

LIMITED UNIT RATE SERVICE **AGREEMENTS (LUSA's)**

AUTHORIZATION OF LUSA's **p. 2 -3**

**PROPER (AND IMPROPER) USE OF THE LIMITED UNIT RATE
SERVICE AGREEMENT** **p. 4 - 5**

DAY AND EMPLOYMENT LUSA's **p. 5**

RESIDENTIAL LUSA's **p. 5**

SUPPORT SERVICES LUSA's **p. 5 - 9**

AUTHORIZATION REQUEST FORMS **p. 10 - 13**

I. AUTHORIZATION OF LUSA's

N.B. Whenever possible, services that are properly deliverable by means of a LUSA should be authorized by DDS prior to the service being delivered (or no later than three calendar days following the start of services.)

Every request for a service to be delivered by means of a LUSA must be submitted in writing by the Area Director and/or the Regional Director for approval. The Area Director must submit to the Regional Director a reason why the service is necessary, why an amendment is not possible or feasible, and why the LUSA is appropriate for reimbursement. Completed forms are to be forwarded to DDS Central Office.

Whenever possible, services that are properly deliverable by means of a LUSA should be authorized by DDS prior to the service being delivered (or no later than three calendar days following the start of services). Ideally payment should be made to the provider at the time of the completion of the service. However, it is recognized that there are occasions where services must be performed and the funds for reimbursement are not immediately available. In such cases it is recommended that the following procedures be followed:

1. The Area Director must submit to the Regional Director a reason why the service is necessary, why an amendment is not possible or feasible, and why the LUSA is appropriate for reimbursement.
(Note: There is a special request form for authorization of LUSA services for a period of over three months. See form below.)
2. The Regional Director must approve in writing the request for a LUSA and identify where the future funds for reimbursement are anticipated. See form below.
3. After Regional Director approval the Area Director must send an authorization for services under the LUSA to the provider prior to the delivery of services. The authorization must contain language stating that payment for services may be delayed. The provider must agree to this language.
4. 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.
5. Regional staff have the obligation to assure that funds are in the appropriate lines in MMARS by the end of the allowable amendment period (usually mid-May) in order to pay for services reimbursed by means of the LUSA.
6. After Regional Office review LUSA requests are forwarded to the DDS Central Office for a final review. At that time Central Office staff has the option to allow the LUSA to be processed for approval, reject the LUSA request outright, or request further information/justification from the provider in order to make a decision.

There are two forms developed for the purpose of requesting such services.

A. MA-LUSA AUTHORIZATION FORM

This form is to be used when it is anticipated by DDS staff that the need for services under a LUSA will not exceed three months. The form is to be completed by DDS Area Office staff. If approved by the Area Director a copy will be sent to the Regional Contract Manager and the provider. The region will forward a copy to Central Office. If disapproved, the provider will be informed as to the reason for the disapproval and given other options.

B. DDS LONG TERM LUSA AUTHORIZATION REQUEST FORM

There are two possible uses of this form:

1. Initial request for LUSA services is for a period **in excess** of three months but not to exceed a period of seven months.

In this case the authorization form requires the dual signatures of both the Area Director and the Regional Director. If approved by both the Area Director and Regional Director a copy will be sent to the Regional Contract Manager and the provider. The region will forward a copy to Central Office. If disapproved, the provider will be informed as to the reason for the disapproval and given other options.

2. Extension of an initial LUSA service beyond the three month maximum allowed under an initial MA-LUSA Authorization approval.

A situation may arise where a short term LUSA approval (anticipated to terminate within the initial three month award) may need to be extended. In this case the Long Term Request Form is used to request an extension of the original approval for an additional period not to exceed four months. This form requires the dual signatures of both the Area Director and the Regional Director. If approved by both the Area Director and Regional Director a copy will be sent to the Regional Contract Manager and the provider. The region will forward a copy to Central Office. If disapproved, the provider will be informed as to the reason for the disapproval and given other options.

