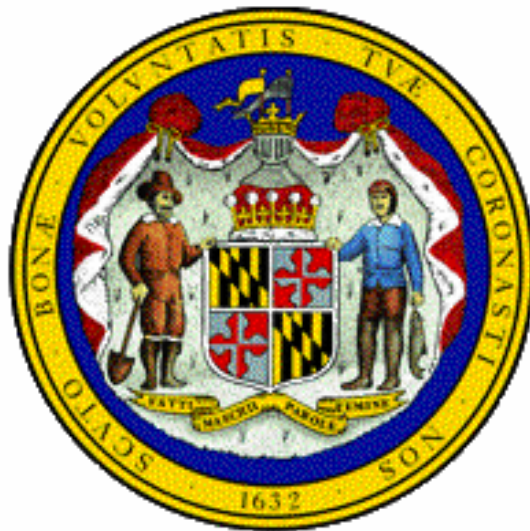


THE STATE OF MARYLAND
POLICIES & PROCEDURES
MANUAL FOR
LOCAL
MANAGEMENT
BOARDS



Issued by the Children's Cabinet
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INTRODUCTION

A. **Scope** - This Manual provides instruction on the administration and management of Maryland's Local Management Boards (LMBs). The Manual shall be incorporated by reference into LMB contracts with the Children's Cabinet and each LMB shall incorporate the relevant contents of this Manual into its contracts with providers, vendors, consultants, grantees and others

B. **Reference Materials** - Documents referenced in this Manual are included in the Appendix of the Manual.

Other resources are referenced as part of COMAR and the Maryland Annotated Code. Links to these resources can be found online at:

<http://www.mdarchives.state.md.us/msa/mdmanual/html/mmtoc.html>

C. **Definitions** - Efforts have been made to provide definitions for terms as they are referenced in the Manual.

1. Any reference to the term "Agreement" throughout the Manual applies generically for all Children's Cabinet contracts with LMBs, which are referred to as Community Partnership Agreements (CPA).
2. The term "lead agency" as defined in COMAR 14.31.01.02 means the local agency identified by federal or State law or by the Local Coordinating Council as responsible for the oversight and implementation of the child's plan of care.

D. **Distribution and Updates** – The Manual shall be issued to each LMB and each Children's Cabinet Agency on CD and shall be available to download from the Governor's Office for Children's website (www.goc.state.md.us). Updates to the Manual shall be distributed to the LMBs and the Children's Cabinet Agencies as necessary.

SECTION I – OVERVIEW OF LMB REQUIREMENTS

Subsection 10 – Establishment

- A.** The establishment of Local Management Boards (LMBs) was originally provided for in Article 49D that was enacted in 1990 and sunset on June 30, 2005.
- B.** In response to the sunset of Article 49D, Governor Robert L. Ehrlich, Jr. issued Executive Order 01.01.2005.34 on June 9, 2005 establishing the Children’s Cabinet and the Governor’s Office for Children (GOC).
- C.** During the 2006 legislative session, the General Assembly passed Senate Bill 294/House Bill 301 that re-codified the LMBs. The Bills were signed into law by Governor Ehrlich on May 2, 2006, re-establishing LMBs in Article 49D.

Subsection 20 – State Oversight

- A.** Children’s Cabinet
 - 1.** Consistent with the requirements of the Executive Order and Article 49D, the Children’s Cabinet shall:
 - a.** Specify the roles and responsibilities of the LMBs;
 - b.** Establish minimum standards for the composition of LMBs;
 - c.** Establish fiscal and program accountability in the implementation of Community Partnership Agreements and the use of other State resources by LMBs;
 - d.** Establish procedures to ensure the confidentiality of information shared by LMB board members and employees in accordance with State and federal law; and
 - e.** Generally relate to the operation of LMBs.
 - 2.** The Children’s Cabinet is chaired by the Executive Director of the Governor’s Office for Children and consists of the Secretaries of the Departments of Budget and Management; Disabilities; Health and Mental Hygiene; Human Resources; Juvenile Services; and the State Superintendent of Schools.
 - 3.** As required by the Executive Order, the Governor’s Office for Children partners “with Local Management Boards to plan, coordinate, and monitor the delivery of integrated services along the full continuum of care and oversee the use of Children’s Cabinet Interagency funds in accordance with policies and procedures established by the Children’s Cabinet.” GOC also provides staff to the Children’s Cabinet.

B. Children’s Cabinet Results Team (CCRT) – Reporting directly to the Children's Cabinet, the CCRT prepares policy recommendations for the Children's Cabinet. The CCRT is chaired by the Executive Director of the Governor's Office for Children, and includes the Deputy Secretaries from the Departments of Budget and Management; Disabilities; Health and Mental Hygiene; Human Resources; Juvenile Services; and the State Department of Education.

C. State Coordinating Council (SCC) - As required in Executive Order 01.01.2005.34 and Article 49D, the SCC shall establish, oversee and develop procedures for the operation of a Local Coordinating Council (LCC) in each County and Baltimore City. For more information on the LCC, see Section III, Subsection 30.

1. Composition of the SCC

- a. The SCC is comprised of the following State officials, or their designees:
 - i. The Executive Director of the Governor’s Office for Children;
 - ii. The Secretary of the Department of Disabilities;
 - iii. The Secretary of the Department of Health and Mental Hygiene;
 - iv. The Secretary of the Department of Human Resources;
 - v. The Secretary of the Department of Juvenile Services;
 - vi. The State Superintendent of Schools; and
- b. A parent, parent advocate, or both, appointed by the Governor.

2. The Role of the SCC

- a. Promote the development of a continuum of quality educational, treatment, and residential services in Maryland that will enable children with special needs to be served in the least restrictive setting appropriate to their individual needs;
- b. Identify any additional treatment, educational, and residential resources or supports that may provide children with appropriate services in the least restrictive environment; and
- c. Prevent the inappropriate placement of children with special needs in out-of-State facilities through the review of applications for State funding of the placement of individual children with special needs in out-of-State residential or out-of-State long-term psychiatric facilities as recommended by the Local Coordinating Council.
 - i. Placement Review Committee - The Placement Review Committee (PRC) of the SCC reviews all applications for out-of-state placement.
 - ii. The PRC consists of a representative from each SCC placing agency member and is staffed by GOC.

3. LCC/Lead Agency Responsibilities

- a. Each Lead Agency is responsible for referring cases to the LCC for approval if an out-of-state placement is sought. If the LCC approves an out-of-state placement, the Lead Agency then submits an out-of-state application directly to its Agency’s representative on the Placement Review Committee. The PRC representative must then review the application for completeness

and appropriateness before submitting it to GOC for PRC review.

- b. The LCC is responsible for ensuring that all appropriate in-state placements and community-based services have been considered and/or attempted before approving an out-of-state application. If there are any appropriate in-state placements or community-based services that meet the child's needs, the child must be referred to these programs. Use of Community Services Initiative (CSI) funds to provide in-state community-based services must also be considered. The LCC minutes must include documentation that these alternatives were explored and justification for placing the youth out-of-state.
- c. The LCC Support Specialist is responsible for providing the Lead Agency with a copy of the LCC minutes in the format approved by the SCC within five days of the LCC review. These minutes are a required part of the out-of-state application packet. The remaining forms in the out-of-state application packet must be completed or obtained by the Lead Agency.
- d. The LCC Support Specialist is also responsible for informing LCC member agencies of due dates/requirements for out-of-state annual reviews (this information will be provided to LCC Support Specialists by GOC).

Subsection 30 – Composition of LMBs

- A. LMBs are composed of public and private community representatives who share the responsibility for implementing a community-based, interagency, family-focused service delivery system for children, youth and families in each local jurisdiction.
- B. LMBs have core *ex officio* members which include a senior representative or the department head of the:
 - 1. Core Service Agency;
 - 2. Local department of social services
 - 3. Local health department;
 - 4. Local office of the Department of Juvenile Services; and
 - 5. Local school system.
- C. Private sector members may include representatives from business organizations; civic and neighborhood organizations; community collaborative groups; private providers of employment, vocational services or other human services; religious communities and other individuals involved with children and family issues, such as a member of the early care and education community, etc. Family and youth representation on the Board is strongly encouraged.

- D. At least 51% of the LMB membership must be from the public sector, with no more than 49% of members representing the private sector (such as parents, advocacy groups, private service providers, etc.).
- E. It is recommended that the composition of the LMB represent the ethnic and geographical diversity of each jurisdiction.

Subsection 40 – By-Laws

- A. Each LMB shall have written By-Laws that are approved by the Board and the governing body of the jurisdiction, if applicable.
- B. The Board shall review the By-Laws at least every three years to ensure they are current and meet the needs of the Board. The By-Laws should be revised as needed to reflect actual practice.
- C. The By-Laws shall include/address the following, at a minimum:
 - 1. Statement of name and LMB mission/goal;
 - 2. Function or purpose of the LMB;
 - 3. Identification of Board membership, including the number and composition of members, manner of appointment, length of term, procedure for vacancies, voting authority and process, and attendance requirements;
 - 4. Officers terms, removal, resignation, authority and duties;
 - 5. Meetings and quorum;
 - 6. Committees;
 - 7. Indemnification;
 - 8. Identification of fiscal year;
 - 9. Conflict of interest; and
 - 10. Process for enacting amendments.

Subsection 50 – Laws, Regulations and Policies

- A. The LMB shall comply with all applicable federal, State and local laws, regulations, and policies, including any regulations or written guidelines adopted by the Children’s Cabinet.
- B. **Criminal Background Checks** – In accordance with Maryland Annotated Code, Family Law Article, §5-561, a national and State criminal history records check is required for an employee and employer in a facility identified in subsection (b) of the Article and persons identified in subsection (c) of the Article.
 - 1. Criminal background checks are recommended for LMB employees and staff who work directly with or have contact with children.

2. The LMB must ensure that vendor staff are in compliance with the criminal background requirement above.
- C. When a criminal background check is not required pursuant to Article 5 above, GOC cautions the LMB to consider the possible liabilities of not requiring a criminal background check for all persons who have contact with children. LMBs should seek a legal opinion where applicable.

Subsection 60 – Core Functions

- A. The LMB Board shall meet at least quarterly and maintain minutes to document attendance and the outcomes of the meetings.
- B. Each LMB shall:
1. Monitor programs and contracts for performance and compliance;
 2. Employ a Director and other staff sufficient to fully execute the CPA;
 3. Ensure policies and procedures are in place as required; and
 4. Maintain jurisdictional support through its continuing designation as the LMB.
- C. The LMB shall designate an individual to attend monthly LMB Directors meetings with GOC. The meeting provides a monthly forum for communication between GOC and the LMB Directors about expectations, changes in policies and regulations, best practices, highlights of LMB work, and other pertinent information.

Subsection 70 – Core Responsibilities

- A. LMBs are the core entity in each jurisdiction to stimulate action by State and local government, public and private providers, business and industry, and community residents to build an effective system of services, supports, and opportunities that improve outcomes for children, youth, and families. The LMB plans, coordinates, implements, and manages a local interagency service delivery system for children, youth and families.
- B. The Local Management Board is responsible for participating in the development and the implementation of a strategic plan and the development and expansion of the local community-based service delivery system for children and their families.
- C. Other key roles and responsibilities of LMBs include:
1. Designing and implementing strategies to achieve clearly defined results for families and children;
 2. Operating based on locally agreed upon principles concerning service delivery and the community's commitment to its families and children;
 3. Representing local residents, communities, and state and local government;
 4. Influencing the allocation of resources across systems as necessary to accomplish the

- desired results;
5. Maintaining standards of accountability for locally agreed upon results for children and families;
 6. Coordinating children and family services within the jurisdiction to eliminate fragmentation and duplication of services and to establish non-categorical services;
 7. Shifting the programmatic focus to prevention and early intervention strategies;
 8. Strengthening the decision-making capacity at the local level; and,
 9. Creating an effective system of services, supports, and opportunities that improve outcomes for all children, youth, and families.
- D. Each LMB shall operate according to written practices, rules and/or protocols.
- E. The LMB shall adopt its jurisdiction's policies and/or establish its own written policies and procedures for personnel, procurement, finance and accounting.
- F. The LMBs shall make their policies and procedures accessible to their community partners.
- G. **Planning for Results** - The LMB is responsible for designing and implementing strategies needed to achieve desired results. For a complete discussion of this function, see Section II, Subsection 10 (Planning for Results).
1. Child Well-Being Results
 2. Community Needs Assessment
 3. Strategic Plan
- H. **Contracting for Results** - The LMB is responsible for contracting with the State and various vendors to achieve desired results. For a complete discussion of this function, see Section II, Subsection 20 (Contracting for Results).
1. Community Partnership Agreement with GOC
 2. Agreements with Vendors
- I. **Program Requirements** – The LMB shall ensure that programs and services funded through the Children's Cabinet Interagency Fund operate according to specified guidelines to achieve desired results. For a complete discussion of this function, see Section II, Subsection 30 (General Requirements).
1. General Requirements
 2. Measuring Performance
 3. Fiscal Accountability
 4. Individual Program Requirements
 - a. Interagency Family Preservation
 - b. Community Services Initiative
 - c. Local Coordinating Council
 - d. Local Access Mechanism
 - e. Wraparound
 - f. After School
 - g. Youth Services Bureaus

SECTION II – LMB CORE RESPONSIBILITIES

Subsection 10 – Planning for Results

A. General Definitions

1. Result: A condition of well-being for children, adults, families or communities.
2. Indicator: A measure that helps quantify the achievement of a result.
3. Performance Measure: A measure of how well a program, agency, or service system is performing.

B. Using Results and Indicators

1. This section details how the results and indicators should be used by LMBs.
2. The basic steps to using Results Accountability include answering a series of questions about population accountability and performance accountability:
 - a. Population Accountability
 - i. What results are you trying to achieve?
 - ii. What do the data tell you? What are the indicators that tell you if you are making progress towards reaching the results you are trying to achieve? Is the indicator getting better or worse?
 - iii. What is the story behind the data and the direction it is heading?
 - iv. Who are the partners who have a role to play in doing better?
 - v. What strategies work to “turn the curve” and make things better?
 - vi. What is your action plan and budget?
 - b. Performance Accountability - For each program identified in the action plan above, the following questions should be asked:
 - i. Who are your customers?
 - ii. How can you measure if your customers are better off?
 - iii. What are your current measures with regard to service delivery?
 - iv. What partners have a role to play in doing better?
 - v. What is the story behind the measures?
 - vi. What works to improve these measures?
 - vii. What is your action plan and timeline?

C. Maryland’s Indicators

1. In 1997, a statewide workgroup reviewed data from various State Agencies and other sources to determine the primary indicators for measuring each of the child well-being results. The workgroup selected the indicators that communicated well to a broad audience, said something significant about the result, and had available data that was reliable, consistent and available on the jurisdictional as well as state level.
2. The selection of indicators is an on-going process at both the state and local levels. Local Management Boards are free to choose local indicators in addition to State

indicators.

D. Maryland's Eight Child Well-Being Results - In January 1999, the State of Maryland adopted the following eight results with corresponding indicators to capture the quality of life for children and families in Maryland.

1. Babies Born Healthy

- a. Infant Mortality - The rate of deaths occurring to infants under 1 year of age per 1,000 live births.
- b. Low Birth Weight - The percent of babies born at low birth weight, weighing less than 2,500 grams (about 5.5 pounds) and very low birth weight, weighing less than 1,500 grams (about 3.3 pounds).
- c. Births to Adolescents - The rate of births to adolescents less than 20 years of age.

2. Healthy Children

- a. Immunizations - The percent of children fully immunized by age two.
- b. Injuries - The rate of child injuries that require hospitalization.
- c. Deaths - The rate of child fatalities among children one year of age and older.
- d. Substance Abuse - The percentage of public school students who report using alcohol, tobacco or other drugs.

3. Children Enter School Ready to Learn

- a. Kindergarten Assessment - The percent of kindergarten students who have reached one of three levels of readiness on the Work Sampling System Kindergarten Assessment: full readiness, approaching readiness or developing readiness.

4. Children Successful in School

- a. Absence From School - The percent of students in all grades who are absent more than 20 days annually from school.
- b. Academic Performance - The percent of public school students in grades 3 to 8 performing at basic, proficient, or advanced levels in reading and mathematics. Students in grades 3 to 8 take the MSA in reading. Students in grades 3 to 8 and those taking a high school-level geometry course take the MSA in math.
- c. Demonstrated Basic Skills - The percent of public school students in grades 9 through 12 performing at the passing level in four core subjects: algebra, biology, English, and government.

5. Children Completing School

- a. Dropout Rate - The percent of students in grades 9 through 12 who drop out of school in a single year.
- b. High School Completion Program - The percent of high school graduates who complete minimum course requirements needed for career and

technology programs, or requirements needed to enter the University of Maryland, or who complete both.

- c. High School Diploma - The percent of persons 25 years of age and over with a high school diploma or equivalent.
- d. Graduation/School Completion of Children with Emotional Disturbance - The percent of children with Emotional Disturbances who graduate from or complete high school.

6. Children Safe in Their Families and Communities

- a. Abuse or Neglect - The rate of child abuse or neglect investigations ruled as indicated or unsubstantiated.
- b. Deaths Due to Injury - The rate of injury-related deaths to children.
- c. Juvenile Violent Offense Arrests - The rate of arrests of youth ages 10-17 for violent offenses.
- d. Juvenile Serious Non-Violent Offense Arrests - The rate of arrests of youth ages 10-17 for serious non-violent offenses.
- e. Domestic Violence - The rate of victims receiving domestic violence services through community-based programs funded by the Department of Human Resources.

7. Stable & Economically Independent Families

- a. Child Poverty - The percent of children under 18 whose families have incomes below the poverty level.
- b. Single Parent Households - The percent of all households that are headed by a single parent.
- c. Out-of-Home Placements - The rate of children placed in out-of-home care.
- d. Permanent Placements - The percent of children who leave foster care for a more permanent living status (return home, known as reunification; or adoption) within a specified period of time in foster care.
- e. Homeless Adults and Children - The rate of homeless adults and children per 100,000 Maryland residents served by programs funded by the Department of Human Resources and other shelter providers.

8. Communities That Support Family Life

- a. Indicators developed by local jurisdictions.

E. Each LMB shall establish and maintain baseline data for each indicator listed under each result.

F. **Community Needs Assessment** - A needs assessment that gathers information from the community regarding current problems, community strengths, available programs, services and resources is crucial to the success of the LMB in coordinating services within the jurisdiction to eliminate fragmentation and duplication while fulfilling its mandate to create an effective system of services, supports, and opportunities that improve outcomes for children, youth and families.

1. As part of the strategic planning process, the LMB shall complete a community needs assessment every five years prior to developing/updating the strategic plan.
2. The community needs assessment shall investigate all eight results and the indicators associated with these results. For each indicator or baseline, the LMB shall include a historical part and a forecast part that shows where the indicator is headed if nothing is done. The LMB shall identify priority indicators from this community needs assessment and also obtain information about the causes and forces that are affecting each indicator.
3. LMBs may use a variety of methods to accomplish this task. At minimum, the community needs assessment must include:
 - a. A review of data related to indicators;
 - b. A review of other relevant data;
 - c. Information from stakeholders and community partners; and
 - d. Community resource mapping, including:
 - i. Services within the full continuum of care from all child-serving public and private agencies;
 - ii. Identification of community strengths; and
 - iii. Identification of gaps in addressing results and indicators through a continuum of care.
4. The information obtained from the community needs assessment shall be used by the LMB to identify which results and indicators to prioritize, and the causes and forces at work affecting the prioritized indicators. It is useful also to identify community strengths, resources, and assets that will help to address each of the prioritized results and indicators.

G. Strategic Plan - Each LMB is required to develop a strategic plan every five years. This plan should follow the Results Accountability format below:

1. Identifying Results - Each LMB shall identify the three to four priority results that are most important to the jurisdiction.
2. Identifying Indicators - For each priority result, the LMB shall identify one to five primary indicators that it will use to measure achievement of the results.
3. Story Behind the Indicator - For each indicator, the LMB shall identify the indicators that are headed in the wrong direction and an analysis of the causes and forces behind that movement.
4. Identify Partners - An ongoing process for each LMB is to identify partners and ensure that the partners are utilized to their fullest capacity. The partners include the members of the LMB, children and families who are being served, community members and others. The members of the LMB are the on-going partners; however, the input of other partners should be solicited. These partners may be different for

each result.

