**Department of Developmental Services**

**FY25 Change in Contractor Identify Checklists**

**affiliations and mergers**

**Updated: May 17, 2024**

The following checklists were designed to assist the Department in deciding how to proceed with contracts when a provider undergoes an organizational change in contractor identity and one or both of the entities that DDS contracts with will be changing either through an affiliation or a merger. The Provider checklist is designed to collect information regarding changes in conditions, organizational structure, financial status related to the change in contractor identify. The department will assess this information to determine if change is likely to have an impact on services provided to consumers and on the providers’ organizational and fiscal stability.

Providers considering an organizational change must send a letter at least ninety days prior to the change to the DDS Commissioner, Regional Director(s) and DDS Central Office Contracts Director. If the checklists apply, the following will occur.

**Affiliation Checklist**

Providers complete and return to the appropriate Regional Director and the DDS Central Office Contracts Director

**Merger/Consolidation Checklists: Parts I and II**

Part I: Merger/Consolidation Checklists. The provider will complete the checklist/s and return to the appropriate Regional Office and the DDS Central Office Contracts Director.

Part II: The Department will review the information supplied by the provider and carefully analyze the programmatic, organizational, and fiscal impact of the changes and determine where these changes are likely to have positive, neutral or negative effects upon the quality of services provided under contract service. The Department should consider whether the proposed provider will be able to deliver services under the provisions of the contract and identify any implementation issues that need to be addressed to enable the new provider to successfully assume and fulfill the requirements of the original contracts/s.

**Department of Developmental Services (DDS)**

**Provider Affiliation Checklist**

**Updated: June 16, 2023**

**General Information**

1. Provide current Provider/s Name/Address and Mission. Will there be any changes to legal names and/or addresses as a result of this affiliation?

1. Will there be any changes to FEINs and bank accounts of either entity? If yes, explain in space provided.
2. If a new parent organization will be created, include the name, address and FEIN of the new entity. When will documents be filed with the MA Secretary of State?
3. If a new parent organization will be created, is this new organization a For-Profit or a Non-Profit entity?

|  |  |
| --- | --- |
|  | For-Profit |
|  | Non-Profit |

1. Will there be any anticipated costs associated with creating the new parent organization? If yes, what are these costs and how will they be covered?
2. What are the geographic service areas of the affiliates? Is there any overlap in service areas between affiliates? If yes, how will any overlaps be addressed?
3. What benefits are expected to accrue to the current provider/s and/or the client population as a result of this affiliation?
4. Will any business functions be modified, consolidated, or otherwise altered as a result of the affiliation? Will any locations or services be consolidated? If there will be any transfer of assets as a result of this affiliation? Outline below.
5. Outline any changes to the membership of the Board of Directors of either entity as a result of this affiliation? Include any changes in the Board structure, officers, etc. If a new oversight Board will be created, explain membership on this Board and how it will interact with the Boards of the affiliate organizations. Outline any changes in how Board members are appointed, term length, grounds for removal and changes to the officers of the corporation.
6. Will there be any change in entity/s that DDS contracts with? If yes, explain change below.
7. What entity will be submitting a Uniform Financial (UFR) once the affiliation is finalized? Any changes to a provider’s UFR filing must be communicated separately to the MA Operational Services Division.

12. Please attach a copy of the affiliation agreement between the two entities.

13. What is the anticipated date of the finalized affiliation agreement?

Insert Date Here

**Department of Developmental Services (DDS)**

**Part I: Provider Merger Checklist**

**General Overview**

**Updated: June 16, 2023**

1. Current Provider: Name/Address and Mission
2. Proposed New Provider (if applicable): Name/Address and Mission
3. Operational Impact of Proposed Organizational Change What benefits are expected to accrue to the current provider and/or the client population because of the change?
4. Contracts/Services with the Department of Developmental Services that will be impacted by this change in contractor identify (add lines as needed)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 20-Character DOC ID | Activity Code | Program Type | Current FY Funding | Region/Area |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