C. REQUESTS FOR LUSA SERVICES IN EXCESS OF SEVEN MONTHS

In the highly unusual case where there is a recommendation for a LUSA service to exceed seven months, such a request is considered to be not routine and the Regional Director must bring the special circumstances for this request to the attention of the Central Office for an approval decision.

In any of the other described situations after Regional Office review LUSA requests are forwarded to the DDS Central Office for a final review. At that time Central Office staff has the option to allow the LUSA to be processed for approval, reject the LUSA request outright, or request further information/justification from the provider in order to make a decision.

II. PROPER (AND IMPROPER) 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 an amendment to an existing contract is not feasible or appropriate. The LUSA is not now, nor has ever been, an acceptable alternative to a proper contract or amendment.

NOTE: The LUSA’s for Residential, Day, and Employment Services have been discontinued. Short term, intermittent, as-needed services that formerly would have been paid from these LUSA’s are now reimbursed by reference to the Master Agreement on file for these services. Payments will be shown on a Service Summary Form.

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 not anticipated in the original contract. The service is limited in nature and an amendment to the contract would be inappropriate because the basic service funded in the program is not changing.
2. 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 an amendment to the existing program is not desirable.
3. 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 and a proper amendment prepared.
4. After the annual encumbrance deadline (typically mid-May) a consumer(s) requires an *immediate* placement in a program. If the funding for the consumer(s) is \$25,000.00 or more an amendment to an existing contract is not allowed. Absent the ability to amend a contract the LUSA may be used until the amendment process is again made available.
5. 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. Amendments would not be appropriate in this situation.
6. 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 one year. (Exceptional cases may be referred to the Regional Director for approval of services beyond one year.)
7. A LUSA may be used as a “bridge” authorization prior to the completion and approval of a formal contract amendment.

Some examples of the improper use of a LUSA:

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

2. 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.)
3. 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.
4. 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 to one or more consumers.
5. 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.)
6. Using a LUSA to provide a new service without undergoing a required procurement process.
7. 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.
8. In general, using the LUSA as a matter of convenience to provide regular services within a program where a proper amendment to the contract is appropriate.

III. LIMITED UNIT SERVICE AGREEMENTS (LUSA’S) FOR DAY AND EMPLOYMENT SERVICES

Services formerly delivered under LUSA’s for Day Services (activity code 3166) and Employment Services (activity code 3197) were included in the DDS RFR for Employment services issued for FY2010. Separate LUSA’s for these services have been discontinued.

IV. LIMITED UNIT SERVICE AGREEMENTS (LUSA’S) FOR RESIDENTIAL SERVICES

Services formerly delivered under the LUSA’s for Residential Services (activity code 3161) were included in the DDS RFR for Adult Long Term Residential services (RFR ALTR-14) issued for FY2014. Separate LUSA’s for these services have been discontinued.

V. INSTRUCTIONS FOR COMPLETING NEW LIMITED UNIT SERVICE AGREEMENTS (LUSA’S) FOR SUPPORT SERVICES

The Limited Unit Rate Service Agreement (LUSA) is prepared on the Commonwealth of Massachusetts Standard Contract Form.

No other form is acceptable. Please carefully follow the instructions listed below to assist you in completing these forms.

The following steps must be completed when a Limited Unit Service Agreement (LUSA) is requested:

A. STANDARD CONTRACT FORM must be completed. The correct form **(issued 3/21/2014)** can be found on COMM-BUYS and in the Manual section Standard Contract Forms & Instructions. The provider must enter specific information as indicated.

