



State of Connecticut  
Department of Developmental Services



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Commissioner

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Deputy Commissioner

**Operations Center Memo 2013-04**

To: Private Provider Executive Directors

From: Peter Mason, Director, Operations Center

CC: Commissioner Terrence Macy, Deputy Commissioner Joseph Drexler, Regional Directors, Assistant Regional Directors, Resource Administrators, CCPA, ARC of CT and CT Non-Profits

Date: April 15, 2013

Subject: Transition to Need Based Rates

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As you know, the Department of Developmental Services began the transition to Level of Need (LON) based rates on January 1, 2012. For more information on the day rate transition process please visit the DDS Website using the Provider Gateway to get to the link for Rate Transitions. The transition began with those providers that were calculated to be more than 8% above or below the established day rates in the aggregate of their total annualized authorizations. Those identified providers continued their transition during the FY2012 fiscal year. As was detailed in the two step transition plan, all remaining providers would begin the transition to LON based rates on July 1, 2013.

The transition process is on schedule and DDS will be working with all providers to implement the second stage of the transition process. Providers will meet with their prime region at their annual financial meeting to discuss the provider's position to the rates and the next steps to be taken for the transition process. The provider will follow the transition process based on the aggregate total increase/decrease of their total annual authorizations.

- Providers that are currently at the rates will not need to do anything.
- Providers that will have their annual authorizations increased/decreased no more than a total of \$10,000 or 2% of their aggregate annual current authorizations whichever is less will transition to the rates as of July 1, 2013.
- Providers that will have their annual authorizations increased/decreased more than a total of \$10,000 or 2% of their aggregate annual current authorizations will transition 1/6th of the total increase/decrease as of July 1, 2013.

- Providers that will have their annual authorizations increased/decreased more than 10% of their aggregate annual current authorizations or a total of \$50,000 whichever is less will be required to develop a transition plan.
- Providers with an aggregate annual current authorization **over** the rates will have the option to convert to the rates at any time during the rate transition.

Attached to the email, is an Excel spreadsheet that identifies the provider's authorizations and the changes to be made based on the transition to Day LON rates. The information will include all participants with a Contract Service Authorization (CSA) or a Vendor Service Authorization (VSA). Providers will be expected to come to the financial meetings with specific details on areas they believe are in error regarding individual authorizations, Level of Need (LON) concerns, or Utilization Resource Review (URR) issues. Providers that identify a participant with an incorrect LON must be prepared to identify the specific questions within the LON tool that they feel are not an adequate assessment of the individual's skill level.

Providers that are required to provide a Transition Plan will work with the region. The region will review and approve the Transition Plan taking the following areas into consideration:

- Staffing Ratios
- Organizational and Programmatic changes
- Wage and Benefit changes
- Administrative and General changes
- Realistic Utilization projections
- Realistic Increase/Decrease in the Number of Consumers

The Provider will implement the approved strategies according to the dates identified in the provider's Transition Plan.

The region will adjust the authorizations of the identified participants to reach the provider's yearly target figure (1/6<sup>th</sup> of the total difference between current funding and the LON-based allocation). Regional Resource Management will complete new authorizations for the selected individuals effective July 1, 2013. Each successive year at the annual financial meeting, the Provider and the Region will discuss the provider's position to the rates, review and amend the transition plan as necessary, and implement the strategies that have been identified in the Transition Plan.

DDS would like to thank all those that have participated in the many committee meetings to develop the plan to transition to LON based Day rates. DDS will continue to work with the provider community on transition and implementation issues as we journey together down the transition path.