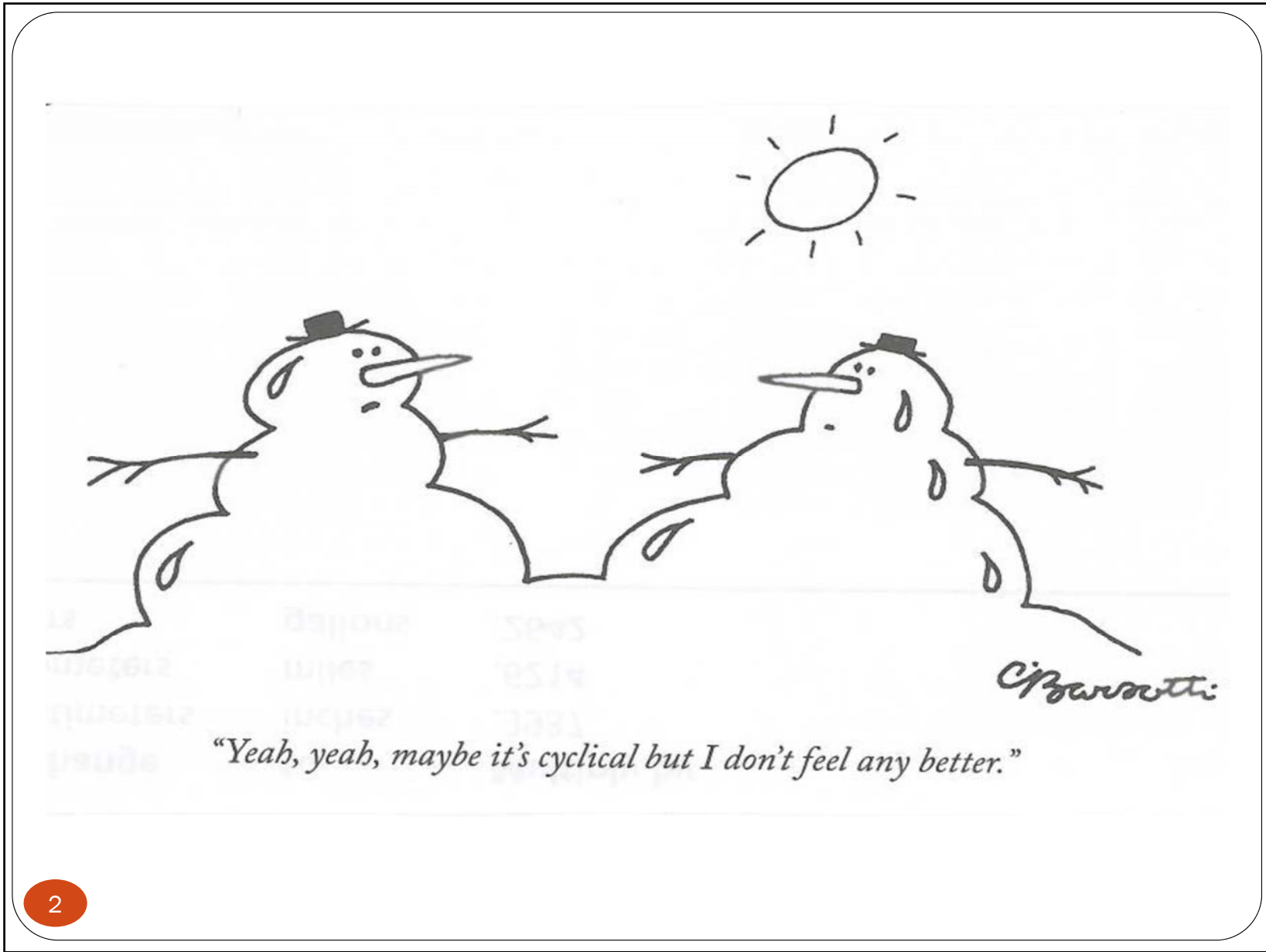


# Department of Developmental Services

FY2019 - FY2020

Close & Open  
Regional Trainings

March/April 2019



# Agenda

- PART I
  - RFR Update
  - Chapter 257: Rates Resetting
  - Authorizations and Rosters
  - Employment and Day RFR Implementation
  - Invoicing Changes
  - Program Integrity
  - Change in Contractor Identity

