



State of Connecticut
Department of Developmental Services

DDS

Ned Lamont
Governor

Jordan A. Scheff
Commissioner

Peter Mason
Deputy Commissioner

To: Purchase of Services Contracted Private Providers

From: Scott McWilliams, Chief of Fiscal/Administrative Services

CC: Jordan Scheff, Commissioner, Peter Mason, Deputy Commissioner, Katie Rock-Burns, Chief of Staff, David David, Operations Center Director, Regional Directors, Private ARDs, Resource Administrators, The Alliance, The Arc CT

Date: Revised July 20, 2020

RE: Fiscal Years 2020 and 2021 Coronavirus Funding

The Department continues to receive questions about provider reimbursement throughout the duration of the coronavirus pandemic and how billing and funding will change during DDS reopening efforts. To answer as many reimbursement, billing and funding related questions from providers as possible, DDS has prepared the following summary:

The following describes the reimbursement methodology by month for day and residential services:

1. April payments:
 - a. Day and employment programs: Payments for February actuals. Supplemental payment for April equal to 5% of February actuals.
 - b. Residential programs: Payments for February actuals. Covid-19 payment for March and April expenditures equal to 25% of February actuals.
2. May, June and July payments:
 - a. Day and residential payments were based upon March, April, May attendance billing submitted by the provider.
 - b. Fiscal Stability Payments for day and employment programs: Reimbursement for unbilled attendance up to 100% of monthly authorizations. Please see "Authorization based payments" and "Entering attendance" below for more detail.
 - c. COVID-19 Supplemental Payments for residential programs: Reimbursement for the May, June and July Covid-19 expenses based upon 20% of monthly authorizations.
3. August payments:
 - a. Attendance payments are based upon June attendance billing submitted by the provider.
 - b. Payments for day and employment programs: Reimbursement based upon 85% of monthly authorizations.
 - c. August COVID-19 Supplemental Payments for residential programs: Provider can submit one-time funding based on actual costs for COVID-19 related expenses.

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4. September and October payments:
 - a. Attendance payments will be based upon July and August attendance billing submitted by the provider
 - b. Day and employment programs:
 - i. All authorizations will be converted to hourly and providers will bill for all units of support provided.
 - ii. Payments based upon enhanced phase-in payment method. Financial Stability Payments will equal 85% of monthly authorizations if phase-in goal of support 50% of DDS funded individual receive at least 50% weekly service hours. Please see “Day and employment phase in funding” below for a more detailed description.
 - c. Residential programs: COVID-19 Supplemental Payments based on authorization will not be issued. Providers can request one-time funding for enhanced staffing and expenses related to COVID-19. (More details to follow regarding one-time submittals)
5. November payments:
 - a. Attendance payments will be based upon September attendance billing submitted by the provider
 - b. Day and employment programs: Payments based upon enhanced phase-in payment method. Financial Stability Payments will equal 85% of monthly authorizations if phase-in goal of support 75% of DDS funded individual receive at least 75% weekly service hours.
 - c. Residential programs: Providers can request one-time funding for enhanced staffing and expenses related to COVID-19.
6. December and after payments:
 - a. Day and employment programs: Reimbursement based upon attendance billing submitted by the provider.

Residential programs: Reimbursement based upon submitted attendance billing, but providers can request one-time funding for COVID-19 related expenses.

Authorization based payments

During most of the “Stay Safe, Stay Home” executive order and during the reopening DDS reimbursed providers as a percent of monthly authorizations.

1. Monthly authorizations were calculated by dividing active annual authorizations by twelve.
2. For day and employment services an annual authorization is based upon 225 days.
3. Providers received both an attendance payment and a COVID-19 supplemental payment. The COVID-19 supplemental payment was calculated by subtracting the attendance payment from the monthly authorizations.
4. Residential providers received a COVID-19 supplemental payment for enhanced staffing during the day hours and PPE equipment. This payment applies to the month you received it.
5. Day and employment services received a financial stability payment for unbilled services. This payment applies to the same month as the attendance payment.

Day and employment phase-in funding

1. During the phased reopening providers will be reimbursed with an enhanced payment method. The enhanced payment will include a base payment which is the billed units paid at the providers existing rate and an enhanced payment.
2. The enhanced payment will reimburse providers for unbilled services. Unbilled services will be calculated by applying a utilization factor to monthly authorized units less billed units.
3. The enhanced payment will be calculated as follows:

$$\text{Billed Units} * \text{Rate} + (\text{Authorized Units} - \text{Billed Units}) * \text{Utilization Factor} * \text{Rate}$$
4. The Utilization Factor will change based upon the targeted utilization factor in each phase.

- a. Utilization factor will be applied to unbilled units. It is calculated so that providers will receive payment equal to 85% of authorization if phase-in target utilization is achieved.
- b. T: Target utilization for phase. The target utilization is calculated by multiplying the percent of individuals to be served by the percent of weekly services.
 - i. Targeted utilization for phase 1 is 25% (50% of individuals receiving 50% of services).
 - ii. Targeted utilization for phase 2 is 56.25% (75% of individuals receiving 75% of services).
- c. H: Historic utilization 85%
- d. Calculation: $(H - T)/(1 - T)$
 - i. Phase 1 utilization factor: $(.85 - .25)/(1 - .25) = .8$
 - ii. Phase 2 utilization factor: $(.85 - .5625)/(1 - .5625) = .6571$
- e. Since unbilled units will be reimbursed at the utilization factor for each phase, the utilization factor is the floor on provider reimbursement for that phase. For example, the phase 1 utilization factor is 80%, therefore a provider making a good faith effort to achieve the phase-in goals will receive a minimum 80% of monthly authorizations. DDS defines good faith effort as:
 - i. Provide electronic or virtual support opportunities to all DDS funded individuals
 - ii. Provide a minimum of one hour of service at least three days per week to those who are willing to participate.

Entering Day and Employment Services Attendance

- 1. Prior to June 30, 2020:
 - a. 6 hours of supports available and an individual participated in the programs and/or was directly supported with at least 5 hours of supports to bill the per diem.
 - a. However, providers are encouraged to use the previously approved 6 days for intermittent late arrival or early dismissal that resulted in the participant not meeting the minimum of five (5) support hours in the day if at least 3 hours of supports was provided
 - b. All hourly authorizations should be entered in WebResDay for 15 minutes of support. Round up only if the remainder is 8 minutes or more (ie: 2 hrs and 8 minutes = 9 units).
- 2. Effective July 1, 2020
 - a. All per diem authorizations will be changed to hourly authorizations.
 - b. All hourly authorizations should be entered in WebResDay for 15 minutes of support. Round up only if the remainder is 8 minutes or more (ie: 2 hrs and 8 minutes = 9 units).