5. Identifying What Works to “Turn the Curve” - Through research that identifies evidence-based practice, best practices and promising practices, and through the knowledge of the LMB members and other partners, the LMB shall identify strategies that have the potential to improve the primary indicators.
6. Prioritizing Strategies - Each strategy, program and practice that is identified as working to “turn the curve” shall be further prioritized by looking at its:
 - a. Specificity - Is the strategy specific enough to be implementable?
 - b. Leverage - Does the strategy have a high degree of leverage to “turn the curve”?
 - c. Values - Does the strategy meet the LMB’s organizational and the community’s values?
 - d. Reach - Is it practical for the LMB to implement this strategy? Is the strategy sustainable over a long period of time? Is it feasible and affordable?
7. Identifying Funding - As part of the strategic plan, the LMB shall identify funding sources for each of the prioritized strategies.

H. Community Engagement

1. Community engagement is the LMB’s effort to:
 - a. Increase the number of stakeholders, program consumers, family members, and agency and other partners who are committed to take actions that will identify, promote, and support the needs of children, youth, and families in the State of Maryland.
 - b. Direct the jurisdiction to support an interagency approach to better the lives of children and families.
2. Community engagement activities include, but are not limited to:
 - a. Roundtable Events
 - b. Awards and Other Recognition
 - c. Sponsorships
 - d. Training

I. Integrated Systems of Care (SOC)

1. Maryland’s Children’s Cabinet believes that a priority strategy for addressing a fragmented service delivery system is through an integrated SOC.
2. SOC is the connecting of all service delivery systems (mental health, child welfare, juvenile justice, education, substance abuse, housing, etc) in order to create a seamless service delivery system for Maryland’s children, youth and families.
3. Systems of Care are family and local community-driven service systems that:
 - a. Improve access to services;
 - b. Provide engaging and effective service in a coordinated delivery system;

and,

c. Increase options and system resources in service delivery.

4. SOC must be non-categorical and focused on populations of children and families across service systems. It requires a team approach on every level: state, local and community.

5. **Population**

a. Approximately 2-5% of children have serious emotional disturbances (SED) and need the most intense interventions. Within this 2-5% may be other children not diagnosed with SED but with other intensive needs.

b. Approximately 15-20% of children have significant needs that, untreated, may rise to the level of the children with SED.

c. Approximately 80% of children with less complex needs can be addressed at the universal health promotion level.

6. **Guiding Principles** - SOC is *not* a practice model; rather, it is a philosophy or overarching structure that guides the interventions provided to children and their families. SOC is different from a continuum of care.

7. **Core Values of SOC:**

a. The SOC should be child-centered and family-focused, with the needs of the child and family dictating the types and mix of services provided.

i. Families must be involved throughout the SOC, and family involvement within the SOC must be deliberate, although the shape that it takes may vary by community.

ii. Families can be educators, advocates, and policy-makers. In some communities, family organizations play a significant role in shaping policy, as well as advocating for and supporting families.

iii. At the management level, families may identify other families to participate in workgroups, conduct family surveys and interviews, and provide information and referral services to other families.

iv. At the service delivery level, families are involved in every stage of the development of their child's plan, as well as participating in family support groups and providing forms of advocacy and mentoring.

b. The SOC should be community-based, with the locus of services as well as management and decision-making responsibility resting at the community level.

i. The Children's Cabinet believes that children belong in the most appropriate, least restrictive setting possible, and in their own homes and communities when safely possible.

ii. The Children's Cabinet also believes that most children, even those

with conduct disorder, oppositional defiant disorder, and SED, can thrive in a family setting, with proper supports.

- iii. For this to be able to occur, there must be an SOC in place to support children and families at all points in the continuum of need.
 - c. The SOC should be culturally competent, with agencies, programs, and services that are responsive to the cultural, racial, and ethnic differences of the populations they serve.
8. The three core values of SOC (child-centered and family-focused, community-based, and culturally competent) ensure that services are:
- a. Integrated with linkages between child-serving agencies and programs;
 - b. Individualized (responsive to the child's needs, strengths, and environment);
 - c. Provided in the least restrictive, most appropriate setting;
 - d. Comprehensive, incorporating a broad array of services and supports;
 - e. Inclusive of families and youth as full partners;
 - f. Focused on early identification and intervention; and,
 - g. Driven at the local level with coordination at the State level.

Subsection 20 – Contracting for Results

A. Contracting with the Children's Cabinet

1. The Community Partnership Agreement (CPA) is the contract executed between the Children's Cabinet and each LMB that is individualized to the needs of the jurisdiction and details the roles and responsibilities of each party including the services to be provided to the community and the funds awarded to the LMB. The CPA is comprised of the following sections:
 - a. Standard Provisions – Including the scope of the agreement and standard legal clauses such as term, termination and general provisions and conditions of agreement;
 - b. Appendix A – This is the LMB results section that details the specific child well-being results and indicators that the LMB will work to address; and,
 - c. Appendix B – This is the budget.
2. A new Community Partnership Agreement, including a revised Appendix A and Appendix B, must be executed at the end of each term. CPAs should be fully executed by June 30 of each year. First quarter funds will be withheld until CPAs are completed, approved and signed by all parties.
3. The CPA contract period shall be the State's fiscal year (July 1 through June 30) unless otherwise stated in the CPA. In the case of a multi-year CPA, budgets must be approved annually and are subject to annual appropriations.
4. **Modifications** – To request a change or modification to the CPA, the LMB shall mail a written request signed by the LMB Director and Board chair to the attention of the Executive Director of GOC who will review and approve or deny the request on

behalf of the Children's Cabinet. Approved changes and modifications to the CPA must be signed by the authorized representative of the LMB and the Executive Director of GOC.

- a. Modifications to the Appendix A require a short narrative explaining the need for the proposed change and new Performance Measures Tables (as applicable).
- b. Modifications to the Appendix B require a short narrative explaining the need for the proposed change in addition to the revised form.
- c. GOC will respond to the LMB within 30 days of receipt of the request. GOC's response may be delayed if additional information from the LMB is required.

5. Reporting

- a. Reports for individual programs are required as discussed in Section III.
- b. A semi-annual and annual report on the CPA in the approved format shall be submitted to GOC. The semi-annual report is due the 3rd Friday of February and the annual report is due the 3rd Friday of September.
- c. Quarterly fiscal reports are due the 3rd Friday of the month following the close of the first, second and third quarters of the fiscal year.
- d. The year-end fiscal report is due the 3rd Friday of September following the close of the fiscal year.
- e. GOC may require additional reports not referenced herein. A report may be rejected and returned to the LMB for a technical insufficiency, which cannot or should not be corrected by GOC.
- f. When submitting reports, a facsimile form generated by the LMB may be acceptable in lieu of any required GOC form; however, GOC's prior approval of the format is required. If approval is not received, the LMB assumes liability for the report's rejection.
- g. GOC may require an LMB to amend/correct a report as necessary.

6. Payments – Payments to LMBs are generally made four times per year according to the following schedule:

- a. The first payment will be for four twelfths (4/12) of the Children's Cabinet current award and will be released as close to the 1st of July as possible.
- b. The second payment will be for three twelfths (3/12) of the current award and will be released after the required reports for the first quarter are received.
- c. The third payment will be for three twelfths (3/12) of the current award and will be released after the required reports for the second quarter are received.
- d. The fourth and final payment will be for the balance of the current award and will be released after the required reports for the third quarter are received.
- e. If the required reports are not received by the due date, the payment may not arrive before the first day of the month following the end of the quarter.
- f. Payments to LMBs will be made only after the receipt of all required

reports. If a report is not received when due, the first payment scheduled to follow the due date of the report will be withheld until said report is received.

- g. No funding will be transferred from the State to an uncertified LMB and/or an LMB without a signed CPA.

B. Contracting with Vendors

1. The LMB is responsible for the negotiation and execution of contracts for the provision of all programs and services funded through the Children's Cabinet Interagency Fund with the exception of administrative services (including, but not limited to, pest control, bottled water, office cleaning, etc.).
2. The LMB shall incorporate the State of Maryland Policies and Procedures Manual for Local Management Boards into its contracts. In the case of conflicts between program specific guidelines in Section III and other sections of the Manual, conditions set forth in the applicable subsection of Section III govern.
3. Contracts must be formalized in writing and set forth the specific terms (e.g., hourly rate, per diem, per visit rate, etc.) that are generally accepted standards within the field.
4. Contracts must specify the maximum funds available based on the specified terms. Furthermore, the terms specified must be measurable and sufficiently documented to enable verification by a qualified auditor.
5. The LMB shall ensure that Children's Cabinet funds are not used for services that could be provided by another organization or State agency. Children's Cabinet funds are the funding source of last resort.
6. LMB contracts with vendors must provide the LMB and State Agencies access to all information, including client records, consistent with State and federal laws.
7. Contracts with vendors shall include the following provisions:
 - a. Service Records
 - i. Upon completion of services, service records must either be retained by the LMB or returned to and retained by the lead agency that referred the child to the LMB, as applicable.
 - ii. Service records must be retained for five years after the child turns 21 years old.
 - iii. Service records, except as noted in Section iv below, in any form generated or arising from the use of State funds provided under a contract or CPA covered by this Manual are the sole and exclusive property of the State.
 - iv. Case files for Youth Services Bureaus programs are the property of the Youth Services Bureaus; however access must be provided as required in Section II, Subsection 20, B6.

- b. HIPAA
 - i. Appropriate human services contracts shall contain provisions for compliance with federal HIPAA and State confidentiality law.
 - ii. See Appendix 1 for sample language.
- c. Reports, Data, Studies, or Other Materials
 - i. Any reports, data, studies, or other materials in any form, generated or arising from the use of State funds provided under a CPA covered by this Manual shall be the sole and exclusive property of the State.
 - ii. The LMB is granted a non-exclusive license, without cost or fee, to use such materials. The LMB shall not assign or transfer its license.
 - iii. With regard to materials generated by an LMB's vendor or grantee, the LMB shall ensure that the State's ownership interests are disclosed and not impaired by the terms and conditions of such grants and contracts.
- d. Separate Schedule - All LMB contracts should require a vendor who is providing services to more than one LMB to provide a separate schedule of Children's Cabinet revenue and expenses.

C. Procurement - In accordance with Section I, Subsection 50, the LMB shall adhere to its adopted procurement policy as applicable.

- 1. An LMB that is an instrumentality of local government must comply with local government procurement laws and regulations. If the local government does not have written procurement laws and regulations, the LMB must submit an LMB procurement policy to GOC for approval.
- 2. An independently incorporated LMB must submit a written procurement policy to GOC for approval. The applicable sections of State procurement laws will apply until LMB procurement regulations are adopted and approved by GOC. (Maryland Annotated Code, State Finance and Procurement Article, Title 13, §13-101 et seq. and COMAR 21.03.01 through 21.05.09.)

D. Consultants - The following guidelines apply to the use of consultants:

- 1. The LMB is responsible for determining the appropriate status of an individual/consultant. Claims and penalties resulting from the improper designation of an employee as an independent contractor or consultant are the responsibility of the LMB.
- 2. Officers, employees, and members of the Board of Directors of the LMB/ vendors/subcontractor(s)/subgrantee(s) cannot be paid consultants to that organization, its member agencies, or its contractors and grantees.

Subsection 30 – General Requirements

A. Measuring Performance

1. The LMB must monitor all vendors and consultants for compliance with requirements as set forth in the LMB's contracts and grants and the terms of its CPA. LMBs are responsible for developing a written process by which they fulfill their monitoring responsibilities. This may involve, but is not limited to, development of a specific tool, instrument, or questionnaire.
2. The LMB shall participate in decision-making for the expenditure of all funds received from the Children's Cabinet in collaboration with the appropriate state agency and/or local entity.
3. The LMB shall participate in program reviews, monitoring and other evaluation methods that may include performance and outcome measures related to these programs.
4. The LMB is responsible for evaluating all programs and services it funds.
 - a. The evaluation shall focus on an assessment of performance measures that have been identified.
 - b. In addition to setting the standards for performance, the LMB shall:
 - i. Ensure that services are selected that will make a difference in performance measures and customer results. This shall include best and promising practices where available;
 - ii. Develop and maintain a quality improvement process to increase the quality of services;
 - iii. Develop an ongoing self-assessment process to track achievements; and,
 - iv. Measure outcomes and compliance with standards of quality.
5. The settlement of the CPA may involve resolving post-audit issues, as identified in monitoring and reporting documents.

B. Data Collection and Reporting – LMBs are required to collect and report on consistent characteristics of children and families served, the services delivered, and the results of those services. Each LMB may opt to collect several kinds of data to suit its needs.

1. In order to facilitate consistent data collection and reporting, the State requires LMBs to submit computerized service data in a specified format.
2. Data should be utilized to demonstrate not only the achievement of desired outcomes, but also to improve the quality of services provided.
3. **SCYFIS** – The State Children, Youth and Families Information System (SCYFIS) is a web-based information system that is used to document required data for the Interagency Family Preservation and Community Services Initiative programs, the LCC/SCC process, and other initiatives as directed by the Children's Cabinet. SCYFIS also includes a Resource Directory of residential and non-residential service providers. GOC maintains, manages, and administers SCYFIS.

- a. The technical requirements for the use of SCYFIS are as follows:
 - i. Microsoft Internet Explorer version 5.5 or later installed (not Netscape) on a computer (PC or Mac) that connects to the Internet. For Mac, version 5.0 or later is required.
 - ii. Internet connectivity may be a PC/Mac modem connection or any faster Internet connection.
 - iii. JavaScript and Cookies must be enabled.
 - iv. If Internet Explorer's Security Settings are set too high, the SCYFIS site will need to be added to a list of Trusted Sites with lower Security Settings.

- b. User Access – The LMB must ensure that the SCYFIS user accounts as authorized for the jurisdiction are valid. For example, a user who is able to access SCYFIS client information should be an LMB, LCC member agency, or service provider employee authorized to access client information.

- c. GOC will issue a new user account when:
 - i. The LMB verifies that the user is employed by the LMB, an LCC member agency, or by a service provider that has a contract with the LMB to provide IFP or CSI services;
 - ii. The LMB requests a user account from the State including submission of an original, completed and signed SCYFIS confidentiality agreement from the user; and
 - iii. The new user submits a completed confidentiality agreement signed by the authorizing agent. GOC must receive the original request (fax requests will be accepted). A request cannot be made verbally.

- d. User Responsibilities:
 - i. A user shall not disclose or share a user login ID and/or password with others except as required for system maintenance purposes or for purposes of promptly changing a password as appropriate.
 - ii. A user shall not seek personal benefit or permit others to benefit by disclosing or otherwise using confidential data or information that has come to him/her by virtue of the work assignment.
 - iii. A user shall not attempt to access data or programs on enterprise systems for which the user does not have authorization or the explicit consent of the owner of the data.
 - iv. A user shall not reproduce, edit, revise, or otherwise alter data and information except as required for legitimate reporting purposes.
 - v. A user shall not transfer confidential data and information among jurisdiction/agency staff unless required for fulfilling assigned duties and responsibilities.

- e. Requesting Agency Responsibilities:
 - i. The authorizing agent must ensure that only authorized users have access to SCYFIS files and records for appropriate business purposes

- as defined by the user's position description.
- ii.** The authorizing agent must ensure that official files, reports, and data accurately reflect operations and transactions.
 - iii.** The authorizing agent must notify GOC of any change in a user's job function or employment that would require changes to be made to the user's access at least five business day before such a status change. The authorizing agent shall specify the access to be added or revoked as appropriate for job changes.
 - iv.** The authorizing agent for any terminated (voluntary/involuntary) user(s) shall transfer or make arrangements to transfer case files to the new user(s) as appropriate.
 - v.** The authorizing agent must request that accounts and passwords for individuals who no longer require access to SCYFIS be deactivated within 24 hours of user's change in status.
 - vi.** The authorizing agent must ensure that staff persons are adequately trained in basic Windows/Internet usage and navigation skills and that all users have had appropriate training in applicable software packages.
- f.** GOC will only update a user's access if the user is able to clearly identify himself/herself (by providing full name, agency affiliation, the e-mail address used to create the account, and the authorizing agent) in writing. Users unable to provide such information should request an account update via their authorizing agent.
- g.** GOC will deactivate a user account, rendering SCYFIS inaccessible to the user, upon:
- i.** A request from a user in anticipation of leaving the employment of the LMB, the LCC member agency, or the LMB-contracted service provider;
 - ii.** A request from an LMB that a user's account should be deactivated - either in anticipation of personnel action or at the time of the user's termination of employment;
 - iii.** Non-compliance with system usage guidelines that constitute a violation of security policy; and/or,
 - iv.** Non-communication from the LMB/authorizing agent that user access is still valid.
- h.** GOC will periodically (no less than quarterly) issue a listing of current users who have access to SCYFIS to the LMB and request verification that each user is in good standing with the LMB, the LCC member agency, and/or the LMB-contracted service provider. The LMB will be responsible to verify the status of each user and report the standing of each individual within one week of the request. Failure to respond will result in deactivation of the users listed.
- i.** SCYFIS data entry is mandatory as applicable for the programs listed in

Section III. SCYFIS information must always be current.

Subsection 40 - Monitoring

A. GOC Monitoring of LMBs

1. The purpose of monitoring is to determine LMB compliance with:
 - a. The requirements of the Community Partnership Agreement (CPA);
 - b. The State of Maryland Policies and Procedures Manual for Local Management Boards;
 - c. Federal, State and local laws, regulations and policies; and,
 - d. The implementation of a remediation plan submitted to GOC as a result of a previous monitoring visit.
2. GOC will monitor LMBs on a periodic basis as directed by the Children's Cabinet. The schedule will be published in advance. The following jurisdictions are currently monitored annually: Anne Arundel County, Baltimore City, Baltimore County, Montgomery County, Prince George's County. The remaining jurisdictions are monitored every other year.
3. The frequency of monitoring and schedule of site visits is subject to change as directed by the Children's Cabinet.
4. The LMB shall make available to the monitors all data, records, and any other documents necessary and requested by the monitoring team. The LMB shall ensure the monitoring team's access to all vendor data and records.
5. The Monitoring Site Visit
 - a. A notification letter confirming the date of the site visit will be sent to the LMB Director approximately four weeks prior to the scheduled monitoring visit. Included with the letter is a list of documents that shall be made available during the site visit. See Appendix 2 and Appendix 3.
 - b. A pre-monitoring meeting is offered to the LMB Director prior to the monitoring visit to discuss the nature and scope of the monitoring site visit.
 - c. During the site visit, the monitoring team will review LMB files, case records, fiscal documents, policies and procedures, monitoring tools and documentation and other materials as needed to ascertain compliance with the requirements as noted in paragraph A1 above.
 - d. Areas to be reviewed by the monitoring team include:
 - i. Community Needs Assessment
 - ii. Data Collection
 - iii. Resource Database
 - iv. Strategic Plan

- v. Programs funded through the Community Partnership Agreement
- vi. Programs funded through Earned Reinvestment and Incentive Funds
- vii. Other programs/initiatives funded by the Children's Cabinet
- viii. Program Monitoring and Evaluation

- e. The monitoring team will review revenue and expenditures to ensure standards, policies, and procedures are consistent with the approved budget and supported by adequate documentation in accordance with Generally Accepted Accounting Principles (GAAP) or Generally Accepted Government Accounting Principles (GAGAP), the Community Partnership Agreement and the Manual.
- f. Approximately four weeks from the conclusion of the monitoring visit, the monitoring team will issue a Quality Improvement Plan (QIP) outlining all monitoring findings. The monitoring team will schedule a debriefing meeting with the LMB to discuss the QIP findings and explain the timeline for the issuance of the monitoring report, the rebuttal process, the required remediation plan, technical assistance available, and the schedule for follow-up site visits if applicable.
- g. If errors or discrepancies are noted in the QIP and the monitoring team and the LMB are unable to come to a resolution, the LMB will be given two weeks to provide a written response. The written response shall include any additional documentation in support of the LMB's position. The written response shall be submitted to the Chief of Policy and Programs for the Governor's Office for Children for review and resolution.
- h. The monitoring team will issue a report through GOC within four weeks of the completion of QIP.
- i. The final report will include a template for a remediation plan to be completed and submitted by the LMB. The plan shall outline actions to rectify findings and/or implement recommendations as noted in the monitoring report. The plan shall include the action to be taken, the timeline for implementation, and the person responsible for implementation. Plans and supporting documentation should be submitted to GOC by the due date stated in the report.
- j. Once submitted, GOC staff will review the remediation plan. Once approved, the LMB will receive notification of such and can begin implementation of the plan.

