

From: Laurie Lee [mailto:laurie@leesix.com]
Sent: Thursday, March 30, 2006 11:44 AM
To: 'Habib, Fred (EHS)'
Subject: one follow up

Hi Fred. We had one additional follow up.

You mentioned how the agencies must be stable so they can support the grant. Does the state expect the agencies to fund a grant with their own monies raised, if the state discontinues funding for a particular grant?

For example, if you give out a grant for a 5 year program and for some reason that money gets cut, is the agency expected to continue running that program and funding it by itself without state help?

Thanks
Laurie Lee

Laurie,
These are not grants, rather contracts. In a contract, there is an agreement for delivery of certain services in return for payment. When there is no funding available to support the services, then the contract would be terminated and no further obligation would exist on the part of the provider to continue delivering services.

Follow up:

Hi Laurie,
On an annual basis, financial stability is reviewed for all contracted POS providers. The review is intended to ensure that the Commonwealth is investing its resources in organizations that are financially and organizationally stable, that funds are being used appropriately, and that we are not placing our clients in the care of organizations that are unlikely to be able to deliver this care.

At the point of procurement, financial stability, along with quality and "fit" with consumer needs are considered together - again, the financial consideration is intended to ensure that we are investing in a viable organization.

If the "funding were to dry up" the Commonwealth would no longer have the resources to support the program or services being purchased, the contract obligation would be eliminated, and there would be no expectation or obligation that the organization would continue serving the clients