

TO: Supported Employment/Extended Services Providers
Regional DD Program Administrators
Regional Vocational Rehabilitation Administrators
Regional Extended Care Coordinators

FROM: Robbin Hendrickson, Developmental Disabilities Div
Carl Rodlund, Mental Health Division
Jim Leary, Vocational Rehabilitation Division

DATE: June 17, 1996

SUBJECT: Extended Services Rate Setting

By agreement, the responsibility for Extended Services rate setting has been transferred to the Development Disabilities Division from the Vocational Rehabilitation Division. This is effective with the fiscal year beginning July 1, 1996.

The Divisions of Vocational Rehabilitation, Mental Health, and Developmental Disabilities have developed budget instructions which will be used by Developmental Disabilities in the rate setting process. The instructions are attached as DDD-PI-072. Questions regarding the budget instructions should be directed to the DD Division.

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attachment

DDD-PI-072

TO: Supported Employment/Extended Service Providers

FROM: Gene Hysjulien, Director
Developmental Disabilities Division

DATE: June 17, 1996

SUBJECT: Budget Instructions for Extended Services

1. Submitted units must be equivalent to FYE 1995, or if less, budgeted costs must be reduced accordingly.

Since there are people waiting to enter Supported Employment contingent on availability of Extended Services funding, reduced units can only be justified if unable to provide that number of units or the Regional supervisors for DD, VR, and Extended Care do not intend to use that number of units.

2. Submit units as intervention hours.

For full fiscal years beginning on and after July 1, 1996, the billing system will be changed to hours of intervention rather than a daily rate.

Until the 96/97 interim rates are established, we will input an hourly rate of 90% of your approved January 1, 1996 interim rate. This will allow conversion to the hourly rate immediately, provide cash flow until rates are set, and reduce the number of payment adjustments that will be necessary.

3. Budgets must be submitted in the 'green sheet' format. Extended Services will not be included in the calculation of the 'bottom line' budget limitation total. For audit purposes, it will stand alone as a separate budget limitation. (See DDD-PI-068, 5-25-95).
4. Identify budgeted units as a total with target amounts each for DD, VR, and Mental Health.

5. Units of service must be reviewed with and approved by Regional DD, VR, and Mental Health personnel as applicable.
6. Identify each FTE by salary level and by function-- administrative or direct service (job coach).

This information will be used to establish some uniformity in units per direct service FTE and other positions in order to budget for future service unit increases.

7. Costs of production such as property, equipment, supplies, materials, management, etc. are not allowable. (Allowable costs relate to supporting clients. Non-allowable costs relate to employing clients.) Until we get a better handle on 'provider as employer' relationships, administrative allocation will not be assessed to Extended Services contract or production activity that is operated primarily for the creation of employment opportunities for clients of the Division of Disabilities.
8. The 95% occupancy rate does not apply to Extended Services.
9. Up to a 3.5% increase will be allowed on full fiscal year budgets beginning on or after July 1, 1996. However, keep in mind that budgeted costs must be reduced if units are reduced!

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c: Regional DD Program Administrators Regional VR Administrators
Regional Extended Care Coordinators