6. **Mid-Cycle Monitoring Site Visit** – A mid-cycle monitoring site visit to review the implementation of the remediation plan will be conducted by the monitoring team with LMBs that are monitored bi-annually.

7. **Fiscal Recovery** – If recoverable funds are identified in the final monitoring report, the GOC will issue a request for payment of funds due, providing the LMB with 30 days to either make payment or file an appeal to the Children’s Cabinet. In the appeal, the LMB should clearly state the basis for, and include documentation in support of, the position. The Children’s Cabinet shall set a date to review the request and adopt a schedule for resolution of the matter within 60 days of receipt of the request.

SECTION III – INDIVIDUAL PROGRAM REQUIREMENTS

Subsection 10 - Interagency Family Preservation

- A. The Interagency Family Preservation (IFP) program provides time-limited, intensive, family-centered services for families to prevent the removal of a child from the child's family into out-of-home placement. IFP services promote the integrity of the family, build family skills, and seek to reduce out-of-home placements. Ensuring the safety of the child(ren) in the home during the course of service is paramount.
- B. There is no legal entitlement to IFP services provided through the LMB, and LMBs have discretion to determine the most effective use of IFP funds provided by the Children's Cabinet. An LMB's decision whether to provide services to a family, and the extent of those services, may depend on a number of factors, including but not limited to the availability of State funds, the total cost of the services needed by the family, the availability of qualified providers, and the potential effectiveness of the services in achieving family preservation.
- C. **Program Definitions** - The following definitions apply to the provision of Interagency Family Preservation services.
1. Start Date
 - a. Intensive Service Phase - The date that the IFP service provider and the family make initial contact (by phone or face-to-face) and agree to/will move forward to develop a detailed plan of care.
 - b. Step-Down Service Phase - The date that is recorded in SCYFIS as the closing date for the intensive service phase, for families whose transition plan indicates entry into step down services.
 2. New Case - A family in which one or more children are at imminent risk of out-of-home placement from any referral agency identified in Section E below. This must be the first time this family is referred or more than one year from the prior start date for this family. The following are additional clarifications:
 - a. If the child has been served in a CSI case that is closed, the CSI case does not represent an IFP case.
 - b. If a family is receiving IFP services, and then the child's sibling, or another child in the family, becomes identified as at imminent risk of placement, there is no additional funding for this family, and this family would not count as a new case.
 3. Repeat Case - A case in which the family has been served previously in IFP and the prior case was closed and start date is within one (1) year of prior case start date. There is no additional funding for this family.
 4. Terminated Case - A case in which the Interagency Family Preservation termination date, as agreed upon by the team, including at least the family, family worker, and lead agency, has been reached.

5. Withdrawn Case - A case in which a family is served less than eight (8) days. The team makes the decision that involvement will end by the seventh day. A withdrawn case is not counted as served.

D. Program Requirements

1. Eligibility - A family is eligible for IFP services if the family and/or the child:
 - a. Is currently receiving services or involved with one of the four public child-serving Agencies (See E below);
 - b. Meets the Agency definition for imminent risk of out-of-home placement; and
 - c. For whom the referring agency (or, in the instance of the Local School System, the partnering agency) provides the required documentation.

E. Public Agencies That Can Refer:

1. Department of Social Services
 - a. Definition of imminent risk of out-of-home placement - Families whose child(ren) are at imminent risk of out-of-home placement:
 - i. Due to maltreatment; or
 - ii. Due to a request for voluntary placement made to the local Department of Social Services.
 - b. Required documentation for child(ren) at risk of maltreatment:
 - i. Evidence that the family scores “moderate” or “high” on the Maryland Family Risk Assessment;
 - ii. Evidence that the child is considered “conditionally safe” as documented by the SAFE-C; and
 - iii. Written certification from the Department of Social Services that:
 - a) To the best of the DSS’s knowledge, its family preservation staff is operating at the maximum caseload as set forth by the Child Welfare Workforce Initiative of 1998 (Article 88A, Section 3A); or
 - b) The family elects to receive family preservation services from a vendor other than the local DSS.
 - c. Required documentation for child(ren) whose family has made a request for voluntary placement:
 - i. Written certification from the Department of Social Services that:
 - a) The family has applied for voluntary placement; and
 - b) The family would benefit from the provision of Interagency Family Preservation services.
2. Department of Juvenile Services
 - a. Definition of imminent risk of out-of-home placement - Families whose child(ren):
 - i. Group #1 - Have been determined to be delinquent and are on probation or committed to the custody of the Department AND the youth scores in the moderate to high range on the Department’s Classification and Placement tool; or

- ii. Group #2 - Are operating under a “Consent for Informal Adjustment of a Complaint Alleging a Child is in Need of Supervision (CINS)” or have been determined to be a CINS by court order; or
 - iii. Group #3 - Are being returned home from detention, shelter, hospitalization, or respite placement AND the youth scores in the moderate to high range on the Department’s Classification and Placement tool.
 - b. Required documentation
 - i. Group #1
 - a) Appropriate court order (e.g., probation, commitment);
 - b) Written certification that the youth has scored moderate or high on the Department’s Classification and Placement tool;
 - c) A DJS staffing report completed by the Resource Coordinator or a copy of the ASSIST staffing report; and
 - d) If youth is not at home, date of discharge for youth return to home.
 - ii. Group #2
 - a) A copy of the “Consent for Informal Adjustment of a Complaint Alleging a Child is in Need of Supervision (CINS)”.
 - b) If youth is not at home, date of discharge for youth return to home
 - iii. Group #3
 - a) Appropriate court order (e.g., detention, shelter, respite, hospitalization);
 - b) Written certification that the youth has scored moderate or high on the Department’s Classification and Placement tool;
 - c) A DJS staffing report completed by the Resource Coordinator or a copy of the ASSIST staffing report; and
 - d) Date of discharge for youth returning home from detention, shelter, hospitalization or respite placement.

3. Department of Health

4. Mental Hygiene Administration/Core Service Agencies

- a. Definition of imminent risk of out of home placement:
 - i. Group #1 - Families whose child(ren) are:
 - a) Being discharged from psychiatric hospitals or Residential Treatment Centers to home;
 - b) Are at risk of out-of-home placement; and
 - c) Whose discharge plan recommends intensive family preservation services.
 - ii. Group #2 - Families whose child(ren) will be referred to the local department of social services for voluntary placement if family preservation services are not provided.
- b. Required Documentation
 - i. Group #1 - Discharge plan from psychiatric hospital or RTC that

- includes recommendation for intensive family preservation services.
- ii. Group #2 - Written certification by the Core Service Agency that the child meets criteria for referral to the local department of social services for voluntary placement.

5. Public Schools

- a. Definition of imminent risk of out-of-home placement - Families with children who are experiencing family crises that may lead to out-of-home placement.
- b. Required Documentation - The local school system facilitates a joint referral with one of the following local/regional agencies: Department of Social Services, Department of Juvenile Services, or the Core Service Agency. The documentation would be that required of the partnering agency.

F. Families for whom IFP services would not be appropriate. The following list is not exclusive:

1. Other less intensive services would be more appropriate.
2. The danger/harm to the child, family, worker, or community would be too great.
3. There is no parent or adult caretaker with whom to work.

G. Program Standards - Interagency Family Preservation services may include intensive services and step-down services, as appropriate. Step-down services may only be entered into following the provision of intensive services.

1. Minimum Program Requirements (Intensive and Step-Down)

- a. Services will be flexible and culturally competent to meet the individual needs of the family.
- b. A broad range of services will be offered.
- c. Services will be family-centered, building on family and community strengths, and directed to all family members.
- d. The family will participate as a partner and must be involved in planning, developing and implementing the Plan of Care (POC), as documented by appropriate family signatures on the POC and the service agreement.
- e. There must be continuous assessment of the safety of all children in the family.
- f. Staff requirements:
 - i. The supervisor must, at a minimum, have a Masters degree and be licensed as a human services professional.
 - ii. The caseworker must be a human service professional as required by Article 88A, Section 3A.
- g. Supervisors and caseworkers must:
 - i. Have documentation that they have successfully completed the pre-service training and competency test; or
 - ii. Complete this training and pass the tests within six months of being hired by the LMB's community vendor.
- h. Client Satisfaction Survey (CSS) - When the case is terminated, there must

be documentation that the family is offered the opportunity to communicate their evaluation, through a client satisfaction survey, with the provider's services. The CSS shall include at least the following questions (see Appendix 4 for sample survey):

- i. How would you rate the quality of service you have received?
- ii. Have the services you received helped you to deal more effectively with your problems?
- iii. If a friend were in need of similar help, would you recommend our program to him or her?

2. Minimum Program Requirements (Intensive Phase)

- a. Caseload - The lead worker will carry no fewer than two (2) and no more than four (4) cases.
- b. Initial Contact - Initial contact with the family must be made within 24 hours of referral. If initial contact is not made within this time period, the reason must be documented. The date and time of this contact must be documented in the initial service agreement.
- c. Contact Hours - A minimum of five (5) hours weekly of direct contact with the family is required. Direct contact is face-to-face or phone contact with the family only.
- d. Length of Service - A maximum of 42 days (six weeks).
- e. Availability of Service - Community and in-home services must be available to the family 24 hours per day, seven days a week, as needed.
- f. A Plan of Care must be developed for each family.
- g. Assessments
 - i. The North Carolina Family Assessment Scale (NCFAS) must be administered within seven days of the first contact with the family and at the end of the intensive phase.
 - ii. There must be a continual assessment of the child's and family's safety.
- h. Discharge - A full evaluation of the family's functioning must be completed, concluding with:
 - i. A referral to other resources, as appropriate, and termination of the case; or
 - ii. Entry into step-down services.

3. Minimum Program Requirements (Step-Down Phase)

- a. Caseload - The lead worker will carry no fewer than six (6) and no more than ten (10) cases.
- b. Contact Hours - An average of two (2) hours weekly of direct contact (as defined above) with the family is required.
- c. Length of Service - A maximum of 120 days.
- d. Plan of Care - Upon evaluation that the family requires step-down services, a less intensive plan of care must be developed.
- e. Assessments
 - i. The North Carolina Family Assessment Scale (NCFAS) must be

shall mail the survey to the family (with the case number written on it and accompanied by a SASE addressed to the LMB office) and ask the family to complete and mail back the survey.

- c) Survey Conducted by Phone - Only the LMB or its non-service provider designee shall conduct the survey. The telephone caller shall identify himself/herself as a staff person for the LMB/funding agency/sponsoring agency of the IFP service provider and then proceed with the survey.
- iv. Because the completed survey received by the LMB may include both the required three questions as well as additional survey questions generated by the LMB and/or the IFP service provider, it is the LMB's responsibility to enter required responses in SCYFIS and to distribute the service provider responses to the service provider.

6. Fiscal Requirements

- a. Payment for services shall be for actual reasonable and necessary costs of service to eligible families.
- b. The Local Management Board has responsibility for assuring that determination of eligibility has been made in accordance with the guidelines of this Subsection.
- c. Services shall be provided to a family once during the twelve-month period from point of referral to discharge from Interagency Family Preservation services.

7. Referral Process

- a. The LMB shall outline the referral process in its contract with the vendor.
- b. If the child was served before in a CSI case that is closed, then the family's referral to IFP counts as a new case.
- c. If a family is being served and then the child's sibling, or another child in the family, becomes identified as at imminent risk of placement, there is no additional funding for this family, and this family would not count as a new case.

Subsection 20 – Community Services Initiative

A. The Community Services Initiative (CSI) program provides funding to divert or return youth from out-of-state and in-state residential placements.

B. Eligibility

- 1. The child must have an open case and currently be receiving services from a Lead Agency; and,
- 2. There must be a determination that the child's needs can be met without Children's Cabinet funding after a period of two (2) years, based upon:

- a. A clinical assessment that the child's needs for the services included in the community-based service plan will substantially diminish within a two-year period; or
 - b. The documented commitment of the child's lead agency, or other agencies or funding sources, to assume responsibility for the funding and implementation of the child's plan of care after two (2) years.

- C. Priority - The order of priorities for serving children with CSI funding, from highest to lowest, is as follows:
 - 1. A child in need of out-of-State placement;
 - 2. A child in need of out-of-State placement, already placed out-of-State;
 - 3. A child in need of residential placement, awaiting discharge from an in-State residential placement;
 - 4. A child in need of residential placement, recommended for in-State placement; and
 - 5. A child with intensive needs, subject to the availability of additional State funding and in accordance with the Children's Cabinet plan.

- D. Complete information on CSI eligibility and priority can be found in COMAR 14.31.01.10.

- E. If eligible, CSI can fund up to two (2) years of a youth's plan of care.

- F. There is no legal entitlement to the CSI program, and LMBs have discretion to determine the most effective use of CSI funds provided by the Children's Cabinet. An LMB's decision whether to provide services to an individual child is subject to eligibility requirements and may depend upon the availability of State funds, as well as such factors as the total cost of the services needed by the child, the availability of qualified providers and other relevant consideration.

- G. The Lead Agency requesting CSI funding for a youth must commit to keeping the child's case open during the entire length of time that the youth receives CSI funding, and to take responsibility for funding and implementing the youth's plan of care after the two (2) year CSI funding period ends if the child's level of needs is expected to continue after the two (2) year period.

- H. For cases in which eligibility for CSI was met through a clinical assessment that the child's needs for services would substantially diminish within a two year period, if the child's needs do not substantially diminish within the two-year period, the Lead Agency is responsible for providing (during and after the two-year CSI funding period) the same level of care services that the youth would have been eligible for if he/she had originally been placed in an out-of-state or in-state residential placement.

- I. Procedure to obtain CSI funding:
 - 1. The Lead Agency must request approval for CSI funding from the LCC.
 - 2. The LCC must review the case and give approval for application to GOC.
 - 3. The LMB must give approval for application to GOC.
 - 4. The Lead Agency representative, LCC Chair, LMB Director, and the parents must

sign the Memorandum of Agreement for Community Services Initiative Funding (see Appendix 5).

5. The LCC Specialist submits a request for a CSI Assessment to GOC via SCYFIS and faxes required documentation to GOC.
6. If the youth meets eligibility criteria and CSI funds are available, GOC will approve funding for a CSI Assessment, which will include an assessment of the youth's life domains and needs, a proposed plan of care, and a proposed budget.
7. The LMB vendor completes the CSI Assessment.
8. The proposed budget is approved by the LMB.
9. The LCC Specialist submits the LMB-approved budget to GOC for approval.
10. GOC approves the first year budget, if the plan of care meets budget requirements and the services are appropriate to meet the youth's needs.

J. The LCC is responsible for reviewing the youth's case every six (6) months, and the LMB shall receive quarterly reports from the CSI Case Management vendor.

K. Funding

1. The maximum amount of CSI funding available to a youth per year is:
 - a. \$100,000 if the Lead Agency is the Core Service Agency; or
 - b. \$70,000 for all other Lead Agencies.
2. CSI can only fund up to 70% of the cost of a Plan of Care. The CSI application to GOC must include documentation that demonstrates at least a 30% match from a combination of funding from the Lead Agency, other agencies, private insurance, Medical Assistance, family contributions, and other sources. The LMB must collect and maintain documentation of the 30% match throughout the period of CSI funding.
3. Funding for all cases will be based on the actual cost of the approved plan of care and the funding caps will apply to all cases.
4. The LCC is authorized to manage the Plan of Care budget, following initial approval by the State, for the first year of service. The LCC can authorize changes to the first year budget/Plan of Care, as long as the total amount of funds remains the same or less than the amount originally approved by the State.

L. **Interim Case Service Account** - Currently open Interim Case Service Account cases are not subject to the funding maximums for CSI. No additional cases will be designated as Interim Case Service Account cases.

M. CSI vendors and service providers must comply with the requirements set forth in this Manual, as well as LMB policies and procedures, and all applicable federal, State and local laws, regulations, and policies, including any regulations or written guidelines adopted by the Children's Cabinet.

N. **Data Collection** - The LMB, LCC Support Specialist, and the CSI vendor will use SCYFIS to document each youth receiving CSI services and the corresponding service activities. Data requirements for CSI cases are embedded in the CSI module of SCYFIS and include

GOC approval, the Plan of Care/Budget, ACTLOG, and other data. All SCYFIS data elements, including actual expenditures, must be completed for each CSI case in a timely fashion. Training for new staff members at the service provider or LMB is available upon request.

O. Reports

1. The LMB shall submit a report to GOC for each quarter of the fiscal year. Reports are due on the 3rd Friday of October, January, April, and July, following the end of the quarter.
2. Reports shall be submitted to the SCC/LCC Manager at GOC.
3. The following SCYFIS report is required: Pop Flow II - CSI (All) Children [CaseLoad] - CSI Served Cases (CSI IS + CSI OOS) with Details
4. Each report should be signed by the LCC Support Specialist, indicating its accuracy.

Subsection 30 – Local Coordinating Council

- A. As required by Executive Order 01.01.2005.34 and Article 49D, there is a Local Coordinating Council (LCC) in each Maryland jurisdiction that “coordinates services for children in need of residential placement and children with intensive needs.”
- B. There is no requirement regarding how often each LCC must meet, as long as the LCC fulfills its responsibilities and complies with the appropriate regulations regarding timelines for case reviews.
- C. The LCC is comprised of:
 1. At least one representative from each of the following:
 - a. The Department of Juvenile Services;
 - b. The Developmental Disabilities Administration;
 - c. The Alcohol and Drug Abuse Administration;
 - d. The Local Board of Education;
 - e. The Local Health Department;
 - f. The Local Department of Social Services;
 - g. The Local Office of the Division of Rehabilitation Services;
 - h. The Local Management Board; and
 - i. The Mental Hygiene Administration or the Local Core Service Agency.
 2. A parent, parent advocate, or both, appointed by the Chair of the LCC in consultation with the child advocacy community.
- D. LCC regulations and definitions can be found in COMAR 14.31.01.

- E. The LCC is part of the LMB for administrative and budgetary purposes, but is independent from the LMB in its decisions regarding individual plans of care for children and policy recommendations.
- F. **Cases Reviewed by the LCC** - COMAR 14.31.01.06 lists the types of cases that require an LCC review and LCC member agencies have an obligation to refer these cases to the LCC. The LCC can only accept referrals from LCC member agencies for youth who are currently eligible for and receiving services from that member agency. In general, the LCC is responsible for reviewing:
1. Referrals to an in-state residential placement if the placement will be funded by an LCC member agency. LCC approval is required before placement for all cases except placements required under the Individuals with Disabilities Education Act (IDEA) or those meeting Medicaid medical necessity criteria (these cases must be brought before the LCC within 30 days of placement).
 2. Referrals to the Community Services Initiative (CSI) program. LCC, LMB, and GOC approval is needed before funding can be accessed. LMB referral/approval can occur during the LCC review. See LCC Minutes.
 3. Referrals to an out-of-state placement. LCC, LMB, and SCC approval is needed before placement. LMB referral/approval can occur during the LCC review. See LCC Minutes.
 4. Referral by LCC member agencies to the LCC for technical assistance (as needed).
- G. Timelines for LCC Reviews
1. All cases referred to the LCC must be reviewed within 30 days of receipt of a completed referral packet from the Lead Agency.
 2. After the initial LCC review and approval, youth receiving CSI funding must be reviewed by the LCC every six months. All other youth in in-state residential placements or in out-of-state placements must be reviewed at least annually.
 3. The LCC should be available to review cases more frequently, as needed.
- H. During each LCC review, the Lead Agency is responsible for presenting the youth's case. Clinical recommendations for placement/level of care, as well as any applicable court orders, should be presented for all cases. The LCC must also review the parent's recommendations.
- I. The LCC will make recommendations for a plan of care, to include placement/level of care. If the LCC members do not come to a consensus on the recommended plan of care, a majority vote will be needed and the minutes must document both the LCC's recommendation and the dissenting LCC members' and/or family's objections.
- J. **Lead Agency Designation/Transfer**
1. The LCC member agency first referring the youth to the LCC is designated as the

- Lead Agency, unless another Lead Agency has custody of the youth.
2. A Lead Agency holding custody of a youth must be designated as the Lead Agency. If a youth is co-committed to two LCC member agencies, the LCC will determine which agency should serve as the Lead Agency.
 3. For youth not in the custody of any Lead Agency, if two LCC member agencies are serving the youth, the agency that is funding the child's placement/plan of care will be designated as the Lead Agency. If both agencies are funding the placement/plan of care, any change in Lead Agency must be agreed to by both agencies and the LCC. All transfers of Lead Agency designation must be reflected in the LCC minutes.
 4. For cases in which the youth receives CSI funding: The Lead Agency who initially applied for the CSI funding must keep the youth's case open (and continue to serve the youth) and remain the designated Lead Agency, even if similar cases (without CSI funding) would normally be closed.
 - a. At the time of the CSI application, the Lead Agency is required to sign a commitment agreement to continue involvement through the period of CSI funding and, for those cases involving youth who are expected to need continued services, after the period of CSI funding.
 - b. A Lead Agency can only close a case in which a youth is receiving CSI funding if another LCC member agency agrees to become the Lead Agency and signs the CSI commitment agreement.

