



State of Connecticut  
Department of Developmental Services

**DDS**

M. Jodi Rell  
Governor

Peter H. O'Meara  
Commissioner

Kathryn du Pree  
Deputy Commissioner

Operations Center Memo 10-05

To: Private Providers of Contracted Day Services

From: Joseph Drexler  
Operations Center Director

Cc: Peter O'Meara, Commissioner, Kathryn du Pree, Deputy Commissioner, Vincent O'Connell, Fritz Gorst, John Houchin, Mary McKay, CCPA, CT Non Profits, ARC/CT

Date: March, 2010

RE: **Process for Reviewing Agency Hardship as part of the shift to Utilization Based Payments**

DDS recognizes that the change to Utilization Based Payments may have a financial impact on providers. While DDS cannot fully alleviate these issues, it is committed within available funds to mitigate the hardship for Agencies for whom the change has created a significant hardship.

**Automatic Hardship Adjustments**

DDS will implement automatic hardship adjustments for the following situations. These automatic hardship adjustments do not require any action by the provider and will be implemented by the Department in the calculation of monthly payments.

- **Supported Employment for Individuals**

Payments will be made based on the SEI rate of \$58.11 for each hour of support as reported in Web Res Day. Transportation will be handled as a one time payment as previously explained. Additionally the amount of the loss will be limited to two percent (2%) of the authorized annual amount prorated for the 5 months to help address any hardship. This will be calculated each month with a final adjustment as necessary in the August 2010 payment based on the total utilization from February to June.

- **Group Day programs**

Payments will be made based on the established per diem rates for each day of service reported in Web Res Day. A hardship adjustment will be applied for this fiscal year for agencies with an overall attendance percentage lower than 80%. DDS will adjust the payment based on the difference between actual attendance and the attendance for 80% of week days excluding the following holidays: George Washington's Birthday, Good Friday and Memorial Day. This will be calculated each month with a final adjustment as necessary in the August 2010 payment. This will be based on the total utilization from February to June. Days that an agency does not provide a **full day** of service for reasons other than severe inclement weather (i.e. staff training) will

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not be included in the calculation of the authorized days to which the 80% is applied. The agency will have to provide a calendar and a signed assurance as to its accuracy.

### **Agency Hardship Determination**

Agencies may also apply for a specific hardship determination based on their particular circumstances. Agencies will be required to complete an application (see attachment A) and may be asked to present to the group that reviews the hardship. There will only be one application to address hardship for the remainder of FY10.

The hardship application will be reviewed at a minimum by the Assistant Regional Director for Private Administration or the Regional Resource Administrator, and an Operations Center Staff.

- **Criteria Used in Reviewing Hardship Requests**

The following Criteria will be used in reviewing hardship requests

Agency requests will be prioritized for review based on the magnitude of impact of the change to utilization on the provider. Agencies that experience financial distress due to low utilization may request a one time emergency allocation. Factors that will be considered include:

- Comparing the overall utilization rate of the agency and the effect on reimbursement
- The amount of loss the agency projects and its relation to historical surpluses or deficits
- Strategies used by the agency to increase utilization or reduce costs
- If a higher rate than 90% utilization was used to establish the per diem
- The effect on individual supported employment programs
- Determination of whether the agency is a low rate provider
- The availability of funds
- Individual participants with low utilization may be presented as part of this process.

Funds provided through this process will be provided through use of a one time authorization.

### **Treatment of hardship payments under Cost Settlement**

All hardship funds will be treated as one time payments under cost settlement and subject to 100% return if not spent.

## Hardship Application

Provider Name \_\_\_\_\_

Provider Contact \_\_\_\_\_

Contact Phone \_\_\_\_\_

- 1. Please explain the financial impact of the utilization based payment on the agency (Please attach detailed projected Revenue and expenditures)**
- 2. Please describe all the factors that have contributed to the agency having an attendance rate below 90%.**
- 3. Please describe steps you have taken to improve utilization or expand services.**
- 4. Please describe the staffing ratios in all the day programs and the options for redeploying staff to meet the needs of the participants when the census is below the average attendance?**

**5. Please describe steps you have taken to reduce expenditures**

**6. Please describe additional steps will you be taking over the next year to adjust to the utilization based payments.**

**7. Please describe your successes in minimizing the effect on people (eg have retained the 6 hour day historically provided or alternatively the reductions you have made to services to people**

**I attest that I am providing accurate information and that should any of the information presented prove to be inaccurate DDS reserves the right to adjust or recoup the hardship payment.**

\_\_\_\_\_  
**Executive director**

\_\_\_\_\_  
**Date**