Break

## Agenda Cont'd

- Part II
  - Shared Living
  - ALTR: Operational
    - ALTR Guidance Document
    - Absence Policy
  - ALTR: Occupancy
    - Occupancy Worksheet
    - New Site Occupancy Rates
  - New Sites
    - Start Up and Capital Budgets
  - Final Thoughts/Questions

## Open Enrollment RFR

- Adult Long Term Residential
- Placement Services/Shared Living
- ANSS-15 (As Needed Support Services)
- SSQUAL-16 (Support Services)
- In Home Supports -16
- Employment and Day Services – 20
- Supplemental Day Services – 20

Proposals submitted in response to Open Enrollment RFRs are evaluated on a quarterly basis

## Services to be Bid in FY2020

- Autism Coaching: Last year of pilot
- Emergency Stabilization (Emer-Res-10)
- Family Support Services (FSS-10)
  - Awards will be competitive (not qualified list)
  - Will result in Master Agreement Contract. Services managed through Service Summary Form.
  - Procurement will close
  - Services Impacted:
    - Family/Autism/Cultural Support Centers (3770/3771/3772)
    - Intensive Flexible Family Support Services (3773)
    - Medically Complex Program (3774)
    - Planned Facility-Based Respite programs for Children (3775)
    - Family Support Flex Funding (3779)

# Chapter 257: Rates Resetting in FY2020

## Rates Resetting: July 1, 2019

- Community-Based Day Supports 101 CMR 415.00
  - Community-Based Day Supports
  - Nursing Facility Active Treatment
- Supported Employment Services 101 CMR 419.00
  - Individual Supported Employment
  - Group Supported Employment
  - Transportation (ISE only)

## Rates Resetting: January 1, 2020

- Family Stabilization 101 CMR 414.00
  - Family Support Navigation
  - Respite: Recipient's Home (Adult and Children); Caregiver's Home; Site Based
  - Adult Companion
  - Family Training
  - Behavioral Supports and Consultation
  - Peer Support
  - FSS-10 Services
  - AWC Admin Fee

## Chapter 257: Hold Back for EmpDay Services

- Negotiations will be based on rates published as of May 1, 2019
- DDS to hold back 4% funding to start year for Employment and Day services with rates resetting July 1, 2019
- DDS will reimburse providers at new rates, but will not encumber full amount pending reserve draw
- Services Impacted:
  - Individual Supported Employment (3168)
  - Group Supported Employment (3181)
  - Community Based Day Supports (3163)



## Chapter 257: Hold Back for EmpDay Services (cont.)

- SSF will show total units negotiated, estimated expenditure and hold back amount
- Hold back amount is calculated against total negotiated funding
- Show hold back amount as second line on SSF:

Version #	Brief Description	Dates of Service	Number of Units	Unit Rate	Unit Type	Estimated Expenditure
Initial	Community Based Day Supports	07/01/19 - 06/30/20	25,000.00	\$14.60	Hour	\$365,000.00
2	4% Hold Back	-				(\$14,600.00)
Totals:			25,000.00			\$350,400.00

## Authorizations

- Services must be authorized by Area before services provided
- Two type of authorizations
  - Authorization to provide services
    - Area will authorize provider to make name only change
    - New enrollments added to Meditech / EIM
    - Provider will update roster as requested
  - Authorization to amend Service Summary Form (SSF)
    - Area and provider agree to name and unit changes
    - Provider submits amended SSF and Roster

## Amendments to Service Summary Forms

- Area Office completes Authorization for Services and sends to Region and Provider. Enrollments entered in Meditech and interface to EIM
- Provider updates Roster and SSF and sends to Region / Area
- No amendments to Service Summary Forms before Oct 1
- Emp/Day contracts: Regions will not process upwards amendments until provider has achieved 75% utilization of units or final utilization meeting has been held:
  - DDS will still process downwards amendments as needed
  - Region may initiate upwards amendments due to business need