K. Lead Agency Responsibilities

1. LCC member agencies are obligated to refer to the LCC all youth recommended for an in-state residential placement or an out-of-state placement.
2. In addition to the LCC member agency responsibilities included in COMAR 14.31.09, each Lead Agency must submit to the LCC, within 30 days of placement/discharge:
 - a. Admission and discharge dates
 - b. Name, address, and phone number, of the placement facility
 - c. Name, address, and phone number of the primary contact person for the placement facility
3. The Lead Agency must also notify the LCC of any changes in the child's legal status, change in placement, and change in parent/guardian contact information.

L. LCC Support Specialists - Each LMB employs an LCC Support Specialist to provide administrative support for the LCC. The core responsibilities of the LCC Support Specialist are:

1. Staff Support to the LCC:
 - a. Meeting logistics (notification letters, agendas, minutes)
 - b. Coordinate parental notification regarding the dates/times of reviews and information regarding the LCC, SCC, CSI, and the LCC appeal process
 - c. Schedule follow-up reviews for all cases at least:

- i. Every six months for CSI cases
 - ii. Annually for all other cases
 - d. Develop and maintain an LCC Policy and Procedure Manual
 - e. Provide and/or coordinate any training needed by the LCC to fulfill the LCC functions
 - f. Ensure that the LCC develops appropriate plans of care and transition plans for all reviewed cases
 - g. Ensure that Lead Agencies submit to the LCC, within 30 days of placement/discharge, all admission and discharge dates and name, address, phone number, and a contact name for the placement facility
 - h. Initial and ongoing data entry into SCYFIS
 - i. Coordinate the out-of-state Annual Renewal process
2. Case Coordination:
- a. Serve as primary contact for GOC on LCC cases
 - b. Coordinate the development and approval of assessment, plan of care, and budget for CSI cases
 - c. Assist LMB in monitoring CSI case management vendor

M. Confidentiality Agreements

- 1. Each LCC member must sign a confidentiality agreement.
- 2. These agreements must be kept in the LCC records.

N. LCC Policy and Procedure Manual

- 1. Each LCC must develop and approve an LCC Policy and Procedure Manual (LCC Manual) and comply with the LCC Manual's requirements.
- 2. The LCC Manual must be updated annually to reflect any legislative changes, COMAR updates, and changes to the State of Maryland Policies and Procedures Manual for Local Management Boards.
- 3. In addition to the requirements listed in COMAR 14.31.01.05, the LCC Manual must include:
 - a. Procedures for informing parents about the LCC, CSI, and SCC, and the appeal process;
 - b. Sample LCC referral forms; and,
 - c. Information on CSI services (any applicable policies the LCC has adopted, use of a CSI vendor, etc.).

O. Maintenance of LCC Records

- 1. Each LCC must maintain records for all cases reviewed by the LCC.
- 2. LCCs are required to maintain both a hard-copy file as well as a client record in SCYFIS for each youth reviewed by the LCC.

3. At a minimum, hard-copy records must include:
 - a. Minutes from each LCC review;
 - b. Consents to release information, as appropriate;
 - c. Documentation of parental involvement (letters inviting parents to the LCC and/or signed waivers of the ten day notice requirement, letters to parents with copy of the minutes, other correspondence with parents);
 - d. Clinical recommendation for placement/level of care;
 - e. Court orders, if applicable;
 - f. CSI documentation, if applicable:
 - i. Clinical recommendation;
 - ii. Assessment;
 - iii. CSI vendor; and
 - g. Other documentation, as appropriate.

4. Minutes from each case review must be approved by the LCC at the following meeting.
 - a. Case review minutes must be in a format approved by the SCC and contain information on:
 - i. Current placement and services
 - ii. History of out-of-home placements
 - iii. Clinical recommendations for placement/level of care
 - iv. Court orders regarding placement/level of care, if applicable
 - v. Lead agency's recommendations for placement/level of care
 - vi. Funding sources for recommended placement/services
 - vii. LCC's recommendations for placement/level of care
 - viii. Transfer of Lead Agency, if applicable
 - ix. LMB approval/disapproval of out-of-state and CSI applications (if LMB reviews applications for out-of-state and CSI after the LCC, an addendum to the minutes must be added.)
 - x. Signatures of LCC members and guests present at each review.

5. Minutes from each LCC meeting must also be maintained.
 - a. At minimum, these minutes must include:
 - i. Attendance record;
 - ii. List of cases heard (information regarding clinical information and the LCC's recommendation does not need to be contained here, as it is contained in the child's record); and
 - iii. Any LCC business, including documentation that previous minutes were approved by the LCC.

6. All LCC records must be retained for five years after the child turns 21 years old.

P. SCYFIS Requirements

1. SCYFIS shall be used to submit applications for CSI funding, and to document LCC and SCC approval for out-of-state placements.

2. LCC Support Specialists are required to enter into SCYFIS all information for each child reviewed by the LCC, regardless of the child's actual placement.
3. LCC minutes for each LCC review must be entered into the child's SCYFIS record.
4. LCC Specialists shall be responsible for entering placement information and dates of admission/discharge within five days of LCC member agency notification.
5. Errors in SCYFIS data entry shall be immediately corrected by LMB staff.
6. Technical problems shall be reported to GOC Information Technology staff.

Q. Appeal Process

1. Parents of youth reviewed at the LCC have the right to appeal any LCC recommendation (see COMAR 14.31.01.12).
2. LCC Specialists are responsible for providing parents with written notification of their right to appeal, and the process for doing so. Each case record shall include documentation that parents were given this notification.

R. Inter-Jurisdictional Transfers - For youth placed out-of-state or receiving CSI funding, GOC should be contacted to ensure possible continuation of services and to verify LCC approval.

S. Reports

1. The LCC shall submit a report to GOC for each quarter of the fiscal year. Reports are due on the 3rd Friday of October, January, April, and July, following the end of the quarter.
2. Reports shall be submitted to the SCC/LCC Manager at GOC.
3. The following SCYFIS reports are required:
 - a. Status Report - Served [CaseLoad] - LS Served Cases (OOS) – Details
 - b. Status Report - Served [CaseLoad] - LS Served Cases (IS) – Details (Report to be developed in SCYFIS)
4. Each report should be signed by the LCC Support Specialist, indicating its accuracy.

Subsection 40 – Local Access Mechanism

- A.** The purpose of a Local Access Mechanism is to improve:
1. Coordination and utilization of existing resources and supports
 2. Access to services by families
 3. The identification of needed services

B. Program Definitions

1. A Local Access Mechanism (LAM) is an identifiable structure and method that helps families access and coordinate available services and supports, both public and private, to address the full range of needs encountered by families with children.
2. Information and Referral - Initial interaction of the consumer with the system which is initiated by an individual seeking resource(s) either for a child or a family member of for the whole family.
3. Screening - Initial triage to identify children at risk and link them to appropriate resources.
4. Assessment - A comprehensive review of data from multiple sources to identify strengths, resources and needs to develop plans of care.
5. Evaluation - Discipline-specific intensive study of a clinical issue performed by an appropriately credentialed professional.
6. Systems Navigation - Assistance provided to families to help them identify strengths and needs and to obtain necessary services (does not constitute clinical evaluation). The individuals who provide this assistance do not carry a caseload, and are available to families as they present themselves. Families requiring clinical evaluation should be referred to appropriate child-serving agencies, organizations, or appropriately credentialed professionals.

C. Program Requirements

1. There is no requirement that an LMB develop a LAM.
2. LMBs using GOC funding for a LAM shall meet the minimum requirements set forth in this section.
3. Other requirements shall be established through a negotiated agreement between GOC and the LMB.
4. There is no state entitlement to a LAM or to any services listed in this section.

D. Models - LMBs may develop a LAM using one of the following models or another model approved by GOC:

1. Single Point of Access - A Single Point of Access (SPA) is the single point of entry for families who wish to enter the system, regardless of the intensity of the needs of their children. SPA provides a pathway for families in the navigation of the service delivery system. Examples include:
 - a. A web-based resource guide.
 - b. The United Way's 211 hotline number.
 - c. Another hotline operating within the community.

2. “No Wrong Door” Policy - Under a “no wrong door” policy, families are able to enter the LAM through an array of existing services and agencies. Existing points of access continue to serve children and families, while directing them to the LAM when appropriate.
3. Hybrid Model - In the hybrid model, the jurisdiction elects to combine elements of the two models above. Jurisdictions may propose to maximize access to local services by providing both a centralized information and referral source (such as the United Way’s 211 number – principally for families not involved with existing organizations or agencies) *and* points of access through existing services (for families already involved with or seeking categorical services for the first time).

E. Functions of the LAM - At a minimum the LAM shall include the following functions, unless otherwise negotiated with and approved by GOC:

1. Information/Referral (I/R) is the first point of contact within the LAM. During that first contact, the I/R specialist will ask preliminary questions and determine if the child or family is in a crisis situation that requires immediate attention by the police, a crisis response unit, or a hospital. The I/R shall have a mechanism in place that will ensure that the family is connected with the appropriate crisis response system.
2. Screening to determine a family’s level of need and make the appropriate referral.
 - a. Screening does not constitute clinical evaluation or diagnosis. Families requiring clinical evaluation will be referred to appropriate child serving agencies, organizations, or appropriately credentialed professionals. Some level of intervention may occur here if the individual or family is not willing to go to the necessary level of service.
 - b. There are two levels to screening which may be done at the same time or in two distinct phases:
 - i. A screening is conducted to determine if assistance beyond information and referral is needed, including crisis intervention.
 - ii. This next level is utilized when it is determined that the caller’s needs exceed simple information and referral, such as when a specific problem is presented. This screening will generate more detailed information concerning the families’ strengths, needs, previous and current use of services, and other information that is needed to best address the individual or family’s expressed concerns or problems. At this stage, there is a fuller identification of needs and concerns than at the first contact (although it is recognized that the screening may occur during the same encounter as the first contact).
3. Assessment - Assessment is used to identify strengths, resources and needs and obtain information for measuring customer results. An appropriate instrument shall be used to assist in the planning of non-clinical services for children and adolescents and their families as well as to provide information for quality assurance monitoring.

F. LMBs may also include a System Navigation component in the LAM. System Navigation is for those families who need additional assistance beyond a simple referral.

1. An LMB providing System Navigation will ensure that the family is:
 - a. Assisted with identifying strengths and needs and obtaining necessary services.
 - b. Appropriately screened and assessed by asking specific questions about current health conditions, recent family stresses, and other more detailed information. This screening is not, however, at the level of a clinical evaluation; families requiring clinical evaluation or diagnosis would be referred to the appropriate child serving agency, organization or an appropriately credentialed professional.
2. The staff position that provides systems navigation may be filled by either a legacy family member (referred to as a Family Navigator) or other appropriately trained professional or paraprofessional. The staff person filling the systems navigation role is required to complete the GOC approved training. These trainings will prepare family and other system navigators for their role and responsibilities. In addition to learning about system services and access, family members will receive training to prepare them for their unique dual role as family member and family navigator while other system navigators will receive heightened training on family experiences and concerns.
3. System or Family Navigators will provide the second level of screening and may complete a strengths and needs assessment with the family. This staff person does not provide clinical evaluation. Families requiring clinical evaluation or diagnosis shall be referred to the appropriate child serving agency, organization or an appropriately credentialed professional.

G. **Performance Measures** - At a minimum, LMBs providing a LAM must report semi-annually on headline performance measures that indicate:

1. Quantity of effort: How much did you do?
2. Quality of effort: How well did you do it?
3. Quality of effect: Is anyone better off? (Child and family results or outcomes)

Subsection 50 - Care Coordination

A. Purpose

1. Care Coordination is most often used for families and children with more intensive needs - those families found within the top 20% of the triangle.
2. The goal of care coordination is to provide families in the top 5% of the care continuum triangle with intensive care coordination so that they can “move down the care continuum triangle,” and to provide families in the middle 15% to 20% with an intermediate level of care coordination that assists them to “move down in the care continuum triangle” and prevents them from “moving up” to more intensive services.

3. Families who receive care coordination typically need someone to manage the care plan and services until the point at which the family is ready and willing to assume this role. The care coordinator supports a single, unified plan across multiple agencies and life domains.
- B. Definition** - Care Coordination is assistance provided to families and children with more intensive needs - those families found within the top 20% of the triangle. These families may initially need someone whose responsibility is to manage the care plan and services until the point at which the family is ready and willing to assume this role. The care coordinator supports a single, common, unified plan across multiple agencies and life domains.
- C. Staffing** - The position of Care Coordinator may be filled with a family support person - someone with personal experience in navigating the system or with professionals who work in a team with a parent support person. Staff persons fulfilling this role must complete the GOC approved training required. The training will assist in preparation for the roles, as well as providing guidance on the parent-professional partnership and other elements of the System of Care.
- D. Eligibility** - Children receiving care coordination services through LMBs must be Community Medicaid Eligible.
- E. Approved Model** - LMBs that provide care coordination through wraparound pilot sites must use high fidelity wraparound, as defined by the National Wraparound Initiative Advisory Group.
- F. Assumption of Risk** - LMBs who are planning to provide care coordination through “wraparound pilot sites” must also consider the level of risk and responsibility that they choose to assume. The two approved approaches in Maryland are:
1. A *Care Management Unit (CMU)*, in which workers may be pulled from multiple agencies and co-located, or new workers may be hired. However, these workers are designated as members of this Unit, with responsibility for the children whose care they are overseeing. The staff of a CMU have been given both the responsibility and flexibility of being in charge of the child’s plan and outcomes, in conjunction with the family and team members. All agencies involved with the child, as well as the natural supports and family, have authorized this Unit to be responsible in leading the work. The CMU has complete flexibility in service planning, but continues to rely on fragmented funding mechanisms. The CMU assumes responsibility for the child’s plan and outcomes, but not the total financial risk that is assumed under the Care Management Entity.
 2. A *Care Management Entity (CME)* is an entity that has assumed both outcome and financial liability. In return, the entity receives a single case rate for the child with whom the entity can flexibly spend money in order to individualize the plan of care. (See Appendix 6 for a copy of Maryland’s Request to Amend Section 1115 of the Health Care Reform Demonstration, also known as the 1115 Medicaid Waiver.)

G. Performance Measures - At a minimum, LMBs providing care coordination must report semi-annually on headline performance measures that indicate:

1. Quantity of effort: How much did you do?
2. Quality of effort: How well did you do it?
 - a. LMBs must utilize the Wraparound Fidelity Index
3. Quality of effect: Is anyone better off? (Child and family results or outcomes)

Subsection 60 – After School Program

A. LMBs that use Early Intervention and Prevention funds from the Children’s Cabinet to fund after school programs shall comply with the requirements in this Subsection.

B. Program Requirements

1. Eligibility - Elementary, middle and high school age youth are eligible for program participation.
2. Types of Programs and Program Structure
 - a. After school programs provide academic enrichment, leadership development, community service learning, recreational activities and other youth development activities.
 - b. The structure of after school programs includes the duration (total number of days) of the program, the frequency (hours and days per week), and the time of year the program is offered.

3. Program Standards

- a. Administration Standards - Each after school program shall:
 - i. Develop, maintain and implement written program goals; and
 - ii. Develop, maintain and follow written program policies that:
 - a) Are readily accessible to staff members, parents and participants;
 - b) Include a statement of unrestricted parental access to the program at all times during program operating hours;
 - c) Include a discipline policy, including the prohibition of corporal punishment, and a policy on the administration of medication; and
 - d) Include procedures for:
 - 1) Ensuring the health, safety, and security of program participants;
 - 2) Keeping an enrollment log and a record of daily attendance;
 - 3) Ensuring the whereabouts of each program participant is known at all times whenever the participant is

present at the program site during program operating hours;

- 4) Reporting suspected child abuse or neglect as required by State law;
 - 5) Ensuring the release of a program participant only to the participant's parent or other authorized adult;
 - 6) Creating and maintaining a record of each:
 - i) Injury or accident involving a program participant during program hours;
 - ii) Serious incident involving a program participant during program hours; and
 - iii) Administration of a prescription or non-prescription medication to a program participant by staff.
 - 7) Informing the parent or authorized adult about any injury, accident, or serious incident involving the participant on the same day that it occurs;
 - 8) Excluding a staff member or a program participant from the program for an:
 - i) Acute illness; or
 - ii) Infectious or communicable disease for which the State or local health department recommends exclusion;
 - 9) Ensuring that each staff member and program participant washes his or her hands thoroughly:
 - i) After using the sanitary facilities;
 - ii) After handling an animal;
 - iii) Before food handling and eating;
 - iv) After an outdoor activity; and
 - v) At other times when necessary to prevent the spread of disease; and
 - 10) Ensuring prompt and safe evacuation of the program premises by all program staff and participants in the event of a fire or other emergency;
- e) Provide program activities according to a written schedule that:
- 1) Are consistent with the stated goals of the program;
 - 2) Meet the developmental and social needs of program participants; and,
 - 3) Are conducive to positive and constructive interactions among program staff and participants;
- f) Ensure that each staff member:
- 1) Before beginning work with program participants, receives:
 - i) Orientation to the program;
 - ii) Training in the prevention, detection, and reporting of child abuse and neglect; and

- a) Use of alcohol, tobacco, and illicit drugs during the program's hours of operation; and
 - b) Presence of any weapon;
- viii. Provide a telephone that is:
 - a) Operable;
 - b) Reliable; and
 - c) Freely available to all program staff;
- ix. Ensure that there is at least one staff member present at all times during the program's hours of operation who holds a current certificate indicating successful completion of:
 - a) Basic first aid training through the American Red Cross or a program with equivalent standards; and
 - b) Cardiopulmonary resuscitation (CPR) training through the American Heart Association, or a program with equivalent standards, that is appropriate to the ages of all program participants;
- x. Maintain first aid supplies on the program premises that are:
 - a) In good, usable condition;
 - b) Immediately accessible to staff members for use in an emergency; and
 - c) Sufficient in quantity and type for emergency situations that may reasonably be expected to occur at the program;
- xi. If the program provides transportation of program participants by motor vehicle, ensure:
 - a) Compliance with all applicable federal, State, and local transportation requirements;
 - b) Each vehicle used is capable of safe operation;
 - c) Each occupant of the vehicle is separately secured in a seat belt or child safety seat appropriate for the occupant's age and weight, as specified by Maryland law; and
- xii. For each program participant, ensure that current written information is maintained on the program's premises that is immediately accessible to staff and includes, but is not limited to:
 - a) Emergency contact information;
 - b) Medications, if any, being used by the participant;
 - c) Information about any condition, including allergies, that the participant has that may require medical or other special attention; and
 - d) Documentation of immunization history, if the participant is not enrolled in a Maryland school;
- xiii. Ensure that all areas used for food storage, handling, preparation, service, and consumption are clean, safe, in good repair, and free from infestation; and
- xiv. Ensure that nutritious snacks are served to all program participants.

c. **Staff Standards**

- i. Staff member means an individual, whether paid or unpaid, who performs a duty on a continuing basis for an after school program.
- ii. To serve as:
 - a) A Program Director, an individual shall be 21 years old or older;
 - b) An Activity Supervisor, an individual shall be 18 years old or older; or
 - c) An Activity Aide, an individual shall be 14 years old or older.
- iii. Each staff member shall have education, training, experience, or any combination thereof, appropriate to the staff member's level of program responsibility.
- iv. Criminal Background Checks
 - a) Each staff member shall apply for a criminal background check before beginning program duties.
 - b) The program operator shall ensure that there is a fingerprint-supported criminal background check result for each individual required to apply for a criminal background check.

d. Supervision Standards

- i. Staff shall:
 - a) Supervise each participant at all times, appropriate to the individual's age, needs, and capabilities; and
 - b) Assign each participant to an activity group.
- ii. Each activity group:
 - a) Shall have a staff-to-participant ratio of at least 1 to 15; and
 - b) If approved by the LMB, may be of any size if the staff-to-participant ratio of 1:15 is maintained;
- iii. Each activity group shall be supervised by the Program Director or an Activity Supervisor.
- iv. Under the direct supervision of the Program Director or an Activity Supervisor, an Activity Aide who is 16 years old or older may lead the activities of a portion of an activity group if:
 - a) The portion consists of not more than 15 program participants; and
 - b) The Program Director or Activity Supervisor is readily available to the activity aide for consultation and assistance.
- v. A staff member who is younger than 18 years old may not be left alone with any group of program participants.
- vi. A staff member shall be 14 years old or older to be counted for the staff-to-participant ratio required.

