



State of Connecticut  
Department of Developmental Services

DDS

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Commissioner

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Deputy Commissioner

## Operations Memo 2019-18

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

**From:** David David, Director of Service Development and Support, Operations Center

**Cc:** Scott McWilliams, Chief of Fiscal/Administrative Services, Regional Directors, Assistant Regional Directors, Resource Administrators

**Date:** March 12, 2019

**RE:** FY2019 Eight Month Expense Report

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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.

**Due to the late issuance of the 8 Month Report software, the submission date has been extended to April 15, 2019. If necessary, providers may request an extension. Please follow the instructions below when submitting an extension request.**

Each Eight Month Report is unique to the provider and will be emailed to the provider by the provider's assigned DDS Provider Specialist. Providers will receive their unique FY19 8 Month Report within the next two weeks. 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.

**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 [David.David@ct.gov](mailto:David.David@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.

**As stated in previous fiscal years:**

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1. Providers should correct any errors or missing data prior to submitting the 8 Month Report to DDS by reviewing the Error Check Tab. DDS will not be able to complete the review process for any Eight Month Reports with “NO” answers on questions 1-9 of the 8 Month Review Tab unless an acceptable explanation is included in the applicable comment section. **Please ensure that any “NO” answers on the Error Check tab are corrected or an explanation is entered in the comment section under each applicable section prior to submission.** See the 8 Month Report Instructions for more information.
2. Since 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 FY19 8 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 8 Month Error Check tab and include a valid copy of the agency’s Cost Allocation Plan as an attachment to the 8 Month Report submission email.
3. 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 FY2019 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, 2019, 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, 2019 will be required to submit a Final Operational Plan by July 15, 2019.

If additional cost centers or program types with annualized funding of more than \$100,000 were added between July 1, 2018 and February 28, 2019, 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 2019 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 FY19 Eight Month Report must be electronically submitted to your assigned DDS Operations Center Provider Specialist by April 15, 2019.**

If you have any technical 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)