

DEPARTMENT OF HUMAN SERVICES
State Capital
Bismarck, ND 58505

DDD-09-99
PI-09-17

To: Regional DD Program Administrators; Barb Murray;
Licensed DD Service Providers

From: John Bole

Date: September 15, 2009

Effective Date: Provider fiscal year that begins after 6/30/09

Subject: ISLA Audit Settlement Process

NDAC 75-04-05-24-3c indicates that when direct service reimbursements from the department exceed direct service costs attributable to the department by the margin established by department policy, payback to the Department is required. In these situations, the entire overpayment must be refunded.

The following margins are effective per this policy issuance.

1. When audited direct service costs are 95% to 100% of direct service reimbursements from the department, the provider may keep the difference.
2. When audited direct service costs are 90% to 95% of direct service reimbursements from the department, the provider will need to pay back the (excess) amount up to 95%. Providers will be allowed to retain 100% of the amount between 95% and 100%.
3. When audited direct service costs are less than 90% of direct service reimbursements from the department, the provider will need to pay back the (excess) amount up to 95% and will only be allowed to retain 25% of the amount between 95% and 100%.