C. Data Collection and Reporting

- 1. Consistent with the guidelines in Section II, Subsection 30, the LMB shall develop a process for data collection and reporting for the after school program and ensure vendor compliance with that process.

2. The LMB shall develop headline measures and corresponding indicators.
3. The LMB shall report the above information for after school programs that it administers in its semi-annual and annual plan.

Subsection 70 – Youth Services Bureaus

A. Purpose - Youth Services Bureaus (YSBs) are community-based, nonresidential entities that provide delinquency prevention, youth suicide prevention, drug and alcohol abuse prevention, and youth development services to youth and their families. YSBs work to ameliorate conditions that breed delinquency, youth suicide, drug and alcohol abuse, and family disruption. Each YSB functions as an advocate of the needs of youth and families.

B. Authority

1. Article 83C, §2-122, Annotated Code of Maryland
2. Code of Maryland Regulations 16.04.01
3. Memorandum of Agreement effective July 1, 2004 between the Department of Juvenile Services and the Subcabinet¹ (See Appendix 7). This Memorandum remains in effect per the terms of Executive Order 01.01.2005.34, that stipulated that “existing policies and procedures, contracts, property, and other duties and responsibilities associated with the Subcabinet for Children, Youth, and Families and the Governor’s Office of Children, Youth, and Families shall continue in effect under the Children’s Cabinet and the Governor’s Office for Children, respectively, unless completed, withdrawn, cancelled, or modified or otherwise changed pursuant to law.”

C. Program Requirements

1. **Eligibility for Services** - YSBs serve youth and their families in a specific catchment area approved by the Department of Juvenile Services (DJS).
2. **Program Standards** - Each YSB shall provide the following services:
 - a. Core Services, including:
 - i. **Formal Counseling**
 - a) Individual, family, and group counseling shall be considered formal counseling if counseling sessions are provided on a regularly scheduled basis for more than three sessions.
 - b) Case files for each formal counseling case shall contain:
 - 1) Intake material;
 - 2) Progress and session notes;

¹ To the extent that DJS has delegated YSB monitoring responsibilities to the Subcabinet and the Local Management Boards, the LMB may have access to information necessary to complete its monitoring functions, subject to the confidentiality safeguards applicable to DJS.

- 3) Service plan; and
 - 4) Termination summary.
- c) Service plans shall be developed for each formal counseling case before the fourth counseling session and shall contain:
- 1) A problem statement;
 - 2) Mutually agreed upon treatment goals;
 - 3) Strategies used by the counselor to meet treatment goals;
 - 4) Interactions with other parties when necessary to meet treatment goals;
 - 5) Quarterly updates.
- d) Case files for Youth Services Bureaus are the property of the YSB who will allow access to the files as stipulated in the Memorandum of Agreement cited above.

ii. **Information and Referral Services** - Information and referral services shall be provided to the general public or individual clients of the YSB. The YSB shall maintain a list of available community services. The list shall include the name of the referral service, its address, and its telephone number.

iii. **Crisis Intervention** - Crisis intervention, including intervention relating to youth suicide prevention, shall be provided to any youth and family in the community. These services are of an emergency nature and shall be provided when the situation demands an immediate response or action by the YSB.

iv. **Substance Abuse Assessment and Referral** - Substance abuse assessment and referral services shall be provided by the YSB staff who have received substance abuse assessment and referral training from the Office of Education and Training for Addictions Services of the Department of Health and Mental Hygiene or from any other entity that the Secretary of the Department of Juvenile Services determines to be qualified to provide substance abuse assessment and referral training.

v. **Informal Counseling** - Individual, family, and group counseling is provided on an irregular basis for three or fewer sessions.

b. **Non-Core Services** - In addition to Core Services, the YSB shall identify and provide non-core services to the community. Non-core services can include, but are not limited to, tutoring, alternative leisure activities, employment assistance, and community education including training and information relating to youth suicide prevention.

3. **Additional Requirements** - Each YSB shall:

- a. Provide services at convenient hours in a manner that is accessible to the community.
- b. Promote community awareness of its services to youth and families.
- c. Make referrals to existing public and private services in their communities that are available and appropriate to for the individual, family, or group.
- d. Have a valid organizational structure, including a board of directors or an advisory board.
- e. Follow sound personnel practices and maintain complete personnel files that include for each YSB staff member:
 - i. A job description;
 - ii. A completed criminal background check;
 - iii. Evidence of the staff person's educational credentials and experience;
 - iv. Annual staff evaluations.
- f. Provide insurance coverage, as appropriate for the services provided.
- g. Meet the program requirements, the information reporting and confidentiality requirements set out in the Code of Maryland Regulations.
- h. If the YSB charges its clients a fee for services, the fee requirements shall meet the requirements set out in the Code of Maryland Regulations.
- i. Conduct criminal background checks for all employees and, as required by policy, volunteers.
- j. Comply with the DJS policy on reporting critical incidents.
- k. As part of its contract with the LMB, submit an annual budget.

D. Data Collection and Reporting - The LMB is responsible for having the YSB collect the following specific information on program services, demographics, and indicators on at least a quarterly basis.

1. Data Collection

- a. Formal Counseling (3+ Sessions):
 - i. Number of individuals receiving formal counseling
 - ii. Number of individuals completing formal counseling
 - iii. Number of families receiving formal counseling
 - iv. Number of families completing formal counseling
 - v. Number of groups receiving formal counseling
 - vi. Number of groups completing formal counseling
- b. Information and Referral Services
 - i. Number of each type of referral provided (i.e., referrals to outside sources)
 - ii. Number of each type of referrals received (i.e., referrals received from schools, police, DJS, etc.)
- c. Crisis Intervention (Including Suicide Prevention)
 - i. Number of each type of crisis intervention provided
 - ii. Number of individuals receiving crisis intervention services
 - iii. Number of individuals receiving suicide prevention services
- d. Substance Abuse Assessment and Referral Services
 - i. Number of individuals who received a substance abuse assessment

- ii. Number of individual substance abuse referrals made
- e. Informal Counseling
 - i. Number of individuals receiving informal counseling
 - ii. Number of families receiving informal counseling
 - iii. Number of groups receiving informal counseling
- f. Non-Core Services
 - i. Number of each type of non-core service provided
 - ii. Number of individuals receiving non-core services
 - iii. Number of families receiving non-core services
 - iv. Number of groups receiving non-core services
- g. Critical Incident Reports
 - i. Number of critical incident reports sent to DJS.

2. Reporting

- a. Information YSBs Report to the LMBs and DJS:
 - i. For each DJS client on informal supervision, protective supervision, probation, or aftercare status who is referred by DJS to the YSB, the YSB shall allow DJS access to the client's information and shall provide DJS confirmation of the acceptance of the client by the YSB. The YSB shall keep DJS informed at reasonable intervals to be determined by DJS of the client's attendance and cooperation in the YSB program.
 - ii. For all formal counseling cases, excluding those clients referred by DJS, the YSB shall provide DJS with the first three initials of the client's surname, the initials of the client's first and middle names, and the client's date of birth. The YSB shall inform their formal counseling cases that the information in this subsection shall be provided to DJS.
 - iii. The YSB shall obtain an appropriate release of information to comply with Code of Maryland Regulations 16.04.05A(1)(2).
 - iv. For all bureau clients not covered by Code of Maryland Regulations 16.04.05A(1)(2), the YSB shall provide non-client-identifying information, as requested, regarding program activities and statistics in the form and format approved or provided by DJS.

3. Confidentiality

- a. YSB case records shall be stored inside a locked file cabinet. The case records shall be supervised and controlled directly by an authorized YSB staff member.
- b. A YSB shall allow DJS full access to client-identifying records and files of those youth described in Code of Maryland Regulations 16.04.05A(1).
- c. Unless otherwise provided by law or regulation, access to client-identifying records and files without consent of the client shall be restricted to:
 - i. The youth who is subject of the record;
 - ii. The parent or guardian of the youth named in the record; and
 - iii. Members of the administrative staff of the YSB.

- d. A YSB may maintain its case records in a manner that codes client-identifying information as specified in Code of Maryland Regulations 16.04.05A(2).
- e. Individual case records shall be retained by a YSB for five (5) years after services to the individual are no longer necessary. The records then shall be destroyed by incineration or shredding.
- f. Nothing in this Manual shall be construed to affect any obligation concerning client record confidentiality that is otherwise set out in any federal or State statute or regulation.

E. Program-Specific Fiscal Requirements

1. Funding of Youth Services Bureaus

- a. The funding of an eligible YSB shall be a shared responsibility of the State of Maryland and of local governments. The State's share shall be 75 percent of the funding of an eligible YSB, as provided in the State budget.
- b. At the option of the local governing body that provides the matching funds for an eligible YSB, the State funds for the support of the eligible YSB may be paid directly to its private sponsor or to the local governing body.
- c. Before the State funds are paid, the fiscal officer of the local government shall certify, in writing, the source of the 25 percent local funds.

2. Fees

- a. The YSB's board of directors may charge clients a fee for services that is based upon the client's family income. However, the YSB may not assess a fee for service provision to a youth referred to the YSB by court order.
- b. Before implementing its fee plan, the YSB shall consult with DJS.
- c. Fees obtained from clients may be retained by the YSB for bureau purposes.

SECTION IV – FISCAL MANAGEMENT

Subsection 10 – General Requirements

- A. **Financial Records** - Must be maintained for five years after CPA reconciliation or until an audit/monitoring is completed by the Children’s Cabinet, whichever is later.
- B. A child requiring an out-of-home placement shall be placed only in a State/subdivision licensed, certified, or approved placement.
- C. **Payment Rate** - The rate paid for residential and/or educational services cannot be greater than the State rate for a facility unless services not included in the rate are provided for which the State sets a rate.
- D. **LMB Audit** - An independent audit of funds shall be conducted as follows:
1. If the LMB is independently incorporated, the LMB must have an annual audit performed by an independent certified public accountant and submit a copy of the *Audited Financial Statement* and *Management Letter* to GOC by the first Friday in December.
 2. If the LMB is an instrumentality of local government, the LMB shall submit to GOC:
 - a. The Comprehensive Annual Financial Report (CAFR) for the county including a separate, removable (capable of being lifted from the CAFR with opinion and notes) schedule of revenue and expenditures for the LMB operations by the first Friday in December;
 - b. The CAFR for the county with a Supplemental Schedule in the back section of the CAFR if an opinion is issued on the LMB schedule by the first Friday in December;
 - c. An *Audited Financial Statement* and *Management Letter* performed by an independent certified public accountant by the first Friday in December; or
 - d. A copy of the year -end report that has been audited by the third Friday in September (if this option is selected please contact GOC for special engagement requirements).
 3. Failure to submit the audit when required will result in the withholding of future payments and may be cause the Children’s Cabinet to obtain the services of an independent auditor in order to meet the requirements set forth in this Section of the Manual. Furthermore, the cost incurred will be recovered via a reduction in the LMB’s administrative budget. Finally, should this action be required, the LMB shall give its full cooperation to the selected independent auditor.
- E. **Vendor Audits**
1. The LMB shall acquire and review a copy of each vendor’s audit.
 2. For any vendor that receives an aggregated sum in excess of \$300,000 in Children’s Cabinet funds, the audit must include a separate schedule of revenues and expenses

for the Children's Cabinet funds.

3. When contracting with vendors, each LMB should ascertain if a vendor is providing services to another LMB in order to determine if a separate schedule is applicable for the required vendor audit.
 4. All LMB contracts should require a vendor who is providing services to more than one LMB to provide a separate schedule.
 5. **Request for Waiver** – LMBs may request a waiver of the vendor audit requirement for a specific vendor. The request shall be made in writing and addressed to the Executive Director of GOC and shall include the following information:
 - a. Name of community vendor;
 - b. Rationale for the waiver;
 - c. Purpose for which the funding is to be given (e.g., services, purchase of equipment);
 - d. Annual revenue of vendor; and
 - e. Administration rate of vendor (i.e., percentage of vendor's total revenue that is dedicated to administrative functions)
- F. Reclamation of Assets** - When Children's Cabinet (on behalf of the State) funds are used to purchase assets, the State has the right to reclaim these assets and the LMB shall ensure that right is protected in all cases.
1. The State retains the right to claim and dispose of any equipment or property that has been purchased with funds provided by the Children's Cabinet, before the asset may be considered fully depreciated using IRS Guidelines on useful lives of assets, whichever is earlier.
 2. In the case of buildings or real property, if the Children's Cabinet has funded, in whole or in part, the down payment, mortgage, or payments, which include payment of principal or renovation or remodeling costs, the Children's Cabinet has a vested interest in the building or real property. The Children's Cabinet may record this interest in the property with the local jurisdiction to assure that title will not be transferred without satisfaction of the Children's Cabinet's interest. In case of sale of any such buildings or real property, the State shall be entitled to recover the portion of the net sale price based on its share in the building or real property. The Children's Cabinet is to act prudently and fairly to claim assets in accordance with the interest of the general public.

Subsection 20 - Funding Principles of the Annual Award

- A. Maximum Funding** - The award figure stated in the CPA and presented in detail on form GOC 200 is the maximum amount of funding for which the Children's Cabinet shall be responsible, unless amended.

B. Supplemental Award - The LMB may request supplemental funding at any time. It is recommended that the LMB contact the Executive Director of GOC prior to submission of a request to ensure that additional funds are available and to ascertain if any special conditions may be imposed. The LMB must provide rationale to the Executive Director in writing for the supplemental award upon request, if additional funding is available.

C. Modification - A budget modification is a revised budget that restates the original budget and incorporates line item changes desired by either the LMB or the Children's Cabinet to achieve a new budget. A budget modification does not affect the total amount of the Children's Cabinet award.

A budget modification must be submitted to and approved by GOC on behalf of the Children's Cabinet for proposed changes in the following controlled categories and/or line items, unless otherwise specified in the agreement, whenever:

1. Funds are moved from administration to service or service to administration;
2. Any administrative line item changes by \$10,000 or 5%, whichever is greater;
3. Funds are moved between programs, except Community Service Initiative line items, for which LMBs may move money from one to the other without budget modifications.

D. Reduction – GOC, on behalf of the Children's Cabinet, or the LMB may reduce an award. Generally, the reasons an award may be reduced include, but are not limited to:

1. Delay in developing a new program;
2. Failure to meet service targets;
3. Reduction in the scope of services to be delivered;
4. Cutback in appropriations;
5. Request of the LMB; and/or
6. Failure to comply with the terms and conditions of the CPA.

E. Termination - Upon termination of operation, the LMB must submit a final report of receipts and expenditures within 45 days after the effective date of termination. If money is due the Children's Cabinet, a check in the full amount due should accompany the report.

F. Unauthorized Expenditures - Unauthorized expenditures become the responsibility of the LMB. Unauthorized expenditures include, but are not limited to:

1. All expenditures that cause total expenditures to exceed the amount of the approved budget;
2. All expenditures that exceed the approved budgeted amount (for controlled categories

or line items only - see paragraph C of this Subsection); and

3. All expenditures that are at variance to an explicit provision of the CPA.

G. Income Shortfall - Any shortfall in non-Children's Cabinet budgeted income, unless recognized by the Children's Cabinet, becomes the liability of the LMB.

H. Unspent Funds - Any funds not expended within each fiscal year must be returned to the Children's Cabinet Interagency Fund unless otherwise directed by the Children's Cabinet, with the exception of earned reinvestment (See Subsection 60).

Subsection 30 - Income Principles

A. Background - This subsection establishes and/or adopts the principles by which program income is considered. The policy addresses both the Children's Cabinet award and all other income and reviews the relationship among income types.

B. Income - All income resulting from, earmarked for, or allocated to the operation or proposed operation of the LMB must be identified in all budgets and the year-end fiscal report.

C. Order of Utilization - All non-restricted income shall be applied before the Children's Cabinet funds are used. Children's Cabinet funds shall not be used to supplant income from other sources.

D. Restricted Funds - When certain income is restricted by the funding source, its treatment is dependent upon its relationship to the children, youth and family services program supported by Children's Cabinet funding as follows:

1. If the restricted funds are in support of the program also supported by the Children's Cabinet award, then the funding should be identified as income allocated to the program and displayed in the budget and fiscal reporting documents; or
2. If the designated/restricted funds are not in support of the program being supported by the Children's Cabinet award, then the income is not shared by the Children's Cabinet. However, the nature of the program and amount of the income must be disclosed and the LMB must provide documentation of the restriction upon request.

E. Requirement to Generate Interest Income - The LMB must deposit all Children's Cabinet funds and those funds allocated to the Children's Cabinet supported program in a federally insured or secured interest bearing account when such funds are not required to meet current expenses, with the exception of any federal funds which must be handled in accordance with the appropriate federal guideline(s). Such interest income must be identified to the Children's Cabinet upon request and interest earned will be awarded as earned reinvestment.

F. Income in Excess of Budget Estimate - For non-Children's Cabinet income in excess of the amount budgeted, the LMB may request approval to use the excess income by submitting a

budget modification request. The Children's Cabinet will either approve or deny that request, following the procedures for budget modification in Subsection 20, paragraph C of this Section. When non-Children's Cabinet income exceeds the final approved budget (which may include one or more budget modifications), the excess income will be used to offset Children's Cabinet funding, absent provision to the contrary in the CPA.

- G. Income Shortfall** - Any shortfall in income becomes the liability of the LMB unless recognized by the Children's Cabinet via an approved budget modification. Such shortfall may be compensated for by either a reduction in expenditures or an increase in other income, or both.

Subsection 40 - Accounting Standards

- A. Standards** – The LMB must maintain records on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) or Generally Accepted Governmental Accounting Principles (GAGAP) except as otherwise provided in this Manual.
- B. Accounting Policy** - Each LMB is required to have a written accounting manual/policy, a copy of which must be made available to the Children's Cabinet or its representative upon request. At minimum, the guidelines in Appendix 8 must be addressed in the written accounting manual/policy.
- C. Conflict of Interest** - An LMB that is an instrumentality of local government must comply with State's or the jurisdiction's conflict of interest laws and regulations. The independently incorporated LMB shall submit written conflict of interest policies for approval by GOC.
- D. Related Party Transactions** - Transactions with organizations that are associated with or controlled by the LMB, LMB board members, and/or LMB employees must be disclosed. Such transactions may be subject to additional review by GOC to determine the propriety of the transaction, e.g., that fair price was paid for goods or services obtained.

Subsection 50 - Cost Principles

- A.** This subsection establishes the cost principles for Children's Cabinet funding.
- B. Reasonable Costs** - A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when governmental units or components are predominately federally funded. In determining reasonableness of a given cost, consideration shall be given to:
- 1.** Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the federal award.

2. The restraints or requirements imposed by such factors as: sound business practices; arms length bargaining; federal, state and other laws and regulations; and, terms and conditions of the federal award.
3. Market prices for comparable goods or services.
4. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the federal government.
5. Significant deviations from the established practices of the governmental unit, which may unjustifiably increase the federal award's cost.

C. **Direct Costs** - Direct costs are those that can be identified specifically with a particular final cost objective. Typical direct costs chargeable to Children's Cabinet funding are:

1. Compensation of employees for the time devoted and identified specifically to the performance of the funding.
2. Cost of materials acquired, consumed, or expended specifically for the purpose of the funding.
3. Equipment and other approved capital expenditures purchased specifically to carry out the purpose of the funding.
4. Travel expenses incurred specifically to carry out the purpose of the funding.

