

SUBJECT: Records of Variance

PURPOSE: To provide a system for collecting complete and accurate records of services provided to individuals served and the variance of service compared to budgeted services.

In accordance with Department of Mental Health, Division of Developmental Disabilities ISL Variance Reporting Process Bulletin Number 02, effective July 11, 2016, Woodhaven will monitor direct hours of service and report variances necessary to the appropriate state agency annually. Our fiscal year, running January 1st through December 31st, will represent our year of service for variance reporting at all sites.

The agency strives to not have variances in the hours of staff support provided to clients, but to provide all of the contracted hours within the individual's plan year and to make adjustments according to the individual's needs in collaboration with the Central Missouri Regional Office (CMRO).

Woodhaven will track direct hours of services provided in all individualized Supported Living (ISL) programs. Tracking of hours will be on a per individual basis and the resulting variance will be reported. A new annual budget will be submitted to the local Regional Office for significant long-term changes in the staffing pattern to avoid a large variance in hours.

The Accounting Manager will spot-check the Variance Reporting file on a quarterly basis.

All positive variances (actual hours greater than budgeted hours) will be reported to CMRO. All negative variances (actual hours less than budgeted hours) will be reported to Missouri Medicaid Audit and Compliance (MMAC).

Due to cash flow concerns, Accounting will submit all positive variances to CMRO prior to submitting negative variances to MMAC. All positive variances should be submitted to CMRO by April 15th. All negative variances should be submitted to MMAC within 30 days receipt of CMRO's payment for all positive variances.

The direct care hourly rate (DCHR) will be determined by calculating the average hourly direct support wage rate for the agency, plus FICA Tax and Workers Compensation insurance.

The DCHR will be based on Direct Support Professionals (DSPs), on-call staff, Team Support Leaders (TSLs) and Team Support Specialists (TSSs)'s regular, overtime and sleep earnings. The total earnings will be divided by the total hours worked for these earnings categories. That average hourly wage rate will then be multiplied by the current FICA rate and the Workers Compensation insurance rate to calculate an average hourly rate (Note: the Workers Compensation insurance rate used will be the one that is in effect at the start of the fiscal year). This hourly direct support rate will be updated each fiscal year to ensure accuracy in variance reporting. For example, THE DCHR to be included on the 2016 ISL variance calculation worksheets will be based on the 2016 wages paid to employees.

Approved: _____
Chief Executive Officer

Date: _____