

Group Homes - Reimbursement for [[Actual]] Cost

[[FOR the purpose of requiring the State Department of Juvenile Services to pay the actual cost of care, diagnosis, training, education, and rehabilitation of children to certain group homes and institutions; increasing the tax levied on cigarettes; and altering the discount percentage allowed on the sale of certain stamps.

May 24, 1976.

Honorable John Hanson Briscoe
Speaker of the House of Delegates
State House
Annapolis, Maryland 21404

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 57.

This bill changes the method of determining the level of payments to be made by the Juvenile Services Administration and the Department of Human Resources to private nonprofit group homes and institutions under purchase of service agreements.

At present, each of these agencies, with respect to its program, determines a maximum monthly rate it will pay for each child placed in one of these homes or institutions. The rate depends upon the severity of the child's problem, and there are several categories of rates. For children requiring maximum care, the maximum rate is \$805 per month per child; for children requiring intermediate care, the maximum rate is \$690 per month per child. All homes and institutions receive the same level of payment.

House Bill 57 requires the two agencies to negotiate annually a separate rate for each home and institution, that rate to be based upon the cost of providing the service as provided for in the budgets of the respective homes and institutions. The agencies are authorized to audit the financial records of the recipients and to conduct a "needs assessment" of them; but, as worded, the bill does not appear to permit either agency any discretion to determine whether items of expenditure, as provided in the recipients' budgets, are necessary or reasonable. In other words, while the agencies can audit the records to determine the accuracy of the budgets, there is no authority to review the budgets to determine whether expenditures made or proposed to be made, are justified. The agencies are committed to make payments based upon the budgets of the homes and institutions, provided they are accurate.