D. **Indirect Costs** - Indirect costs are those incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. The term "indirect costs," as used herein, applies to costs of this type originating in the grantee, as well as those incurred by other subgrantees in supplying goods, services, and facilities. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect costs with the organization or subgrantee organizations providing services to a grantee. Indirect cost pools should be distributed to benefited cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

1. A formal written cost allocation plan and indirect cost proposals based on standard accounting practices must be available upon request.
2. Limitation on indirect or administrative costs.
 - a. In addition to restrictions contained in this Manual, there may be laws that further limit the amount of administrative or indirect cost allowed.
 - b. Amounts not recoverable as indirect costs or administrative costs from another funder may not be charged off against Children's Cabinet funding, unless specifically authorized by the GOC on behalf of the Children's Cabinet.

E. **Allowable Costs** - All direct and indirect costs associated with Children’s Cabinet funded activities except for any direct and indirect costs associated with unallowable costs listed below.

F. **Unallowable Costs** – The following are considered unallowable costs:

1. Alcoholic Beverages
2. Bad Debts
3. Contributions and Donations
4. Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringement.
5. Entertainment Costs
6. Incentive compensation that does not involve all sources of funding, that does not include the majority of staff, and is not issued pursuant to an agreement or an established plan entered into in good faith between the organization and the employees before the services were rendered.
7. Personal use by employees of organization-furnished automobiles (including transportation to and from work).
8. Fines and Penalties
9. Goods or Services for Personal Use
10. Interest on Borrowed Capital/Lines of Credit)
11. Costs of Organized Fundraising
12. Costs of Investment Counsel/Management
13. Lobbying (The IRS allows 25% of activity for lobbying before impacting non-profit status.)
14. Losses on Other Awards
15. Renovation/Remodeling and Capital Projects (Unless specific written approval has been provided in advance by GOC on behalf of the Children’s Cabinet.)

Subsection 60 - Earned Reinvestment

A. Reinvestment dollars can only be “earned” from State General Funds and interest income (except interest earned on federal funds, unless said interest does not have to revert to the federal government).

B. Sources of Earned Reinvestment

1. Administrative Earnings - Local Management Boards will receive earned reinvestment dollars on budgeted administrative cost in excess of 5% of actual administrative costs. The total of actual administrative costs plus earned reinvestment is capped by the budgeted administrative allocation (actual administrative expenses + .05 [actual administrative expenses] = administrative allocation).
2. Interest

- C. **Earned Reinvestment Plan** - Prior to expenditure, the LMB must submit an earned reinvestment plan to the Executive Director of GOC that is signed by both the LMB Director and Board Chair describing the scope of the program/project, the target population to be served, and the goals/outcomes to be achieved. The request must be submitted in writing and sent via the mail and include a detailed budget with budget narrative and a statement certifying that reinvestment dollars from the appropriate source(s) are available for the project(s). Response by the Children's Cabinet can be anticipated within 30 days.
1. The earned reinvestment plan may address elements previously approved by the Children's Cabinet, and/or the following (this is not an exhaustive list):
 - a. Community outreach;
 - b. Training and technical assistance needs;
 - c. Leveraging and/or maximizing other public or private funding sources; and/or
 - d. Other approved initiatives identified by the LMB.
 2. As directed by GOC, the LMB shall submit a new/revised Performance Measures Table for strategies funded with earned reinvestment dollars. The Performance Measures Table shall be incorporated as appropriate in the CPA.
 3. Earned reinvestment plans must be revised as needed.

D. **Earned Reinvestment Plan Limitations**

1. Funds MAY NOT be expended until GOC, on behalf of the Children's Cabinet, has approved the plan. Prior written approval from GOC must be granted if an LMB desires to expend funds for purposes not approved in the current plan or in a manner different from the approved plan. Such changes require a new plan to be submitted to GOC.
2. Earned reinvestment dollars MAY NOT be used to supplant existing funding.
3. Requests for ongoing program funding or for salary expenses will require a concrete plan for future sustainability, such as a documented commitment from another entity to provide needed funding. A proposal to seek funding, investigate foundation grants, or other tentative action is not a valid sustainability plan. Ongoing programs are required to become self-sustaining.
4. Earned reinvestment funds cannot be used for program expansion or to implement new programs that are not self-sustaining.
5. Funds MAY NOT be used to supplement the local tax base or to provide tax cuts.

Subsection 70 - Reconciliation

- A. Reconciliation is a fiscal resolution of the CPA pending audit and settlement, usually conducted at the termination of the CPA period or at the end of each fiscal year. The

reconciliation operation is an arithmetic check of expenditures and incomes, a determination of net balances, and disposition of those balances. Reconciliation is based upon reported expenditures and incomes, subject to correction by GOC.

- B. Unbudgeted Expenditures and Over-Expenditures** - Unbudgeted expenditures and over-expenditures in controlled line items that have not been previously approved by the Children's Cabinet are subject to non-recognition.
- C. Recognition of Expenditures and Income Subject to Audit and Settlement** - All expenditures and income recognized for purposes of reconciliation, whether incurred in accordance with an approved budget or not, are subject to audit by the Children's Cabinet or its agent. Subsequent to identification as an audit exception, an expenditure may or may not be allowed in whole or in part by GOC as part of final settlement.
- D. Findings** - The results of reconciliation can be effectuated in several ways. The process below relates net recognized expenditures plus earned reinvestment to the total of the Children's Cabinet's payments to date.
- 1. Expenditures Plus Earned Reinvestment Greater than Payments** - When the LMB's expenditures are greater than the Children's Cabinet's payments, the appropriate result is dependent on the relationship of the total of payments to the award total as follows:
 - a. When payments are less than or equal to the award, the difference between the expenditures plus earned reinvestment and payments, limited by the award, is due the LMB.
 - b. When payments are equal to the award, no money is due either party.
 - c. When payments are greater than the award, the difference between the payments and the award is due the Children's Cabinet Interagency Fund.
 - 2. Expenditures Plus Earned Reinvestment Less than Payments** - When the LMB's expenditures plus earned reinvestment are less than the Children's Cabinet's payments, the appropriate result is dependent on the relationship of the expenditures plus earned reinvestment to the award as follows:
 - a. When expenditures plus earned reinvestment are less than or equal to the award, the difference between the total payments and the expenditures plus earned reinvestment is due the Children's Cabinet Interagency Fund.
 - b. When expenditures plus earned reinvestment are greater than the award, the difference between total payments and the award is due the Children's Cabinet interagency Fund.
 - 3. Expenditures Plus Earned Reinvestment Equal to Payments** - When expenditures plus earned reinvestment equal payments, the appropriate result is dependent on the relationship of the payments to the award as follows:
 - a. When payments are less than or equal to the award, no money is due either party.
 - b. When payments exceed the award, the difference between the total of payments and the award is due the Children's Cabinet Interagency Fund.

- E. **Disposition** - Net balances due the parties will be disposed of as follows:
1. **No Balance Due** - No action required.
 2. **Balance Due LMB** - GOC will instruct its fiscal agent to issue payment to the LMB if there is no outstanding receivable for the LMB. A check will be issued to the LMB.
 3. **Balance Due GOC** - A balance due the Children's Cabinet will be acted upon in one or more of the following ways:
 - a. **Account Receivable** - If the organization has ceased to be an LMB, an account receivable will be established and the organization billed.
 - b. **Carry-Over** - If the LMB continues to deliver services, the amount due will be considered a cash advance (payment) of the following year's award. This operation is referred to as carry-over, and can only be initiated by GOC.
 - c. **Carry-Forward** - The Children's Cabinet may elect to permit the LMB to utilize the balance due from one year in the following year's operations. This is accomplished by re-awarding the balance due and is referred to as carry-forward. The Children's Cabinet must invoke carry-forward concurrent with the reconciliation operation.
- F. **Notice** - Reconciliation findings will be communicated by GOC. A copy of the reporting document (GOC 800) showing the details of the reconciliation will accompany the notice. The notice shall be distributed as follows to:
1. The LMB;
 2. The grant/contract file for the fiscal year being reconciled;
 3. The grant/contract file for the fiscal year affected by carry-over (where applicable);
and
 4. Other parties as requested.

Subsection 80 - Flex Funds

- A. **Description** - Flex funds are funds used for expenditures in support of a defined plan of care for a child or family receiving services through the Interagency Family Preservation or Community Services Initiative programs or other programs identified by the Children's Cabinet.
- B. **Conditions** - All flex fund expenditures must be used to support the defined plan of care for the child and family. Flex fund dollars are to be used for reasonable and necessary costs.
- C. **LMB Policy** - The LMB must establish a written flex fund policy and procedures to ensure accountability and ensure that all flex fund expenditures are verifiable. The LMB should revise its policy as needed and communicate the changes to all parties.

- D. Spending Authorization** - The LMB shall establish three levels of spending authorization with a corresponding dollar amount for each level of flex fund purchases. The lowest level of spending authority should be established for caseworkers, the second authority level should be established for caseworker supervisors, and the highest level of authority must include LMB approval of the expenditure. For example, an LMB could establish spending authorization levels as follows: caseworkers are authorized for all expenditures not exceeding \$200; caseworker supervisors are authorized for expenditures over \$200 but not more than \$500, any expenditures over \$500 must be authorized by the LMB. As such, expenditures over \$500 will require three signatures.
- E. Documentation** - The LMB must require and ensure the use of a pre-numbered standardized form to be used by all staff to document flex fund expenditures. The form must contain the following:
1. The name of the client;
 2. The vendor's name and business address;
 3. An itemized description of the expenditure;
 4. A signature by the client establishing receipt of goods/services (for a Level II or Level III expenditure);
 5. A dated signature line for each level of spending authority; and
 6. A statement that precedes each signature line which reads: "The above itemized purchases are necessary and reasonable for family support and/or family preservation."

SECTION V - APPENDICES

APPENDIX 1

Suggested Vendor Contract Provisions for Compliance with Federal HIPAA and State Confidentiality Law

1. The Contractor acknowledges its duty to review and comply, to the extent applicable, with all requirements of the federal Health Insurance Portability and Accountability Act (HIPAA), 42 U.S.C. §1320d et seq. and all implementing regulations including 42 CFR Part 2, 45 CFR Parts 142, 160 and 164. The contractor also agrees to comply, where applicable, with the Maryland Confidentiality of Medical Records Act (MCMRA), Md. Health-General §4-301 et seq. This obligation includes, but is not limited to adhering to the privacy and security requirements entailed for protected health information under federal HIPAA and State MCMRA, making the transmission of all electronic information compatible with the federal HIPAA requirements, and otherwise providing good information management practices regarding all health information and medical records.
2. Protected Health Information as defined in the HIPAA regulations at 45 CFR 160.103 and 164.501, means information transmitted as defined in the regulations, that is individually identifiable; that is created or received by a healthcare provider, health plan, public health authority, employer, life insurer, school or university, or healthcare clearinghouse; and that is related to the past, present, or future physical or mental health or condition of an individual, to the provision of healthcare to an individual. The definition excludes certain education records as well as employment records health by a covered entity in its role as employer.

APPENDIX 2

Documents for the LMB Pre-Monitoring Site Visit

GENERAL ADMINISTRATION

- Current Community Partnership Agreement with any budget modifications*
- Needs assessments*
- Resource Directory
- Five-Year Strategic Plan*
- Semi-Annual and Annual Reports (matrices) submitted to GOC*
- LMB Monitoring Policy/Plan/Protocol (if applicable)*
- Earned Reinvestment initiatives with approval documentation*

INTERAGENCY FAMILY PRESERVATION (IFP)

- A list of all cases served to-date*
- Vendor Contract*
- LMB Monitoring (tools, workpapers, reports, and any other documentation supporting the LMB's monitoring efforts)

COMMUNITY SERVICES INITIATIVE (CSI)

- A list of all cases served to-date*
- Vendor contract*
- LMB Monitoring (tools, workpapers, reports, and any other documentation supporting the LMB's monitoring efforts)

POLICY AND ADMINISTRATION

- Written policies and procedures for personnel, procurement, finance, and accounting
- LMB Board membership list indicating each member's affiliation and public or private designation, voting rights and term*
- LMB By-laws*

* Please provide a copy if feasible

APPENDIX 3

Program Documents for the LMB Monitoring Site Visit

LMB MONITORING

- LMB monitoring policy/plan/protocol
- Monitoring tools, workpapers, reports, and any other documentation of completed monitoring

INTERAGENCY FAMILY PRESERVATION (IFP)

- Contract/MOA/MOU with provider(s)/vendor(s) including any amendments/budget modifications
- IFP Model
- Referral Procedures
- Provider's written policies and procedures for IFP
- LMB's IFP files (if applicable)
- Program and fiscal reports, data, and any other reports required per contract
- Client Satisfaction Surveys
- Evaluation plan/results
- IFP policies and procedures developed and/or approved by the LMB
- Flex fund policy
- Monitoring tools, workpapers, reports, and any other documentation of completed monitoring
- Vendor's most recent audit report

COMMUNITY SERVICES INITIATIVE (CSI)

- Contract/MOA/MOU with provider(s)/vendor(s) including any amendments/budget modifications
- Referral procedures
- Provider's written policies and procedures for CSI
- LMB's CSI files (if applicable)
- Program and fiscal reports, data, and any other reports required per contract
- LCC Minutes
- Evaluation plan/results
- Policies and procedures developed and/or approved by the LMB
- Flex fund policy
- Monitoring tools, workpapers, reports, and any other documentation of completed monitoring
- GOC approval letter and approved budget for each case
- Vendor's most recent audit report

CPA/INCENTIVE/EARNED REINVESTMENT FUND PROGRAMS

- Contract/MOA/MOU with provider(s)/vendor(s) including any amendments/budget modifications
- RFPs/Calls for Concept Papers/Notice of Availability of Funds (NAF) issued
- Program and fiscal reports, data, and any other reports required per contract
- Client Satisfaction Surveys (if applicable)
- Evaluation plans/results
- Monitoring tools, workpapers, reports, and any other documentation of completed monitoring
- Vendors' most recent audit report

Please be prepared to present other information/documentation that may be needed by the Monitoring Team.

Fiscal Documents for the LMB Monitoring Site Visit

POLICY AND ADMINISTRATION

- Other established policies/procedures (criminal background checks, monitoring vendors, etc.)
- Documentation establishing the LMB (County Resolution, legislation, etc.)
- LMB meeting minutes
- Conflict of interest policy and signed conflict of interest statements (if applicable)
- Related party transactions – list of all transactions for the period being reviewed
- Monitoring tools, workpapers, reports, and any other documentation of completed monitoring
- Policy for writing letters of support
- Vendor audit reports received

FINANCIAL REPORTING

- Independent audit reports/management letters or letter of engagement if audit not complete
- Chart of accounts for LMB
- Fiscal policies and procedures
- Fund code listing
- Transaction code listing
- Year-end adjusted balance sheet
- Inter-fund transfers
- Adjusting/closing journal entries
- CPA budget modifications
- List of all bank/investment accounts (type of account, institution, signature authority, etc.)
- Bank statements for the period reviewed and monthly reconciliations (if applicable)
- GOC Forms 100 – 800 (any applicable to the LMB for the fiscal year being reviewed)

PERSONNEL/PAYROLL

- List of personnel for the period reviewed (including former employees)
- Detail payroll registers; payroll allocations between programs/departments (if applicable)
- Organizational chart

REVENUE

- Revenue detail reports including cash receipts register
- Revenue safeguard policy
- Interest earned - calculations and journal entries for the allocation/transfer of interest (if applicable)
- Petty cash policy and transactions
- In-kind contributions (detail)

EXPENDITURES

- Purchase orders/requisitions/bids
- RFPs/Calls for Concept Papers/Notice of Availability of Funds (NAF) issued

- All grant agreements/contracts/MOUs/MOAs with vendors and consultants
- Original invoices and supporting documentation
- Expenditure detail summary reports including cash disbursements register
- Direct/indirect cost allocation plans and GOC approval letter (if applicable)
- Incentive/earned reinvestment spending plans, GOC approval letters and documentation of actual expenditures

LMB OPERATIONS/REPORTING

- MD residential/education vendor contract/invoice
- SCC approval letter for out-of-state vendor funding (Return cases only)
- Out-of-State Vendor Program Cost Sheet (Return cases only)

Please be prepared to present other information/documentation that may be needed by the Monitoring Team.

APPENDIX 4

Interagency Family Preservation Services Sample Client Satisfaction Survey

Date Survey Received:

Method Received:

- LMB Letter
- LMB Phone Call
- LMB Visit
- Vendor Letter
- Vendor Phone Call
- Vendor Visit
- Other (Describe if selected)

Required Survey Questions

How would you rate the quality of service you have received?

- 4 = Excellent
- 3 = Good
- 2 = Fair
- 1 = Poor
- N/A

Have the services you received helped you to deal more effectively with your problems?

- 4 = Yes, they helped a great deal
- 3 = Yes, they helped somewhat
- 2 = No, they really didn't help
- 1 = No, they seemed to make things worse
- N/A

If a friend were in need of similar help, would you recommend our program to him or her?

- 4 = Yes, definitely
- 3 = Yes, I think so
- 2 = No, I don't think so
- 1 = No, definitely not
- N/A

APPENDIX 5

Memorandum of Agreement for Community Services Initiative Funding

This Agreement, between and among the _____ (Local Management Board), the _____ (Lead Agency) and _____, (the Parents), the parent(s) of _____ (Youth's Name) (collectively, the Parties) establishes the conditions for the provision of Community Services Initiative (CSI) services and funding for the youth.

Requests for CSI funding must be approved by the Lead Agency, LCC, LMB, and the Governor's Office for Children (GOC), and meet eligibility requirements. CSI funding is not an entitlement and is subject to the availability of funds.

The parties agree that they have discussed, fully understand, and accept the following conditions for CSI funding:

- 1. CSI Program** - CSI funding is provided to the LMB by the Children's Cabinet, with services provided by the LMB's designated contractor. The purpose of the CSI funding is to provide community-based alternatives to more restrictive residential placement to children who meet eligibility criteria established in State regulations, for a period of up to two years (COMAR 14.31.01.). CSI services for the child will be provided in accordance with the Plan of Care attached as Appendix 1.
- 2. Lead Agency Responsibility** - During the course of this agreement, the Lead Agency shall be responsible for: _____ (*specify tasks*). The Lead Agency is responsible for keeping the youth's case open and providing services during the entire period of CSI funding (unless another LCC member agency agrees to assume the Lead Agency responsibilities). The Lead Agency is responsible for submitting documentation to the LCC/LMB (on a monthly basis) of all Lead Agency expenditures included in the matching funds for the youth's Plan of Care. The Lead Agency is responsible to continue to provide any and all services for which the youth and family are in need and eligible.

For cases in which eligibility for CSI was met through a clinical assessment that the child's needs for services would substantially diminish within a 2-year period: If the child's needs do not substantially diminish within the 2 year period, the Lead Agency is responsible for providing (during and after the 2-year CSI funding period) the same level of care services that the youth would have been eligible for if he/she had originally been placed in an out-of-state or residential placement.

- 3. LMB Responsibility** - The LMB, with its designated contractor, shall be responsible for

the administration of this agreement. The LMB will (or require its CSI vendor to) collect (on a monthly basis) and maintain documentation on all funding of the Plan of Care by other entities (parents, Lead Agency, insurance, etc.).

- 4. LCC Responsibility** - The LCC is responsible for reviewing the youth's case at least every six months, to ensure that services are meeting the youth's needs and that the youth is making progress on plan of care goals. In conjunction with the Lead Agency, parents, and CSI vendor, the LCC is responsible for developing a transition plan (due by the end of the first year of CSI funding) for the ending of CSI funding.
- 5. Parent Responsibility** - The parents shall fully cooperate with the LMB, the LCC, the Lead Agency, and the CSI vendor in the implementation of the child's Plan of Care (Appendix 1). The parents shall diligently pursue reimbursement for services in the Plan of Care through any private or public insurance coverage that they may have and shall apply for any potential additional funding source for those services that may be identified by the LMB, Lead Agency, or CSI vendor. The parents are responsible for submitting documentation to the LCC/LMB (on a monthly basis) of all parental expenditures included in the matching funds for the youth's Plan of Care.
- 6. Duration of Services** - If approved by GOC, CSI services will begin within the next 30 days, and shall terminate within two (2) years after the date upon which the services begin, or upon completion of the Plan of Care, whichever is earlier. CSI services and funding may not extend past that termination date. Services may be terminated at an earlier date upon the request of the parent, or upon a determination of the Lead Agency, LCC, LMB, or GOC that CSI services are no longer appropriate to meet the health, educational or safety needs of the child, or no longer meet the requirements of federal or State law. Upon termination of CSI services, any services for which the child is legally entitled from the lead agency or other agencies shall continue or resume. The parents may terminate CSI services at any time.
- 7. Responsibilities Upon Termination of CSI Services** - Within one (1) year of implementation, or sooner if specified in the Plan of Care, the LCC, LMB, and Lead Agency will make reasonable efforts to coordinate transition planning to assist the child's parents in seeking other services after the termination of the child's participation in CSI services. The child's parents accept full responsibility for the child's care upon termination of CSI services, except to the extent that the child may be legally entitled to other services under federal or State law, or to the extent that the LMB or other public agencies or private organizations may be able to identify other service options and funding to become effective on or before the CSI services termination date.
- 8. Confidentiality** - Information concerning the child and the services provided by the CSI program will be kept confidential. Such information may be disclosed only to the LCC, LMB, service providers and potential service providers, GOC, and the Children's Cabinet, for the purposes of administering the CSI program. Client-specific information will not be redisclosed, nor shared with any other persons, without the prior written consent of the parent.

