

**FY 2025**  
**Residential Child Care/Child Placement Agency**  
**PROVIDER INSTRUCTIONS**

**Updated September 2023**

**Interagency Rates Committee (IRC), comprised of:**  
**Governor's Office of Crime Prevention, Youth, and Victim Services**  
**Maryland Department of Budget and Management**  
**Maryland State Department of Education**  
**Maryland Department of Health**  
**Maryland Department of Human Services**  
**Maryland Department of Juvenile Services**

# Table of Contents

SUBMISSION OF BUDGETS FOR FISCAL YEAR 2025 OVERVIEW .....	3
RATE APPLICATION INSTRUCTIONS FOR ALL PROGRAMS .....	6
INSTRUCTIONS FOR COMPLETING BUDGET FORMS.....	7
General Instructions.....	7
Forms in Electronic Format.....	8
Budget Forms.....	9
Forms E-2 through E-6 - Personnel Cost Detail.....	9
Vacant Positions.....	9
Key Points for Completing Personnel Cost Detail Forms E-2 through E-6.....	10
Salaried Staff and Consulting/Contractual Positions .....	11
Functional Supervisory Responsibilities.....	11
Other Contracted Functions .....	12
Position Numbering Schedule.....	13
Form E 1 - Personnel Cost SUMMARY .....	20
Form D - Allocation of Expenses by Function - SUMMARY.....	20
Budget Review Treatment Foster Care & Mother Baby Programs.....	21
Form B-1 - Operating Statements - INCOME .....	22
Form B-2 - Operating Statement - EXPENSES .....	23
Form C - Rate Computation Report .....	23
Form A - Residential Child Care Operating Budget.....	24
Staffing Pattern Grid .....	26
Lease Mortgage Summary .....	26
Budget Justification.....	26
Guidelines for Non-Residential Programs.....	28
HOW RATES ARE ESTABLISHED.....	29
Levels of Intensity Score Sheet .....	29
Rate Letter .....	31
Reconsiderations and Appeals.....	31
Program Modifications .....	33
GETTING HELP.....	34
Staff Assistance .....	34

# **SUBMISSION OF BUDGETS FOR FISCAL YEAR 2025 OVERVIEW**

ONLY FY 2025 FORMS WILL BE ACCEPTED.  
BUDGET SUBMISSIONS USING EARLIER FORMS WILL BE RETURNED WITHOUT REVIEW.

Rates are set for the fiscal year beginning July 1<sup>st</sup> of each year and ending June 30<sup>th</sup> of the following year. If your program previously had rates issued, YOU MUST FILE A RENEWAL RATE APPLICATION FOR EACH FISCAL YEAR. Programs that do not file a renewal rate application will not receive a rate for the beginning of the next fiscal year. Rates expire at the end of the current fiscal year.

FY 2024 rates expire on June 30, 2024. Renewal rate applications for FY 2025 must be submitted for programs to be issued rates beginning July 1, 2024 and ending June 30, 2025.

A completed rate application must be postmarked by **FEBRUARY 15, 2024** for FY 2025 renewal rate consideration.

The renewal rate application includes the following documents:

- Checklist
- Budget Identification Form
- Budget Workbook Forms
- Staffing Pattern Grid
- Levels of Intensity Score Sheet (LOIs)
- Staffing Forms (Budget Forms E-2 through E-6)
- Copy of the Current Child Care License, Accreditation or Certification for Residential or Non-Public Education Program(s)
- Copy of the most current State Contract page(s)
  - Child Placement Agencies
  - Non-Residential Programs
- Lease/Mortgage Summary and Supporting Documentation
- Program Description Form
- 2023 Audited Financial Statement
- Board Rate Computation and Difficulty of Care Computation Forms (TFC programs only)
- Written narrative as a separate Word document to explain staffing changes and budget line item variance, as applicable.

**A completed FY 2025 rate application submission must include the following:**

- All forms must include the name of the Parent Organization and Program.
- An electronic copy of the FY 2025 Budget Workbook in EXCEL 2007 FORMAT.
  - The budget must be submitted on a thumb drive in a PC readable format.
  - The Parent Organization and Program Name must be labeled on the thumb drive.
  - If submitting more than one (1) rate application package, please submit a thumb drive with each submission. Budgets for multiple programs MAY NOT be submitted on the same thumb drive.
  - Label the files to match the Program name on the Budget Workbook.
- Forms in paper format
  - One (1) copy of the FY 2025 Budget Workbook Forms signed and dated by the person authorized to sign on behalf of the corporation.
  - One (1) copy of all other required forms.
- Licensing agency approvals
  - Levels of Intensity (LOI) and staffing related forms must be approved by a representative of the program's state licensing agency.
  - The approval shall be in the form of the representative's dated signature on each document, as appropriate.
  - It is imperative that the following forms be submitted to the appropriate licensing agency no later than **JANUARY 16, 2024**:
    1. LOI Score Sheet
    2. LOI Checklist
    3. Budget Forms E-2 through E-6
    4. Staffing Pattern Grid
    5. TFC Providers must also include the following forms:
      - Difficulty of Care Computation
      - Board Rate Computation

Changes in classification, numbers of positions, or hours worked may have an impact on the levels of intensity of services. A written narrative explaining any of the identified staffing or LOI changes must be submitted to the licensing agency along with the other required forms. A copy of the narrative should also be included with the rate application package submitted to the IRC. If staffing hours are being increased or decreased, also submit a written narrative with a summary to justify those changes.

Programs licensed by the Department of Human Services/Office of Licensing and Monitoring (DHS/OLM) should upload the documents needing approval into CJAMS no later than **JANUARY 16, 2024**. Contact the assigned Licensing Specialist if there are questions or concerns.

#### *Licensing Agencies*

- The Department of Human Services/Office of Licensing and Monitoring (DHS/OLM) will review the LOIs and staffing for all programs licensed by DHS.
- The Department of Juvenile Services (DJS) will review the LOIs and staffing for all programs licensed by DJS.
- The Maryland Department of Health/Behavioral Health Administration (MDH/BHA) will review the LOIs and staffing for all programs licensed by MDH as Therapeutic Group Homes.
- The Maryland Department of Health/Developmental Disabilities Administration (MDH/DDA) will review the LOIs and staffing for all programs licensed by MDH/DDA that have children/youth placed by DHS and DJS.

A program must have a current rate **prior to Contract Award** with Maryland State Agencies and Local Management Boards.

## RATE APPLICATION INSTRUCTIONS FOR ALL PROGRAMS

All required forms and thumb drives are to be filed with:

The Maryland State Department of Education  
Office of Policy Analysis & Fiscal Compliance  
200 West Baltimore Street  
Baltimore, MD 21201  
Attn: IRC – 7<sup>th</sup> Floor

**COMPLETED FY 2025 RATE APPLICATIONS MUST BE POSTMARKED NO LATER THAN FEBRUARY 15, 2024.**

Budget package(s) MAY NOT be hand delivered to the Maryland State Department of Education building. For receipt confirmation, it is recommended that the budget package(s) be mailed return receipt requested. The IRC will use the postmarked date to determine if a budget has been filed by the due date.

Programs that submit a complete budget, postmarked no later than February 15, 2024, will receive an FY 2025 rate prior to July 1, 2024.

Existing programs that submit a renewal rate application after February 15, 2024, but before May 1, 2024, will be held to the approved FY 2024 rate.

Renewal rate applications submitted on or after May 1, 2024, may not be issued a rate for FY 2025 prior to the expiration of the FY 2024 rate on June 30, 2024, and will be held to the approved FY 2024 rate.

