

Per Request by County Executive Kuhn, the following policy language describes the County Executive's requested method to provide additional purchase of service (POS) payment flexibility for administrative costs supporting DCDHS contracted programs. A review of published administrative rate policy and contract provisions shows both written policy and numerous sections of existing DCDHS contract language will require amendment to effectuate the below policy intent.

Proposed Policy Revision:

*For contract settlement purposes, the approved administrative percentage relative to total program group costs may be increased by an additional two percent (2%) where all the following circumstances apply:*

- 1) The originally approved program group administrative rate is greater than 0%;*
  - 2) Unused county funded program budget within the program group must at least equal the administrative increase to fund the budget adjustment;*
  - 3) The final total administrative cost does not exceed the allowed 15% of the program group cost; and*
  - 4) Allowable administrative costs were incurred during the contract period and are directly allocable to the program group receiving the administrative budget adjustment during that period.*
-