



DEVELOPMENTAL DISABILITIES ADMINISTRATION
Olympia, Washington

TITLE: ADULT RESIDENTIAL PROGRAM DEVELOPMENT POLICY 6.14

Authority: [Chapter 71A RCW](#) *Developmental Disabilities*
[Chapter 71A.22 RCW](#) *Training Centers and Homes*
[Chapter 388-101 WAC](#) *Certified Community Residential Services and Supports*

PURPOSE

This policy describes the process to be followed for new agencies that want to contract with the Developmental Disabilities Administration (DDA) for adult residential services and supports and the costs allowable as "program development" expenses for initial program development in establishing or expanding program services for DDA clients. 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 (SL), including Community Protection Residential Services (CPRS);
- DDA Group Homes; and
- DDA Group Training Homes.

Note: Supported Living program development expenses directly associated with individual client needs are under the scope of DDA Policy 6.11, *Residential Services and Supports Allowances*.

DEFINITIONS

DDA Regions means the three geographic service regions of the Department of Social and Health Services (DSHS). To view, go to: <http://www.dshs.wa.gov/pdf/ea/DSHSRegMap.pdf>.

Group Homes (GH) means habilitative instruction and supports offered to two or more adult clients in a licensed facility. Group Homes are licensed as either an assisted living facility or an adult family home. Group Homes contract with DDA to provide 24-hour support and training. The provider owns or leases the facility. Clients participate toward room and board expenses. The DDA pays for the client's cost-of-support. Clients who receive Group Home residential services must be 18 years of age or older and must be assessed as needing group home services to meet their health and welfare needs.

Group Training Homes (GTH) means habilitative instruction and supports offered to two or more adult clients in a facility. Group Training Homes are established under [Chapter 71A.22 RCW](#). Group Training Homes contract with DDA to provide 24-hour support and training. The provider owns or leases the facility. Clients participate toward room and board expenses. The DDA pays for the client's cost-of-support. Clients who receive Group Home residential services must be 18 years of age or older and must be assessed as needing group home services to meet their health and welfare needs.

New Agency means an entity that has not offered residential services and supports in a particular region and receives a new certification or a certified residential agency operating in one region requests a contract in a different region.

Program Development Costs means only those expenses incurred by a residential agency contracting for the purpose of establishing provider capacity to provide service to DDA 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 DDA Policy 6.11, *Residential Services and Supports Allowances*.

Sub-region means the separation of each region designated as North and South (e.g., Region 1 North, Region 1 South, etc.). Each sub-region is considered separate for contract purposes.

Supported Living Services (SL) means habilitative instruction and supports offered to persons age eighteen and older who live in their own homes in the community. This service model offers an independent living option for eligible clients. Supports vary based upon the individual's needs. The model encourages maximum involvement by the person. Clients pay their own rent, food, and other personal expenses. The DDA contracts with private agencies to provide SL services. SL services are also offered by the State Operated Living Alternatives (SOLA) programs.

POLICY

- A. The DDA will issue a Request for Qualifications (RFQ) at least every two years for the purpose of seeking qualified residential services providers to be contracted with the DDA.

- B. It is the administration's expectation that agencies providing services to DDA clients are responsible for their own business start up and operating costs.
- C. When funding is available, limited program development costs may be authorized for exceptional start up costs according to the procedures section of this policy.
- D. Agencies requesting to contract with the DDA shall adhere to the procedures described in this policy.

PROCEDURES

A New Agency Contract Process

- 1. Agencies intending to apply for a residential services contract must complete the RFQ process. The DDA will evaluate the need for additional residential services and support providers in each sub-region to allow contracting with agencies that qualify through the RFQ process.
- 2. Certified agencies that have a current contract with the DDA may request an exception to the RFQ requirement. The request for exception must be sent to the DDA Regional Administrator (RA). The RA may grant an exception if there is an emergent need for services or if the agency requesting the exception has unique qualifications and skills to meet the need of a specific population.

B. Allowable Costs

Payment for any or all of the activities described below 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 DD 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; and
 - e. Transporting clients identified to receive programming.
4. Initial arrangements for the procurement of agency vehicles, such as a down payment or lease cost, to transport clients when and where alternative means of transportation are not feasible; and
 5. 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 commercial lease arrangements for agency operations).
- C. 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 their 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 Assistant Secretary the maximum consideration to be approved for agency start-up.
- D. Authorization of Program Development Costs
1. Program development costs will be authorized through the use of DDA's start-up contract following approval by the Assistant Secretary.
 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.
- E. Reimbursement
- If approved for reimbursement, the service provider will bill the DDA for the contracted amount. The DDA will reimburse through the Social Service Payment System (SSPS).

A regional Resource Manager will instruct the service provider on how to complete and submit the invoice voucher consistent with department requirements.

F. 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 the DDA documentation verifying costs incurred for all authorized/reimbursed start-up transactions.
 - a. If the amount billed by the service provider and reimbursed by DDA 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 DDA is less than the actual costs incurred by the provider and less than the maximum consideration allowed in the start-up contract, DDA 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 DDA is more than the actual costs incurred by the contractor, then the difference will be deemed an overpayment and DDA 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 DDA shall be deemed an overpayment. DDA 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.