### *New Program Rates*

New residential child care providers without an established IRC rate may submit a rate application at any time during the fiscal year. New providers are strongly encouraged to schedule a technical assistance overview meeting with the Rate Section prior to submitting a rate application. IRC rates for new programs will be compared to established rates for current residential child care providers within similar service provision categories and care and supervision levels of intensity. A rate application to establish a new program should be submitted to the Rate Section within 45 days of the expected licensing date. An IRC rate will not be issued to a new residential child care provider without an approved Maryland residential child care license or non-public certification.

Details about the rate setting process are outlined beginning on Page 29.

# INSTRUCTIONS FOR COMPLETING BUDGET FORMS

Before completing budget forms, carefully read the following instructions. Also, refer to the **Cost Guidelines**, as appropriate. The Rate Section is available to provide technical assistance and address questions prior to submitting the rate application.

## General Instructions

1. Organizations that operate multiple programs of the same category type (group home, high intensity group home, therapeutic group home, shelter, teen mother program, etc.) may submit separate rate applications for each program OR a consolidated rate application for all the programs of the same category type. In either case, the rate application package must include a copy of the current license for each program. Consolidated budgets MAY ONLY be submitted for programs that have identical LOIs and program descriptions.

Organizations that operate multiple programs of different types MUST file separate rate applications for the different program category types. Each rate application package submission must include a copy of the current license.

### **EXAMPLES:**

- (a) An organization that operates three therapeutic group homes may file separate rate applications for each home or file a consolidated rate application for all the homes, if LOIs for each home are the same.
- (b) An organization that operates a teen mother program, a shelter, and a small group home must file separate rate applications for each program. Rate application submissions must include a copy of the current license for each program category type.

2. Separate rate applications MUST be completed for each approved Type III or Type I General Education school program.
3. Round all yearly and monthly calculations to the nearest whole dollar.
4. Round all daily rate calculations to the nearest cent.
5. The Parent Organization, Program Name, and fiscal year to which the budget applies MUST be included on each form.

## Forms in Electronic Format

Only one (1) signed paper copy of the **Budget Workbook Forms** should be included with the submission packet. All documents must be signed by the person authorized by the Corporation to sign on its behalf.

- The budget forms must be submitted electronically in an Excel 2007 spreadsheet format.
- Media must be a thumb drive in a format that can be read on a PC.
- A separate thumb drive must be included for each program requesting rate consideration.
- The Parent Organization and Program Name must be printed on the media.

The algorithm for the rate setting methodology validates all budget spreadsheets. All budget forms must be submitted in an EXCEL 2007 spreadsheet format to accurately upload program budgets and to enable the rate setting methodology to precisely compare program budgets. As a result, budget spreadsheets using other programs or later versions of Excel will be returned for correction.

When entering information into the budget workbook, certain fields on the spreadsheets will populate automatically into other fields when data is entered. Certain calculations will be performed automatically to reduce the amount of manual data entry and to improve the accuracy of the budget workbook. There are instructions for the individual budget spreadsheet tabs to highlight where these automatic transfers and calculations take place.

DO NOT enter any numerical calculations or formulas within a cell. DO NOT add any additional spreadsheets to the budget workbook. This will cause validation errors when program budgets are uploaded into the rate setting methodology. Budget workbooks submitted with altered template formulas, cells, or spreadsheets will be returned for correction.



## Budget Forms

The instructions are in the order in which the forms should be completed.

### Forms E-2 through E-6 - Personnel Cost Detail

Aggregate personnel cost is the largest budget item for child care providers. It is essential that these costs be reported accurately and completely. Carefully review the following instructions before submitting a rate application.

For the purposes of budget submission, all personnel must be assigned to one of five categories to correspond with **Forms E-2 through E-6**. A list of position titles and the personnel category to which they are assigned follows in the **Position Numbering Schedule (Page 13)**. Each employee must be assigned a unique position number based on the job functions as outlined in the **Position Numbering Schedule**.

Each unique position number must correspond to an individual employee who must be identified as salaried staff (S) or consultant/contractor (C).

- Form E-2: Management, General & Facility Support
- Form E-3: Direct Child Service
- Form E-4: Education
- Form E-5: Medical
- Form E-6: Clinical

Each personnel tab on the budget spreadsheet, **Forms E-2 through E-6**, has space for forty (40) employee entries. Please contact the Rate Section to discuss programs with more than forty (40) different staff positions.

Prior to submitting a completed rate application package to MSDE, all staffing must be approved by a representative of the **Program's State Licensing Agency (see Page 5)**. The approval shall be in the form of the representative's dated signature on **Budget Forms E-2 through E-6** and the **Staffing Pattern Grid**. Programs are responsible for submitting the approval documents to their respective licensing agency no later than **JANUARY 16, 2024** to have staffing reviewed and approved before the **FEBRUARY 15, 2024** postmark deadline for the completed rate application.

### Vacant Positions

Any management and general position(s) that have been vacant for more than 60 calendar days during the current fiscal year (FY 2024) must be listed on **Form E-2**. The same unique position number should be used to consistently identify the position(s). Enter "VACANT" next to the position title (**Column 2**). Include an explanation as part of your written budget justification that clearly states the reason and duration of the vacancy for any salaried staff and/or consultant position(s). In **Column 3**, enter the actual (not budgeted) annual number of hours worked and the actual annual salary for the current year (FY 2024). If the program anticipates recruiting and hiring for vacant positions during the projected year (FY 2025), include in **Column 4** the annual number of hours projected to be worked and the projected annual salary.

## Key Points for Completing Personnel Cost Detail Forms E-2 through E-6

For each person employed as salaried staff or consultant/contractor, determine the position number, title, and appropriate personnel category using the **Position Numbering Schedule (Page 13)**.

The appropriate licensing agency must approve the **Personnel Cost Detail Forms**. The Rate Section will not be able to review rate applications without approval from the licensing agency.

Enter the following information for salaried staff or consultant/contractor for the applicable staff on the **Personnel Cost Detail Form (E-2, E-3, E-4, E-5, or E-6)**:

- In **Column 1**, enter the Position Number assigned to each employee (**Position Numbering Schedule, Page 13**). Each employee should have a designated Position Number as a unique control number for salary expenses. The same unique control number should be used consistently to identify the employee if the salary expenses are allocated across several programs. The same Position Number should be used in subsequent budget submissions.
- Each employee should be listed on a separate line on the personnel spreadsheets. DO NOT list a range of position numbers to represent the same position title. The range of Position Numbers listed on the **Position Numbering Schedule (Page 13)** represents the series of numbers applicable to each job category.

### EXAMPLE:

If an agency employs five (5) direct child care staff, the Position Number for those employees would generally be listed as #520, #521, #522, #523 and #524 in Column 1.

- In **Column 2**, list the title of the position (e.g., Executive Director, Social Worker, Child Care Worker, etc.). Vacant positions should be marked "VACANT."
- In **Column 3**, enter the Current FY 2024 Approved Budget Annual Number of Hours Worked and the Current FY 2024 Approved Annual Salary for employees. These line items should reflect any adjustments based on the approved FY 2024 rate rather than the previous submission for projected FY 2024 rate requested, as applicable.
- In **Column 4**, enter the FY 2025 Projected Annual Number of Hours to be worked and the FY 2025 Projected Annual Salary for employees.

### LICENSING APPROVAL NOTE:

Any changes to position titles or job functions, numbers of positions, or hours worked may have an impact on the levels of intensity for services. A written staffing change narrative must be submitted as a Word document to the licensing agency for review and approval to explain those adjustments. A copy of the staffing change narrative should also be included with the rate application package submitted to MSDE.