1. TOP LEFT SECTION -- Enter provider information. (Complete all lines.)
2. TOP RIGHT SECTION -- Enter DDS information
 - a. COMMONWEALTH DEPARTMENT NAME: Dept. of Developmental Services
 - b. MMARS Department Code: DMR
 - a. MMARS Doc ID(s): "DMRMM39" (Support Services),
 - b. RFR/Procurement or Other ID Number: "ANSS-15"
 - c. Accounts Funding Contract: Leave blank
3. NEW CONTRACT Section
- PROCUREMENT OR EXCEPTION TYPE: Check Department Procurement
4. COMMONWEALTH TERMS AND CONDITIONS: Check Commonwealth Terms and Conditions For Human And Social Services
5. COMPENSATION: Check RATE CONTRACT
6. PROMPT PAYMENT DISCOUNTS (PPD): Check "agree to standard 45 day cycle"
7. BRIEF DESCRIPTION OF CONTRACT PERFORMANCE . . . : Enter the following description: "Intermittent as-needed Support Services for Developmentally Disabled individuals needing limited time services."
8. ANTICIPATED START DATE: Check #1. unless otherwise instructed by DDS.
9. CONTRACT END DATE: Enter **6/30/2024** for Support Services.
10. CONTRACT AMENDMENT Section – LEAVE BLANK
11. AUTHORIZING SIGNATURE FOR THE CONTRACTOR – Sign and date as indicated. PLEASE NOTE: In the AUTHORIZING SIGNATURE FOR THE CONTRACTOR section – the "Signature of Contractor's Authorized Signatory" AND the "Date" must both be handwritten, original signatures. Any typed in date or copy of a signature must be returned.

B. RATE JUSTIFICATION STATEMENT BUDGET *

---Attachment 1 ---Attachment 3 ---Attachment 4

(*The Rate Justification Statement/Budget may consist of the ATTACHMENT 1 alone, the ATTACHMENT 1 accompanied by a provider created Budget document, or the ATTACHMENT 1 accompanied by the ATTACHMENT 3 and ATTACHMENT 4)

General Information

A LUSA cannot be written as a Cost Reimbursement Contract. By definition all LUSA's must be written on a Unit Rate basis. A provider may choose to list a single unit rate or a "range" of unit rates. Unit rates must be justified as to how they were derived. There are three ways to justify a unit rate. They are:

1. The provider may reference a unit rate(s) already approved on another DDS contract (s) by citing the ID number(s) of the contract(s) on the enclosed ATTACHMENT 1.

2. The provider may attach evidence of a pre-approved rate(s) granted by the Executive Office of Health and Human Services (EOHHS), the Operational Services Divisions (OSD), or other rate granting agency (including any out-of-state rate granting authority) on the enclosed ATTACHMENT 1.
3. The provider may submit a budget (using the enclosed ATTACHMENT 1, 3 and 4 documents for complex budgets or, alternatively, using ATTACHMENT 1 and creating its own budget document for simple services e.g. individual hourly rate services)

IMPORTANT: If more than one unit rate is requested then a justification for each rate must be included. **Unit rates for a Support Services LUSA's may contain several unit descriptions. (for Support Services LUSA's the unit rate may be "HOURLY", "MONTHLY", "TRIP", "VISIT", or "UNIT". However, the use of "DAYS" as a unit description is no longer allowed on Support Services LUSA's.)** If more than one unit rate is requested for a LUSA then the unit rates may be combined into a "range". For instance, if a justification for a service is submitted for a LUSA at rate of \$10.00/hour, a justification for a second service is submitted for \$15.00/hour, a justification for a third service is submitted for \$20.00/hour, the provider may request that the LUSA be approved for a **range** of \$10.00/hour -- \$20.00/hour. Support Services LUSA's may be written with more than one unit type. In the above example the provider may include (e.g.) a single rate of \$1,000.00/month along with the range of hour rates. (When a range of rates is approved the provider may be reimbursed for any rate that falls within the range, subject to negotiations with DDS. In the above example, if the provider and DDS agree on a rate of \$12.50/hour, reimbursement would be allowed at that rate.)

