace ahead of the state in the low percentage of youth placed in residential care. As reflected in the Child Welfare Key Indicators Monthly Report (as October 2016), C6 has 17.2% of the licensed OHC population placed in a residential group care setting, compared to the state average of 22.8%.

Based on removal rates experienced this fiscal year, Eckerd has realized an average 2.6% increase in OHC cost each month. If we project this trend to continue for the remainder of this fiscal year, the anticipated shortfall is \$1,651,395. Eckerd has identified counter measures that will reduce this shortfall by \$455,345 by the end of the fiscal year.

In addition to the fiscal shortfall identified above, during FY17, Eckerd used non-recurring carry-forward funding in the amount of \$1.1M to fund current year services. These dollars will not be available next year resulting in a need for Eckerd to off-set next year's budget by an additional \$1.1M to sustain the current system of care during FY 18.

Proposed Use of Risk Pool Dollars:

It is our understanding that Eckerd can only request risk pool dollars to offset the current year deficit. As such, we are proposing to use the requested ask of \$1.2M to offset the shortage as follows:

- \$1.2M will be used to increase the OHC budget category to account for the net gain of 133 youth placed in paid placement and anticipated growth of 2.6% in expenses for future months based on current trends.

Eckerd is planning to repurpose diversion contracts and/or eliminate non-core service contracts during FY 18 to achieve a cost savings of \$1.1M. This cost savings will be used to sustain operations within the allocated funding outlined in our Schedule of Funds for future operations.

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Lead Agency Name: *Eckerd - Cl*

Region: *SunCoast*

Contract No.:

Arvita Howard for Brian Bostick

Lead Agency CEO/ED Name and Signature

11/30/16

Date

Jessica Davis Jessica Davis
CBC Contract Manager Name and Signature

12-1-16
Date

Regional Managing Director Name: Lisa Mayrose

Please confirm the following:

The Lead Agency submitted a Financial Viability Plan. Yes No

The Lead Agency is actively working its Financial Viability Plan. Yes No

Please check the applicable box to indicate your level of support of this application:

Concur

*Do Not Concur

Lisa Mayrose
Regional Managing Director Signature

12/01/16
Date

***Rationale:**

(This item must be completed if "Do Not Concur" is checked.)

Exhibit A

Section 409.990(7), Florida Statutes:

(a) The department, in consultation with the Florida Coalition for Children, Inc., shall develop and implement a community-based care risk pool initiative to mitigate the financial risk to eligible lead agencies. This initiative must include:

1. A risk pool application and protocol developed by the department which outlines submission criteria, including, but not limited to, financial and program management, descriptive data requirements, and timeframes for submission of applications. Requests for funding from risk pool applicants must be based on relevant and verifiable service trends and changes that have occurred during the current fiscal year. The application must confirm that expenditure of approved risk pool funds by the lead agency will be completed within the current fiscal year.

2. A risk pool peer review committee, appointed by the secretary and consisting of department staff and representatives from at least three nonapplicant lead agencies, which reviews and assesses all risk pool applications. Upon completion of each application review, the peer review committee shall report its findings and recommendations to the secretary, providing, at a minimum, the following information:
 - a. Justification for the specific funding amount required by the risk pool applicant based on the current year's service trend data, including validation that the applicant's financial need was caused by circumstances beyond the control of the lead agency management;
 - b. Verification that the proposed use of risk pool funds meets at least one of the purposes specified in paragraph (c); and
 - c. Evidence of technical assistance provided in an effort to avoid the need to access the risk pool and recommendations for technical assistance to the lead agency to ensure that risk pool funds are expended effectively and that the agency's need for future risk pool funding is diminished.
- (b) Upon approval by the secretary of a risk pool application, the department may request funds from the risk pool in accordance with s. 216.181(6)(a).
- (c) The purposes for which the community-based care risk pool shall be used include:
 1. Significant changes in the number or composition of clients eligible to receive services.
 2. Significant changes in the services that are eligible for reimbursement.
 3. Continuity of care in the event of failure, discontinuance of service, or financial misconduct by a lead agency.
 4. Significant changes in the mix of available funds.
- (d) The department may also request in its annual legislative budget request, and the Governor may recommend, that the funding necessary to effect paragraph (c) be appropriated to the department. In addition, the department may request the allocation of funds from the community-based care risk pool in accordance with s. 216.181(6)(a). Funds from the pool may be used to match available federal dollars.
 1. Such funds shall constitute partial security for contract performance by lead agencies and shall be used to offset the need for a performance bond.
 2. The department may separately require a bond to mitigate the financial consequences of potential acts of malfeasance or misfeasance or criminal violations by the service provider.