



M. Jodi Rell
Governor

State of Connecticut
Department of Developmental Services

DDS

Peter H. O'Meara
Commissioner

Kathryn du Pree
Deputy Commissioner

January 29, 2010

Senator Jonathan Harris
Co-Chair, Public Health Committee

Representative Elizabeth Ritter
Co-Chair, Public Health Committee

Distributed by:
CCPA
35 Cold Springs Road, Suite 522
Rocky Hill, CT 06067

Dear Senator Harris and Representative Ritter:

Thank you for your letter dated January 21, 2010 that was received via e-mail on January 28, 2010 regarding the providers' concern about the implementation of the attendance based reimbursement system.

A \$3.7 million rescission in the Day Services account was made on November 5, 2009, as you are aware. This follows previous reductions to this account totaling \$2,553,600. I believe that the implementation of this system is the most equitable way to distribute the funding reduction among the day service provider community. The providers are paid 100% of their allocation for 90% attendance, which factors in an expected absence of 35 days for each participant. The Department of Developmental Services (DDS) is not changing the contract obligation amount only the payment system. We have tried to give as much notice as possible but a formal 30 day notice is not required. At different forums and occasions since the middle of December, we have discussed the implementation with trade organizations and most recently at the January 4th Trades meeting, which is available by webcast through our website to all providers. A letter explaining the changes in detail was sent to all providers on January 20, 2010. Even though the system begins February 1st, financial impact to the providers will not occur until the April payment.

You reference our letter of June 16, 2009 in which we indicated that we did not anticipate any cost savings from implementing the 90% factor. At that time, we believed as we do now that attendance will increase. The proposal then would have paid providers extra if their attendance was above 90%. Since this is no longer possible in light of the \$3.7 million rescission, providers with attendance rates above 90% as documented in the FY 2009 Annual Report will have the per diem rates adjusted to factor in for the higher attendance.

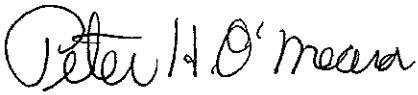
We stand ready to assist any provider who is experiencing difficulties during this transition and are providing technical assistance to a number of providers.

We remain committed to participate in the rate study process and understand the group may have recommendations that will be applied to this attendance based reimbursement system. Regrettably, I am unable to postpone this process due to the urgency of our financial situation. If we do not implement our plan, we will still be required to save \$3.7 million in addition to the other rescission to Day Services. This equates to more than a 4% cut over the remainder of the fiscal year and would impact every day service provider equally regardless of the amount of service they provide.

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As always, I am available to discuss this with you and look forward to working with the providers as we deal with the challenges that are before us.

Sincerely yours,

A handwritten signature in cursive script that reads "Peter H. O'Meara". The signature is written in black ink and is positioned above the printed name.

Peter H. O'Meara
Commissioner

cc: Robert L. Genuario, Secretary, OPM
Kathryn du Pree, DDS Deputy Commissioner
Rod O'Connor, DDS Legislative Liaison