9. Students with Disabilities - If the child is a student with disabilities under the Individuals with Disabilities Education Act, 20 U.S.C. § 1400 et seq. (“IDEA”), the child’s CSI services will be consistent with the child’s Individualized Education Program (“IEP”), and may supplement that which is provided in the IEP. However, IDEA’s due process provisions, including the “stay put” provision, 20 U.S.C. § 1415(j), do not apply to CSI services that exceed the requirements of the child’s IEP and nothing in this agreement shall be construed to permit the child’s services under the Community Services Initiative to effectuate the provisions of §1415(j) of the Individuals with Disabilities Act, 20 U.S.C. § 1400 et seq.

10. Voluntary Placement Agreement - This agreement is not a Voluntary Placement Agreement under Maryland Annotated Code, Family Law Art. §5-501, and nothing in this agreement may be construed to effectuate the procedural or other rights associated with voluntary placements under Maryland law.

11. The parties will comply with the requirements for CSI services and funding established in State regulations and Children’s Cabinet policy.

CSI funding is not an entitlement; CSI funding is subject to eligibility requirements and availability of funding.

The parties agree to the above conditions:

Parent(s) Date

Parent(s) Date

LMB Date

Lead Agency Date

APPENDIX 6

1115 Medicaid Waiver

Maryland Wraparound Model

Request to Amend Section 1115 Health Care Reform Demonstration (Project No. 11-W-00099/3)

February 13, 2006

Introduction

Maryland Medicaid seeks to amend its Medicaid section 1115 health care reform demonstration, HealthChoice (project No. 11-W-00099/3), to pilot a “wraparound” model of community-based service delivery for children with serious emotional disturbance (SED). The wraparound model is a family-driven, community-based, inter-agency cooperative model. Each child’s plan of care is tailored to that child and family’s individual needs. Under this model, a care managing entity (CME) will receive a set payment rate in exchange for delivering a specific package of specialty mental health services (i.e., “partial” capitation) to children and youth who voluntarily elect this service delivery option.

This program would serve children and youth who are determined community eligible for Medicaid or the Maryland Children’s Health Program (MCHP). This program would not expand Medicaid or MCHP eligibility. Capitation rates will be based on historical fee-for-service cost data for Medicaid-covered services. Because this population is already covered under Medicaid or MCHP, and because the capitation rates will be based on the existing benefit package, this program will be budget neutral. The population that is eligible for and elects this option would no longer access most specialty mental health services in the fee-for-service specialty mental health system, but would receive most of this care through the CME.

In addition to providing the specified package of specialty mental health services, the CME(s) may use the rate to provide non-Medicaid covered services, with the goal of preventing the need for more intensive services. The CME(s) will individualize the package of benefits to the needs of the child and to build on the strengths of the child’s family and community. The goal is to serve children in the community as opposed to institutions such as residential treatment centers (RTC), and regional institutes for children and adolescents, (RICAs), the State-run equivalent of RTCs. Currently, lengths of stay in RTCs and RICAs are long and the costs of these settings are high.

Some of the wraparound community support services that would prevent the need for an institutional placement or facilitate a child’s transition home cannot be covered under the Medicaid State Plan. Paying the CME(s) a capitation rate to meet the mental health needs of the child will: 1) introduce flexibility to enable provision of wraparound community support services and 2) provide an incentive to the CME(s) to serve the child efficiently.

Much of the groundwork for the pilot has already been completed through a Real Choices Systems Change grant from CMS. The Mental Hygiene Administration (MHA) within the Department of Health and Mental Hygiene (DHMH) has led a steering committee composed of agency staff, provider and consumer representatives, and advocates to explore the development of this model. MHA subcontracted with the Center for Health Program Management and Development at the University of Maryland, Baltimore County (UMBC) to analyze data and design a rate system for the project.

DHMH anticipates that the CME(s) will be defined as a Prepaid Inpatient Health Plan (PIHP) according to federal rules and regulations. The State and the CME will meet all federal rules and regulations for PIHPs.

Experience in Other States

Wraparound Milwaukee

Wraparound Milwaukee is a unique system of care for children with serious emotional, behavioral, and mental health needs and their families. It utilizes a wraparound philosophy and approach that focus on strength-based, individualized care. Combined with a unique organizational structure, Wraparound Milwaukee delivers a comprehensive and flexible array of services to youth and their families.

Wraparound Milwaukee has been in existence since 1995. It was designed to reduce the use of institutional-based care such as RTCs and inpatient psychiatric hospitals while providing more services in the community and in the child's home. The program also promotes more family inclusion in treatment programs along with collaboration among child welfare education, juvenile justice and mental health in the delivery of services.

A combination of several state and county agencies, including the Bureau of Milwaukee Child Welfare, the County's Delinquency and Court Services, Behavioral Health Division, and the State Division of Health Care Financing which operates Medicaid, provide funding for the system. Funds from the four agencies are pooled to create maximum flexibility and a sufficient funding source to meet the comprehensive needs of the families served. Part of the County's Behavioral Health Division, Wraparound Milwaukee oversees the management and disbursements of those funds acting as a public care management entity.

Program Participation

Initially the pilot program would operate in two jurisdictions (Baltimore City and Montgomery County). DHMH anticipates that in the future the program will expand to additional jurisdictions. Individuals eligible for program participation are described as follows:

- **Population:** The target population is children in certain jurisdictions who have SED and meet RTC medical necessity criteria, as determined by MHA's administrative services organization, MAPS-MD. A standardized instrument will be used to determine level of care. Participation in the pilot program will be voluntary on the part of the child or youth's parent or legal guardian, and will be offered as an alternative to RTC placement for children who have not yet entered an RTC or have had only a short RTC stay. The child will be able to opt out of the pilot program if the parent or guardian chooses to have him/her enter the RTC instead. Initially the pilot will operate in Baltimore City and Montgomery County.
- **Financial Eligibility:** Children must already be community-eligible for Medicaid or MCHP.
- **Population Size:** The number of program slots will be limited to 750 prior to an evaluation of program efficiency.

Benefits

All Medicaid-reimbursable specialty mental health services will be included in the capitated rate and will be the responsibility of the CME to provide, except for mental health prescription drugs and mental health laboratory tests and diagnostic services, which will be carved out and will continue to

be paid fee-for-service.

CME specialty mental health services include:

- Inpatient and outpatient hospital services, including emergency room services, under COMAR 10.09.06
- Residential treatment centers under COMAR 10.07.04, 10.09.29, and 10.21.06
- Partial hospitalization or psychiatric day treatment under COMAR 10.210.02
- Freestanding clinic services under COMAR 10.09.09
- Psychiatrist services under COMAR 10.09.02
- Services provided by individual mental health professionals, as authorized under Health Occupations Article, Annotated Code of Maryland, including occupational therapists, social workers, psychologists, nurse psychotherapists, and professional counselors with the appropriate expertise to provide the services;
- EPSDT under COMAR 10.09.23 and 10.09.37 including therapeutic nursery programs under COMAR 10.21.18
- Mental health targeted case management under COMAR 10.09.09
- The following rehabilitation and other mental health services, under COMAR 10.09.59:
 - Mobile treatment services, under COMAR 10.21.19,
 - Outpatient mental health clinic services, under COMAR 10.21.20, and
 - Psychiatric rehabilitation programs under COMAR 10.21.21.

Physical health services and substance abuse screening and treatment will continue to be provided through HealthChoice managed care organizations (MCOs).

Some children may require out of home placements during their period of enrollment in the program. The CME will be responsible for the length of stay in group homes or treatment foster care, equivalent to the average RTC length of stay. The capitated rate will include costs for RTC stays, and the CME will be responsible for costs of RTC care. RTC payments include a room and board component, which the CME can redirect to pay for group home or treatment foster care placements as a substitute for RTCs. This advances the goal of serving children in the community.

The CME will provide additional services to an enrollee to promote health and well-being, to help an enrollee transition from an institutional or out-of-home placement to the community, or to prevent the need for an institutional or out-of-home placement.

The CME will develop a care plan for each enrollee. The care plan will address the specialty mental health needs of the child, including a plan for responding to psychiatric emergencies. The care plan is to be shared with the enrollee's parent or legal guardian and providers and is to be reviewed and updated on a regular basis.

Program Administration

- A.** DHMH Structure - DHMH is the single state Medicaid agency. The Mental Hygiene Administration (MHA) is a component of DHMH that reports to the Deputy Secretary for Public Health Services. MHA is responsible for overseeing the system for delivering specialty mental health services to Medicaid recipients.
- B.** Components of MHA include the following:

Core Service Agencies (CSAs)

The CSAs are the local mental health authorities responsible for planning, managing, and monitoring public mental health services at the local level. CSAs exist under the authority of the Secretary of the Department of Health and Mental Hygiene and also are agents of the county government, which approve their organizational structure. The functions of core service agencies are to plan, develop, and manage a full range of treatment and rehabilitation services for persons with serious mental illness in their jurisdiction as stipulated by the Health General Article, 10-10-1203, Annotated Code of Maryland.

MAPS-MD Administrative Services Organization

- MAPS-MD assists the Mental Hygiene Administration and the CSAs with administering the Public Mental Health System (PMHS). As agents of MHA and the CSAs, MAPS-MD supports MHA and the CSAs by:
- Determining whether an individual is part of the public mental health system
- Referring the individual to qualified providers of public mental health services
- Preauthorizing non-emergency care
- With MHA and the CSAs, concurrently managing the care and cost of care in the public mental health system according to established protocols
- Conducting utilization review of services to ensure quality, appropriateness, and effectiveness
- Collecting data and submitting reports
- Processing billing claims and remitting payments
- Evaluating the public mental health system

The Deputy Secretary for Health Care Financing is another component of DHMH. The Deputy Secretary for Health Care Financing, along with three administrations--the Office of Health Services, the Office of Operations, Eligibility and Pharmacy, and the Office of Planning and Finance--oversees the Medicaid program.

Administrative Functions Under the Waiver Amendment

Relationships with Other State Agencies

The target population often has a variety of needs and access services from multiple state agencies in addition to DHMH. Therefore it is especially important to collaborate and coordinate the efforts of state agencies, including the Department of Human Resources (DHR), the Department of Juvenile Services (DJS), the Maryland State Department of Education, (MSDE), the Maryland Department of Disabilities (MDoD), and the Governor' Office for Children (GOC). The State of Maryland has created a Local Management Board (LMB) in each jurisdiction to coordinate the delivery of State-funded services to children, youth, and families. The LMBs operate under GOC. The LMBs will be active in working with children, youth, their families, and the CME(s).

CME Review and Selection

MHA with the CSAs and LMBs will select one or more CMEs to provide specialty mental health and wraparound services to the target population. The CME(s) will be selected through a competitive bidding process. Proposals responding to the RFP will be reviewed for the following.

- CME capacity and network adequacy
- Data systems
- Clinical and care coordination expertise
- Expertise in the principles of wraparound
- Human resource expertise
- Financial and administrative systems
- Quality assurance systems
- Compliance with federal requirements

CME Quality Oversight

Oversight of the quality of care provided by the CME(s) will be the responsibility of MHA in partnership with the CSAs and LMBs. Specific quality oversight activities include the following.

- Establish and regularly update clinical standards
- Analyze encounter data and assess CME clinical performance
- Perform focused studies to assess performance in areas that cannot be evaluated using encounter data, or to assess performance at the beginning of the program before encounter data are available
- Operate an enrollee hotline, and oversee appeals process
- Conduct enrollee satisfaction surveys
- Operate a provider hotline

Administrative and Financial Monitoring of CMEs

Monitoring the administrative and financial functioning of the CME(s) will be the responsibility of MHA, with support from the CSAs and LMBS as well as Medicaid . Specific activities include:

- Rate setting. Initial CME rates will be set as a percentage of current Medicaid fee for service payments (the fee for service equivalency). UMBC is developing the risk adjustment methodology and capitation rates for the waiver. UMBC will procure the services of an actuary for consulting services to assure actuarially sound rates. UMBC will also work with DHMH to

update rates annually.

- Solvency standards. MHA will monitor the financial performance of the CME.
- Financial Reports. The CME(s) will submit periodic financial reports, e.g., quarterly, on their financial expenses. These reports should provide enough detail to assist with future rate setting calculations as well as to provide DHMH with timely data regarding what is driving certain expenditure trends by service type, eligibility group, or geographical area

Eligibility, Outreach, and Enrollment

MHA, Medicaid OOEP, and DHR will share responsibility for this function.

- Eligibility determinations. DHMH and the Department of Human Resources currently share responsibilities for determining eligibility for Medicaid and MCHP. MHA will be responsible for determining whether a Medicaid or MCHP eligible individual meets RTC level of care and can therefore elect to enroll with the CME program.
- Recipient Education and Outreach. The CSAs and LMBs will provide recipient education and outreach to the target population.
- Recipient enrollment. BMHS or MHA will enroll individuals, load enrollment data into their information systems, and notify CME within several business days. BMHS will enter individual's information into the MAPS-MD Care Connections or another information system, which will flag enrollees.

Management Information and Data Systems

The successful implementation and management of the waiver requires sophisticated data and systems support. MAPS-MD will:

- Make monthly capitation payments to the CME.
- Process capitation payments through MMIS.
- Edit their information systems to block fee-for-service payments for the enrolled population.
- Process CME encounter data.
- Validate CME encounter data submissions on an ongoing basis.

Data will be warehoused and analyzed. The encounter data that will be submitted will be used for various functions, such as analysis of program performance, and future development of capitation rates. To assure that these activities are done in a timely manner, using consistent and reliable data, a central data warehouse with analytic capacity will be developed.

Delivery System

Organizations Qualifying as CMEs

Organizations that can qualify as CMEs must be health maintenance organizations that hold a certificate of authority from the Maryland Insurance Administration (MIA) or managed care systems that are authorized to receive medical assistance pre-paid capitation payments and enroll only Medicaid recipients. Both types of organizations must meet the same standards relating to quality, access, and data in order to qualify as CMEs.

Non-HMO CMEs will still be required to meet solvency requirements for MCOs established jointly by DHMH and MIA. Any regulations established by MIA that apply to MCOs will also apply to the CME.

Federal Definition—PIHP

From a federal perspective, DHMH anticipates that the CME(s) will be defined as a Prepaid Inpatient Health Plan (PIHP) according to federal rules and regulations. The CME will assume risk for the cost of services covered and incur loss if the cost of furnishing services exceeds capitated payments. Consistent with federal rules, the CMS Regional Office will review and approve CME contracts.

CME Youth and Family Advisory Board

MHA and GOC will establish an advisory committee that will meet on a regular basis to monitor the care provided by the CME(s). In addition to youth and families, the committee will include representatives from the CME(s), DHMH and the CSAs representative, providers, and other state agencies.

Enrollment and Disenrollment Processes

Enrollment

Enrollment will operate as follows:

- A child/youth will be referred to MHA or its designee to determine if they satisfy the clinical criteria for RTC level of care.
- All children/youth that satisfy the medical necessity criteria will be given the option of participating in the program or placement in an RTC. These enrollment choices will be explained to the child by MHA or its designee.
- All children that choose the program will get enrollment brochures for the provider(s) in their jurisdiction. The child may select the CME. Each CME must accept all children/youth selecting them. CMEs will not discriminate for any reason (e.g., health status, need, demographics) and will accept all applicants who are eligible for Medicaid and the wraparound program, up to the capped number of slots.
- The selected provider will enroll the child/youth within a reasonable timeframe and contact the child/youth within a reasonable timeframe to begin delivering specialty mental health care. The CME's capitation payment will be effective the date of enrollment.

Children and youth will enroll in the pilot program for no longer than 18 to 24 months. After 18 to 24 months they will disenroll to receive specialty mental health services on a fee-for-service basis. Analysis of claims data shows that in the years after the RTC stay, children's average service costs decrease. DHMH interprets this to mean that in many cases the need for intensive services reduces dramatically over time.

Enrollees will remain in the program even if they require placement in an RTC. The CME will be responsible for paying the costs of the RTC from the capitation payments. This will provide the maximum incentive for the CME to serve the child or youth in the community when possible.

Disenrollment and Transition Planning

Reasons for disenrollment include end of 24 months of enrollment, loss of Medicaid or MCHP eligibility, change of residence outside of the service area, or voluntary disenrollment by the child or youth's parent or legal guardian.

Prior to disenrollment at 24 months, the CME will develop a transition plan for the child/youth. The child/youth may be placed in an after care program if offered by the program or other community mental and social programs that serve their area.

This transition planning process should be part of the plan of care development throughout the course of the child's enrollment.

Enrollee Rights

The State and the CME will comply with all federal and state rules and regulations to protect the rights of enrollees of prepaid inpatient health plans (PIHPS).

Access Standards

Each CME must meet DHMH's standards for the following:

- Appropriate range of qualified providers in network
- Adequate ratios of providers to enrollees
- Geographic access to providers (i.e., time/distance to providers)
- Clear policies and procedures regarding referrals and prior authorization
- Availability of medically necessary emergency care 24 hours a day, seven days a week.

Quality

MHA will monitor the quality of care delivered by CMEs, and each CME will have a written quality assurance and performance improvement program. These activities will ensure:

- Delivery of medically necessary services to enrollees
- Quality of health care service rendered meets professionally recognized standards
- Performance improvement over time
- Compliance with federal and State law and regulation

Through a systematic process of periodic reviews of managed care organizations' operations and provider services, MHA will monitor and identify problems and trends in service delivery on a timely basis. Monitoring efforts will include:

- Review of CME application and qualifications, including an on-site review
- Conducting an annual quality of care audit conducted by an external quality review organization (EQRO)
- Assessing CME infrastructure, including complaint and appeal processes
- Collecting and evaluating certain standardized performance measures
- Conducting performance improvement projects focusing on clinical or non-clinical areas as determined by the Department
- Administering provider and enrollee satisfaction surveys
- Conducting annual financial audits by an independent external auditor
- Initiating ad hoc performance reports using encounter data
- Oversight by a quality improvement committee

Complaints and Appeals

Enrollees and providers will have access to hotlines at the CME as well as at MHA or its designee, and will be able to file complaints and appeals with the CME as well as with MHA. Each CME will have written complaint policies, and procedures for appealing denials, reductions, or terminations of service. These policies and procedures will include standards for timely handling of complaints and appeals. An enrollee does not have to exhaust the CME procedures, but can file an appeal with MHA at any time.

Financing

Capitation Rate

Financial risk will reside with the CME. The federal government will match the State's contribution to the capitated rate at the usual 50% or 65% FFP level, depending on whether the child/youth is eligible for Medicaid or MCHP.

As noted above, initial CME rates will be set as a percentage of current Medicaid fee for service payments (the fee for service equivalency). UMBC is developing the risk adjustment methodology and capitation rates for the waiver. UMBC will procure the services of an actuary for consulting services to assure actuarially sound rates. UMBC will also work with DHMH to update rates annually.

CME Claims Processing System

The CMEs must have a HIPAA compliant claims processing systems in place to make payments to their provider networks. The system must be able to identify those claims that qualify for payment and determine the correct payment amount. The system must also contain a reporting module that will permit the CME to monitor and report on the payments that they have made. Clean Claims that do not involve other insurers must be paid within 30 days of receipt.

The system must contain a series of edits to ensure that accurate payments are made. The system must be able to identify those services that are covered in the benefit package and those services that are excluded. The editing procedure must also be able to identify the recipients that are enrolled in the CME and the periods of time when they were enrolled. In order to qualify for participation in the program, the CME must include an explanation of the features of their claims processing system, including a description of the editing procedures and examples of the management reports generated by the system.

