



State of Connecticut
Department of Developmental Services

DDS

Dannel P. Malloy
Governor

Terrence W. Macy, Ph.D.
Commissioner

Joseph W. Drexler, Esq.
Deputy Commissioner

Operations Center
Memo 2015-02

TO: Private Providers of Residential and Day Services

FROM: Peter Mason, Operations Manager

CC: Terrence Macy, Ph.D, Commissioner, Joseph Drexler, Deputy Commissioner, Mary Fuller, Director of Budgeting and Contracting, Regional Directors, Assistant Regional Directors, Resource Administrators, CCPA, CT Non-Profits, ARC/CT

DATE: August 19, 2014

SUBJECT: Extension of the submission date of the FY 2014 Annual Report of Residential and Day Services
Electronic Submission Process for the FY 2014 Annual Report
FY 2014 Annual Reporting Requirements
Items of Note for the FY 2014 Annual Report for Residential and Day Services

1. Submission Deadline Extended

The deadline for the submission of the FY 2014 Annual Report for Residential and Day Services has been extended to November 15, 2014 in order to provide additional training to providers on how to electronically submit the Annual Report.

2. Electronic Submission Process for the FY 2014 Annual Report

DDS, DSS and Meyers & Stauffer, LLC have developed an electronic submission process for the FY 2014 Annual Report for Residential and Day Services. The program was developed to streamline the dissemination and submission process. It is our hope that the program will be updated over time to add additional time saving functions for both the DDS and private sector staff. For FY 2014, providers will log onto the Meyers & Stauffer's website and download the Annual Report Excel spreadsheet along with the Aid for Preparing the Annual Report. Once complete, the provider will upload the FY 2014 Annual Report and any required DDS and DSS documentation. Each download and upload will be considered a single event allowing both the provider and DDS to track all activity on the website. DDS is working on electronic signatures for the future but for FY 2014 providers will need to submit all signature pages as a separate download. Providers will continue to use the website during the year to upload any required amended Annual Reports. Additional information will be forthcoming regarding training for all providers that submit the Annual Report scheduled from 9:00 a.m. -12:00 p.m. on September 11, 2014.

3. FY 2014 Annual Reporting Requirements

- a. **Financial Reporting Requirement:** An agency that has received financial compensation exceeding \$300,000 or more through a Purchase of Service contract is required to electronically submit the 2014 Annual Report of Residential and Day Services for the fiscal year ended June 30, 2014. The report must be filed no later than 4:00 p.m. on November 15, 2014:

CTAnnualReport.mslc.com

- b. For-Profit providers (including LLC's, Sole Proprietors, Partnerships, S-Corporations, and C corporations) are required to submit an Annual Report that has been audited by a CPA.
- c. Non-profit providers are required to electronically 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 FY 2014 Annual Report download. 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.
- d. 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 15, 2014. 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. Approved Annual Report submission extensions will be effective no earlier than the date the request was received by the department.
- e. For-profit providers (including LLC's, Sole Proprietors, Partnerships, S-Corporations, and C corporations) 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, 2014.
- f. Non-Profit providers are required to submit a 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 is included in the 2014 Annual Report download. 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. The reconciliation must be electronically submitted no later than December 31, 2014.

4. Items of Note for the FY 2014 Annual Report for Residential and Day Services

The following is a list of items to be aware of when completing the FY 2014 Annual Report. Please consult the instructions included with the download for additional information regarding the Annual Report.

- a. The provider must have a separate cost center for each CLA and/or CRS home.
- b. The provider must have a separate cost center for each program type (CCH, IHS, Personal Support, Adult Companion, ISE, GSE, DSO, IDN/IDV, Sheltered, HCC, Clinical Behavioral Supports, and Adult Day Health) . The costs for transportation specific authorizations should be included in the support category for which the participant is transported to. The support categories of ISE, GSE, DSO, Sheltered, and IDN/IDV will fall under the Summary of Day spreadsheet. The support categories of IHS, personal support, adult companion, clinical behavioral supports and healthcare coordination will fall under the Summary of IHS spreadsheet.

- c. The Executive Director's Salary Supplemental Disclosure Schedule is no longer optional. All providers must complete this form. The form has been revised to account for multi-state providers and the allocation of the Connecticut portion of the Executive Director's salary. The total allowable salary amount has been increased to \$101,000.00.
- d. As a reminder, all maintenance salary and benefits or any other costs related to the maintenance of a CLA must be reported on the DSS Room and Board pages. CLA maintenance costs found to be included in the DDS portion of the report will be disallowed and **NOT** included in your DDS cost settlement.
- e. The amount of the cost settlement will be 100% of the difference between the total DDS revenue reported on the Payment Letter for FY 2014 prepared by DDS Operations Center minus the total DDS expenses reported on the FY 2014 Annual Report for all DDS programs. Providers that meet specific outcome measures that have been mutually agreed upon between DDS and OPM may receive a lower cost settlement percentage.
- f. The allowable limit for lease/loan/rental payments for each administrative vehicle is \$4,800 per year. This applies to the annual payment for the acquisition of the vehicle exclusive of gas and maintenance costs.
- g. **Reporting related party transactions on the Annual Report does not replace the need to submit a request for prior approval from DDS in conformance to the DDS Ethics Protocols.** The allowability of costs associated with all related party transactions are subject to additional review as part of the Annual Report review process.