



DIVISION OF DEVELOPMENTAL DISABILITIES
Olympia, Washington

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

Authority: 71A RCW *Developmental Disabilities*

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 Division of Developmental Disabilities (DDD) State Operated Living Alternatives (SOLA) Programs.

POLICY

- A. The Aging and Disability Services Administration Management Services Division (ADSA/MSD) Office of Rates Management shall set the SOLA rates for each DDD region with a SOLA program to claim federal financial participation (FFP) for eligible SOLA expenditures.
- B. Rates for clients moving from Intermediate Care Facilities for Persons with Intellectual Disabilities (ICF/ID) under the Roads to Community Living (RCL) grant will be set by the regional Resource Manager. The Resource Manager will use the standardized rates assessment process in CARE to establish support hours and transportation.

PROCEDURES

- A. Client and Accounting Data
 - 1. SOLA Managers shall ensure that Comprehensive Assessment and Reporting Evaluation (CARE) system reflects the admission dates, and that client names are updated timely and accurately; and

2. Regional Business Managers shall 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 estimated SOLA expenditures and estimated client days.
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 actual 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 cover 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 (ORM). The ORM 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 determined and issued by the ORM. The ORM must verify the accuracy of the SOLA program's actual expenditures and issue a preliminary settlement based on these expenditures and the actual Medicaid eligible client days.

Preliminary settlements shall be calculated as follows:

- a. Settlement is due to the department if allowable FFP costs for the fiscal period are greater than the FFP costs claimed. The amount owed to the department shall be the difference between the allowable FFP costs minus the FFP costs claimed.

- b. Settlement is due from the department if allowable FFP costs for the fiscal period are less than the FFP costs claimed. The amount owed by the department shall be the difference between the FFP costs claimed minus the allowable FFP 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 April 1, 2008

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

Date: July 1, 2011