

DIVISION OF DEVELOPMENTAL DISABILITIES

CLUSTER CATEGORIES

The Division of Developmental Disabilities (DDD) offers two cluster options to allow agencies flexibility in managing their DDD contract funds. Only one cluster option may be utilized for each contract. The cluster options are identified below.

A. Cluster Option #1:

Cluster Option #1 allows Provider Agencies to move funds within the same cluster category and, as indicated in this policy, P1.10 flexibility limits also apply.

1. Residential Cluster - This cluster represents the residential funded programs listed below:
 - a. Group Homes (includes respite Group Homes)
 - b. Supervised Apartments
 - c. Supportive Living Arrangements
 - d. Emergency Capacity
 - e. Community Care Residences (Skill)
 - f. All Other Direct Residential Services

2. Day Habilitation:
 - a. Adult Training – including Special Needs
 - b. Supported Employment
 - c. Extended Employment
 - d. Career Planning
 - e. Pre-Vocational
 - f. Other Day Habilitation Services

3. Pass-thru Federal Funds: This cluster will be utilized for any occurrence where DDD is the contracting entity but placement is being funded from a non-DDD source. This cluster may include, but is not limited to, placements funded within DDD contracts by the Division of Mental Health and Addiction Services or the Department of Children and Families.

4. Respite, Family Support: Includes all respite and family support programs.

5. Voucher/Stipend: Includes all cash option programs.

6. New Initiatives/Expansion: Resources and costs related to new programs in their first year of operation must be maintained and reported in the New Initiatives/Expansion Cluster for the initial year of operation. Preservation of resources and costs related to new program is necessary to ensure any surplus resulting from a delay in start-up of the

program is not used to offset costs in other clusters. Further, confining cost reporting in this cluster will assist the Division in analyzing how actual placements and costs line up against budgeted projections.

While the typical preservation of funds in this cluster is for the initial year of operation, the Office of Contract Administration retains the prerogative to require an agency to preserve resources and costs in this cluster for a period of longer than one year, if necessary.

7. Case Management/Support Coordination
8. Self-Directed Services
9. Special Programs

** Important Note:* A Fixed Rate program/service must remain independent of any Cost Reimbursement program/service. Reporting of Fixed Rate program elements (budgets/expenditures) must remain separate and may not be combined with any Cost Reimbursement program information.

B. Cluster Option #2:

Cluster Option #2 allows Provider Agencies more flexibility in moving funds across service-related program areas as described below. In order for Provider Agencies to utilize Cluster Option #2, the Provider Agencies must meet 90% Level of Service as described in Section C.

1. **Community Care Cluster:** Cost Reimbursement programs only, including:
 - a. Group Homes
 - b. Supervised Apartments
 - c. Supportive Living Arrangements
 - d. Emergency Capacity
 - e. Community Care Residences (Skill)
 - f. All Other Direct Residential Services
 - g. Adult Training – including Special Needs
 - h. Supported Employment
 - i. Extended Employment
 - j. Career Planning
 - k. Pre-Vocational
 - l. Other Day Habilitation Services
 - m. All Direct Support Services (Family Support, Respite, Case Management, etc.)
2. **New Initiative/Expansion Cluster:** Resources and costs related to new programs in their first year of operation must be maintained and reported in the New

Initiatives/Expansion Cluster for the initial year of operation separate and distinct from the "Community Care Cluster". Preservation of resources and costs related to new program is necessary to ensure any surplus resulting from a delay in start-up of the program is not used to offset costs in other clusters. Further, confining cost reporting in this cluster will assist the Division in analyzing how actual placements and costs line up against budgeted projections.

While the typical preservation of funds in this cluster is for the initial year of operation, the Office of Contract Administration retains the prerogative to require an agency to preserve resources and costs in this cluster for a period of longer than one year, if necessary.

3. **Cognizant or Pass-thru Cluster:** This cluster will be utilized for any occurrence where DDD is the contracting entity but placement is being funded from a non-DDD source. This cluster may include, but is not limited to, placements funded within DDD contracts by the Division of Mental Health and Addiction Services or the Department of Children and Families.
4. **Non-Direct Service/Special Program Cluster:** This cluster will be utilized for any non-direct care program. Such programs may include, but are not limited to:
 - a. Support Coordination
 - b. Fiscal Intermediary Services
 - c. Special Non-Direct Care Programs
5. **Purchase of Care Cluster:** This cluster will be utilized for any purchase of care, fee for service based contracts (non-cost reimbursement).

** Important Note:* A Fixed Rate program/service must remain independent of any Cost Reimbursement program/service. Reporting of Fixed Rate program elements (budgets/expenditures) must remain separate and may not be combined with any Cost Reimbursement program information.

C. Cluster Option #2 : Closeout to Minimum Utilization of Contracted Service

Too often, during the closeout process, the Division discovers that actual service utilization in a particular program drops to unacceptable levels. Therefore, in an effort to place a premium on contracted level of service utilization, Provider Agencies requesting flexibility under Cluster Option #2, must comply with the following levels of minimum service:

Residential - Minimum 90% Utilization (based on contracted days)

Day Habilitation - Minimum 90% Utilization (based on contracted days)

Employment - Minimum 90% Utilization (based on contracted hours)

While Cluster Option #2 gives providers additional financial flexibility, establishing a minimum utilization level of service to apply in the closeout process will ensure all parties work in unison to limit the occurrences of underutilized capacity and vacancies. Submission of electronic attendance will be used as the basis of calculating the minimum level of service percentages. Providers are also urged to track the nature of absent days so that a proper justification can be provided regarding a particular individual's time away from program (i.e., vacation, hospitalization, rehabilitation facility, etc.). The Division will allow for 30 days of excused absences from a program to be excluded from the minimum level of service calculation.

D. Account in Good Standing

At the discretion of the Office of Contract Administration, an agency's ability to operate under Cluster Option #2 may be suspended or prohibited if the agency is found to be consistently delinquent on all required contract deliverables. Such deliverables include, but are not limited to: monthly client attendance, interim and annual reports of expenditures, annual single audits, and repayment of prior year contract closeouts.

An agency found consistently out of compliance may also experience a delay or suspension of contract payments and/or may be asked to report costs based on program or service.

E. Effective Date

These provisions will apply to all cost reimbursement contracts that commence on or after July 1, 2013. Any contract ending prior to July 1, 2013 will be closed under the P1.12 cluster policy in effect at that time. There will be no retroactive application of these changes prior to July 1, 2013.