# LIMITED UNIT RATE

# SERVICE AGREEMENTS (LUSA’s)

**MAY 2017**

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**I. PROPER USE OF THE LIMITED UNIT RATE SERVICE AGREEMENT**

The Limited Unit Rate Service Agreement (“LUSA”) is established to provide payment to providers for “intermittent, as-needed services on a limited time basis”. The LUSA is a unit rate contracting mechanism to be employed only when a service meets the definition stated above and a change to SSF is not feasible. The LUSA is not now, nor has ever been, an acceptable alternative to a proper contract or amendment.

Some examples of the proper use of a LUSA:

1. A consumer in need requires one-to-one attention for a period of time. The need for this service was unanticipated. The service is limited in nature and a change to the SSF would be inappropriate because the basic service funded in the program is not changing.

1. An Area Office is evaluating the proper placement for a new consumer. The consumer is placed in a program for a short time to evaluate his/her needs. Due to the nature of the evaluation a change to the SSF to the existing program is not desirable.
2. A consumer presents with an “emergency” circumstance such that an immediate placement in an existing program is necessary. The intent is for the consumer to remain in the program only for the period of time of the emergency at which time a permanent solution will be found.
3. During the end of the fiscal year moratorium, also known as encumbrance deadline, a consumer requires an *immediate* placement in a program. Absent the ability to increase funding via a change to SSF or SOW the LUSA may be used until the start of the new fiscal year.
4. A consumer requires short term placements in several programs for short periods of time such that no one program has permanent control over his/her services.
5. A consumer is initially placed in a program with the intent of moving him/her to another more appropriate program as soon as such program can be identified. The period of time spent in the initial program is undetermined so a LUSA may be employed for the placement. However, in this case the LUSA funding must end as soon a permanent placement can be found and in any case cannot exceed three months without Central Office approval. (Exceptional cases are referred to the Regional Director for approval of services and sign off before submission to Central Office.)

Some examples of the improper use of a LUSA:

1. Funding for a consumer in excess of three months (unless authorized by the Regional Director for an extraordinary situation.)

1. Paying for any add-on service (e.g. one-to-one supervision) from a LUSA using the unit rate established for the entire program. (The add-on service should have its own unit rate.)
2. Paying for any capital equipment. A LUSA is, by definition, a unit rate agreement constructed for the purpose of providing services. Capital equipment cannot be purchased as a unit of service.
3. Paying for any specific line item(s) in a program. A LUSA must only be used for a service(s) on a unit rate basis for one or more consumers.
4. Using the LUSA at the end of the fiscal year to pay for services previously performed in an attempt to “spend out” fiscal year funds. (An exception to this principle is described in line 4 in the above section on proper use of a LUSA.)
5. Using a LUSA to provide a new service without undergoing a required procurement process.
6. Payment to a provider by means of a LUSA for services delivered without the required prior authorization from DDS for such services to be delivered.
7. In general, using the LUSA as a matter of convenience to provide regular services within a program where a proper amendment to the contract, or update to SSF or SOW is appropriate.

## II. MASTER AGREEMENT CONTRACT

The Department has posted a RFR on COMMBUYS, ANSS-15 to identify providers that can provide as needed services on a short term basis. Only providers that have submitted a response this RFR which has been evaluated as qualified will be issued a contract. Awarded providers sign a Master Agreement Signed Standard Contract Form with the Department and are placed on a qualified list of providers. The DDS Central Office prepares and issues the Standard Contract Form to awarded providers for signature.

**III. AUTHORIZATION OF LUSA’s**

Services that are properly deliverable by means of a LUSA must be authorized by DDS prior to the service being delivered (or no later than three calendar days following the start of services). Payment will be made to the provider at the time of the completion of the service.

1. The Area Director must submit to the Regional Director a reason why the service is necessary and why the LUSA is appropriate for reimbursement.
2. The Area Director must send an authorization for services under the LUSA to the provider prior to the delivery of services.
3. Payment for these services must be made as soon as funds are available, but in no case may payment come after the close of accounts payable.
4. After Regional Office review LUSA requests are forwarded to the DDS Central Office for a final review. At that time, Central Office staff have the option to allow the LUSA to be processed for approval, reject the LUSA request outright, or request further information/justification from the Regional or Area office in order to make a decision.







