



DIVISION OF DEVELOPMENTAL DISABILITIES
Olympia, Washington

TITLE: STATE OPERATED LIVING ALTERNATIVE POLICY 6.20
(SOLA) REIMBURSEMENT

Authority: 71A RCW

PURPOSE

This policy describes the reimbursement methodologies in claiming federal financial participation (FFP) for covered services under Title XIX.

SCOPE

This policy applies to all State Operated Living Alternatives (SOLA).

POLICY

The Aging and Disability Services Administration Management Services Division (ADSA/MSD) Office of Rates Management shall set the SOLA rates for each Division of Developmental Disabilities region with SOLA programs to claim federal financial participation (FFP) for eligible SOLA expenditures.

PROCEDURES

A. Client and Accounting Data

Regional Business Managers shall:

1. Ensure that the Common Client Data Base (CCDB) reflecting the admission dates and client names are updated timely and accurately; and
2. Ensure that the accounting records accurately reflect SOLA expenditures.

B. Interim Rates and Payments

1. Interim daily rates shall be established so that the DSHS Finance Division can claim FFP related to SOLA expenditures.
2. The interim rates shall be adjusted for known and measurable cost factors such as federal, state or department changes in program standards or services.
3. Interim FFP claims shall be the amounts claimed by the DSHS Finance Division calculated by multiplying the interim rate for each region's SOLA by the respective region's SOLA Medicaid eligible resident days.
4. The SOLA expenditures and FFP claimed will be monitored to ensure that expenditures and revenues are aligned. The claiming rates may be adjusted during the fiscal year if necessary to maintain a reasonable relationship between expenditures and revenues.

C. Cost Reports

Regional Business Managers shall submit annual cost reports by January 31 of each year which covers the previous state fiscal year July 1 through June 30. The cost report shall be submitted in the format developed by the Office of Rates Management. The Office of Rates and Reimbursement will provide the cost report format and instructions for completion of the cost report shortly after the close of each fiscal year.

D. Preliminary and Final Settlement

1. A preliminary settlement shall be reviewed by the Office of Rates and Reimbursement within 120 days from receipt of the cost reports. The Office of Rates Management must verify the accuracy of the SOLA program's proposal and issue a preliminary settlement substantiating the settlement amount.

Preliminary settlements shall be calculated as follows:

- a. If SOLA allowable costs for the fiscal period are greater than the interim payment, the amount owed to the department shall be the difference between allowable costs minus the interim payments.
- b. If SOLA allowable costs for the fiscal period are less than the interim payment, the amount owed by the department shall be the difference between the interim payments minus the allowable costs.

2. Final Settlement:
- a. The final settlement is the preliminary settlement issued by DSHS if an audit is not conducted.
 - b. If an audit is conducted, DSHS must submit a final settlement report to the SOLA program after the audit process is completed. This report must substantiate all disallowed costs, refunds, underpayments or adjustments to the financial statements, cost report and settlement calculation.

EXCEPTIONS

No exceptions to this policy may be granted without the prior written approval of the Division Director.

SUPERSESSION

DDD Policy 6.20
Issued November 30, 2004

DDD Policy 6.20
Issued March 3, 1994

Approved: /s/ Linda Rolfe Date: 2/17/2005
Director, Division of Developmental Disabilities