- The spreadsheet will automatically calculate the change in current and projected annual hours and salary for each employee. The change will automatically populate in **Column 5**.

- Also, the spreadsheet will automatically calculate the percent change in the current and projected annual hours and salary for each employee. The percent change will automatically populate in **Column 6**.
- In **Column 7**, enter “S” if this is a salaried staff position or “C” if this is a consultant/contracted position. The spreadsheet will not total the Projected FY 2025 Annual Salaries for **Column 4** without entering the appropriate salaried staff “S” or consultant/contracted “C” position designation for each employee. Only enter “S” or “C” for salaries that will have FY 2025 projected expenses.

### Salaried Staff and Consulting/Contractual Positions

The **Personnel Cost Detail Forms (E-2 through E-6)** must include all personnel job functions assigned to that category, including consulting/contractual personnel. As an example, fiscal services staff are assigned to the Management, General, & Facility Support personnel category.

#### EXAMPLES:

- (a) If one of the program’s fiscal services personnel is in a salaried staff position, Column 1 will have a unique position number between 020 and 029. The annual hours worked and annual salary for the approved FY 2024 rate will be entered into Column 3. The budget spreadsheet will automatically calculate the information for Column 5 and Column 6. For a salaried staff position, “S” should be entered into Column 7.
- (b) If one of the program’s fiscal services personnel is in a contractual position, Column 1 will have a unique position number between 020 and 029. The annual hours worked and annual salary for the approved FY 2024 rate will be entered into Column 3. The budget spreadsheet will automatically calculate the information for Column 5 and Column 6. For a contractual position, “C” should be entered into Column 7.

### Functional Supervisory Responsibilities

A supervisor within an agency may have dual functions in an administrative capacity as well as a direct oversight role of staff assigned to provide direct care or clinical services to children and youth. To accurately designate the salary expenses for these job responsibilities, these supervisors should be assigned to the **Form E-2** (Management, General & Facility Support) to account for the administrative function, as well as other applicable personnel spreadsheet(s).

Assign the proportional amount of the working hours as an administrator and a supervisor to the appropriate personnel category. Use the same Position Number and name for the supervisory position, as shown in the **Position Numbering Schedule (Page 13)** as applicable for the budget expenses to best reflect the actual duties.

**EXAMPLE:**

If the Child Care Supervisor works 2,080 annual hours (40 hours/week) and works directly with children for 208 hours annually (4 hours/week), assign 90% of that person's annual hours (1,872 hours) and salary as an administrator on Form E-2. Assign the remaining 10% of annual hours (208 hours) and salary to direct care on Form E-3. Select a unique Position Number within the 500- 510 range for this employee to use on both Forms E-2 and E-3.

Other Contracted Functions

Contracted professional positions such as fiscal, direct child services, educational, medical, clinical, and dietary are to be entered in the appropriate personnel cost detail category if the salary is paid by the agency. Other contracted positions such as lawn care, pest control, etc. are entered on budget **Form D Allocation of Expenses by Function - Summary, Line 05 Contracted Services (Non-Personnel)** if the agency function or person is not an employee of the agency.

Adherence to the instructions outlined for completing the budget workbook will reduce validation errors and lessen the need to make corrections and submit budget revisions.

## Position Numbering Schedule

This section of the schedule provides the numbering sequence for the positions listed in the budget workbook on **Budget Forms E-2 through E-6**.

POSITION NUMBER	POSITION NAME	BUDGET FORM
<b>MANAGEMENT, GENERAL &amp; FACILITY SUPPORT</b>		
001	<p><b>Chief Administrative Staff</b> (Administrator, Chief Administrator, Director, Executive Director)</p> <p>The agency's chief administrative officer. The person responsible for the agency's overall day-to-day operations.</p> <p><i>NOTE: There shall be only one person in each agency with this designation.</i></p>	Form E-2
002 - 005	<p><b>Assistant Chief Administrator</b> (Assistant Administrator, Assistant Chief Administrator, Assistant Director, Assistant Executive Director)</p> <p>The second highest administrative officer in the agency. The person who has responsibility for the day-to-day administration of a broad aspect of the agency's programming, e.g. several departments.</p> <p><i>NOTE: The agency must have distinct divisions or departments for which the assistant administrator has day-to-day management responsibility to fund this position.</i></p>	Form E-2
020 - 029	<p><b>Fiscal Services Staff</b> (Finance Officer, Staff Accountant, Bookkeeper)</p> <p>Staff positions responsible for the agency's fiscal affairs.</p>	Form E-2
030 - 039	<p><b>Administrative Support Staff</b> (Administrative Aide, Administrative Assistant, Secretary, Clerk)</p> <p>Support staff positions that primarily relate to the agency's overall day-to-day management. These positions should be distinguished from the fiscal support of program support staff.</p>	Form E-2
040 - 049	<p><b>Fiscal Support Staff</b> (Accounts Payable Clerk, Accounts Receivable Clerk, Fiscal Clerk)</p>	Form E-2

POSITION NUMBER	POSITION NAME	BUDGET FORM
050 - 059	<b>Program Service Delivery Support Staff</b> (Administrative Aide, Administrative Assistant, Typist, Secretary, Clerk)	Form E-2
099 - 119	<b>Miscellaneous Administrative Staff</b> Assign the 099 staff code to administrative positions that are not defined by any of the other staff codes. This includes IT staff.	Form E-2
120 - 129	<b>Food Service Supervision</b> Staff responsible for supervising the preparation and serving of meals.	Form E-2
130 - 139	<b>Food Service Workers</b> Staff responsible for the preparation and serving of meals.	Form E-2
140 - 149	<b>Maintenance Supervision</b> Staff responsible for supervising the maintenance and upkeep of the agency's building and grounds.	Form E-2
150 - 169	<b>Maintenance Staff</b> Staff positions responsible for the maintenance and upkeep of the agency's buildings and grounds.	Form E-2
200 - 235	<b>Program/Campus Management Staff</b> (Program Director, where the Program Director is not the Director of Social Work, Residential Director, or Director of Campus Life)  Mid-level professional management staff positions responsible for the day-to-day management of a broad segment of the agency's program operations, excluding the direction of social work or clinical services.  <i>NOTE: Assign hours and salary proportionally if the person also works directly with children or performs other operating aspects of the job.</i>	Form E-2           <u>Also as applicable</u> Form E-3

POSITION NUMBER	POSITION NAME	BUDGET FORM
300 - 319	<p><b>Social Work Supervision</b> Professional staff responsible for the supervision of the agency’s program of social work services.</p> <p>Social work supervisors must have the appropriate professional credentials and an agency must have more than one social worker position to have a social work supervisor position.</p> <p>These staff should be allocated in the same way that their staff are allocated unless they are working supervisors, as discussed on Page 11.</p> <p><i>NOTE: Assign hours and salary proportionally if the person also works directly with children or performs other operating aspects of the job.</i></p>	<p>Form E-2</p> <p><a href="#">Also as applicable</a></p> <p>Form E-3</p> <p>Form E-6</p>
400 - 419	<p><b>Therapeutic Services Supervision</b> Non-social work professional staff responsible for supervising the agency’s non-social work clinical services program.</p> <p><i>Staff must have the appropriate professional credentials. The agency must have more than one clinical staff position to have a clinical supervisory position.</i></p> <p>These staff should be allocated in the same way that their staff are allocated unless they are working supervisors, as discussed on Page 11.</p> <p><i>NOTE: Assign hours and salary proportionally if the person also works directly with children or performs other operating aspects of the job.</i></p>	<p>Form E-2</p> <p><a href="#">Also as applicable</a></p> <p>Form E-3</p> <p>Form E-6</p>
500 - 519	<p><b>Child Care Supervision</b> Professional staff responsible for the supervision of the agency’s child care staff.</p> <p><i>NOTE: Assign hours and salary proportionally if the person also works directly with children or performs other operating aspects of the job.</i></p>	<p>Form E-2</p> <p><a href="#">Also as applicable</a></p> <p>Form E-3</p>
700 - 710	<p><b>Education Services Administration</b> Professional Staff responsible for planning and supervising the agency’s program of education services.</p>	<p>Form E-2</p> <p><a href="#">Also as applicable</a></p> <p>Form E-3</p>

