



State of Connecticut
Department of Developmental Services

DDS

Ned Lamont
Governor

Jordan A. Scheff
Commissioner

Peter Mason
Deputy Commissioner

To: Purchase of Services Contracted Private Providers

From: Scott McWilliams, Chief of Fiscal/Administrative Services

CC: Jordan Scheff, Commissioner, Peter Mason, Deputy Commissioner, Katie Rock-Burns, Chief of Staff, David David, Operations Center Director, Regional Directors, Private ARDs, Resource Administrators, The Alliance, The Arc CT

Date: REVISED AS OF September 22, 2020 (**new information identified in red font**)

RE: Fiscal Years 2020 and 2021 Coronavirus Funding

The Department continues to receive questions about provider reimbursement throughout the duration of the coronavirus pandemic and how billing and funding will change during DDS reopening efforts. To answer as many reimbursement, billing and funding related questions from providers as possible, DDS has prepared the following summary:

The following describes the reimbursement methodology by month for day and residential services:

1. April payments:
 - a. Employment and day programs: Payments for February actuals. Supplemental payment for April equal to 5% of February actuals.
 - b. Residential programs: Payments for February actuals. Covid-19 payment for March and April expenditures equal to 25% of February actuals.
2. May, June and July payments:
 - a. Day and residential payments were based upon March, April, May attendance billing submitted by the provider.
 - b. Fiscal Stability Payments for employment and day programs: Reimbursement for unbilled attendance up to 100% of monthly authorizations. Please see "Authorization based payments" and "Entering attendance" below for more detail.
 - c. COVID-19 Supplemental Payments for residential programs: Reimbursement for the May, June and July Covid-19 expenses based upon 20% of monthly authorizations. May be used to fund staff for people who have not returned to their employment and day services.
3. August and September payments:
 - a. Attendance payments are based upon June and July attendance billing submitted by the provider.

- b. Payments for employment and day programs: Reimbursement based upon 85% of monthly authorizations.
 - c. August COVID-19 Supplemental Payments for residential programs: Provider can submit one-time funding based on actual costs for COVID-19 related expenses. See one-time funding below.
4. October and November payments:
- a. Attendance payments will be based upon August and September attendance billing submitted by the provider
 - b. Employment and day programs:
 - i. All authorizations will be converted to hourly and providers will bill for all units of support provided.
 - ii. Payments based upon enhanced phase one payment method. Financial Stability Payments will equal 85% of monthly authorizations if phase-in goal of support 50% of DDS funded individual receive at least 50% weekly service hours. Please see “Employment and day phase in funding” below for a more detailed description.
 - c. Residential programs: COVID-19 Supplemental Payments based on authorization will not be issued. Providers can request one-time funding for enhanced staffing and expenses related to COVID-19 (More details to follow regarding one-time submittals). See one-time funding below.
5. December payments:
- a. Attendance payments will be based upon October attendance billing submitted by the provider
 - b. Employment and day programs: Payments based upon enhanced phase-in payment method. Financial Stability Payments will equal 85% of monthly authorizations if phase-in goal of support 75% of DDS funded individual receive at least 75% weekly service hours.
 - c. Residential programs: Providers can request one-time funding for enhanced staffing and expenses related to COVID-19. See one-time funding below.
6. January and after payments:
- a. Employment and day programs: Reimbursement based upon submitted attendance billing.
 - b. Residential programs: Reimbursement based upon submitted attendance billing, but providers can request one-time funding for COVID-19 related expenses. See one-time funding below.

Authorization Based Payments

During most of the “Stay Safe, Stay Home” executive order and during the reopening DDS reimbursed providers as a percent of monthly authorizations.

- 1. Monthly authorizations were calculated by dividing active annual authorizations by twelve.
- 2. For employment and day services an annual authorization is based upon 225 days.
- 3. Providers received both an attendance payment and a COVID-19 supplemental payment. The COVID-19 supplemental payment was calculated by subtracting the attendance payment from the monthly authorizations.
- 4. Residential providers received a COVID-19 supplemental payment for enhanced staffing during the day hours and PPE equipment. This payment applies to the month you received it.