## Rosters

- No changes to Roster forms for FY2020
- Best practice for Emp/Day activity codes
  - Authorizations managed at individual level
  - Units managed at contract level
  - Utilization is better captured across whole program than per individual
- Rosters will start FY with maximums of 50 weeks and 95% utilization
  - Weeks/utilization may be negotiated lower based on program history
  - Utilization may be amended above 95% during year based on actual utilization

# Webinar

- Date: May 2, 2019 10:00 AM
- Topics
  - Standard Contract Forms
  - Service Summary Forms
  - Rosters
  - Residential Absence Policy and Worksheet
- Invitations will be communicated by your Regional Office

## Employment and Day / Supplemental Day RFR Implementation

- RFR Responses currently under review
  - Awards notifications by end of April
  - Providers may negotiate FY20 Rosters/SSFs during review
- New contracts with new Document IDs for FY20
- Services Impacted:
  - Community-Based Day Supports (3163)
  - Individual Supported Employment (3168)
  - CIES (3180)
  - Group Supported Employment (3181)
  - Transportation (3196)
  - Day Habilitation Supplemental Supports (3285)
  - Day Habilitation / Adult Day Health / Facility Day Hab (3664/3165/3764)

## Employment and Day RFR Implementation

- Community-Based Day Supports
  - Levels E & F eliminated; individuals move to Level D
  - No Level I contracts will be negotiated for July 1, 2019
    - Assessment and implementation process to take effect during FY20
- Individual Supported Employment
  - Separate rates for Initial Supports and Ongoing Supports components
  - Individuals receiving CIES in FY19 will be transitioned to Individual Supported Employment Ongoing Supports for FY20
  - Components will be contracted separately

## Employment and Day RFR Implementation

- No change to contracting structure for following codes:
  - Group Supported Employment (3181)
  - Transportation (3196)
  - Day Habilitation Supplemental Supports (3285)
  - Day Habilitation (3664)
  - Adult Day Health (3165)
  - Facility Day Habilitation (3764)
  - Nursing Facility Active Treatment (3777)



