

**MAXIMUM OBLIGATION AND  
MAXIMUM OBLIGATION/NEGOTIATED  
UNIT RATE CONTRACTS  
MAY 2017**

Standard Contract Form	p. 1
Maximum Obligation: Cost Reimbursement and Negotiated Unit Rate Contracts	p. 1-2
POS Attachments	p. 3
UFR Program Components And Title Definitions	p.3-8

## **STANDARD CONTRACT FORM: Maximum Obligation**

The Standard Contract Form is the legal document that binds the Department of Developmental Disabilities and a provider agency into an agreement whereby the provider has been approved to provide a stated service(s). For Maximum Obligation contracts, the providers signs a Standard Contract Form at the start of the contract and every time there is a change, either increase or decrease, in the Maximum Obligation. In addition, the provider will be required to submit a POS Attachment 1, POS Attachment 3, and in some cases a POS Attachment 4.

**Maximum Obligation/Cost Reimbursement Contract:** There are some services that do not lend themselves to regulated rates and DDS signs a Maximum Obligation contract with provider. The Maximum Obligation for all years of the standard contract form are noted on the Form and must match the maximum obligation that appears in MMARS, the Commonwealth's Account Management and Accounting System. Expenses are noted on the Attachment 3: Fiscal Year Program Budget. In a majority of cases, Cost Reimbursement contracts have an end of 6/30 and the Regions extend the contract for another fiscal year. The contract can continue to be extended until the end date of the procurement. Examples of Cost Reimbursement contracts are listed below:

<b>Activity Code</b>	<b>Activity Name</b>
3191	Facilities and Equipment (Capital Budgets)
3202	Medical Services
3226	Training and Staff Development
3228	Recruitment Services
3681	Group Supported Employment
3738	DDS/DESE Direct Support Services
3760	Non Waiver Services
3776	Family Leadership Program
3779	Family Support Stipends
3780	Financial Assistance
6701	AWC: Respite in Recipients Home
6703	AWC: Individual Home Supports
6704	AWC: Individualized Day Supports
6707	AWC: Adult Companion
6709	AWC: Community and Residential Family Training
6716	AWC: Community and Residential Peer Support
6780	AWC: Financial Assistance

**Negotiated Unit Rate Based on a Maximum Obligation:** Contract includes an Attachment 3: Fiscal Year Program Budget) negotiated by the provider and DDS staff as well as unit rate calculation budget (Attachment 4). In this type of program budget the maximum obligation, the number of units, and the unit rate are specified and are fixed at the start of the contract, requiring an amendment to change the maximum obligation, the number of units, and/or the unit rate, if a change is later necessary. The option

is primarily used for non-blended Transportation Services (3196 activity code) and As Needed Services (3174 activity code) where an appropriate regulated rate does not exist.

### **III. POS ATTACHMENTS ISSUED BY THE OPERATIONAL SERVICES DIVISION (OSD)**

POS Forms Issued by OSD that must accompany Maximum Obligation/Cost Reimbursement contracts include:

1. POS Attachment 1 – Summary document
2. POS Attachment 3 - Program Budget: Cost Reimbursement and Start-Up Contracts. Also required for Negotiated (not Rate Regulated) Unit Rate Contracts
3. POS Attachment 4: Negotiated Unit Rate calculations based on a Maximum Obligation.

For more information on how to complete the Standard Contract Form for Maximum Obligation contracts please refer to the following: 1) Standard Contract and Engagement Forms Webinar PowerPoint which is posted on the DDS Purchase of Service home page, 2) POS Forms Excel Template and 3) Standard Contract Forms Overview section in the POS Manual

### **IV. UFR PROGRAM COMPONENT AND TITLE DESCRIPTIONS FROM UFR PREPATION MANAUAL PUBLISHED BY THE OPERATINAL SERVICES DIVISION**

Following are excerpts from the UFR Preparation Manual. In this Manual, the Operational Services Division includes a definition for each UFR Program Component to assist providers in completing the POS Attachment 3.

