

Protocol for Requesting Risk Pool Funding

State Fiscal Year 2019-2020

This Protocol for Requesting Risk Pool Funding for state fiscal year 2019-2020 outlines the process by which Community-Based Care Lead Agencies may apply for potential funding from the Risk Pool appropriation provided in the General Appropriations Act.

The establishment of a statewide risk pool program, administered by the Department, serves to manage and share the financial risks associated with the Community-Based Care (CBC) model for child welfare services in Florida. Should factors outside of a Lead Agency's control (e.g., shifts in the number of children in care, increase in the number of very difficult populations, or a change in the characteristics of the children and families served) cause costs to rise, potentially impeding the Lead Agency's ability to provide ongoing quality services for all children and families served, section 409.990(7), F.S., (Exhibit A) provides qualified Lead Agencies with access to petition for relief from the risk pool in an effort to avoid lead agency failure.

Section 1: Eligibility criteria

Proviso language contained in Specific Appropriation 326 of the General Appropriations Act for state fiscal year 2019-2020 requires the Department to conduct a comprehensive, multi-year review of the revenues, expenditures, and financial position of all CBCs for the most recent two consecutive fiscal years (SFY 2017-2018 and 2018-2019).

To simplify the risk pool process and minimize duplication in requests for data and information, the risk pool protocol will rely significantly on the extensive data used to develop financial viability plans and to support the ongoing monitoring of all CBCs for financial stability and programmatic performance.

A CBC is eligible to apply for risk pool funds in state fiscal year 2019-2020 if they meet the following criteria:

- The CBC projects an end of fiscal year deficit, inclusive of any carry forward deficit.
- The CBC will submit a SFY 2019-2020 Plan to Achieve Financial Viability to the Department's Office of CBC/ME Financial Accountability.
- The CBC has implemented its SFY 2018-2019 Financial Viability Plan with a high degree of fidelity.

Section 2: Application submission process

In addition to the CBC's Financial Viability Plan, a CBC seeking risk pool funds must submit to the Department by **September 13, 2019**, the "Risk Pool Funding Application SFY 2019-2020."

Applications will be reviewed and prioritized in two phases. Phase I is intended for CBCs that are projecting a current year core deficit in excess of their expected available funds. Phase II, subject to funding availability, may provide an additional opportunity in Q3 to make a case to be considered for risk pool funding.

Applications will be reviewed with all available cost/expenditure data and all other supporting documentation, including the CBC's Financial Viability Plan. Department personnel, upon request, may review additional records related to this Application for potential funding resolutions.

- 1.1 The CBC should consult with their Regional Managing Director (RMD) regarding their Risk Pool Funding Application and forward their application to the Office of CBC/ME Financial Accountability (OFA), and cc: their contract manager and RMD. **This step shall be accomplished no later than September 13, 2019.**
- 1.2 If the CBC and RMD cannot reach agreement on their application, they may call Patricia Medlock, Assistant Secretary for Child Welfare.
- 1.3 The review of all Risk Pool Funding Applications will be governed by a peer review process led by the Assistant Secretary for Child Welfare and subject to the approval of the Secretary of the Department of Children and Families. The Peer Review Committee will be selected and facilitated by the Assistant Secretary for Child Welfare and will include, but not be limited to, the following members (or their designees):
 - (a) Two (2) Executive Directors (ED) or Chief Executive Officers (CEO) from non-applicant Lead Agencies; and
 - (b) One (1) Chief Financial Officer from a non-applicant Lead Agency.
- 1.4 The Peer Review Committee will:
 - (a) Review, analyze, and discuss the application.
 - (b) Verify the accuracy of the data being reported by the Lead Agency.
 - (c) Conduct an on-site, fact-finding visit as deemed necessary to confirm input and analysis from the applying Lead Agency (visits to sites are not required if visited in the last 24 months - final determination to be made by the Secretary and Deputy Secretary).
 - (d) Assess need for immediate technical assistance regarding budget development/management, and determine if continued on-site technical assistance is appropriate. In these cases, the Peer Review Committee will serve as the coordinating entity for the provision of technical assistance.

- (e) Make a final recommendation to the Secretary upon the completion of all required site visits, regarding approval or disapproval of the application. Recommendations for approval will include:
 - i. Amount of funding and mix of funds to be made available.
 - ii. Limitations or requirements on use of additional funding that are linked to correction of factors that caused the shortfall.
 - iii. Any follow-up actions or additional documentation needed from the Lead Agency or Region.
 - iv. Rating for both Family Support Services and Safety Management Services.
 - v. Report on technical assistance activities completed and remaining, and/or recommendations for future technical assistance.
 - vi. Access to the risk pool.

1.5 If at the end of the year, a Lead Agency that received assistance from the Risk Pool concludes with a surplus, the Department reserves the right to require the Lead Agency to refund the Department the relative portion of the surplus that was accumulated as a result of the awarded risk pool funds.

Risk Pool Funding Application SFY 2019-2020

Please complete all items, sign and date the application, consult with your Regional Managing Director, and submit electronically to the Office of CBC/ME Financial Accountability (OFA).

Lead Agency Name: [Click here to enter text.](#)

Region: [Click here to enter text.](#)

Contract No.: [Click here to enter text.](#)

Address: [Click here to enter text.](#)

Lead Agency Contact: [Click here to enter text.](#)

Phone No.: [Click here to enter text.](#)

Contract Manager: [Click here to enter text.](#)

Phone No.: [Click here to enter text.](#)

This request is being submitted in response to a projected deficit at 6/30/2020 inclusive of all currently available funding.

Financials:

- 1) State the amount of funding requested from Risk Pool funds and the amount of the projected deficit at the end of Fiscal Year 2019-2020:
Projected Deficit: \$[Click here to enter text.](#)
Amount of Risk Pool Funds Requested: \$[Click here to enter text.](#)
- 2) Confirm that the amount of funding requested would be fully expended during Fiscal Year 2019-2020: ☐ Yes ☐ No
- 3) State specifically how the Lead Agency would qualify for Risk Pool funds based upon the requirements in s. 409.990(7), F.S. (Appendix A):
[Click here to enter text.](#)
- 4) How do you propose to use these funds to address or correct the underlying cause of the shortfall?
[Click here to enter text.](#)
- 5) Please attach a narrative explaining how the deficit occurred, what steps have been taken to address the cause(s), and how the Lead Agency will work within its allocated core funding in the future. The narrative should not exceed five pages.

Lead Agency Name: [Click here to enter text.](#)

Region: [Click here to enter text.](#)

Contract No.: [Click here to enter text.](#)

Lead Agency CEO/ED Name: [Click here to enter text.](#)

Please confirm the following:

The Lead Agency will submit a SFY 2019-2020 Financial Viability Plan.

☐ Yes ☐ No

The Lead Agency has actively worked its SFY 2018-2019 Financial Viability Plan.

☐ Yes ☐ No

Did the Lead Agency receive Risk Pool funding in SFY 2018-2019?

☐ Yes ☐ No

If Yes, please attach a status update on the recommendations made by the Risk Pool Committee.

Lead Agency CEO/ED Signature

Date

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.