<b>DIRECT CHILD SERVICES</b>		
<b>200 - 235</b>	<p><b>Program/Campus Management Staff</b> (Program Director, where the Program Director is not the Director of Social Work, Residential Director, or Director of Campus Life)</p> <p>Mid-level professional management staff positions responsible for the day-to-day management of a broad segment of the agency’s program operations, excluding the direction of social work or clinical services.</p> <p><i>NOTE: Assign hours and salary proportionally if the person also works directly with children or performs other operating aspects of the job.</i></p>	<p>Form E-3</p> <p><a href="#"><i>Also as applicable</i></a></p> <p>Form E-2</p>
<b>300 - 319</b>	<p><b>Social Work Supervision</b> Professional staff responsible for the supervision of the agency’s program of social work services.</p> <p>Social work supervisors must have the appropriate professional credentials and an agency must have more than one social worker position to have a social work supervisor position.</p> <p>These staff should be allocated in the same way that their staff are allocated unless they are working supervisors, as discussed on Page 11.</p> <p><i>NOTE: Assign hours and salary proportionally if the person also works directly with children or performs other operating aspects of the job.</i></p>	<p>Form E-3</p> <p><a href="#"><i>Also as applicable</i></a></p> <p>Form E-2</p> <p>Form E-6</p>
<b>320 - 350</b>	<p><b>Social Work Staff</b> Professional staff responsible for conducting the agency’s program of social work services. Social work staff must have the appropriate professional credentials.</p> <p>Generally, staff who are licensed mental health professionals are the only ones who would provide clinical services. Staff certified in behavioral management, but whose primary role is child care, are not considered to be providing clinical services. Clinical services are described on the Service Array Summary below this table.</p> <p><i>NOTE: Assign hours and salary proportionally if the person provides direct care, clinical services, or both.</i></p>	<p>Form E-3</p> <p><a href="#"><i>Also as applicable</i></a></p> <p>Form E-6</p>



400 - 419	<p><b>Therapeutic Services Supervision</b></p> <p>Non-social work professional staff responsible for supervising the agency’s non-social work clinical services program.</p> <p>Staff must have the appropriate professional credentials. The agency must have more than one clinical staff position to have a clinical supervisory position.</p> <p>These staff should be allocated in the same way that their staff are allocated unless they are working supervisors, as discussed on Page 11.</p> <p><i>NOTE: Assign hours and salary proportionally if the person also works directly with children or performs other operating aspects of the job.</i></p>	<p>Form E-3</p> <p><a href="#">Also as applicable</a></p> <p>Form E-2</p> <p>Form E-6</p>
420 - 429	<p><b>Clinical Services Staff</b></p> <p>Non-social work professional staff responsible for conducting the agency’s program of non-social work clinical services.</p> <p>Generally, staff who are licensed mental health professionals are the only ones who would provide clinical services. Staff certified in behavioral management, but whose primary role is child care are not considered to be providing clinical services. Clinical services are described on the Service Array Summary below this table.</p> <p><i>NOTE: Assign hours and salary proportionally if the person provides direct care, clinical services, or both.</i></p>	<p>Form E-3</p> <p><a href="#">Also as applicable</a></p> <p>Form E-6</p>
500 - 519	<p><b>Child Care Supervision</b></p> <p>Professional staff responsible for the supervision of the agency’s child care staff.</p> <p><i>NOTE: Assign hours and salary proportionally if the person also works directly with children or performs other operating aspects of the job.</i></p>	<p>Form E-3</p> <p><a href="#">Also as applicable</a></p> <p>Form E-2</p>
520 - 699	<p><b>Child Care Staff</b></p> <p>Staff responsible for the direct care and supervision of the agency’s client population.</p>	<p>Form E-3</p>
700 - 710	<p><b>Education Services Administration</b></p> <p>Professional staff responsible for planning and supervising the agency’s program of education services.</p> <p><i>NOTE: Assign hours and salary proportionally if the person also works directly with children or performs other operating aspects of the job.</i></p>	<p>Form E-3</p> <p><a href="#">Also as applicable</a></p> <p>Form E-2</p>
900-929	<p><b>Recreation Staff</b></p> <p>Staff responsible for providing recreational services as part of the therapeutic environment.</p>	<p>Form E-3</p>

EDUCATION		
720 - 739	<p><b>Educational Services Staff</b> Professional staff responsible for providing educational services to the client population.</p>	Form E-4
MEDICAL		
800 - 849	<p><b>Medical Services Staff</b> Professional staff responsible for providing medical services to the client population.</p>	Form E-5
CLINICAL		
300 - 319	<p><b>Social Work Supervision</b> Professional staff responsible for the supervision of the agency’s program of social work services.</p> <p>Social work supervisors must have the appropriate professional credentials and an agency must have more than one social worker position to have a social work supervisor position.</p> <p>These staff should be allocated in the same way that their staff are allocated unless they are working supervisors, as discussed on Page 11.</p> <p><i>NOTE: Assign hours and salary proportionally if the person also works directly with children or performs other operating aspects of the job.</i></p>	<p>Form E-6</p> <p><a href="#"><u>Also as applicable</u></a></p> <p>Form E-2</p> <p>Form E-3</p>
320 - 350	<p><b>Social Work Staff</b> Professional staff responsible for conducting the agency’s program of social work services. Social work staff must have the appropriate professional credentials.</p> <p>Generally, staff who are licensed mental health professionals are the only ones who would provide clinical services. Staff certified in behavioral management, but whose primary role is child care, are not considered to be providing clinical services.</p> <p>Clinical services are described on the Service Array Summary below this table.</p> <p><i>NOTE: Assign hours and salary proportionally if the person provides direct care, clinical services, or both.</i></p>	<p>Form E-6</p> <p><a href="#"><u>Also as applicable</u></a></p> <p>Form E-3</p>

<p><b>400 - 419</b></p>	<p><b>Therapeutic Services Supervision</b></p> <p>Non-social work professional staff responsible for supervising the agency’s non-social work clinical services program.</p> <p>Staff must have the appropriate professional credentials. The agency must have more than one clinical staff position in order to have a clinical supervisory position.</p> <p>These staff should be allocated in the same way that their staff are allocated unless they are working supervisors, as discussed on Page 11.</p> <p><i>NOTE: Assign hours and salary proportionally if the person also works directly with children or performs other operating aspects of the job.</i></p>	<p>Form E-6</p> <p><a href="#">Also as applicable</a></p> <p>Form E-2</p> <p>Form E-3</p>
<p><b>420 - 429</b></p>	<p><b>Clinical Services Staff</b></p> <p>Non-social work professional staff responsible for conducting the agency’s program of non-social work clinical services.</p> <p>Generally, staff who are licensed mental health professionals are the only ones who would provide clinical services. Staff certified in behavioral management, but whose primary role is child care, are not considered to be providing clinical services.</p> <p>Clinical services are described on the Service Array Summary below this table.</p> <p><i>NOTE: Assign hours and salary proportionally if the person provides direct care, clinical services, or both.</i></p>	<p>Form E-6</p> <p><a href="#">Also as applicable</a></p> <p>Form E-3</p>

The **MD Residential Rehabilitation and Treatment Foster Care Services Description of Provider Type and Service Array** document outlines Maryland’s array of rehabilitative services deemed to be clinical. A description along with a bulleted list of clinical services are outlined on Pages 2 and 3. All services, except case management, are clinical when provided by a licensed mental health professional. More details about specific services are included on Pages 6-13 of the document.