The entire manual can be accessed through the following link:

<http://www.mass.gov/anf/budget-taxes-and-procurement/procurement-info-and-res/conduct-a-procurement/human-soc-serv-policies/ufrlearnmore.html>

#### **CREDENTIALS**

Direct care/program staff components are defined, in part, in terms of required credentials. It is not relevant to the proper classification of a position that a staff member who currently fills the position possesses a particular credential, unless the RFR or contract requires the credential for that position.

#### **FUNCTION vs. TITLE**

Direct care/program staff components are determined by their program function. For example, a licensed physician should be classified as a "Physician" only if the physician provides medical care as outlined in the component definition. If a physician performs the functions of a "Program Director", then that component should be used.

**It is the functional definition, not the title, which governs the definition of a particular component and UFR Title.** A program's "Residence Director", for example, may be classified as a Program Manager, Program Director, Assistant Program Director, or Supervisor, depending upon the actual functions performed and the scope of responsibility involved. Yet the fact that the titles used in this

document coincide with titles customarily used by program staff does not settle the question of proper classification. A particular program position is classified as a "Case Worker/Manager", rather than as a "Counselor", if the required credentials and responsibilities coincide more closely with the definition of "Case Worker".

## **CATEGORY 1: DIRECT CARE / PROGRAM STAFF**

Category 1 includes direct care staff/program staff required to provide direct care or deliver other primary program services. (Components 101-151)

### **PURCHASE OF SERVICE - UFR TITLES**

**Refresh Date: July 27, 2006**

<b>UFR Title #</b>	<b>UFR Titles (for a more complete title description, please refer to the UFR Audit &amp; Preparation Manual)</b>
<b>101</b>	Program Manager - An individual who has overall responsibility for the management, oversight, and coordination of a programmatic functional area within or across programs as in the case of "Medical Director", "Residence Director", "Clinical Director", "Education Director", etc.
<b>102</b>	Program Director - An individual who has overall responsibility for the daily operation of one or more individual programs.
<b>103</b>	Assistant Program Director - An individual who reports directly to the Program Director, acts for the Program Director in his/her absence, and functions as an adviser/assistant to the Program Director.
<b>104</b>	Supervising Professional - A credentialed professional (physician, psychiatrist, social worker, nurse, etc) whose primary responsibility is the supervision of fellow credentialed professionals in the daily performance of their programmatic functions.
<b>105</b>	Physician - A Board of Registration in Medicine-licensed or Board eligible physician (including all medical specialties, e.g. dentist, podiatrist except psychiatrist # 121) with either an MD or DO degree whose primary responsibility is delivery or supervision of health/medical care to program participants.
<b>106</b>	Physician's Assistant - An individual registered with the Department of Public Health and functioning in that capacity.
<b>107</b>	Registered Nurse-Master's, Nurse Psychiatric Mental Health Specialist, Nurse Practitioner- An individual who possesses a Master's degree in nursing and/or is registered with the Board of Registration in Nursing and is functioning in any of the above capacities.
<b>108</b>	Registered Nurse - An individual who is licensed as a registered nurse by the Board of Registration Nursing (both BSNs and others) and is engaged in nursing duties.
<b>109</b>	Licensed Practical Nurse - An individual licensed as a practical nurse by the Board of Registration in Nursing and is engaged in nursing duties.
<b>110</b>	Pharmacist - An individual licensed by the Board of Registration in Pharmacy and functioning as a pharmacist.
<b>111</b>	Occupational Therapist - An individual registered as an occupational therapist by the Board of Registration in Allied Health Professionals and who provides occupational therapy.
<b>112</b>	Physical Therapist - An individual registered as a physical therapist by the Board of Registration in Allied Health Professionals and who provides physical therapy.
<b>113</b>	Speech/Language Pathologist, Audiologist - An individual registered as a Speech/Language Pathologist or as an Audiologist by the Board of Registration in Speech/Language Pathology and Audiology and provides speech and hearing therapy.
<b>114</b>	Dietitian/Nutritionist - An individual registered as a dietitian by the Commission on Dietetic Registration of the American Dietetic Association or an individual with a Bachelor's or Master's degree in nutrition, who provides nutritional counseling, education, supervision of meal/menu preparation.
<b>115</b>	Special Education Teacher - An individual certified in special education by the Massachusetts Department of Education and working in that capacity.
<b>116</b>	Teacher - an individual certified by the Massachusetts Department of Education, other than special education and working in that capacity.
<b>117</b>	Day Care Director - An individual certified by the Office for Children as a Day Care Director and functioning in that capacity.
<b>118</b>	Day Care Lead Teacher - An individual certified by the Office of Children as a Day Care Lead Teacher and functioning in that capacity.
<b>119</b>	Day Care Teacher - An individual certified by the Office of children as a Day Care Teacher and functioning in that capacity.
<b>120</b>	Day Care Assistant Teacher/Aide - An individual certified by the Office of Children as a Day Care Assistant Teacher/Aide and functioning in that capacity.
<b>121</b>	Psychiatrist - An individual licensed to practice medicine, certified or eligible for certification by the American Board of Psychiatry and primarily involved in rendering or direction psychiatric care.
<b>122</b>	Psychologist - Doctorate- An individual holding a doctoral degree in psychology (including behavioral psychologist and neuropsychologist) or a closely related field, registered by the Board of Registration of Psychologist and primarily engaged in providing diagnostic evaluations, psychological counseling/therapy or development and implementation of behavioral treatment plans.
<b>123</b>	Clinician (formerly Psychologist - Master's) - An individual holding a Master's degree in psychology (including behavioral psychologist) or a closely related field and primarily engaged in providing diagnostic evaluations, psychological counseling/therapy or development and implementation of behavioral treatment plans.

