

Public Assistance Agencies

Question # 1: What is a public assistance cost allocation plan (PACAP)?

Answer: A PACAP is a narrative description of the procedures used by a State public assistance agency to identify, measure, and allocate costs incurred in support of the programs administered or supervised by the State agency. The procedures described in the PACAP should address all costs incurred by or allocable to the State agency except expenditures for financial assistance, medical vendor payments, and payments for goods and services provided directly to program recipients.

Question # 2: What agencies must prepare and submit a PACAP to the HHS-CAS (formerly the DCA)?

Answer: The State agency responsible for the administration or supervising the administration (hereafter included under the term administration) of the State Plan for one or more of the public assistance programs must prepare and submit a PACAP for review and approval. The public assistance programs are listed in 45 CFR 95.503 and include the Temporary Assistance for Needy Families (TANF) program (Title IV-A), the Medicaid program (Title XIX), the Child Support program (Title IV-D), the Foster Care and Adoption Assistance programs (Title IV-E), etc.

Question # 3: Can a State have more than one PACAP?

Answer: Yes. This depends on the number of agencies or departments within the State that are responsible for the administration of the State Plans for the public assistance programs listed in 45 CFR 95.503. If only one State agency is responsible for administering the State Plans for the public assistance programs, only one PACAP would be required. However, where a State has more than one agency responsible for administering the State Plans, a PACAP would be required for each State agency. For example, if one State agency is responsible for administering the State Plans for the TANF and Medicaid programs, and another State agency is responsible for administering the State Plan for the Title IV-E foster care and adoption assistance programs, a PACAP would be required from both State agencies.

Question # 4: Can a PACAP be submitted for a component of a State department?

Answer: Yes. Where the State agency responsible for administering the State Plan is organizationally part of a larger State department that includes other components, the term State agency (for PACAP purposes) refers to the specific component within the State department administering the State Plan for the public assistance programs. In that case, a PACAP would be required to be submitted for the State department's component responsible for administering the State Plan. For example, in a State where the Health Department's Division of Medical Services

is the State agency responsible for administering the State Plan for the Medicaid program, a PACAP would be required for that Department's Division of Medical Services.

Question # 5: How frequently must a State agency revise its PACAP?

Answer: The State agency must revise its PACAP whenever the procedures described in the existing plan become outdated. This situation can occur as a result of changes to the State Plan for one of the public assistance programs, organizational changes, changes in program operations or when other changes occur which make the procedures in the approved PACAP invalid. It can also result from changes in Federal law or regulations affecting the validity of the approved cost allocation procedures, or when a material defect in the PACAP is disclosed by either the State or the CAS (formerly the DCA).

Question # 6: When should a State agency submit a PACAP amendment?

Answer: The State agency is required to promptly amend its PACAP when the existing plan becomes outdated. If the State agency failed to submit an amended cost allocation plan as required by 45 CFR 95.509, the costs improperly claimed will be disallowed.

Question # 7: What must the State agency do if there have been no revisions to the public assistance cost allocation plan during the State's fiscal year?

Answer: If a State agency has not submitted a PACAP or amended its PACAP during a given State fiscal year, an annual statement should be provided to the Director, CAS (formerly the DCA) certifying that its approved PACAP is not outdated. The statement should be submitted within 60 days after the end of that fiscal year.