## Fiscal Year Cut Over – Day and Employment Contracts

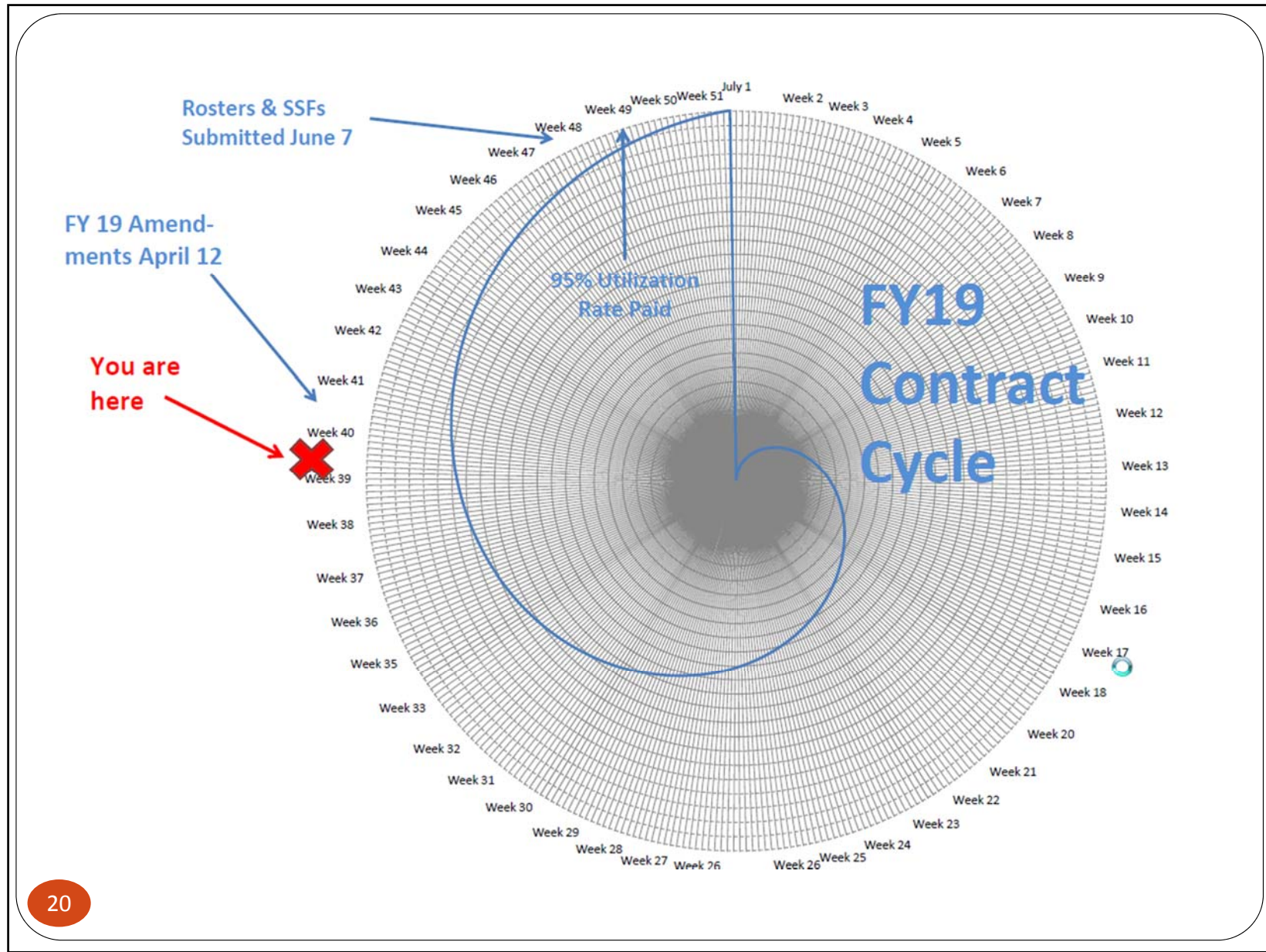
- New procurements require that new contracts be issued
  - 1,400 contracts
  - 15,000 enrollments
- Goal: All contracts and enrollments available in EIM by 7/31/19
  - DDS must navigate narrow timeline to cut over enrollments
  - Cut over too early impacts waiver claiming
  - Cut over too late impacts Provider ability to bill
- We need your help!
  - Critical that all parties to adhere to timelines for negotiating units for FY2020 and submitting SSFs and Rosters

## End of Year Timelines: FY19

- FY19 amendments submitted: April 12
- Late submissions will face significant delays
  - Late encumbrances have to be entered on ANF platform. Amendment remains on hold until ANF approves

# FY2020 Timelines

- **FY20 Rosters and SSF Submitted to Regions: June 7**
- DDS Cutover Activities:
  1. Regions complete crosswalks of all contracts and enrollments for Employment and Day
  2. DDS BAs create new Meditech programs and map enrollments from old program to new
  3. Regions enter contracts in MMARS.
  4. Contracts interface to EIM
  5. Enrollments interface from Meditech to EIM.
- Late paperwork may not be included in crosswalk, requiring manual cutover
  - Late documents will be processed in order received
  - Contracts may not be available to bill on 8/1/19



## Invoicing Changes: Ready Pay

- Approximately 800 documents on Ready Pay in FY19
- Challenges associated with Ready Pay that particularly impact Day and Work services:
  - Ready Payments are processed against a single accounting line. If multiple accounting lines, contract staff have to retroactively re-apportion billing to the correct line
  - Mid year amendments that result in reduction to accounting line. Many of these engagements are decreased during the year
  - Amendments cannot be finalized in EIM until Ready Pay processed
  - If attendance varies, provider may not bill enough units which will generate a recoupment

## Ready Pay: FY2020

- Limited to contracts that are:
  - Currently on Ready Pay
  - \$250,000 or higher
  - In one of the following activity codes:
    - 3150: Shared Living
    - 3153: Adult Long Term Residential
    - 3163: Community Based Day Supports
    - 3798: Individual Home Supports
- New contracts issued after July 1, 2019 will not be eligible

