



DIVISION OF DEVELOPMENTAL DISABILITIES
Olympia, Washington

TITLE: RESIDENTIAL PROGRAM DEVELOPMENT POLICY 6.14

Authority: RCW 71A.12.080
Chapter 388-101 WAC

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 the following residential settings:

- Certified Supported Living Services;
- DDD Group Homes; and
- Companion Homes.

DEFINITIONS

Program Development Costs means only those expenses incurred by a residential contracting agency for the purpose of establishing or expanding provider capacity to provide service to DDD clients. Program development expenses directly associated with individual client needs are under the scope of DDD Policy 6.11, *Supported Living Allowance*.

POLICY

Program development costs may be authorized by a Regional Administrator whenever necessary to establish or expand service providers.

PROCEDURESA. 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. Development of required policies and procedures;
3. Staff recruitment and training;
4. Pre-placement activities, including:
 - a. Evaluating referrals and interviewing clients;
 - b. Planning individual program services as identified in the client's DDD assessment;
 - c. Locating, securing, and/or modifying client housing;
 - d. Procuring essential pre-placement possessions with or for the client (e.g., basic furnishings, adaptive equipment, etc.). The service provider must use appropriate payment sources for these activities, if applicable (e.g., medical coupons);
 - e. Making preliminary arrangements for other support services (e.g., programs, financial assistance, medical services, counseling, therapy, etc.); and
 - f. Transporting clients.
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. Other expenses as approved by the Regional Administrator (RA) and specified in the contract.

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. The RA will determine the maximum consideration to be approved for start-up.

C. Authorization of Program Development Costs

1. Program development costs will be authorized through the use of DDD's start-up contract as approved by the RA. The RA may approve expenses up to \$5,000; costs above this amount must have the prior approval of 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

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.

F. DDD Allocation of Costs

Program development costs will be allocated on a quarterly basis.

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*.

SUPERSESSSION

DDD Policy 6.14
Issued August 5, 1998

DDD Policy 6.14
Issued December 30, 1993

Policy Directive 130
Issued November 1991

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

Date: January 2, 2007