5. Employment and day services received a financial stability payment for unbilled services. This payment applies to the same month as the attendance payment.

Employment and Day Phase-in Funding

DDS and stakeholders developed a three-phase employment and day services reopening plan. Individuals and their teams are responsible to make the decision about the person's return to employment and/or day services. Blanket decisions made for a group of people regarding their return to employment and day services are not acceptable. Teams need to determine how to best support individuals not in the phase 1 or phase 2 cohorts and to follow the appropriate process to change providers, change services, or self-hire. Special regional administration approval is required to exercise portability during the COVID-19 pandemic.

Please note, beginning on October 1, 2020 funding for individuals that choose not to use day supports will be recycled after three months. *

**Additional Clarification:*

It is the expectation of DDS that all individuals that have received funding authorizations for an employment and day program should be accessing those supports in accordance with their individual plan. Individuals that have chosen not to receive any employment and day supports since April 1, 2020 will have no more than three months from October 1, 2020 to resume programming. Individuals who have not utilized their funding will be contacted by their case managers and should be meeting with their team to plan out the most effective way to return to an employment and day program. If the allocated funds or a portion of such funds have not been accessed by January 1, 2021 the regions will be reviewing those individual situations to determine next steps including the termination of employment and day funding.

Each phase has a utilization goal, which will be based on an average across all programs for each provider:

1. Phase 1 starts on July 15, 2020 and ends on September 30, 2020. The goal is to support 50% of individuals for 50% of their service hours.
2. Phase 2 starts on October 1, 2020 and ends on October 31, 2020. The goal is to support 75% of individuals for 75% of their service hours.
3. Phase 3 anticipated start on November 1, 2020. The goal is for providers to operate at 100% capacity.

During the phased reopening providers will be reimbursed with an enhanced payment method. The enhanced payment will include a base payment which is the billed units paid at the providers existing rate and an enhanced payment. The enhanced payment will reimburse providers for unbilled services. Unbilled services will be calculated by applying a utilization factor to monthly authorized units less billed units.

1. The enhanced payment will be calculated as follows:
$$\text{Billed Units} * \text{Rate} + (\text{Authorized Units} - \text{Billed Units}) * \text{Utilization Factor} * \text{Rate}$$
2. The Utilization Factor will change based upon the targeted utilization factor in each phase.
 - a. Utilization factor will be applied to unbilled units. It is calculated so that providers will receive payment equal to 85% of authorization if phase-in target utilization is achieved.
 - b. T: Target utilization for phase. The target utilization is calculated by multiplying the percent of individuals to be served by the percent of weekly services.

- i. Targeted utilization for phase 1 is 25% (50% of individuals receiving 50% of services).
- ii. Targeted utilization for phase 2 is 56.25% (75% of individuals receiving 75% of services).
- c. H: Historic utilization 85%
- d. Calculation: $(H - T)/(1 - T)$
 - i. Phase 1 utilization factor: $(.85 - .25)/(1 - .25) = .8$
 - ii. Phase 2 utilization factor: $(.85 - .5625)/(1 - .5625) = .6571$
- e. Since unbilled units will be reimbursed at the utilization factor for each phase, the utilization factor is the floor on provider reimbursement for that phase. For example, the phase 1 utilization factor is 80%, therefore a provider making a good faith effort to achieve the phase-in goals will receive a minimum 80% of monthly authorizations. DDS defines good faith effort as:
 - i. Provide electronic or virtual support opportunities to all DDS funded individuals
 - ii. Provide a minimum of one hour of service at least three days per week to those who are willing to participate.