## Ready Pay Cont'd.

- Goal: Reduce number of contracts while limiting financial impact to Providers
- DDS workload driven by contract volume, not dollar value

Contracts on Ready Payment			
	FY19 Total	FY20 Proposed (based on FY19 funding)	Reduction
<b>Contract Total</b>	\$1,123,366,400	\$1,032,371,488	8.10%
<b># of Contracts</b>	805	480	40.37%

# Exception Process

- Providers experiencing a loss of more than 10% of FY19 Ready Payment total can request exception to keep select number of contracts on Ready Pay
- Exception requests must be submitted by May 15 to Regional Contracts Manager
- Requests will be reviewed by Central Office in consultation with appropriate Regional Office
- Decision based on a Provider's financial status as well as number of contracts remaining on Ready Pay and Ready Pay amounts
  - DDS has reviewed Providers' FY18 UFRs and financial ratios
  - Providers in good financial standing whose ratios exceed standards will not be granted exception unless provider can demonstrate significant changes in FY19



# Exception Request

- Providers must address the following in exception requests:
  - Demonstrate nature of financial hardship
  - Identify value of ready payments required to address hardship
- Approved Exception Requests:
  - Department will grant exceptions to largest contracts first
  - Intent is not to leave every contract on Ready Pay

## Program Integrity

- 3779: Family Support Flexible Funding Contracts
  - Invoice Documentation and Transaction Detail Forms
    - Submit monthly with invoice
    - Invoices will not be paid until forms submitted
  - Expanding to cover all 3779 contracts in FY2020 including those related to IFFS and Medically Complex Programs
  - Monthly and quarterly review by Area Offices

## Supplemental/Late Billing

- Late billing impacts DDS ability to accurately project funding and utilization
- Providers that have not submitted billing within 60 days of the end of the billing period will be sent email by Regional Contract Manager
- DDS Central Office Contract Director will send email to CFO and ED if provider reaches 90 days behind in billing

DDS is unable to budget effectively if Providers don't invoice promptly!

# Attendance Review

- Area Offices complete quarterly reviews of select contracts
- The first review period only focused on ALTR in Q4 of FY18
- Regional Contract Office chose three contracts and Area Office reviewed attendance records
- Findings: Providers were invoicing for days that individuals were not present
  - This represents a significant audit risk
  - DDS waiver bills federal government for every day of “present” attendance (“X” in EIM)
  - DDS does not waiver claim for absence billing (“A” or “AA” in EIM)
  - Department will allow providers to bill for absence units, but Providers have to adhere to Approved Absence Policy

## Attendance Review Cont'd

- FY2019 Quarterly Reviews: Each Area Office reviews three months of attendance data related to three contracts
  - One residential contract (ALTR, Shared Living)
  - One day/work contract (CBDS, Employment)
  - One support contract (SSQUAL, In Home Supports)
- If billing issue identified, Area Office will reach out to Provider for more information. If necessary, Provider will be asked to correct billing within 30 days

## In Home Supports (3798) Billing

- Providers may only invoice for direct services and services provided directly on behalf of an individual
  - Face-to-face direct supports
  - Phone calls, correspondence, and attending meetings on behalf of individual
- May only invoice for actual time staff spend supporting the individual
- When staff support multiple individuals simultaneously, Provider may only bill hours equal to the staff person's time
- Providers must maintain adequate records in order to document billing
- For additional information, refer to *Guidance for Billable Units for In Home Supports* issued April 6, 2016

## Change in Contractor Identity

- Providers must coordinate changes in contractor identity with DDS
  - DDS requires at least 90 days notice of mergers, consolidations or acquisitions. Changes impact multiple DDS systems; may affect Provider's ability to bill
  - Changes may require contract assignment to new organization and/or licensing review of new locations
  - Providers must coordinate with DDS regardless of whether DDS is Principal Purchasing Agency (PPA) or Provider has contacted other Departments

## Changes: Name/Address/Signatory

- Name/Corporate Address change only (no change in organizational structure or FEIN)
  - Notify Regional Contracts Office of change once paperwork filed with Secretary of State
  - Submit updated W9, Terms and Conditions for Human and Social Services to regional contract office
  - If name change, provider sends letter to Virtual Gateway Operations and submits new VG legal documents
- Only applies to changes in Legal Name. Changes to a DBA are not legal name changes. All DDS contract documentation will always list the legal name.
- New Executive Director/CFO: Inform region and submit updated Authorized Signatory Form.



