

PHN 2020-30 Attachment C: Changes to Management Agreements Submissions and Approvals

DHCD is reissuing the Management Agreement Guidelines to include revised standards for submission, approval, and monitoring of these agreements.

1. Submission of New Management Agreement:

- The Management Agent LHA is responsible for submitting new Management Agreements to the Owner's HMS for approval.
- LHAs are encouraged to submit new management agreements by the Owner's budget submission deadline.
- Any submissions after this deadline will also prompt both the Owner and Management Agent to submit a budget revision. DHCD will review and approve the management agreement and budget at the same time.

2. New Management Agreement Approval Standards: DHCD will verify the following components of the management agreement submission:

General:

- The signed management agreement is accurate and complete.
- Owner / Agent LHA(s) vote acknowledging receipt and review of published PMR/AUPs and approval of the Agreement.
- Management Fee and executive director salary from this fee are within existing limits, and are calculated in accordance with published guidance.

Staffing:

- Owner / Agent LHAs have agreement in place that requires employment and cost allocations be restored to pre-agreement levels in the event that the management agreement is terminated or expires and is not renewed.
- The submission includes a staffing plan for the benefit of each LHA and its residents. DHCD will not disapprove staffing plans as long as there is proposed staffing presence at the Owner LHA's office during regular business hours.
- Any reduction in staffing presence from pre-agreement levels must be based on justification provided by the Owner LHA.

Affordability:

- The Management Fee and all anticipated charge-backs and reimbursements payable to the Management Agent fit within the Owner's approved ANUEL, without budget exemptions.
- Owner LHA includes all anticipated reimbursements and charge-backs payable to the management agent in the appropriate accounts as part of the Owner LHA's budget

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submission and revision, as necessary (e.g., any expected mileage reimbursements should be included in account 4150 – Travel & Related Expenses).

- Owner LHA includes a summary total of these anticipated costs in the Dialogue Box section of the Budget. If such notes are not contained in the Dialogue Box the budget may be reverted.

Management Work Plan:

- Completeness of a Management Work Plan. This is applicable only to LHAs that DHCD considers as having extraordinary operating challenges.

3. Monitoring Standards during Agreement Term.

- DHCD expects that each LHA will monitor the management agreement through regular reports as may be determined by the board and in a board-defined format.
- In support of LHA monitoring, DHCD will copy the appropriate LHA on regular correspondence regarding these occurrences:
 - DHCD has approved a change to the Management Agent's Executive Director.
 - The Owner cannot afford the Management Fee and all related reimbursements and charge-backs within its approved ANUEL.
 - In the event that the Owner has already paid such expenses to the Management Agent, the Management Agent will be required to repay that same amount to the Owner.