



State of Connecticut
Department of Developmental Services

DDS

Dannel P. Malloy
Governor

Morna A. Murray, J.D.
Commissioner

Jordan A. Scheff
Deputy Commissioner

Operations Center Memo - 2017-01

To: Private Providers

From: Peter Mason
Director, Operations Center

Cc: Commissioner Morna Murray, Deputy Commissioner Jordan Scheff, Regional Directors, Assistant Regional Directors of Private Services, Individual and Family Support Directors, Self Determination Directors, Resource Administrators, Director of Waiver Services, Case Manager Supervisors, Operation Center Staff, CT Community Nonprofit Alliance, Inc., ARC/CT

Date: August 10, 2016

Re: Updates for Fiscal Year 2017

This memo contains important updates for private providers for the 2017 fiscal year.

1. **Transitional One Time Authorizations** – The FY2017 State Budget articulated a change to Transitional One Time Authorizations for Department of Developmental Services (DDS) private providers. Transitional One Time Authorizations are paid to a CLA or CRS provider when there is an unplanned census reduction to the home. The authorization has been reduced from 60 days to 30 days.
2. **Budget Variances** – The Operations Center staff have identified providers that have reported budget variances exceeding the amount allowed under contract requirements between the final FY2015 Operational Report and the submitted 2015 Annual Report. 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.

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3. **Cost Allocation Plans and Administrative & General Costs** - In accordance with the Office of Policy and Management (OPM) Cost Standards, all providers must have a cost allocation plan (CAP). The purpose of the CAP is to summarize, in writing, the methods and procedures the provider will use to allocate costs to benefiting programs and activities. Only costs that are allowable, in accordance with these cost standards, shall be allocated to the State award. The CAP must include provisions for allocating direct costs, administrative & general costs, and salaries and wages. Although there are different methodologies available for allocating costs, the methodology used must result in a reasonable and equitable distribution of costs to programs and activities based upon the benefits received.

Beginning with the submission of the FY2016 Annual Report, the Operations Center staff will be requesting a copy of the CAP for any provider with an administrative & general rate of 18% or greater.

4. **Staff Vacancy Report** – As of July 1, 2016, DDS will no longer require residential providers to submit the Staff Vacancy Report.
5. **Staffing schedules** – As of July 1, 2016, DDS will only require the submittal of the agency staffing schedules with the initial Operational Report. At its discretion, the Region may request an updated staffing schedule if the provider has informed the Region of a significant program change or requested enhanced funding.
6. **Senior Supports** – DDS has established a new waiver service for older individuals or individuals who have needs that closely resemble those of an older person, who desire a lifestyle consistent with that of the community's population of similar age or circumstances. This support is intended to facilitate independence and promote community inclusion as well as prevent isolation. Senior Supports consist of a variety of activities that are designed to assist the individual in maintaining skills and stimulating social interactions with others. This service originates from the individual's home and is delivered in the community as described in the treatment/support plan in the person's Individual Plan. This service is currently an hourly service billed in 15 minute intervals. DDS will be expanding this to include a per diem rate with the next amendment to the Waiver Application.

Qualified Providers of group day services will be grandfathered into this service upon request through Debra Lynch at Debra.Lynch@ct.gov.

7. **Workforce Innovation and Opportunity Act (WIOA)** – On July 22, 2014, President Barack Obama signed the Workforce Innovation and Opportunity Act (WIOA) into law (Public Law No. 113-128). The intent of this law is to “raise prospects and expectations for Americans with disabilities, many of whom...are shunted to segregated, subminimum wage settings without ever receiving the opportunities and skills to success in competitive, integrated employment.” All parts of this new law are effective July 22, 2016.

This legislation has both immediate and long-term impact on the day/employment services provided by DDS.

Sub-Minimum Wage Impact: Beginning July 22, 2016, new requirements must be met for all individuals participating in sub-minimum wage employment:

- Individuals age 24 or younger may not begin work paying subminimum wage unless the individual has completed, and produces documentation indicating completion of each of the following:
 - Received LEVEL UP or transition services under IDEA, and
 - Applied for VR services and found ineligible for services, or
 - Eligible for VR services but has not been successful and has been provided career counseling, and information & referral to other appropriate resources
- Individuals over age 24 who participate in employment that pays a sub-minimum wage must be provided career counseling and information regarding self-advocacy activities that promote employment, at least annually.

Pre-Vocational Service Impact: The legislation defines pre-vocational services as *time-limited services* which assist the service recipient to obtain competitive employment.

Supported Employment Services: The Rehabilitation Act previously used the term competitive employment extensively, but never defined it. The WIOA now defines *competitive integrated employment* as full-time or part time work at minimum wage or higher, with wages and benefits similar to those without disabilities performing the same work, and fully integrated with co-workers without disabilities. WIOA now defines customized employment and supported employment as competitive employment services. These new changes impact the supported employment services provided by DDS.

DDS response to WIOA:

Transitional Services: In response to the federal requirements of WIOA, DDS has created a new support type with an interim service description. Transition Services is a time limited, community-based, pre-vocational service. It focuses on providing career exploration, skill development and self-advocacy that may lead to competitive employment. The service is billed at same rate as Group Supported Employment. Providers of day services were fast-tracked into this service upon request through July 30, 2016. Thereafter, application for this service will follow our standard application process for adding a new service. It is anticipated that implementation of this new interim service will be closely monitored so that adjustments can be made over time, as needed.

SDE/DORS Collaboration: In the future, DDS will work closely with the State Department of Education (SDE) and the Department of Rehabilitation Services (DORS) to ensure that all required LEVEL UP transition services and VR assessment services are completed prior to a student's graduation and that documentation necessary for the authorization for DDS services that pay sub-minimum wage payment is provided in an expedient manner. DDS will also work closely with SDE to ensure that individuals and families have access to important information that will help them to understand how to support their child's employment skill development and goals across their lifespan.

DDS will continue to analyze the impact of WIOA on all of its employment and day services and will provide updates on any changes made to these services.