## Mergers, Acquisitions & Other Material Change in Organizational Structure

- Provider submits letter to DDS Commissioner detailing nature of change(s), effective date, and the new/surviving entity
  - Letters must be received a minimum of 90 days prior to effective date of change
  - Letters should CC the Regional Director and Director of Contract Administration
- Provider completes Change in Contractor Identity Checklist - Part I: Provider and Contract Assessment
- DDS will review Checklist and determine that it is in the best interest of the Commonwealth and the individuals served to reassign contracts to new entity. New entity must be in good financial standing with no licensing, administrative or contract issues. DDS has right to assign contracts to other Provider(s) if determined to be best interest.
- DDS will coordinate with Provider assignment of contracts from old entity to new entity. May need to execute Change In Contractor Identity Form.

## Final Questions/Break

Providers of Day, Work and other Support Services are welcome to leave. For everyone else, we will return after a short break.



## Back for Part Two



**"I've still got 37 more slides to go!"**

## Shared Living (Includes ABI)

- No change to rates
- Providers will be asked to update offsets
- Units managed through Service Summary Form
- Leap Year
  - Stipend is yearly amount: No Change
  - Operational Rates will be based on 348 days (366 days X 95%)

## Adult Long Term Residential (Includes ABI): Operational Rates

- No change to rates
- Services managed through Service Summary Form
  - Provider will prepare Service Summary Forms based on ICMS Report
- Leap Year:
  - Operational Rates will be based on 348 Days
- DDS is updating ALTR Informational Summary Document
  - Overview of Rates: Review updates with you
  - Operational Principles for ALTR Implementation: Questions should be directed to Operational staff

## Vacancies

- Once vacancies occurs, site may be subject to re-slot
- Provider and Area should discuss needs of remaining individuals and adjust staffing pattern if needed
- Vacancy greater than 60 days, DDS will review slotting and units associated with site and may adjust
- Re-slots should be completed by June 1 to allow Provider to bill new blended rate for final month of FY
- Providers ability to bill out contract may be impacted if necessary re-slots are not completed

## Residential Absence Policy: Overview

- No Changes to Approved Absence Policy for FY20
- Goals:
  - Reimburse Providers for costs incurred when individuals are absent from program
  - Maximize revenue from HCBS Waiver claiming
- Core Principles:
  - Utilization factor embedded in residential rates “pre-pays” for certain number of absences
    - 18 days per individual per year
  - Pre-paid units for each individual are pooled across contract
  - Provider must demonstrate that these pre-paid days have been exhausted prior to being awarded absence units
  - Policy exists to fund absences, not vacancies
- Leap Year: Worksheet automatically accounts for extra day

## Residential Absence Policy: Process

- Submit completed Worksheet to Area Director (or ABI Coordinator) and Regional Contract Office
- Area Director will review and approve/deny request
  - If program has vacancies sites must be re-slotted prior to approving absence units
- Only after the AD has approved request, Provider submits supplemental SDR in EIM billing the absence units. Code for Absence Units in EIM is “A” or “AA”



## Residential Absence Policy: Challenges

- Billing of unapproved absences
  - There are NO circumstances where Providers may bill absence units without prior approval
  - ISP approved absences do not count as prior approval
  - Any absences entered before approval will result in rejection of monthly invoice.
    - DDS conducts monthly reviews of paid absence units
    - Any absence billing submitted and paid in error must be corrected
- Worksheets submitted with significant errors delay review and approval process
  - Attend webinar
  - Worksheet data must align with ICMS and billing in EIM

## ALTR Occupancy Worksheet

- Expenses remain same unless Provider has negotiated and received pre-authorization for change with Area/Region for:
  - Documented major renovation that resulted in increase in depreciation expense
  - Unanticipated changes that resulted in major cost increase
  - Change that results in major cost decrease
  - Sites that have received CEDAC Facilities Consolidation Funding in FY2019
  - DDS may request documentation to support changes