For the purposes of budget preparation, the following service areas are considered clinical and should be entered on **Form E-6**.

- Behavioral Management provided to children by licensed mental health professional staff.
- Counseling
- Crisis Intervention
- Psychotherapy
- Supportive Counseling

The following services are considered direct child care for the purposes of budget preparation and should entered on **Form E-3**:

- Behavior Management provided by staff whose primary function is child supervision.
- Case Management & Coordination
- Family Services
- Independent Psychosocial Skills Training
- Medication Administration/Supervision (unless provided by an LPN, RN or MD, in which case these staff/services should be included in Medical Services).
- Therapeutic Recreation

### Form E 1 - Personnel Cost SUMMARY

This form summarizes the hours worked and salary for all the positions entered on **Budget Forms E-2 through E-6, Personnel Cost Detail** for the Current FY 2024 Approved Budget and the FY 2025 Projected Budget. The spreadsheet will automatically transfer the information entered on **Forms E2 through E-6**. Review to verify that the information transferred appropriately.

**Column 2** should equal the FY 2024 Total for the Annual Hours Worked and FY 2024 Total Annual Salary for all employees entered on **Forms E-2 through E-6**.

**Column 3** should equal the FY 2025 Total Projected Annual Hours Worked and the FY 2025 Total Projected Annual Salary for all employees entered on **Forms E-2 through E-6**.

**Column 4** and **Column 5** should equal the change and the percent change for the Current FY 2024 Approved Budget (**Column 2**) and the FY 2025 Projected Budget (**Column 3**).

### Form D - Allocation of Expenses by Function - SUMMARY

This form summarizes the total expenses by line item and the allocation of expenses into categories for Management, General & Facility Support, Direct Child Services, Education, Medical and Clinical. The allocations should be made based on Generally Accepted Accounting Principles (GAAP). The Management and General, Indirect and Overhead costs are used interchangeably to complete this form.

Enter the total program expenses using line-item details in **Column 1 for Lines 2 through 28**. The amounts on Line 1a and Line 1b for salaries and wages must equal the total amount on **Form E-1, Column 3** "FY 2025 Projected Budget- Total Annual Salary."

#### **FORM D SUMMARY NOTE:**

The spreadsheet will automatically transfer the total employee expenses from Forms E-2 through E-6 onto Form D Line 01 Employees (01a Salaried and 01b Consultant/Contracted) into the column that corresponds to spreadsheet categories where salaries were entered. The allocation of expenses for Line 02 through Line 28 must be entered manually to distribute those expenses across Column 4 through Column 8.

Enter additional program expenses on **Lines 02 through 28**. Refer to the **“Expenses” section of the Cost Guidelines (Page 15)** for definitions about eligible program expenses. The expenses listed on Form D should total the program budget.

- Unallowable costs must be listed in **Column 2**. Refer to **Page 22 of the Cost Guidelines** for a list of unallowable costs.
- The Allowable Net Expenses will automatically populate in **Column 3** after deducting **Column 2** (Unallowable Costs) from **Column 1** (Total Expenses).
- Allocate the percent of the allowable net expense of each line item that is attributable to the five categories. For each line item, the sum of **Columns 4, 5, 6, 7 and 8 must equal total Allowable Net Expenses in Column 3**.

**ERROR WARNING NOTE:**

An error warning will appear if the total of the allocations in Column 9 does not equal Column 3. Please review to verify accuracy.

### Budget Review Treatment Foster Care & Mother Baby Programs

*Treatment Foster Care (TFC), Treatment Foster Care Medically Fragile (TFC-MF) and Teen Mother Program – Treatment Foster Care (TMP-TFC) Programs*

- For any treatment foster care or mother baby program, the approved **Difficulty of Care and Board Rate Computation Forms** must be submitted with the completed rate application.
- **Line 6 TFC Difficulty of Care** and **Line 7 TFC Board Payment** should be supported by the Difficulty of Care and Board Rate Computation forms, respectively.
- Include a budget note that identifies the source of the data used to develop these averages.
- Food, clothing, recreation, and personal needs are included in the Board Payment to the foster parents and may not be included on **Form D, Lines 10, 11, 12 and 13**.
  - If the program claims these expenses, a written explanation must be submitted and approved by the Department of Human Services, Social Services Administration (DHS/SSA).
  - If the program provides food for families during treatment foster care training, the projected amount of the food may be included on **Form D, Line 10**.

### *Teen Mother Programs*

- No infant related expenses may be included on **Budget Form D, Line Items 1-27**.
- All infant related expenses, including daycare, must be included on **Budget Form D - “Other” (Line 28)** only. Each expense must include a detailed description, actual costs, and an explanation of how the expense was derived.
- The SSA Contracts Manager should be contacted if there are questions or concerns about completing the **Board Rate Computation Form** or **Difficulty of Care Computation Form**.

The **Board Rate Computation Form** and the **Difficulty of Care Computation Form** should be submitted via e-mail to the Department of Human Services/Social Services Administration (DHS/SSA) no later than **JANUARY 16, 2024**.

## Form B-1 - Operating Statements - INCOME

There are two operating statements. The first is **Form B-1** that summarizes revenue from all sources.

Enter the FY 2023 Actual Revenues (**Column 1**), FY 2024 Approved Budgeted Revenue based on the approved rate on the FY 2024 rate letter (**Column 2**), and FY 2025 Projected Budgeted Revenues (**Column 3**) in the appropriate columns.

- **Section 01, Line a - Fee for Service** includes income anticipated from contracts with State funding agencies. Income from Grant and/or Private Pay is summarized on **Lines 1b and 1c** respectively, as applicable.

### FORM B-1, COLUMN 3 (PROJECTED FY 2025 BUDGET) ONLY NOTE:

Column 3, Line 01a (Fee for Service - Fees from Government Agencies) should be left blank until Form C is completed.

When **Form C** is done, enter the amount from Form C, Line 5 (Allowable Cost) onto Form B-1, Column 3, Line 01a. These figures should be the same unless an agency has income offsets or unallowable costs. This is a common error returned for corrections.

- **Section 02** summarizes the income from other sources that are applied to the expenses included in the rate. Enter any income from the sources used to pay for program expenses that will be covered by the rate that is being sought. Fundraising income, donations, and income from the sales of food or other products should be included in this section as well as interest income on bank accounts, income from investments, and intra-agency transfers of funds.
- **Section 03** summarizes the income from other sources that is used to pay for expenses that are unallowable. **(Please refer to the Cost Guidelines.)**

### EXAMPLES FOR FORM B-1 SECTIONS 02 AND 03:

- (a) A program fundraises \$100,000. All the money goes to cover expenses such as salaries for staff at the program, clothing, rent, and telephone based on the allowable expenses as shown on **Form D, Column 3** (Allocation of Expenses by Function - Allowable Net Expenses). Enter the full \$100,000 on **Form B-1, Line 02a** (Contributions). No entry is made on **Form B-1, Line 03a**.
- (b) A program fundraises \$100,000. A portion of the fundraising income, \$25,000, covers expenses such as salaries for staff at the program, clothing, rent, and telephone based on allowable expenses as shown on **Form D, Column 3** (Allocation of Expenses by Function - Allowable Net Expenses). Enter \$25,000 on **Form B-1, Line 02a** Contributions. Also enter \$75,000 on **Form B-1, Line 03a**.
- (c) A program fundraises \$100,000. All the money goes to cover expenses that are unallowable. **(Refer to Cost Guidelines.)** Enter the full \$100,000 on **Form B-1, Line 03a**.

