



State of Connecticut
Department of Developmental Services



Dannel P. Malloy
Governor

Terrence W. Macy, Ph.D.
Commissioner

Kathryn du Pree
Deputy Commissioner

**Operations Center
Memo 2012-04**

TO: Private Providers of Residential and Day Services

FROM: Peter Mason, Operations Manager

CC: Terrence Macy, Ph.D., Commissioner, Kathryn duPree, Deputy Commissioner, Regional Directors, Assistant Regional Directors, Resource Administrators, Joe Drexler, Vince O'Connell, CCPA, CAN, ARC/CT

DATE: August 1, 2011

SUBJECT: 2011 Annual Report of Residential and Day Services Software and User's Guide

Annual Report for Residential and Day Services Requirements

Financial Reporting Requirement:

An agency with a Purchase of Service contract that exceeds \$300,000 is required to file the 2011 Annual Report of Residential and Day Services for the fiscal year ended June 30, 2011. The report must be filed no later than 4:00 p.m. on October 17, 2011 to the office of:

Craig J. Lubitski Consulting, LLC
Founders Plaza
225 Pitkin Street
East Hartford, Connecticut 06108

- For-Profit providers are required to submit an Annual Report that has been audited.
- Non-profit providers are required to submit the Reconciliation of Financial Statements to Annual Report of Residential and Day Services. The Reconciliation of Financial Statements to Annual Report of Residential and Day Services form is included in the 2011 Annual Report software. The reconciliation assures the State of Connecticut that the expenses reported in the Annual Report are based on the audited costs reported in the Financial Statements.

Phone: 860 418-6000 ♦ TDD 860 418-6079 ♦ Fax: 860 418-6001
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www.ct.gov/dds ♦ e-mail: ddsct.co@ct.gov
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- If the Annual Report is filed late, Regulation Sec. 17-313b-4 notes that for each day that the ACOR (Annual Report of Residential and Day Services) is not filed, a penalty shall be assessed. The Commissioner may approve a request for an extension to the filing date if he deems that extraordinary circumstances will prevent the timely filing of the Cost Report. The request for an extension should be sent to the attention of Commissioner Macy in writing and prior to October 17, 2011. DDS will make every effort to review all extension requests in a timely manner but makes no assurance that a request will be reviewed before the submission deadline. It is recommended that the request be submitted as soon as the extraordinary circumstances are identified.

Financial Audit Requirements

- Providers are required to submit Audited Financial Statements along with a management letter and audit recommendations to the Operations Center at DDS Central Office no later than December 31, 2011.
- Non-profit corporations with a total financial reimbursement in excess of \$300,000 by a fiscal intermediary and/or through a purchase of service contract for supports authorized by the Department of Developmental Services with an annual Purchase of Service contract are subject to the Single Audit Act. The State Single Audit Reports are due to the Office of Policy and Management (OPM), who is the cognizant agency for DDS. A copy must be submitted to the Operations Center at DDS Central Office by December 31, 2011 for the fiscal year ended June 30, 2011, unless an exemption or extension was granted by OPM.

Items of Note for the FY2011 Annual Report for Residential and Day Services

The following is a list of some of the Annual Report changes made to the FY2011 Annual Report. Please consult the instructions included with the Annual Report CD for information on all changes and revisions.

- The way individuals are recorded on the cost center page: Total CSA, total VSA, total non-DDS participants as of June 30, 2011.
- Since all attendance data will be driven by the online webnesday attendance program, the use of the category called adjusted openings will no longer be necessary.
- The allocation page will rename a couple of the columns and add an additional column to allow the preparer to see if all the A&G and benefit expenses have been fully allocated.
- The utilization calculations will reflect information for licensed beds, respite beds and DDS funded beds. DDS will send to all providers the potential billable amounts and actual billable amounts for CSA sometime during the last two weeks of August.
- In order to better gather information on staffing, DDS has broken down the staffing category into two sections, direct staff and allocated staff. In addition, DDS has separated nursing staff into the following categories – RN – direct care only, RN- allocated health services coordination, LPN – direct care only, LPN- allocated health services coordination.
- In previous Annual Reports, private pay individuals would be automatically factored out of the DDS cost through a formula driven calculation using the total and contracted openings. Since these will no longer be available, providers will be required to report the revenue of the private pay individuals as an offset to the total cost of DDS participants.
- Private Pay Revenue will be identified as the revenue from non-DDS funded individuals and will be itemized on the revenue schedule to show which program received the revenue offset.
- CRS will be separated from IHS but will be cost settled together.

- There has been an error check added. Error checks compare the DDS assigned unique identification number for each program with the number entered by the provider, the reported salary and FTE's for the A&G summary page, the total allowable A&G and Employee Benefits with the amount allocated to the programs, comparison of VSA, Sales and Non-DDS participants revenue entered on the revenue schedule with the specific programs identified within the Annual Report, and a comparison of sales revenue and client wages. The provider can have three outcomes: Pass, Warning, or Fail. An outcome listed as "Warning" is acceptable for the Annual Report submission but will require a follow up by the resource manager to develop a plan to correct the situation in the future. CJLC will not accept any Annual Report that has a "Fail" on the Error Check Page. A provider may submit a cover letter explaining those items that have been identified as "Failed" but must remain as such due to the integrity of the financial data. DDS must accept any explanation before the Annual Report will be considered acceptable for submission.

Result	Support Ref#	Error Check
PASS	<u>1</u>	Administrative and General Allocated
PASS	<u>2</u>	Employee Benefits Allocated
PASS	<u>3</u>	FTE's reported on the Administrative and General Worksheet
PASS	<u>4</u>	CLA Non-DDS Participant Revenue
PASS	<u>4</u>	CLA Vendor Service Authorization Revenue
PASS	<u>4</u>	CRS Non-DDS Participant Revenue
PASS	<u>4</u>	CRS Vendor Service Authorization Revenue
PASS	<u>4</u>	IHS Non-DDS Participant Revenue
PASS	<u>4</u>	IHS Vendor Service Authorization Revenue
PASS	<u>4</u>	CTH Non-DDS Participant Revenue
PASS	<u>4</u>	CTH Vendor Service Authorization Revenue
PASS	<u>4</u>	Day Non-DDS Participant Revenue
PASS	<u>4</u>	Day Vendor Service Authorization Revenue
PASS	<u>4</u>	Day Sales Revenue
PASS	<u>5</u>	Day Client Wages compared to Day Sales Revenue
Warning	<u>4</u>	Fee for Service Sales Revenue