# PHMC to Replace CPA in Managing £300 Million Childcare Subsidies Contract in Philadelphia



Public Health Management Corp. (PHMC), a large nonprofit in Philadelphia, has secured a state contract to manage more than $300 million in childcare subsidies, replacing Caring People Alliance (CPA), which has held the contract for decades. Starting in July 2024, PHMC will take over the management responsibilities, impacting over 18,000 families and 30,470 children in the city.

CPA is appealing the contract decision in Commonwealth Court, contending the loss jeopardizes jobs for 123 employees and 25 contract workers. Jerry Macdonald, CEO of CPA, confirmed its three Boys & Girls Clubs would not be affected by the contract change.

PHMC has a history of expanding through acquisitions, including the recent purchase of Carson Valley Children’s Aid in 2022. However, its subsidiary, Turning Points for Children, filed for bankruptcy on May 1, 2024, due to financial issues and pending lawsuits alleging negligence in child welfare services.