- The spreadsheet will automatically calculate and populate the dollar amount variance **Column 4** and the percent variance between the Approved FY 2024 Budget (**Column 2**) and Projected FY 2025 Budget (**Column 3**). Increase in costs will result in positive variances for both percentages and dollars. If a cost decreases, the variances will be negative and should be shown in parentheses.

## Form B-2 - Operating Statement - EXPENSES

The second operating statement, **Form B-2**, summarizes all program expenses.

Enter the Actual FY 2023 expenses in **Column 1**; the Approved FY 2024 expenses in **Column 2**; and the allowable net expenses for the Projected FY 2025 budget in **Column 3**. Enter the expense in each line item as appropriate. **Column 3** will automatically transfer the data from **Form D, Column 3**. The amount should represent the total program budget.

- Unless there are income additions or changes in capacity, the Approved FY 2024 Budget (**Column 2**) should total the approved FY 2024 Annual Rate on **Form A** (Refer to FY 2024 Rate Letter) times the Projected FY 2025 Census. Please contact the Rate Section to troubleshoot if these conditions are not met.
- The spreadsheet will automatically calculate and populate the dollar amount variance (**Column 4**) and the percent variance (**Column 5**) between the Approved FY 2024 Budget (**Column 2**) and Projected FY 2025 Budget (**Column 3**). Increase in costs will result in positive variances for both percentages and dollars. If a cost decreases, the variances will be negative and should be shown in parentheses.

### BUDGET JUSTIFICATION VARIANCE NOTE:

Include a Word document to explain any income (Form B-1) or expenses (Form B-2) that changes by \$1,000 (increase or decrease) and/or 4% (increase or decrease) from the FY 2024 Actual Budget and FY 2025 Projected Budget. Do not add a tab to the workbook or enter text in any of the cells to explain the variance. The omission of the budget justification for the variance is a common error returned for corrections.

Include an explanation for any change in census in the written budget justification.

## Form C - Rate Computation Report

This form is used to compute the total allowable costs and the annual, monthly, and daily rate for the projected budget. It also details the number of children served and the number of billable days for the last twelve months by payment source.

- The spreadsheet will transfer the data for **Lines 1, 2 and 4 from Forms B and D**. The spreadsheet will calculate **Lines 3 and 5**.
- Enter the Projected FY 2025 Average Daily Census on **Line 6**. This number should not be less than the actual average daily census reported for Calendar Year 2023 that is reported as the total on **Line 10**. If less, provide the census for Calendar Year 2022.

- Enter the number of days the program will be in operation during FY 2025 on **Line 7**. Most programs will be in operation for 365 days (366 days in a leap year). Attach an explanation if the program for which this budget is filed will be in operation for less than 365 days.
- The spreadsheet will automatically compute the annual, monthly, and daily rates and populate **Lines 8a, 8b, and 8c**. The daily cost per child (**Line 8c**) is calculated by dividing the Allowable Cost (**Line 5**) by the product of the FY 2025 Projected Average Daily Census (**Line 5**) and the FY 2025 Days in Operation (**Line 6**).

Enter the approved rates from the FY 2024 rate letter for this program on **Lines 9a, 9b and 9c**.

- Enter the actual average daily census for Calendar Year 2023 for each funding source listed on **Lines 10a, 10b, 10c, 10d, and 10e**.
- Enter the actual billable days for Calendar Year 2023 on **Lines 11a, 11b, 11c, 11d, and 11e**.
- Enter the total number of new admissions to the program during Calendar Year 2023 on **Line 12**. Include any new admission, transfer from another program, or re-admission for a child who was previously discharged from the program. Do not count children returning from scheduled leave for parental visits, camp, etc.

**RATE COMPUTATION NOTE:**

Please double check this information to ensure the amounts entered are accurate. Billable days does not mean the number of days in the year.

**Form A - Residential Child Care Operating Budget**

This is the budget cover sheet that provides general information and summarizes the census and rate information for the program.

In the top section, select “Program Budget” for residential child care or child placement agency programs. Select “Education Budget” or Non-Residential” as applicable. Identify if the budget is for a new program, an existing program, or a modification of an existing program.

*Section I, General:*

The provider’s contact information should be entered in this section. The officially registered corporate name should be entered as the “Parent Organization.” The specific name of the program should be entered as the “Program Name.”

The mailing address will be entered into the Rate Section’s database as the official mailing address for all rate correspondence regarding the program. All official correspondence will be addressed to the Chief Administrative Officer and mailed to the address listed in this section.

If the mailing address and program address differ, enter the mailing address. For organizations with multiple programs, it is preferable to use one mailing address for all the programs.



**FORM A SECTION I GENERAL NOTE:**

Include the correct email addresses for the Chief Administrator, Chief Financial Officer, and Budget Preparer. Requests for clarification, corrections or general questions about the rate submission will be emailed to the Budget Preparer. The Chief Administrator and Chief Financial Officer will be copied on those emails if they are different people.

*Section II: Census Information*

*Capacity*

Residential Programs (RCC) must enter the actual number of beds for which the program is licensed and attach one copy of the license issued to each facility/location.

Child Placement Agency Programs (CPA) must enter the most current contract capacity and attach a copy of the contract rate appendices that show the current contract rate and contract capacity.

*Projected Average Daily Census*

The budget is based on the projected daily census. The FY 2025 Projected Average Daily Census should have already been entered on **Form C, Line 6**. This number should not be less than the actual average daily census reported on Form C, Line 10 as the Total Average Daily Census for Calendar Year 2023. A written explanation must be provided as part of your budget justification narrative if the FY 2025 projected census is less than what is reported on **Line 10** for Average Daily Census for Calendar Year 2023.

Residential Program Rates will be set based on no less than 90% of licensed capacity. Shelter program rates will be set based on no less than 85% of licensed capacity.

Child Placement Agency Program Rates will be set based on no less than 90% of the most current contract capacity.

Non-Residential Rates will be set based on no less than 85% of the most recent contract capacity unless otherwise instructed.

**FORM A CENSUS INFORMATION NOTE:**

The spreadsheet will transfer the entries from Form C for Actual Census and Projected Average Daily Census. The spreadsheet will also calculate the projected percent occupancy after entering the Capacity.

*Section III: Rates*

The Projected Rate information will transfer from **Form C: Lines 8a, 8b, and 8c**. The spreadsheet will populate this automatically.

The budget forms must be signed and dated by the person authorized by the Corporation to sign on its behalf. **PLEASE SIGN IN BLUE INK.**

**TAB “END” NOTE:**

The final sheet in the workbook calculates financial and staffing ratios based on the data entered for the program budget. Do not enter data directly on this sheet or delete this sheet.

### Staffing Pattern Grid

A completed **Staffing Pattern Grid** to reflect a typical direct care staffing pattern for a 24-hour, 7-day week period must be submitted for each program requesting a rate. There are three tabs including 52 weeks (July 2024-June 2025), 39 weeks (September 2024-June 2025), and 13 weeks (July 2024-September 2024). Select the tab with the timeframe that best reflects the coverage needs for your program.