1. Type of organizational change: Check Appropriate box.

|  |  |
| --- | --- |
|  | Management Agreement |
|  | Joint Venture |
|  | Corporate Acquisition |
|  | Merger/Consolidation |
|  | Other: Please Explain |

1. Is the new parent organization a For-Profit or a Nonprofit Provider?

|  |  |
| --- | --- |
|  | For-Profit |
|  | Nonprofit |

1. Expected Date of Change in Contractor Identity?

Insert Date Here

**Department of Developmental Services (DDS)**

**Part I: Provider Merger Checklists**

**Regional Overview: Complete for each region that contracts with provider**

**Updated: June 16, 2023**

**Region: Check one**

|  |  |  |  |
| --- | --- | --- | --- |
| Central West | Metro | Northeast | Southeast |
|  |  |  |  |

**Regional Contracts:**

|  |  |  |  |
| --- | --- | --- | --- |
| 20-Character DOC ID | Activity Code | Program Type | Area Office |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**Operational Impact of Proposed Organizational Change**

If check change for any item, explain nature of change.

1. Direct Care Staff:

Change \_\_\_\_ No Change \_\_\_\_

1. Program Sites:

Change \_\_\_\_ No Change \_\_\_\_

1. Delivery of Services

Change \_\_\_\_ No Change \_\_\_\_

1. License or Certification

Change \_\_\_\_ No Change \_\_\_\_

1. Other Comments/Considerations:

**Department of Developmental Services (DDS)**

**Part II: Regional Merger Checklist**

**To be completed by every region that contracts with provider**

**Updated: April 2024**

1. What benefits are expected to accrue to the new entity and the target population? Are there any changes to following that should be considered?
   1. Direct Care Staff
   2. Siting of Program/s
   3. Delivery of Service

**Comments:**

1. Are there any licensing or certification issues that need to be addressed? Will licensing or certification standards adversely impact the new entity’s ability to provide services?

**Comments:**

1. Does the new entity meet same the requirements as contractor outlined under the original procurement?

**Comments:**

1. Are there any scale economies that would result due to change (including budgetary impacts)?

**Comments:**

1. Review performances of contracts in region and assess likelihood of improved performance as a result of merger/buy out or consolidation.

**Comments:**

1. What will be the impact on the competitive environment if the Department chooses to do business with the new entity.

**Comments:**

1. If new provider is not qualified for service under terms of Master Agreement, or did not receive Award as the result of a competitive procurement, what is the feasibility of suspending services in catchments area until a procurement can be carried out?

**Comments:**

1. If the Region determines that it is in the best interests of the Commonwealth to do business with the new entity, does the entity agree to abide by the terms of the original RFR response, and contract?

**Comments**:

1. Regional Director Decision: Transition of contracts to new entity

**Department of Developmental Services (DDS)**

**Part II: Merger Checklist**

**To be completed by DDS Central Office Contracts Unit**

**Updated: April 2024**

1. Determine legal form of change: Merger, Buy-Out of Consolidation?

* If nonprofit, will new entity remain nonprofit?
* If for profit, will new entity remain for-profit? What is the impact of a commercial earnings fee on the for profit entity?

**Comments:**

1. What other Departments are impacted by this Change in Contractor Identify

* Have these departments been informed?
* Which department is the PPA?
  + PPA will be responsible for filing of appropriate paperwork with the OSC.

**Comments/ Action Taken:**

1. Have relevant documents been submitted to the Secretary of State, and all Departments impacted by this change?

* If not, when will forms be submitted?

**Comments:**

1. Is the new entity prequalified?

* If yes, what is new entity’s pre-qual status?
  + Does this have bearing on a Department’s willingness to contract with this vendor?
* If the new entity is not prequalified, are there any outstanding financial or management issues to be considered?

**Comments:**

1. Do any of the entities involved in this merger, buy out, or consolidation present financial issues, tax or contingent liabilities?

* How will the new entity address these issues?

**Comments:**

1. Additional Comments/Considerations