Funding for Individuals Not Participating in Out-of-house Day Programs

DDS expects residential programs will support the Department's position that individuals and their teams are responsible for making the decision about the person's return to employment and/or day services. DDS may fund employment and/or day services provided in the residential program when the team decides the individual cannot return to an out of house day program when the following criteria are met:

1. The individual's team must approve their receiving employment and/or day services in the residential program.

And

- a. The individual's residential provider is qualified to provide in home day supports (IDN/Senior Supports).
 - i. The individual's annualized day funding will be transferred to the residential provider.
 - ii. No additional annualized or onetime funding will be allocated.

Or

- b. The residential provider is not qualified to provide in home day supports.
 - i. Providers may request onetime residential funding to cover their costs for up to three months. Not to exceed the individuals current annualized day funding.
 - ii. During that three months providers will be required to become qualified to providers of in-home day supports (IDN/Senior Supports).
 - iii. The application to become a qualified provider of in-home day supports must be submitted within the first thirty days of the onetime request.
 - iv. Failure to become a qualified provider of in-home day supports may result in the denial of additional onetime funding.
- c. Once qualified to provide in-home day supports the individuals annualized day funding will be awarded to the res provider.

Note: No annualized or onetime funding will be awarded to the residential provider if the team/individual wants to return to out of house day programs and the residential provider disagrees.

Funding for Individuals Identified by the Day Provider to Return in Phase Three

DDS may fund employment and/or day services provided in the residential program when the individual has been identified by their current day provider to return in phase three. Provided that the team decides on an appropriate use of the individuals annualized day funding.

1. Individuals identified by day providers to return to out of home day program in phase three.

And

- a. The individual's residential provider is qualified to provide in home day supports (IDN/Senior Supports).
 - i. The individual's annualized day funding will be transferred to the residential provider.
 - ii. No additional annualized or onetime funding will be allocated.

Or

- b. The residential provider is not qualified to provide in home day supports.
 - i. Providers may request onetime residential funding to cover their costs for up to three months. Not to exceed the individuals current annualized day funding.
 - ii. During that three months providers will be required to become qualified to providers of in-home day supports (IDN/Senior Supports).
 - iii. The application to become a qualified provider of in-home day supports must be submitted within the first thirty days of the onetime request.
 - iv. Failure to become a qualified provider of in-home day supports may result in the denial of additional onetime funding.
 - v. Once qualified to provide in home day supports the individuals annualized day funding will be awarded to the res provider.

~~Note: Individuals current day funding may be recycled if there is no day utilization 90 days after the implementation of phase three.*~~

**Additional Clarification: This statement has been repealed. Individuals identified for day and employment starting in phase 3 who have not/are not returning to employment and day services will be addressed in a future memo.*

Entering Employment and Day Services Attendance

1. Prior to June 30, 2020:
 - a. 6 hours of supports available and an individual participated in the programs and/or was directly supported with at least 5 hours of supports to bill the per diem.
 - a. However, providers are encouraged to use the previously approved 6 days for intermittent late arrival or early dismissal that resulted in the participant not meeting the minimum of five (5) support hours in the day if at least 3 hours of supports was provided
 - b. All hourly authorizations should be entered in WebResDay for 15 minutes of support. Round up only if the remainder is 8 minutes or more (ie: 2 hrs and 8 minutes = 9 units).
2. Effective July 1, 2020

- a. All per diem authorizations will be changed to hourly authorizations.
- b. All hourly authorizations should be entered in WebResDay for 15 minutes of support. Round up only if the remainder is 8 minutes or more (ie: 2 hrs and 8 minutes = 9 units).

One-time Funding

1. Residential one-times for staff funding will not be approved for individuals identified as part of the 75% returning to their employment and day service in phase 2.
2. Residential one-times for staff funding will be considered for individuals in the 25% identified as not returning to their employment and day service in phase 2.
3. Residential one-times for staff funding for individuals not returning to their day program will be based upon:
 - a. An available safe day program to attend that meets the individual's needs,
 - b. The actual cost required to maintain the fiscal stability of the provider;
 - c. Available CRF and PPP funding carried over from FY2020 and
 - d. Available resources.
4. Day programs may request one-time funding if attendance and enhanced phase-in payments do not cover program costs.