



State of Connecticut  
Department of Developmental Services



Dannel P. Malloy  
Governor

Jordan A. Scheff  
Acting Commissioner

## Operations Memo 2017-09

**To:** Purchase of Services Contracted Private Providers

**From:** Peter Mason, Director, DDS Operations Center

**Date:** February 23, 2017

**RE:** FY2017 Eight Month Expense Report

---

As a requirement of the Purchase of Service (POS) contract with the Department of Developmental Services (DDS), each POS contracted provider is required to submit an Eight Month Expense Report (July 1 – February 28) to DDS each year by March 31.

**Extension Requests:** Any provider that is unable to submit the Eight Month Report by the deadline must submit an extension request prior to the date the report is due.

- Any extension request less than two weeks from the original submission deadline must be sent via email to your assigned Provider Specialist prior to the submission deadline.
- Any extension request more than two weeks from the original deadline must be sent via email to [Pat.Dillon@ct.gov](mailto:Pat.Dillon@ct.gov) prior to the submission deadline. Please cc your assigned Provider Specialist when submitting your request. Your request must include the reason precipitating your extension request and the submission date being requested.
- Any report not submitted by the original submission date or the approved extension date will be considered late.

**Below is a list of changes made to the Eight Month Report since last year:**

1. An Error Check tab has been added to the file. Providers should correct any errors or missing data prior to submitting the Eight Month Report to DDS. DDS will not accept the submission of any Eight Month Reports with “NO” answers on questions 1-9 of the Eight Month Review Tab unless an acceptable explanation is included in the applicable comment section. See the Eight Month Report Instructions for more information.
2. Added two additional waiver services not included on the FY17 Operational Plan:
  - Added a section for Shared Living – For providers providing Shared Living support, please enter the eight month actuals in column E, and anticipated year end expenses in column H. Do not enter initial/amended Operational Plan expenses.

- Added a section for Senior Supports – For providers providing Senior Supports, please enter the eight month actuals in column E, and anticipated year end expenses in column H. Do not enter initial/amended Operational Plan expenses.  
Providers who included Senior Supports expenses under a DSO cost center on the FY17 Operational Plan should ensure that eight month actual expenses for those individuals are removed from the DSO section of the Eight Month Report and included in the Senior Supports section of the Eight Month Report.
3. Beginning with the submission of the FY2016 Annual Report, the Operations Center staff started requesting a copy of the Cost Allocation Plan (CAP) for any provider with an administrative & general rate of 18% or greater. This applies to the FY17 Eight Month Report. If the A&G is 18% or greater, the provider should include the reason why and the agency’s plan to reduce A&G to below 18% in the future in the comment section of the Eight Month Review tab and include a valid copy of the agency’s Cost Allocation Plan as an attachment to the Eight Month Report submission email.
  4. Please be aware that the Contractor (provider) is allowed to make line category expense changes within major cost categories (salaries, employee benefits, non-salary, administrative and general) of less than 20% without prior DDS approval. Any budget variance that exceeds twenty percent (20%) of the major cost categories, but does not increase or decrease the maximum financial commitment, must be approved by DDS through a revised Operational Plan. Failure to receive prior approval from DDS may result in the disallowance of any expense exceeding the 20% variance.

The FY2017 Eight Month Report uses the same format of comparing the budgeted amount with actual costs for the time period of July - February along with reporting the estimated End of Fiscal Year budget amount based on the actual costs to date plus the projected budget from March 1 – June 30. If the provider does not add a new program with annualized funding of more than \$100,000 between the submission of the Eighth Month Report and the end of the fiscal year ending June 30, 2017, the estimated End of Fiscal Year Budget Amount will take the place of the Final Operational Report usually due in July. Providers that add a new program with annualized funding of more than \$100,000 between the submission of the Eighth Month Report and the end of the fiscal year ending June 30, 2017 will be required to submit a Final Operational Plan by July 15, 2017.

Each Eight Month Report is unique to the provider and will be emailed to the provider by the provider’s assigned DDS Provider Specialist. Blank Eight Month Reports will not be made available. If data from the Base Operational Plan needs to be changed, an amended Operational Plan must be sent to the provider’s assigned Provider Specialist. See the process listed below for submitting amended Operational Plans.

If additional cost centers or program types with annualized funding of more than \$100,000 were added between July 1, 2016 and February 28, 2017, an amended Operational Plan will need to be submitted. Please notify your Provider Specialist that you will be submitting an amended Operational Plan for that reason prior to the Eight Month Report deadline. When submitting your amended Operational Plan, the Eight Month Report should also be completed unless directed to do otherwise by your Provider Specialist.

If the provider needs to submit an amended Operational Plan for reasons not listed above, the provider must send a request via email to their Provider Specialist prior to the Eight Month Report deadline. Please include the reason(s) that the Operational Plan needs to be amended. Amended Operational Plans will not be accepted by DDS without an explanation for the changes and approval by your Provider Specialist. When submitting your amended Operational Plan, the Eight Month Report should also be completed unless directed to do otherwise by your Provider Specialist.

Providers will continue to use the total budgeted amount for each program type from the most recent Operational Plan (Op. Plan) submitted by the provider prior to February 28. All Contract Service Authorizations (CSA) and Vendor Service Authorizations (VSA) should be inputted for the appropriate program. As a reminder, the CSA is paid via the POS contract and the VSA is paid via a Fiscal Intermediary. In the Fiscal Year 2017 Op. Plan, providers were given the option of either accounting for their expenses for services that were funded via the VSA in either the applicable cost centers on the “Residential” and “Day” tabs, or in separate cost centers on the “Other” tab. For providers who chose to include the expenses associated with the VSA participants in the applicable cost centers on the “Residential” and “Day” tabs on the

Op. Plan, the agency must input the total number of CSA's and VSA's in the appropriate program and record VSA revenue in line 12, Less FEE for SERVICE REVENUE.

**The FY17 Eight Month Report must be electronically submitted to your assigned DDS Operations Center Provider Specialist by March 31, 2017.**

If you have any questions regarding the report, please contact David David at 860-418-6040 or by email at [David.David@ct.gov](mailto:David.David@ct.gov)