

DDD-PI-068

TO: DD Service Providers
Regional DD Program Administrators

FROM: Sandi Noble, MSW, Director
Developmental Disabilities Division

DATE: May 26, 1995

SUBJECT: Revised Policy Relating to NDAC 75-04-05-13(17)

This policy issuance supersedes DDD-PI-050, dated November 15, 1993, as well as all previous policies on this topic. The following policy is effective for each provider's first full fiscal year beginning on or after July 1, 1995.

NDAC 75-04-05-13(17) states non-allowable costs include but are not necessarily limited to: costs, exceeding the amounts budgeted as "salaries and fringes", "board expenses", "property expenses", "production expenses", or "other costs", unless the written prior approval of the department has been received.

This policy issuance is intended to provide for a change in the implementation of this rule in auditing practice, in accordance with legislative intent included in Senate Bill 2012, the Department of Human Services appropriation bill, Section 15. This section creates a new section of ND Century Code Chapter 50-06 relative to Developmental Disabilities service providers, and states, "The department of human services shall allow providers of service to the developmentally disabled to transfer funds received from the department between budget categories and line items."

For audit purposes, unless intervening variables documented and approved through Department procedure dictate otherwise, the participation by the DD Division at a reasonable level of reimbursement is established on Form 854DD, "Statement of Budgeted Costs", with respect to program costs reimbursed through the DD Division. Accordingly, when Provider Audit determines allowable cost, budget limitations for DD Division "green sheet" reimbursed programs shall be maintained to within the column 1 total on line 85. This total is exclusive of programs reimbursed by the DD Division based on an

individualized rate-setting mechanism (ie: ISLA, Family Support Services, Extended Services) and of other programs not funded by the DD Division. The individual contract programs will continue to be treated as before in relation to contract development and auditing procedures.

Effective July 1, 1995, any requests for exceptions to the budget limitation set on line 85 will only be considered at the state office level, and will be subject to fiscal and program review by the DD Division, considering current cost and revenue data. Approval of mid-year enhancements to any item affecting line 85 of Form 854DD may no longer be obtained from regional Human Service Center staff.

cp

c : Henry C. "Bud" Wessman
Regional HSC Directors
Provider Audit