



DIVISION OF DEVELOPMENTAL DISABILITIES
Olympia, Washington

TITLE: RESIDENTIAL PROGRAM DEVELOPMENT POLICY 6.14

Authority: RCW 71A.12.080 *Developmental Disabilities*
Chapter 388-101 WAC *Certified Community Residential Services and Supports*

PURPOSE

This policy describes the costs allowable as "program development" expenses for initial program development in establishing or expanding program services for clients served by the Division of Development Disabilities (DDD). The procedures for authorizing and making start-up payments are also described.

SCOPE

This policy applies to new agencies providing the following residential services:

- Certified Supported Living Services;
- Children's Licensed Staffed Residential Services;
- Companion Homes; and
- DDD Group Homes.

DEFINITIONS

Program Development Costs means only those expenses incurred by a residential agency contracting for the purpose of establishing provider capacity to provide service to DDD eligible clients. These may include portions of the costs associated with hiring and training staff, securing office space, and obtaining equipment for agency operations.

Program development expenses directly associated with individual client needs are under the scope of DDD Policy 6.11, *Residential Services and Supports Allowances*.

POLICY

- A. It is the division's expectation that agencies providing services to division clients are responsible for their own business start up and operating costs.
- B. When funding is available, limited program development costs may be authorized for exceptional start up costs according to the procedures section of this policy.

PROCEDURES**A. Allowable Costs**

Payment for any or all of the following activities may be authorized as part of the cost of establishing or expanding services:

- 1. Initial arrangements for the procurement of administrative space and equipment;
- 2. Staff recruitment and training;
- 3. Activities prior to a client receiving residential services, including:
 - a. Evaluating referrals and meeting with clients and their families;
 - b. Planning individual program services as identified in the client's DDD assessment, such as making preliminary arrangements for support services, (e.g., financial assistance, medical services, counseling, etc.);
 - c. Locating, securing, and/or modifying client housing;
 - d. Procuring essential possessions with or for the client, such as basic furnishings, adaptive equipment, etc. The service provider must use appropriate payment sources for these purchases. Note: This section is not applicable to Licensed Staffed Residential programs, which must follow WAC 348-148-0155; and
 - e. Transporting clients identified to receive programming.
- 5. Initial arrangements, such as a down payment or lease cost, for the procurement of agency vehicles to transport clients when and where alternative means of transportation are not feasible; and
- 6. Funds under this section will not pay for capital assets, but will allow a service provider to make arrangements for their purchase (such as a down payment or lease arrangements).

B. Determination of Program Cost Amount

1. The service provider must submit to the region, in advance, a proposed budget that itemizes requested program development costs.
2. The RA or his/her designee will review the request for:
 - a. Documentation of competitive bids or of reasonable comparison shopping for the services and/or items to be purchased; and
 - b. Determination of reasonable estimates of time proposed to complete the various transactions.
3. If funds are available, the RA will recommend to the Division Director the maximum consideration to be approved for agency start-up.

C. Authorization of Program Development Costs

1. Program development costs will be authorized through the use of DDD's start-up contract following approval by the Division Director.
2. It is expected that the service provider's program development activities will be complete and the provider will begin to provide the intended ongoing services within a period of ninety (90) days or less from the effective date of the program development contract.

D. Reimbursement

If approved for reimbursement, the service provider will bill DDD for the contracted amount on a standard A-19 Invoice Voucher and the budget attachment. The regional Resource Manager will instruct the service provider on how to complete and submit the invoice voucher consistent with department requirements.

E. Settlement

The service provider must retain receipts or records for six (6) years documenting the actual cost of all start-up activities authorized and billed. Within sixty (60) days after the termination of the start-up period, as determined by the termination date of the program development contract, settlement must occur as follows:

1. Provided that the program development activities actually resulted in the implementation of the intended client services, the service provider must submit to DDD documentation verifying costs incurred for all authorized/reimbursed start-up transactions.

- a. If the amount billed by the service provider and reimbursed by DDD is equal to the actual costs incurred by the provider, then there is deemed to be no further settlement.
 - b. If the amount billed by the service provider and reimbursed by DDD is less than the actual costs incurred by the provider and less than the maximum consideration allowed in the start-up contract, DDD will notify the provider in writing and will pay the difference to the provider within thirty (30) days after issuing such notice.
 - c. If the amount billed by the service provider and reimbursed by DDD is more than the actual costs incurred by the contractor, then the difference will be deemed an overpayment and DDD will notify the provider in writing of the amount due. The provider must refund the designated overpayment amount within thirty (30) days after receiving such notice or make arrangements for refunding the overpayment with the DSHS Office of Financial Recovery (OFR).
2. If through default on the part of the service provider, start-up activities do not result in the implementation of the intended client services, all start-up payments billed by the provider and reimbursed by DDD shall be deemed an overpayment. DDD will notify the contractor in writing of the full amount of the overpayment. The contractor must refund the designated overpayment amount in full within thirty (30) days after receiving such notice or make arrangements to refund the overpayment with the OFR.

EXCEPTIONS

Any exceptions to this policy must have the prior written approval of the Division Director. RAs must submit such requests on DSHS 05-010, *Policy Exception Request*, to the Community Residential Services Program Manager in DDD Central Office.

SUPERSESSSION

DDD Policy 6.14
Issued January 2, 2007

Approved: /s/ Linda Rolfe
Director, Division of Developmental Disabilities

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