C. ATTACHMENT 1: PROGRAM COVER PAGE INSTRUCTIONS **(ALL LUSA'S MUST CONTAIN AN ATTACHMENT 1: PROGRAM COVER PAGE)** (Use form dated 11/1/2005)

Program Information

- FY: Indicate Fiscal Year
- Contractor Name: Enter legal name as it appears on the Comptroller's directory
- Program Type: Enter "Support Services"
- Program Name: Enter Program Name, if any
- City/State/Zip: As indicated
- Contract Person/Telephone: As indicated
- MMARS Program/Activity Code: 3174 for Support Services
- RFR Information: **"MSA/LUSA on file @ DDS"**
- Scope of Services: "Description of Services Attached" checked
- Total Anticipated Contract Duration: Enter Anticipated Start Date of LUSA. Enter End Date: **6/30/2024** for Support Services.
- Initial Duration: Enter Anticipated Start Date of LUSA. Enter End Date: **6/30/2024** for Support Services.

1. FISCAL TERMS SECTION

Enter "Variable upon Approval" in the "Amount" line

2. OPTION 1: PRICE AGREEMENT

- If the requested rate(s) or range of rates is consistent with rates on a previously approved DDS contract(s), or, if they are consistent with the rates approved by EOHHS, OSD, or other state rate approving agency, place a check mark against **OPTION 1: PRICE AGREEMENT** and list the

relevant DDS contract ID# (s) or attach the rate approval letter(s) sent to you by the approving state agency.

- If the requested rate(s) or range of rates is for a simple service that does not require a detailed budget e.g. an individual hired for additional support, place a check mark against **OPTION 1: PRICE AGREEMENT** and attach a simple budget on plain paper which indicates how the rate was derived e.g. in the above example include a statement of the specific service to be performed, the annualized salary, the anticipated number of hours to be worked, and the unit rate to be reimbursed.

(When OPTION 1 on ATTACHMENT1: PROGRAM COVER PAGE is used - ATTACHMENT 3 AND 4 are NOT included)

3. OPTION 3: COMPLETE BUDGET

If the requested rate or range of rates is for a service comprised of many different budget components and the rate is not already approved through a procedure mentioned above, place a check mark against OPTION 3: COMPLETE BUDGET and complete ATTACHMENT 3 and ATTACHMENT 4.

4. CURRENT MAXIMUM OBLIGATION: Enter "N/A"

5. UNIT RATE: Enter Unit Rate or the word "RANGE" (include e.g. "hour")

6. # BILLABLE UNITS: Enter "VARIABLE"

D. ATTACHMENT 3: FISCAL YEAR PROGRAM BUDGET

Use form dated 6/19/2007

ATTACHMENT 3 must be completed and submitted when OPTION 3 on ATTACHMENT 1 is selected as the rate approval procedure.

IMPORTANT: If more than one rate based upon an ATTACHMENT 3 budget is requested a separate ATTACHMENT 1, ATTACHMENT 3 and ATTACHMENT 4 must be submitted for each rate requested.

Prepare a budget in accordance with standard budget instructions:

1. Enter UFR Title #'s (These are UFR codes associated with salaried positions)
2. Enter Direct Care/Program Support Staff Titles
3. Enter FTE ("Current" column ONLY)
4. Enter Amount ("Current" column ONLY)
Continue to enter the required FTE(s) and Amount(s), if applicable ("Current" column ONLY)
5. Enter detail in remaining budget line items as applicable.

**E. ATTACHMENT 4: RATE CALCULATION/MAXIMUM OBLIGATION
CALCULATION PAGE (Use form dated 11/1/2005)**

Complete ATTACHMENT 4 only when ATTACHMENT 3 is used.

