



Department of Developmental Services

Fee for Service and the Purchase of Service Contracting Process



Presentation

- ◆ Reason to maintain current Purchase of Service Contracting system
- ◆ Two Contracts – Legacy and Fee for Service
- ◆ Continuous Residential Supports versus Individualized Home Supports
- ◆ New Contract Requirements



Reason to Maintain current Purchase of Service Contracting System

- A recent determination was made that there is a direct relationship between providers, the fiscal intermediaries and the State under the Fee for Service reimbursement system
- The decision means that any provider with total funding over \$ 100,000 would be subject to the State Single Audit Act and the OPM Cost Standards.
- Compliance oversight would be more difficult for the Fiscal Intermediaries



Reason to Maintain current Purchase of Service Contracting System

A decision was made to maintain the contract system for providers with total funding allocations over \$ 100,000.

- Maintain the Fiscal Intermediary for providers with funding allocations under \$ 100,000.
- DDS reduced costs by 750,000 by paying providers for services currently paid for by the FI.



Reason to Maintain current Purchase of Service Contracting System

Maintaining Contract system would:

- continue the DDS compliance oversight
- establish fee for service protocols through contractual language
- enable DDS to reimburse providers through the normal electronic fund transfer or check process
- maintain a simple one time process



Reason to Maintain current Purchase of Service Contracting System

A Purchase of Service Contract will:

- establish the procurement framework
- provide a maximum amount a provider can be reimbursed
- establish a mechanism for providers to increase the number of individuals served without an amendment by increasing the maximum financial amount of the contract by a set percentage above the provider's expected annualized reimbursement



Legacy Contract



The Legacy Contract is the same as the current contract. Providers of Community Living Arrangements, Community Training Homes, and Continuous Residential Supports will be reimbursed on a 1/12 payment basis and are subject to the cost settlement process.



Fee for Service Contract



The Fee for Service Contract will replace the current Day Services contract. Providers of Group Day Service programs, Individual Supported Employment and Individualized Home Supports will be reimbursed based on utilization and will only be subject to cost recoupment if over the established rate.



Individualized Home Supports versus Continuous Residential Supports

The primary factors in determining a Continuous Residential Support include:

- Settings categorized as continuous residential supports must be a setting other than a family home.
- Have readily available on-site third shift staff awake or asleep.
- Have supports available throughout non-work hours though some time alone as approved by the team would be allowed.
- Some individuals could require less support but live in the setting where these supports are provided.



Individualized Home Supports versus Continuous Residential Supports

The primary factors in determining an Individualized Home Support include:

- Settings categorized as individualized home supports can be in either the individual or family home
- The individual may have enhanced overnight support but not readily available on-site third shift staff awake or asleep
- Requires intermittent supports throughout non-work hours



New Contract Requirements

- ◆ Fee for Service providers with a surplus and are paid at or below the established Fee for Service rates will not be subject to recoupment of funds.
- ◆ Fee for Service providers with a surplus and are paid at or above the established Fee for Service rates a cost recoupment process take place.
- ◆ Legacy providers with a surplus will be subject to the cost settlement process.

New Contract Requirements

- ◆ Standard programming hours per day for day programs has been changed from 5 hours and a lunch period to 6 hours per day including lunch. For providers who currently provide the minimum possible under the contract this would be an additional 15 minutes to a half hour a day.
- ◆ Providers paid below the rates will increase hours to the standard in accordance with the transition plan. Providers above the rates will transition by June 30, 2010.



New Contract Requirements

- ◆ Day service providers will operate a minimum of 250 days a year unless fewer days are agreed upon by the contracting region.
- ◆ GSE programs shall be mandated to provide 5 paid vacation days to each participant.
- ◆ Whenever a temporary change in program occurs in a Fee for Service contract and the individual receives supports in a different program setting for more than 15 days in a quarter or 30 days in a year, the Contractor will adjust the attendance and billing code accordingly.



New Contract Requirements

- ◆ CTH contractors will provide Nurse Consulting/health care oversight services and periodic reviews of health needs as identified in the IP for a total of up to 6 hours annually.
- ◆ CTH contractors will provide Behavioral Consulting services and periodic reviews of behavioral needs as identified in the IP for a total of up to 6 hours annually



New Contract Requirements

- ◆ Group Day services and Sheltered Employment shall submit monthly attendance electronically.
- ◆ Individualized Home Supports and Individual Supported Employment shall submit utilization in 15 minute intervals.
- ◆ CLA and CRS shall submit monthly attendance electronically.
- ◆ Annual Report late submission penalties will apply to all DDS programs.