124	Social Worker -LICSW - An individual registered as a Licensed Independent Clinical Social Worker by the Board of Registration of Social Workers and primarily engaged in providing diagnostic evaluations, psychological counseling/therapy or development and implementation of behavioral treatment plans.
125	Social Worker-LCSW- An individual registered as a Licensed Certified Social Worker by the Board of Registration of Social Workers and providing social work services.
126	Social Worker - LSW- An individual registered as a Licensed Social Worker by the Board of Registration of Social Workers and providing social work services (including casework/counseling).
127	Licensed Counselor - An individual with at least a Master's degree in counseling or a related field who is licensed by the appropriate Board of Registration and provides counseling services.
128	Certified Vocational Rehabilitation Counselor - An individual certified by the Committee on Accreditation of Rehabilitation Facilities and provides vocational rehabilitation counseling.
129	Certified Alcoholism Counselor, Certified Drug Abuse Counselor, Certified Alcoholism/Drug Abuse Counselor- An individual registered as either an Alcoholism Counselor, Drug Abuse Counselor or both by the Massachusetts Board of Substance Abuse Counselor Certification and who provides counseling services for substance abusers.
130	Counselor - An individual who provides therapeutic or instructive counseling to program clients/service recipients.
131	Case Worker/Manager - Master's - An individual possessing at least a Master's degree in counseling, or a closely related discipline, providing casework/case management services including service eligibility determination, service plan development, service coordination, resource development advocacy, etc.
132	Case Worker/Manager - An individual , providing casework/case management services including service eligibility determination, service plan development service coordination, resource development advocacy, etc.
133	Direct Care/Program Staff Supervisor - A staff member whose primary responsibility is the supervision of nonprofessional or paraprofessional direct care/program staff in the performance of their programmatic functions or whose duties involve significant responsibility for program operations or logistics. A supervisor in this component may also perform direct client care.
134	Direct Care/Program Staff III - Staff, other than those described above, requiring a doctoral or Master's degree, specific credentials or licensure, significant experience, or specialized skills, who are responsible for the general daily care of program clients/service recipients or for primary program service delivery.
135	Direct Care/Program Staff II - Staff, other than those described above, requiring a Bachelor's degree, experience or specific skills who are responsible for the general daily care of program clients/service recipients or for primary program service delivery.
136	Direct Care/Program Staff I - Staff, other than those defined above, who are responsible for the general daily care of program clients/service recipients or for primary program service. This includes relief employees on payroll.
137	Program Secretarial, Clerical Staff - Individuals required to carry on direct program clerical activities such as program or client record keeping.
138	Program Support, Housekeeping, Maintenance, Janitorial, Groundskeeper, Drive, Cook - Individuals who carry out direct program activities for client health and safety.
150	Payroll Taxes - Employer's share of FICA, MUCIA, Worker's Compensation Insurance, FUTA (in the case of for-profit providers) and other payroll taxes paid by the employer on the direct care/program staff listed in category 1 on the budget.
151	Fringe Benefits - Life, health and medical insurance, pension and annuity plan contributions, day care, tuition benefits and all other non-salary/wage benefits received by direct care/program staff listed in category 1 on the budget.