1. UNIT RATE CALCULATION: Carried forward from the bottom line on Attachment 3
2. Deduct any Offsetting income
3. Calculate a unit rate by estimating the total number of units anticipated to be delivered
4. Type of Unit e.g. **“HOOR”, “MONTH, “TRIP”, “VISIT” or “UNIT”** (for Support Services LUSA’s), are acceptable. Enter Share of Total Capacity Purchased by Contract
5. Enter Maximum # of Billable Units

NOTE: the “Utilization Factor” adjustment does NOT apply to unit rates calculated for LUSA's

**F. ADDITIONAL REQUIRED CONTRACT DOCUMENTS THAT MUST BE
ATTACHED TO LUSA**

1. ATTACHMENT C
2. ATTACHMENT C page 2
Forms are located in the DDS Purchase of Service Manual
3. CONTRACTOR AUTHORIZED SIGNATORY LISTING
Form is located at: <http://www.mass.gov/Aosd/docs/otherforms/consig.doc>

Date Modified: March 1, 2016

FISCAL YEAR

DDS AREA #

DDS LONG-TERM LUSA AUTHORIZATION REQUEST FORM

This form is to be completed by DDS Area Directors in cases in which MA/LUSA use is anticipated for over three months.

MA/LUSA SERVICE INFORMATION

Provider:

**Service to be
Provided:**

Dates of Service:

**From
:**

To:

Number of Units:

Revised Capacity:

Unit Rate:

Per:

Total Amount:

Annualization:

Source/Appropriation:

Activity Code:

3174

JUSTIFICATION FOR LONG-TERM MA/LUSA USE

LUSA SERVICES AGREEMENT

**LUSA/MA billing is for additional services on an intermittent, as needed limited time service that clients need due to specific circumstances that are not included in existing state-funded program contract.
Acceptable Services:**

LUSA AUTHORIZED BY

**Authorized
by:**

Date:

(Area Director Signature)

(Area Director Date)

Support Services: Activity Code: (3174)

Reg. Director:

Date:

I have reviewed this approval and it is in conformance with the Amendment and LUSA/MA guidelines.

LONG-TERM USE APPROVAL

Regional Director:

Date:

(Limited approval up to 4 additional months)

Date:

Commissioner / Deputy Commissioner:

(Approval for use over 8 months)

SERVICE RECIPIENT(S)

Name Initials:

Birth Date:

FISCAL YEAR**DDS AREA #****MA-LUSA AUTHORIZATION FOR SERVICES****LUSA/MASTER AGREEMENT (MA) BILLING:****X**

This form is to be completed by DDS staff; copies will be sent to the service provider and to the respective regional contract specialist. Final authorization of the changes will be confirmed upon regional approval of service summary forms. **Authorizations should occur no later than three days after services commence. If authorization cannot occur within this timeframe, area offices must seek separate regional director approval. USE OF THIS FORM IS FOR A LUSA AUTHORIZATION NOT TO EXCEED 3 MONTHS.**

Providers billing against MA's must include the following:

- A copy of this form • Dates of Service • Consumer Name • Payment Voucher
- Units of Service • Invoice Total • Service Delivery Report • Type of Service

Providers are required to maintain the appropriate back up including timesheets and attendance documentation at their office.

Contact for Payment:

All LUSA authorizations will be periodically review. Any changes to the authorization must be update with the DDS Area Director.

MA/LUSA SERVICE INFORMATION**Provider:****Contract Number:****Service to be Provided:****Dates of Service:****From:****To:****Number of Units:****Revised Capacity:****Unit Rate:****Per:****Total Amount:****Annualization:****Source/Appropriation:****Activity Code****3174**

I have reviewed this approval and it is in conformance with the Amendment and LUSA/MA guidelines.

LUSA SERVICES AGREEMENT**LUSA AUTHORIZED BY****LUSA/MA billing is for additional**

services on an intermittent, as needed limited time service that clients need due to specific circumstances that are not included in existing state-funded program contract. <u>Acceptable services: Support Services Activity Code (3174)</u>	Authorized by:	<div></div> <i>(Area Director Signature)</i>
	Area Director:	<div></div>
	Date:	<div></div>

SERVICE RECIPIENT(S)	
Name Initials:	Birth Date:
<div></div>	<div></div>