



State of Connecticut  
Department of Developmental Services

DDS

Ned Lamont  
Governor

Jordan A. Scheff  
Commissioner

Elisa F. Velardo  
Deputy Commissioner

**Operations Memo 2023-12**

**To:** Purchase of Service Contracted Private Providers

**From:** Sean Bannon, Operations Center Director

**CC:** Jordan Scheff, Commissioner, Elisa Velardo, Deputy Commissioner, Katie Rock-Burns, Chief of Staff, Scott McWilliams, Chief of Fiscal/Administrative Services, Regional Directors, Private ARDs, Resource Administrators, The Alliance, The ARC CT

**Date:** October 13, 2022

**RE:** Nonprofit Incentive Program for POS Contracts

This memo follows up the June 7, 2022 OPM "Updated Guidance on C.G.S Section 4-216(c) - Nonprofit Incentive Program for POS Contracts" memo. The nonprofit incentive program allows nonprofit providers that meet contractual requirements to retain savings from DDS funded programs and reinvest them back into DDS funded programs. DDS is checking on including for-profit providers in the incentive program. The program is limited to non-ARPA HCBS state funds only and excludes wage and benefit pool funds. ARPA HCBS, federal, wage, and benefit pool funds are excluded from the nonprofit incentive program and will be cost settled at 100%.

The retained savings for each fiscal year shall be calculated by summing all the surplus/(deficit) lines from the cost settlement letter for that year. Providers shall use retained savings to strengthen the quality of their programs, invest in deferred capital maintenance, or make asset improvements that benefit their program populations.

Providers desiring to participate in the program shall submit a retained savings reinvestment form by November 30, 2022. The department will review forms and will approve initiatives consistent with the program. Any funds not associated with an approved initiative may be subject to recoupment. Providers will need to submit an additional cost report and attest that retained savings were expended on approved initiatives with the annual report.

Please contact Scott at [scott.mcwilliams@ct.gov](mailto:scott.mcwilliams@ct.gov) or me at [sean.bannon@ct.gov](mailto:sean.bannon@ct.gov) with any questions.