## **CATEGORY 2: OTHER DIRECT CARE/PROGRAM RESOURCES (Components 201 - 216)**

Category 2 includes resources, other than direct care staff/program staff, required to carry out direct client care or support the delivery of other primary program services.

### **201 Direct Care Program Consultants**

Individuals possessing specialized experience or expertise in matters of individual service plan design, program design, program management or operation, and who are engaged to provide technical assistance on matters of appropriate client care, program design, etc.

### **202 Temporary Help**

Individuals, in some cases, possessing specialized skills or expertise in client care and treatment, engaged on an "as needed", "on call", "standby" or "specialist" basis, to provide client care or treatment. This component includes contracted relief staff services furnished by individuals or organizations.

**203 Provider Reimbursement/Stipends**

Per diem reimbursement to independent individual care givers (not provider agency employees), such as family day care providers, specialized home care providers, or foster families to compensate them for their personal services and/or to defray all or a portion of the costs associated with client care in their homes.

**204 Staff Training**

Formal instruction to meet professional continuing education requirements, to satisfy program licensure requirements, or to enable direct care staff to acquire and maintain acceptable levels of knowledge, skill, and proficiency for the routine performance of their assigned functions. (Note that the staff time devoted to training should be included in the calculation of required direct care staff FTEs. Staff tuition/educational benefits paid, as a condition of employment should be included in "Fringe Benefits" Component 151.)

**205 Staff Mileage/Travel**

Direct care staff travel within the normal scope of the staff members' assigned duties. This category includes use of a staff member's own vehicle, as well as public transportation.

**206 Subcontracted Direct Care**

Client care or other program services which are a primary and integral part of the total program but which are furnished to the program, under contract, by a separate program of another provider.

**207 Meals**

Food, cooking materials, and other resources (other than staff compensation) required for the planning, preparation, and serving of meals and snacks to clients and, if programmatically necessary, to staff.

**208 Client Transportation**

The resources (other than staff compensation) associated with transportation of clients to, from, or among program sites as a routine part of program participation. This component shall include Provider owned vehicles (depreciation and finance charges) or leased vehicles, all associated operating, maintenance, insurance, and non-owned auto insurance costs, contracted transportation, etc.

**209 Incidental Health/Medical Care**

The resources (other than staff compensation) associated with providing health/medical care on an as needed or emergency basis (including ambulance services) to clients of a program, which is not primarily intended to address the on-going medical needs of program participants.

**210 Medicine/Pharmacy**

The resources (other than staff compensation) associated with on-site inventory and administration of medically necessary prescription pharmaceuticals, patent medicines, and medical supplies.

**211 Client Personal Allowances**

Cash paid to program clients as an incentive to program participation, as part of instruction in money management, to give clients a measure of economic independence, to acquire personal items, or

other program purpose. This category includes "indirect" client wages (i.e. "wages" which are not related to the economic value of the client's work product/productivity).

## **212 Provision of Material Goods, Services and Benefits**

Resources, other than those defined above, associated with provision of material goods or services - such as prosthetic and adaptive devices, nutrition, or day care vouchers - to (for DDS this includes "on behalf of" ) eligible program clients/recipients.

**(NOTE: For DDS programs: Direct Payments to Individuals/Families are entered here.)**

## **213 Data Processing**

Resources (other than staff compensation) associated with the collection, analysis and reporting of data as a program and agency administrative support function, including owned (depreciation and finance charges only) or leased computer hardware and software. These resources should be included in the agency and program administrative support component 410.