## ALTR Occupancy Worksheet

- Providers must update offsets on Occupancy Worksheet
- Program integrity issue for Department if Providers don't update all offsets on a yearly basis
- By signing SSF, Provider attests that the occupancy worksheet is a true and accurate representation of occupancy costs per regulation, including all known offsets
- Provider fills out and submits SSF with occupancy worksheet attached

## New Sites Opening during Q4

- Provider must submit New Site Occupancy Application (NSO) by June 1 (no exceptions) in order for DDS to set rate and reimburse Provider for current FY
- New Site opening in June
  - Region will negotiate cost reimbursement contract to reimburse Provider for occupancy costs through end of FY
- All expenses must be allowable, documented, and reasonable, to be considered in NSO rate calculation

## New Site Applications in FY20

- New NSO Application Form for 7/1/19
- Earliest start date of New Site Rate is July 1
  - Will not back date rate into prior FY
- NSO Application must be submitted no later than 60 days after first DDS consumer moves in
  - DDS Central Office will only back date NSO rate 60 days from when completed NSO submitted unless Provider informs DDS Central Office and Area/Region office of reason for delay and receives extension
  - Example: Application submitted November 1, earliest start date of new site rate will be September 1
- Only exception to max cap rates set in regulation in FY2020 are sites obtained through capital leases where lessor has applied to receive CEDAC Facilities Consolidation Funding

## New Site Applications in FY20 (Continued)

- If Application is incomplete, Region will contact Provider for missing documentation.
  - Provider will have two weeks to respond to Region. If no response, application and documentation will be submitted without change to DDS Central Office.
- DDS Central Office will contact Provider and request any missing documentation,
  - If no response within one week, DDS Central Office will set rate based on documentation provided. Missing documentation usually negatively impacts the rate established by DDS.
- Once rate is communicated to Provider, Provider adds site to Occupancy Worksheet and submits to Regional Contract Office with SSF within 10 business days

## Start Up Contracts

- For FY20: Start up and capital costs capped at \$50,000 (combined) for ABI and ALTR sites
- Start up contracts typically three months in length
- Start up contract ends when first person moves into site
- Provider must submit start up / capital budget for prior approval. Provider may only incur expenses after receiving written approval and executing a contract.
- Unapproved expenses and expenses incurred prior to contract execution will not be reimbursed. NO EXCEPTIONS.
- Furniture and appliances should be included in start up, not the NSO Application

## Capital Contracts

- Capital Items are defined by OSD in 808 CMR 1.00 and Capital Items Procurement Policy
- Capital expenditures are reimbursed through a separate contract in 3191 activity code
- Items in a capital budget cannot be depreciated as reimbursable costs on Provider UFR
- Providers are required to maintain inventory of all capital items purchased through capital budget



# Start Up Costs

- Appropriate Costs
  - Basic Supplies
  - Staff wages **directly** attributed to opening the site. Includes House Manager (or similar title) and Direct Care Staff.
  - Tax and Fringe benefits for above staff
  - Medical and clinical assessments
  - DDS required trainings only. Includes staff time, mileage, training materials and registration fees
  - Mileage **directly** attributable to site opening
  - Reasonably priced common area furniture, may include some outdoor furniture
  - Kitchen appliances, washer and dryer
  - Furnishings: non disposable household items

# Inappropriate costs

- Inappropriate costs
  - Basic supplies bought in bulk for use after site opens
  - Staff wages and benefits after first person moves into site
  - Trainings not required by DDS
  - Office supplies, office equipment and furniture
  - Food
  - Seasonal decorations, recreational items
  - Any items that will be included in the NSO application
  - Site or land maintenance
  - Switching, wiring, or home improvements
  - Vehicles and related costs
  - Mortgage payments
  - ABI homes: Any costs covered by MRC Transitional Assistance funding

## Final Thoughts/Questions

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# The End



*"I know we didn't accomplish anything, but that's what meetings are for."*