Encounter Data

The provider must submit an encounter for each service provided to each child/youth. The provider must submit the encounters to MAPS-MD or the Maryland MMIS, to be determined. Encounters must be submitted electronically and in a HIPAA compliant format.

The encounter must include the following information:

- Medicaid ID for the recipient
- Provider ID for the provider of service
- Date the service was received

- Diagnosis codes describing the recipient's condition
- Procedure codes describing the services that were rendered

Encounters should be submitted within two weeks following the payment of the claim for the service. The CME must monitor the volume of encounters submitted to the MMIS system and the volume of encounters accepted by the system. The CME system must have the ability to receive encounters rejected by the MMIS system, correct deficiencies identified by the MMIS system, and resubmit corrected encounters.

The CME must reconcile their encounter data with their financial reports on a quarterly basis to ensure that the volume of accepted encounters is consistent with the volume of paid claims.

Payments and Funding

The CME must submit quarterly and annual reports so that the State can monitor their financial position. The financial reports will also serve to evaluate the adequacy of the capitation rates. Timely and accurate financial reporting is essential in order for a provider to participate in the program

The CME must submit financial reports on a quarterly basis stating their revenues and expenditures for the previous quarter. Quarterly reports must be submitted within three months following the end of each quarter. The quarterly report will detail the premium payments received by the provider during the quarter and the total value of claims paid by the provider during the quarter. The provider will report claims separately for the major category of services included in the benefit package. The provider will report the value of claims paid for services rendered during the current service year, and the value of claims for services provided during prior service periods.

On an annual basis the provider will submit a complete financial report detailing all of their revenues, expenditures for the service year. The annual report must be submitted within six months following the end of the service year. The financial report must detail paid claims, claims received but not paid, and services incurred for which a claim has not been received. An independent auditor must certify this report.

Budget Neutrality

The wraparound program will be budget neutral. Children and youth who will be eligible to participate in this program are already eligible for Medicaid or MCHP in the community; this waiver is not an expansion of Medicaid or MCHP eligibility. Moreover, the CME will be paid a capitation rate that is slightly less than the fee-for-service rate of specialty mental health services that are covered under the Medicaid State Plan. Therefore we expect no budgetary impact from this program.

Program Evaluation

DHMH will evaluate how the pilot programs affect clinical outcomes and costs. This program may be cost-effective in the long term by providing an individualized package of community-based services to children to prevent them from entering institutions.

The types of indicators to be included in the evaluation include:

- Restrictiveness of service settings;
- Improvements in functioning;
- School attendance, performance, and/or participation in vocational activities;
- Adjudication of offenses;
- Child/youth, family, and caregiver satisfaction with services; and
- Access to appropriate health care services.

Waivers

DHMH requests that CMS waive the federal requirement for statewideness and allow the State to serve a limited number of children who have serious emotional disturbance.

APPENDIX 7

**INTER-GOVERNMENTAL AGREEMENT
BETWEEN
GOVERNOR'S OFFICE FOR CHILDREN, YOUTH, AND FAMILIES
ON BEHALF OF
THE SUBCABINET FOR CHILDREN, YOUTH, AND FAMILIES
AND
THE DEPARTMENT OF JUVENILE SERVICES**

THIS AGREEMENT, effective as of July 1, 2004, is made by and between the Governor's Office for Children, Youth and Families ("GOCYF") on behalf of the Subcabinet for Children, Youth, and Families, and the Department of Juvenile Services ("DJS").

Whereas, under Md. Ann. Code, Art. 83C, §2-122(c) ("§2-122"), the Department of Juvenile Services ("DJS") is responsible for the monitoring of operations and the evaluation of the effectiveness of Youth Services Bureaus ("YSB"); and

Whereas, State funding of Youth Services is provided annually through an appropriation to the Subcabinet Fund; and

Whereas, §2-122 further requires the DJS to stop funding any YSB that is ineffective or, for 2 years, has failed to meet eligibility guidelines set out in COMAR 16.04.01; and

Whereas, DJS and the Subcabinet have developed an interagency approach to the monitoring and evaluation of YSBs that, consistent with COMAR 16.04.01.04(E), integrates these activities into the administration, monitoring and evaluation systems already established by the Subcabinet for programs supported by Subcabinet Funds; and

Whereas, under Md. Ann. Code, Art. 49D, §11, each local jurisdiction shall establish and maintain a Local Management Board ("LMB") to ensure the implementation of a local, interagency service delivery system for children, youth and families; and

Whereas, the monitoring and evaluation of YSB activities are performed by each local jurisdiction's LMB under the oversight of the GOCYF;

Therefore, DJS and GOCYF, on behalf of the Subcabinet, now agree that the following administrative, monitoring and evaluation activities required by §2-122 and COMAR 16.04.01 shall be performed in accordance with Subcabinet standards and procedures by each LMB representing a jurisdiction where a Subcabinet-funded YSB is located ("participating LMB") as follows:

A. Responsibilities of the Parties

1.1 Responsibilities of GOCYF

1.1.1 GOCYF shall provide funding, as appropriated annually into the Subcabinet Fund, to participating LMBs for distribution to their respective Youth Services Bureaus.

1.1.2 GOCYF shall establish YSB monitoring and evaluation standards and procedures, to be implemented by each participating LMB, subject to the approval of DJS and the Subcabinet. Such standards and procedures shall meet all requirements set out in COMAR 16.04.01.04 for the operation and funding of YSBs, including provisions for ensuring that participating LMBs shall have access to, and shall safeguard the confidentiality of, information concerning YSB clients and operations, in accordance with the COMAR 16.04.01.05.

1.1.3 GOCYF shall provide written monitoring and evaluation procedures, technical assistance, oversight, monitoring, and other support as needed to participating LMBs to ensure the proper and thorough implementation of YSB monitoring and evaluation in accordance with the standards and procedures approved by DJS and the Subcabinet.

1.1.4 GOCYF shall annually receive and review monitoring and evaluation reports from each participating LMB, including the LMB's findings regarding the YSB's compliance with COMAR 16.04.01, the effectiveness of the YSB, the YSB's progress toward meeting the requirements of any corrective action plan entered into by the YSB under COMAR 16.04.01(D)(3), and the LMB's recommendations regarding the continuation of funding for the YSB and any corrective actions that may be necessary as conditions of continued funding.

1.1.5 GOCYF shall forward each participating LMB's monitoring and evaluation report to DJS and the Subcabinet for review and approval. With the approval of DJS, the Subcabinet may accept or modify the LMB's findings and recommendations.

1.1.6 Upon approval of the findings and recommendations regarding each YSB by DJS and the Subcabinet, GOCYF shall inform the appropriate LMB of any funding adjustments or corrective actions approved by DJS and the Subcabinet for implementation by the LMB.

1.2 Responsibilities of DJS

1.2.1 DJS shall collaborate with GOCYF in the establishment of the YSB monitoring and evaluation standards and procedures, to be implemented by each participating LMB, to ensure that the standards and procedures conform with the requirements of COMAR 16.04.01.04 for the operation and funding of YSBs.

1.2.2 DJS shall authorize and, as necessary, facilitate the access of participating LMBs and GOCYF monitors to information concerning YSB clients and operations, in accordance with the COMAR 16.04.01.05.

1.2.3 DJS shall annually review monitoring and evaluation reports from each

participating LMB, to ensure that they adequately address each YSB's compliance with COMAR 16.04.01, the effectiveness of the YSB, the YSB's progress toward meeting the requirements of any corrective action plan entered into by the YSB under COMAR 16.04.01(D)(3), and to approve or modify the LMB's recommendations regarding the continuation of funding for the YSB and any corrective actions that may be necessary as conditions of continued funding. Implementation of any such recommendations is contingent upon approval by DJS.

B. TERMS AND TERMINATION

2.1 The terms of this Agreement shall take effect on July 1, 2004, and shall continue for a period of five years.

2.2 The parties may agree in writing to an earlier termination date.

3. GENERAL PROVISIONS AND CONDITIONS

3.1 The terms of this Agreement and its execution are subject to all applicable Maryland laws and regulations and approval of other agencies of the State of Maryland as required under State laws and regulations.

3.2.1 It is understood and agreed that the DJS shall not be liable in any action or tort, contract or otherwise for any action of GOCYF. GOCYF shall indemnify the DJS against liability for any suits, actions, or claims of any character arising from or relating to the performance of GOCYF or its employees or agents under this Agreement, up to the amount for which it is found to be liable under the Maryland Tort Claims Act, §§12-101 et. seq., State Government Article, Maryland Annotated Code.

3.2.2 It is understood and agreed that GOCYF shall not be liable in any action or tort, contract or otherwise for any action of the DJS. The DJS shall indemnify GOCYF against liability for any suits, actions, or claims of any character arising from or relating to the performance of the DJS or its employees or agents under this Agreement, up to the amount for which it is found liable under the Maryland Tort Claims Act, §§ 12-101 et. seq., State Government Article, Maryland Annotated Code or other applicable State Statutes.

3.3 The parties shall comply with all applicable federal, State and local governmental standards and requirements, including procurement, personnel, licensing and permit laws and ordinances, as are necessary for the lawful providing of the services required under the terms of this Agreement.

3.4 GOCYF shall designate Scott Finkelsen and Charlene Uhl to serve as Project Officer for this Agreement. DJS shall designate Sara Hunter to serve as Project Officer for this Agreement. All contact between GOCYF and the DJS regarding all matters relative to this Agreement shall be coordinated through the parties' designated Project Officers.

3.5 This Agreement may be amended as GOCYF and the DJS mutually agree in writing, upon approval of the Subcabinet Partnership Team ("SPT"). Except for the

specific provision of the Agreement, which is thereby amended, the Agreement shall remain in full force and effect after such amendment.

3.6 The parties shall operate under this Agreement so that no person, otherwise qualified, is denied employment or other benefits on the grounds of race, color, sex, creed, national origin, age, sexual orientation, marital status, or physical or mental disability which would not reasonable preclude the required performance.

3.7 Both parties hereby expressly acknowledge the possibility of substantial changes in federal regulations applicable to this Agreement and expressly agree to renegotiate this Agreement as necessary to comply with such changes; provided that any increase in the scope of work or cost of performance will be compensated for by a budget increase or, in the alternative, by modifying the scope of work to reduce the cost of performance.

3.8 The parties shall retain all books, records, and other documents relevant to this Agreement for a period of no less than three years after the date of final payment, a resolution of audit findings, or disposition of non-expendable property, whichever is later, and, upon receipt of reasonable written notice, shall grant to the other party full access thereto. The right to examine any of said materials shall be afforded federal and/or State auditors who shall have substantiated in writing a need therefore in the performance of their official duties, and such other persons as are authorized by the parties. Each party will provide to the other party a copy of that part of any audit performed by federal, local, State or independent auditors that relates to the performance of this Agreement and the administration of funds provided pursuant to this Agreement.

3.9 Except in accordance with a court order, neither party shall use or disclose any information concerning a recipient of the services provided under this Agreement for any purposes not directly connected with the administration of such services, except upon written consent of the other party and the recipient or his/her responsible parent, guardian, or legal representative or as required by § 10-611 et. seq., State Government Article, Maryland Annotated Code. Nothing in this section shall limit the ability of the parties to access such information in the course of their monitoring responsibilities under this Agreement.

The confidentiality of children's medical, educational, juvenile services, social services and other records accessed in the course of implementing this agreement shall be maintained in accordance with the requirements of relevant federal and State laws, including, but not limited to the Health Insurance Portability and Accountability Act and the Family Educational Rights and Privacy Act.

3.10 This Agreement represents the complete, total and final understanding of the parties, and no other understandings or representations, oral or written, regarding the subject matter of this Agreement, shall be deemed to exist or to bind the parties hereto at the time of execution.

3.11 Any dispute arising from this Agreement shall be decided by the Subcabinet or its designee.

IN WITNESS WHEREOF, the parties have executed this Agreement.

FOR THE DJS:

FOR GOCYF:

Signature

Signature

Name

Name

Title

Title

Date of Signature

Date of Signature

APPENDIX 8

Requirements for the LMB Accounting Manual

- A. **General Ledger** - The function of the General Ledger is to accumulate and classify the transactions posted from the journals. The framework for this system is the chart of accounts. The general ledger accounts are the source of all the financial reports used. It is therefore, critical that the accounting records are properly controlled.

The General Ledger is the starting point for gathering various components of financial information in complying with the financial reporting provisions of the Children's Cabinet contract. The following information will assist in developing the specific financial information required for various Children's Cabinet reports as well as the overall management of the total organization:

1. All amounts in the Report of Final Expenditures and Revenues should agree with the corresponding account balance(s) in the General Ledger. Any differences should be reconciled and retained for future review.
 2. The Children's Cabinet program(s) are to be separately accounted for and identified from other programs by an individual chart of accounts in the General Ledger.
 3. Any activity reflected in subsidiary records (e.g., Accounts Receivable and Accounts Payable) should be reflected in the corresponding control account in the General Ledger.
 4. Specific account balances used in the preparation of various tax returns should be reconciled to the General Ledger.
 5. General Ledgers should contain adequate cross references to the source(s) so they can be easily identified and traced back to original documentation.
 6. After all adjustments have been entered into the General Ledger at the end of the State fiscal year (or as otherwise designated), a twelve-month General Ledger should be run. This enables the review of all transactions concerning a single account at the same time, and which should allow any mistakes to be noticed.
 7. At a minimum, all activity should be posted to the general ledger monthly.
- B. **General Journal Entries** - The General Journal is an accounting record used to record all transactions for which special journals have not been provided. All journal entries posted to the General Ledger should contain sufficient information to explain all the various adjustments and postings made to accounts.

C. Cash Management

1. **Internal Control** - Division of responsibilities, also known as separation of duties, should be split into the following three functions: 1) authorization; 2) custody of assets; and 3) record-keeping functions. Internal control over cash transactions should also provide assurance that:
 - a. All cash that should have been received was in fact received and recorded promptly and accurately; and
 - b. Cash disbursements are made only for authorized purposes and are properly recorded.

2. **Cash Receipts** - Control should be established over all cash and checks received, and they should be deposited daily in the entity's bank accounts. Cash receipts should be protected from misappropriation. Physical access to cash receipts and cash receipt records should be limited to authorized personnel; personnel that handle cash should not be responsible for the recording of cash receipts. Additionally, cash receipts should be recorded in the appropriate period. The following general guidelines must at a minimum be implemented:
 - a. All cash receipts should be recorded daily and properly substantiated with supporting documentation;
 - b. All funding received from the Children's Cabinet should be recorded in a General Ledger Account designated for Children's Cabinet programs;
 - c. All funds generated or earned in the Children's Cabinet program should be recorded in separate General Ledger Account designed for Children's Cabinet programs;
 - d. Maintain cash listing for all receipts;
 - e. All checks received should be restrictively endorsed "for deposit only" immediately upon receipt and deposited daily.
 - f. Generate pre-numbered multi-form receipts when cash is received;
 - g. Account for all pre-numbered cash receipt forms monthly. Any missing cash receipt forms should be investigated; and
 - h. Perform a periodic independent verification of pre-numbered cash receipt forms to the validated deposit slip. This will ensure that all recorded collections were deposited.

3. **Cash Disbursements** - Disbursements from bank accounts should be made only for valid transactions. The payment of goods and services should be organized to ensure that no unauthorized payments are made, that complete and accurate records are made of each payment, and that payments are recorded in the appropriate period. Additionally, physical access to cash and unissued checks must be restricted to authorized personnel. The following general guidelines must at a minimum be implemented:
 - a. All cash disbursements should be substantiated with supporting documentation which includes, but is not limited to, invoices, canceled checks, properly prepared time sheets, travel expense forms, etc. Statements by themselves are not considered proper documentation;
 - b. State and federal funds are to be used only for the purpose specified in the

CPA; State and federal funds are not to be used for loans to employees, other programs, etc.;

- c. Checks written off or voided that were charged to the Children's Cabinet program in a prior contract period must be charged back to the appropriated account and reported to GOC; and.
- d. All expenditures must be charged to the proper detail budget and the detail line-item budget accounts.

4. **Check Signing** - The following general guidelines must at a minimum be implemented:

- a. Checks should have two signatures (for approval) whenever possible. Each person signing the check should review all the supporting documentation;
- b. Checks must not be made payable to cash or bearer;
- c. Checks must not be signed blank; and,
- d. Bank signature cards must be reviewed and updated at least annually and whenever an authorized signer terminates employment.

5. **Other Check Controls** - The following general guidelines must at a minimum be implemented:

- a. All disbursements (other than petty cash) should be made by check;
- b. All checks should be sequentially numbered so that it can be established that all checks have been accounted for;
- c. All checks should be preprinted with the organization's name and address; and,
- d. Voided checks must be maintained and filed in numerical sequence;

6. **Other Cash Disbursement Controls** - The following general guidelines must at a minimum be implemented:

- a. Vendors' monthly statements must be compared with recorded liabilities at the end of each quarter;
- b. Invoice arithmetic and charges must be checked prior to payment. A comparison is also made to purchase orders and receiving tickets prior to payment; and,
- c. Pre-numbered purchase orders are used for purchases.

7. **Cash Reconciliation** - Adequate steps should be taken to confirm the accuracy of the bank balances shown in the general ledger. All funds should be properly controlled, maintain, and safeguarded. Therefore, at a minimum the following shall be done:

- a. Bank balances, as shown by the bank statements, should be reconciled regularly with the general ledger balance. A monthly bank reconciliation should be performed for each bank account. These reconciliations should be performed by someone other than the person responsible for writing or recording checks;
- b. Bank reconciliations and proposed adjustments to the general ledger cash balances should be reviewed by a party independent of the initial reconciliation; and,

- c. Any checks found to be over six (6) months should be either reissued or written off. If the check(s) from the same contract period are written off, the check amount(s) should be debited to cash and credited to the same account charged when the check was issued.

8. **Petty Cash** - Petty cash is the amount of cash on hand available for minor disbursements (maximum of \$250) in accordance with written policy. Under this system cash is disbursed and from time to time restored to its original amount through reimbursements equal to sums expended. All petty cash transactions should be properly substantiated with supporting documentation in accordance with internal written policy. Wage or salary advances or loans cannot be made from this fund.

D. **Payroll and Fringe Benefits** - The establishment of strong internal control for payroll functions is important to reduce the possibility of payroll fraud. Such fraud may involve listing fictitious persons on the payroll, overpaying employees, and continuing employees on the payroll after their separation from the company.

1. All payroll disbursements should be properly substantiated with supporting documentation, which includes a properly completed time sheet, in accordance with LMB written human resources policy.
2. Salaries from the payroll records should reconcile to the amount of salaries charged in the General Ledger. Gross salaries reported to governmental entities on payroll tax returns should reconcile to the General Ledger.

E. **Professional and Consultant Fees** - The budget usually contains information pertaining to the types of professionals and consultants, rate of compensation, kind(s) of service to be rendered, and any maximum cap for the compensation received by each professional or consultant.

1. All disbursements must be properly substantiated with supporting documentation.
2. A policy forbidding the acceptance of gifts or other gratuities by employees from professionals and consultants must be established.
3. The rate of pay and number of hours worked for each type of professional and consultant should not be greater than the amount budgeted and/or contracted.
4. Determination of the appropriate status of an individual is the sole responsibility of the contracting party. Claims and penalties resulting from improper designation of an employee as an independent contractor or consultant are the responsibility of the contracting party.
5. Officers, employees, and members of the Board of Directors cannot be paid consultants to that organization.

F. **Common Costs** - Common costs, sometimes called shared costs, are costs incurred that benefit more than one program. Common costs could include administration costs, salaries,

data processing services, utilities, telephones, office supplies, insurance, accounting and audit fees.

1. The basis of allocation should be consistent for all programs. Reasons for adoption of an allocation method should be documented and available for review by GOC auditors. Inconsistent methodology may result in possible, partial or total disallowance of common costs allocated to Children's Cabinet programs.
2. Common costs should be evaluated at the beginning of each funding period.

G. Equipment Inventory System - The budget should contain a specific list of equipment that is approved for purchase. The Children's Cabinet has established guidelines and policies for the use of equipment that is consistent with the policy of the Department of General Services (DGS) Inventory Control Manual for State-Owned Property. Copies of this manual are available upon request.

H. The LMB shall ensure that the invoices are agreed to the terms of the contracts prior to payment.