## **214 Other Commercial Products and Services**

Resources, other than those defined above, such as consumer wages, benefits and taxes, raw materials, production equipment and consumables, freight and transportation, and marketing associated with the use of client labor in the production or assembly of a product or service as a part of the client's program of vocational training/rehabilitation or sheltered employment.

## **215 Program Supplies, Materials and Expendable Items of Equipment and Furnishings**

Includes program residential, educational, vocational, and recreational supplies and materials, as well as expendable items of equipment and furnishings that are not required to be capitalized and are routinely needed for ongoing direct client care or program service delivery.

## **216 Program Support**

This component is for direct administrative program support that is associated with a single program(s) and **NOT** allocated across programs as an indirect cost or identified in component title 410 as other professional fees, office equipment depreciation, professional insurance, and working capital interest or in title 390 as leased office equipment and office furnishing used in a program. This component **does not include personnel**; all program personnel must be included in components 101 - 138. Program support is for costs separately identified in a POS program contract budget of Attachment 3 on the line titled Program Support. These costs are intended to meet the specialized and/or non-recurring needs of the program, which may include maintenance, and accreditation fees. This component title may not include resources defined as Non-Reimbursable Costs by regulation 808 CMR 1.05 (Effective 2\1\97 808 CMR 1.05), e.g., certain consultant compensation, current expensing of capital budgets, fund-raising, etc.

# **CATEGORY 3: OCCUPANCY**

## **301 Program Facilities**

Owned or leased program facilities and grounds (including rent or mortgage interest and building depreciation). This component may not include the costs of principal or amortizations, that are non-reimbursable costs under 808 CMR 1.00.

### **390 Facilities Operation, Maintenance, Equipment and Furnishing**

This category includes all resources associated with occupancy; furnishing and maintenance of program facilities, including all utilities (other than telephone), contracted housekeeping, laundry, contracted grounds keeping, routine repair and maintenance, leased office equipment and office furnishings and equipment and routine replacement (depreciation and finance charges only) of capitalized program furnishings and equipment, property and general liability insurance, real estate taxes or payments in lieu of taxes, and all other such resources/expenses. This component does not include the cost of employees on the payroll (see 138 - Program Support Housekeeping, Maintenance, Groundskeeper, Janitorial, Driver, and Cook).

## **CATEGORY 4: ADMINISTRATIVE SUPPORT**

### **410 Agency and Program Administration and Support**

This component is for resources related to administration and support activities that are both directly related to a program (direct costs) and those that are related to the overall direction of the agency. Cost associated with the overall direction of the agency may cross all agency programs and are not directly associated with any one program or a combination of programs but provides indirect benefit to those programs (indirect administration).

Costs providing indirect benefit to programs include administrative costs, management and general costs and all resources reasonably necessary for the policy making, management, and administration related to the overall direction of the organization that are separately disclosed in the Statement of Functional Expenses Administration (MNGT. & GEN) column. Indirect administrative costs are also allocated to a program or programs as Admin (M&G) Reporting Center cost on 53E of the Admin (m&g) column of Organization Supplemental Information Schedule A to line 53E of the Program Supplemental Information Schedule B. These indirect Agency Administration costs indirectly benefiting a POS program are included in Attachment 3 of the POS contract budget on the line titled Agency Admin Support Allocation. In addition, this title includes administrative costs directly benefiting a program or programs that are charged to that program or programs as direct costs (ex. program other professional fees, program professional insurance, and program office equipment depreciation and working capital interest). Administrative costs that directly benefit programs are included in Attachment 3 of the POS contract budget on the line titled Other Direct Administrative Costs.

Leased office equipment and office furnishings that are used in a program are disclosed in title 390 Facilities Operation, Maintenance, Equipment and Furnishing and included in Attachment 3 of the POS contract budget on the line titled Other Direct Administrative Costs.

All other administrative costs that directly benefit a program and meet the specialized needs of the program are contained in title 216 Program Support. Title 216 Program Support costs are included in Attachment 3 of the POS contract budget on the line titled Program Support.