This **Staffing Pattern Grid** must be approved by the respective licensing agency. Print and sign the documents for submission to your licensing agency.

Refer to the **Staffing Pattern Instructions**. Contact the Rate Section to request a modified staffing grid if there are special timeframe considerations beyond the weeks set with the three tabs.

### Lease Mortgage Summary

All the sites affiliated with the program must be listed on the **Lease Mortgage Summary Form**. The Total Annual Lease/Mortgage Amount must reconcile with **Line 14 (Rent) on Forms D and B-2**. Supporting documentation to verify the lease or mortgage expenses must be included. If the terms of the lease or mortgage change during the fiscal year, enter the site address to correspond with each change in expenses and terms. In addition, include a proportional breakdown for program specific expenses if the costs are assigned to multiple programs within a provider organization. Include the proportional breakdown for those calculations in the budget justification along with an explanation for any changes to the terms of the lease agreement.

Enter “NONE” in the first cell for the street address on the **Lease Mortgage Summary** if the agency does not have any applicable expenses for this line item.

### Budget Justification

An explanation of line items should be included in the written budget justification if there is a variance of \$1,000 (increase or decrease) and/or 4% (increase or decrease) in either **Columns 4 or 5 on Form B-1 or Form B-2**. The written budget justification should provide an explanation for any line item that is not self-explanatory or that may include multiple individual costs within the line item. For example:

- “Contracted Services-Non-Professional” (**Form B-2, Line 5**) should include a description of the service and name of the vendor providing those services;
- “Depreciation/Use Allowance” (**Form B-2, Line 20**) should describe the asset, state the initial value, and the type of depreciation schedule;
- “Travel and Transportation” (**Form B-2, Line 27**) should state the purpose of the travel expenses; and
- “Other” (**Form B-2, Line 28**) should clearly explain and itemize expenses.

The budget justification must include the basis for all allocations. Any detail that is not provided may cause a delay in the review process.

**BUDGET JUSTIFICATION NOTE:**

Include a Word document to explain any income (Form B-1) or expenses (Form B-2) that changes by \$1,000 (increase or decrease) and/or 4% (increase or decrease) from the FY 2024 Actual Budget and FY 2025 Projected Budget. DO NOT add a tab to the workbook or enter text in any of the cells to explain the variance.

The omission of the budget justification for the variance is a common error returned for corrections. Attach a written explanation for any expense that changes by \$1,000 (increase or decrease) and/or 4% (increase or decrease) from the previous year.

A written explanation for any staffing changes and lease/mortgage special circumstances should also be outlined in this document as well.

Form B-2, any expenses listed on Line 5 (Contracted Services) and/or Line 28 (Other) must include an itemized explanation.

DO NOT add additional spreadsheets to explain the budget or add text to the cells within the rate application workbook. This will cause validation errors when program budgets are uploaded into the rate setting methodology. Budget workbooks submitted with altered template formulas, cells, or spreadsheets will be returned for correction.

## Guidelines for Non-Residential (NR) Programs

The forms in the section only apply to programs approved to deliver per diem community-based services. The same submission deadlines apply for all programs for licensing agency approval (**JANUARY 16, 2024**) and postmark for completed rate application to MSDE (**FEBRUARY 15, 2024**). The same **Budget Workbook Forms** should be submitted. Download the appropriate Non-Residential (NR) Checklist from the IRC website if the rate application is requesting an NR rate.

The renewal rate application includes the following documents:

- Non-Residential Checklist
- Budget Identification Form
- Rate Application Forms
- Staffing Pattern Grid
- Staffing Forms (**Budget Forms E2 through E6**)
  - Most of the evidenced based care staffing expenses should be on **Form E-4 (Education)** and **E-6 (Clinical)** with operating expenses on Form E-2 (Management & General).
  - Consult with DJS before submitting a rate application with any anticipated expenses on Forms **E-3 (Direct Child Services)** and **Form E-5 (Medical)** as part of the service continuum.
- Copy of the Current State Agency Contract or Evidence-Based Practice Program Certification
- Lease/Mortgage Summary and Supporting Documentation
- Program Description Form
- 2023 Audited Financial Statement
- Written narrative as a separate Word document to explain staffing changes and budget line-item variance, as applicable.

Non-residential programs should follow the same instructions for completing the budget submission. Contact Alexander Obeahon at [Alexander.Obeahon@maryland.gov](mailto:Alexander.Obeahon@maryland.gov) for any NR program related questions.

### **NON-RESIDENTIAL BUDGET WORKBOOK NOTE:**

The IRC only approves daily rates for NR programs; however, the formulas in the budget workbook will calculate annual and monthly rates automatically. These annual and monthly rates will not be considered as part of the category rate comparison.

## HOW RATES ARE ESTABLISHED

Rates are established by the Interagency Rates Committee (IRC). The IRC is a multi-agency committee established by Maryland regulation, charged to review rate applications and develop rates for child care programs.

### *Review for Completeness*

The MSDE Rate Section reviews all rate renewal requests for completeness, including all budget forms and line items. Renewal applications must include actual expenses incurred from the previous year's operations as well as proposed expenditures for the renewal period.

The rate application package will not be reviewed until all required forms, including budget documents, forms requiring licensing agency approval, supporting documentation, and written budget justification for staffing and expense variance narratives are received. Programs with incomplete rate applications may be held to the FY 2024 rate.

If the rate application is incomplete, the Budget Preparer will receive an email notification identifying the missing or incomplete items. The Chief Administrative Officer and Financial Officer will be copied on the email notification. The email notification will identify a due date for response. If there are legitimate factors that contribute to delay, the agency is responsible for communicating with the Rate Section to negotiate arrangements to provide the missing or incomplete items. The licensing agency will be copied on any reminder notification emails if the agency fails to respond in a timely manner.

**Failure to comply with email notification to rectify missing or incomplete items will jeopardize review of the rate application for FY 2025 IRC rate consideration.**

### *Levels of Intensity Score Sheet*

All new and existing providers must obtain approved Level of Intensity (LOI) Score Sheet forms from the appropriate licensing agency prior to submitting the rate application package.

**See FY2025 LOI Instructions and the Levels of Intensity Manual for additional instructions.**

Programs Licensed by:

- The Department of Human Services/Office of Licensing and Monitoring (DHS/OLM) will review the LOIs and staffing for all programs licensed by DHS.
- The Department of Juvenile Services (DJS) will review the LOIs and staffing for all programs licensed by DJS.
- The Maryland Department of Health/Behavioral Health Administration (MDH/BHA) will review the LOIs and staffing for all programs licensed by MDH as Therapeutic Group Homes.
- The Maryland Department of Health/Developmental Disabilities Administration (MDH/DDA) will review the LOIs and staffing for all programs licensed by MDH/DDA.

### *Review for Accuracy*

The MSDE Rate Section will review all rate applications for completeness, accuracy, and consistency. The Rate Section may request additional information on any aspect of the rate application. The program response will be due to the Rate Section, no later than seven (7) days from the date the request for additional information is emailed. Unless otherwise requested, corrections or incomplete documents should not be mailed to MSDE. The additional information may be emailed to the Rate Section. The date of the email will be the date stamp to verify receipt. Programs with incomplete rate applications jeopardize review for FY 2025 IRC rate consideration and risk being held to the FY 2024 rate.

Please review your rate application before submitting since any error will delay the processing of the application.

### *Comparison to Standards*

The rate application package includes the **Cost Guidelines** to assist providers in determining allowable expenses for the care of children in out-of-home placement. Each program budget will be reviewed in comparison to these costs. Variances in cost or staffing ratios require a written narrative explanation as part of the budget justification document. The written budget justification should mention if the licensing agency has required or recommended staffing ratios for your program that differ from the **Cost Guidelines**.

If the budget includes changes in the number or type of program staff from the previous year, please provide a narrative explanation for the change. Written approval from the licensing agency must be included in the rate application.

### *Preferred Provider Status*

A program may be given “preferred provider” status if program expenses and Care and Supervision LOIs do not differ significantly from similar programs.

The “preferred provider” designation demonstrates to purchasing agencies that the program is cost effective in relation to its peers and provides an appropriate mix and intensity of services for the program type. Each state agency determines the parameters of contractual standards for providers deemed “preferred” or “non-preferred.” The designation is omitted for specialty programs or populations, such as the Miscellaneous (MISC), Education (EDUC), and Qualified Residential Treatment Program (QRTP) categories.

**A new program will not be issued a rate if the calculation of the provider status is “non-preferred.”**

### *Global Budget Adjustments*

All rates are subject to adjustment based on the total funding available for residential child care programs. Any global budget adjustment will be specified in the rate letter. These adjustments may not be reconsidered or appealed.

## Rate Letter

After the IRC completes the budget reviews based on the comparisons of the algorithm for the rate setting methodology, the program will receive a rate letter listing the “Provider Status” (if applicable), the “Licensed Capacity for Residential Child Care Programs” or the “Current Contract Capacity for Child Placement Agency Programs” and the “Final Approved Rate” on a daily, monthly, and annual basis. A copy of the rate letter is sent to all Maryland Agencies that purchase services for residential child care.

Residential Child Care and Child Placement Agency programs that hold a current license and submit a completed budget package by the due date will receive an FY 2025 rate.

State budget restrictions or cost containment measures supersede the rate setting methodology. The IRC shall impose budget restrictions or cost containment measures to ensure that the rates align with the approved budget appropriations.

### *All State and County Agencies Pay Approved Rate*

Programs may not offer discounts from or demand payment over the approved rate for any State or County agency. If the program rate is adjusted through reconsideration, appeal or modification, all Agencies will pay the same rate.

### *No Guarantee of Placements*

Possession of a license and/or rate does not guarantee that any State or County agency will place clients in the program. A license and/or rate does not constitute a contract for client placement.

## Reconsiderations and Appeals

If the program believes that the IRC’s rate determination inaccurately considers aspects of the provider’s continuum of care in evaluating the requested rate, the provider may request reconsideration or file an appeal by following the procedures below. Inability to maintain the target occupancy or average daily census is not cause for a reconsideration or appeal.

### *Reconsideration of IRC Determination*

A provider may request reconsideration of the IRC’s rate determination. The IRC will notify the provider of the result of its reconsideration within 30 days following receipt of a complete reconsideration request. This includes programs that have staff approved by their state licensing agency but did not receive the requested rate.

Programs that have staff approved by their state licensing agency but did not receive the requested rate and file a reconsideration request will be required to demonstrate:

- a) The approved staff is necessary to meet licensing requirements for the population served.
- b) That the Program or Parent Organization has no resources available to meet the expense of the additional staff.

The IRC will evaluate each request for adjustment to the rate determined using the IRC rate methodology.

The IRC may approve the rate adjustment in whole, in part, or may deny adjustment from the rate determined by the rate methodology. The reconsideration request must be in writing and addressed to the Interagency Initiatives & Rates Section. **See Getting Help - Page 34.**

The request must be filed within 30 days of the provider's receipt of notice of the Committee's determination. The reconsideration request must include sufficient and appropriate information to allow an analysis of the claim. The request shall include:

- a) The relief requested; and
- b) The basis for the relief.

The provider reconsideration letter will be reviewed to determine if the basis of the reconsideration and requested rate provide sufficient information for review.

- a) If the provider's reconsideration letter does not include sufficient information to complete the review, the provider is contacted by letter or email.
- b) The review correspondence will list all the information required to complete the review.
- c) The 30-day review period will begin upon receipt of a complete reconsideration request.

Time limit for pending reconsiderations:

- a) Reconsideration requests not accepted for completeness within 45 days of the provider's receipt of the initial completeness review letter will be voided.
- b) Within 30 days of receipt of a complete reconsideration request from the provider, the IRC shall either:
  - 1) Grant,
  - 2) Grant with modification, or
  - 3) Deny the request.

#### *Appeal of IRC Reconsideration*

A Provider may appeal reconsideration by the IRC.

- a) Responsibility for conducting appeals:
  - The Children's Cabinet or the Cabinet's designee shall issue a final, binding opinion upholding, reversing, or modifying the rates set by the committee within 30 days after receipt of a complete request for appeal.
- b) Appeal Request:
  - A provider may appeal the IRC's reconsideration by filing a written appeal request addressed to the Rates Section. **See Getting Help - Page 34.**
  - The appeal request must be received in the offices of the Rate Section by the 30<sup>th</sup> calendar day following the provider's receipt of the IRC reconsideration determination.



- The provider’s appeal request must include the basis of the appeal and the requested rate. The appeal request must include sufficient and appropriate information to allow an analysis of the claim.
- c) The provider’s appeal letter will be reviewed to determine if the basis of the appeal and requested rate provide sufficient information for review.
- If the provider’s appeal letter does not include sufficient information to complete the review, the provider is contacted by letter or email.
  - The completeness review letter will list all the information required to complete the review.
  - The 30-day review period will begin upon receipt of a complete appeal request.
- d) Time Limit for Pending Appeals
- Appeal requests not accepted for completeness within 45 days of the provider’s receipt of the initial completeness review letter will be voided.
  - Within 30 days of receipt of a complete appeal request from the provider, the Children’s Cabinet or their designee shall issue a final, binding opinion:
    - 1) Upholding,
    - 2) Reversing, or
    - 3) Modifying the rates set by the Interagency Rates Committee.

A rate determination, reconsideration of a rate, or an appeal decision by the Children’s Cabinet or their designee shall not be a contested case within the meaning of State Government Article, Title 10, Subtitle 2, Annotated Code of Maryland.

### Program Modifications

Program changes must be filed as modifications. The licensing agency must approve any program modifications. Rate change requests due to program modifications are not reconsiderations or appeals.

Rate modification requests must be filed using the **Budget Workbook Forms** and the **Levels of Intensity Score Sheet**. A narrative explanation of the program modification and the impact on the original budget must accompany the modification request. Providers are strongly encouraged to schedule a technical assistance meeting with the Rate Section prior to submitting a modification request.

## GETTING HELP

You may contact the staff of the Interagency Rates Committee/MSDE Rates Section at [irc.rates@maryland.gov](mailto:irc.rates@maryland.gov) for information or technical assistance.

The Maryland State Department of Education  
Office of Policy Analysis & Fiscal Compliance  
200 West Baltimore Street  
Baltimore, MD 21201  
Attn: IRC – 7th Floor

### Staff Assistance

Staff of the MSDE Rate Section and Licensing Agencies may assist you in understanding portions of the application and budget. However, the staff is not qualified to render definitive accounting or legal advice, and you may not rely on information provided by staff in making legal or accounting decisions.

It is your responsibility to be aware of applicable federal and state laws and regulations related to your application and the operation of your facility or program. It is your responsibility to obtain assistance from a qualified professional if you have questions as to the validity of certain costs, accounting principles or legal matters. Staff of the Interagency Collaboration Branch, Interagency Rates Committee/Interagency Initiatives & Rates Section, and Licensing Agencies may not be held responsible if you use any information which they may provide for legal or accounting purposes, and no agency of Maryland State government may be bound by such advice.