



RFQVA AMENDMENT	DEPARTMENT OF ECONOMIC SECURITY
RFQVA No: DDD 704011	Agency: Division of Developmental Disabilities
Amendment No: 3	Address: 1789 W. Jefferson, Site Code 791A Phoenix, Arizona 85005
Page 1 of 32	Phone: (602) 542-6874

A signed copy of the signature page (page 3) of this amendment must be included in the hard copy of the Application.

The RFQVA is amended as follows:

Section 3 – INSTRUCTIONS TO APPLICANTS, pages 3-3 to 3-4, Section 3.2.6, Application Updates and Amendments, is amended to clarify which types of updates require an amendment

Section 4 – BACKGROUND, page 4-7, Section 4.5, is amended to delete repetitive text

Section 6 – DES/DDD STANDARD TERMS AND CONDITIONS:

Page 6-1, Section 6.1.2, the definition of “Agreement” is revised to incorporate updates to the Application

Page 6-2, Section 6.1.26, is amended to insert “in whole or in part” after “termination of the agreement”

Page 6-7, Section 6.3.6.3, is amended to insert “in whole or in part” after “At the termination of the agreement” and to add “relevant” before “materials”

Page 6-9, Section 6.4.1.9, is amended to insert “(whether in whole or in part)” after “agreement termination date.”

Page 6-10, Section 6.4.3, Availability of Funds, is amended to insert “in whole or in part” after “terminate this agreement”

Page 6-12, Section 6.4.7.7, is amended to insert “(whether in whole or in part)” after “agreement termination date”

Page 6-12, Section 6.4.8.2, is amended to insert “in whole or in part” after “termination of this agreement”

Page 6-16, Section 6.6.1, Amendments, is amended to insert “in whole or in part” after “may terminate this agreement”

Page 6-16, Section 6.6.2, Updating Information in Qualified Vendor Application and Directory System, is amended to clarify which types of updates require an amendment and to provide a remedy for the provision of inaccurate information

Page 6-17, is amended to move Sections 6.6.3 and 6.6.4 to page 6-16 (a)

Page 6-18, Section 6.7.5, Predecessor and Successor Agreements, is amended to insert “in whole or in part” after “termination of this agreement”

Section 6 – DES/DDD STANDARD TERMS AND CONDITIONS (Continued):

Page 6-25, Section 6.9.1, Right to Assurance, is amended to insert “in whole or in part” after “terminating the agreement”

Page 6-26, Section 6.10.3, Suspension or Debarment, is amended to insert “in whole or in part” after “terminate this agreement”

Page 6-27, Section 6.10.5, Termination Upon Request of the Qualified Vendor, is amended to insert “in whole or in part” after “shall terminate the agreement”

Page 6-27, Section 6.10.7, Continuation of Performance Through Termination, is amended to insert “in whole or in part,” after “date of termination”

Page 6-28, Section 6.10.8.3, is amended to insert “in whole or in part,” after “the agreement is terminated”

Section 7 – SERVICE SPECIFICATIONS:

Page 7-25, Day Treatment and Training, Adult, Service Utilization Guidelines, item 2, is amended to clarify which staff to consumer ratio will generally be authorized and which ratio shall be used for claiming payment

Page 7-26, Day Treatment and Training, Adult, Rate, item 2, is amended to insert “at the program” after “consumers present”

Page 7-26, Day Treatment and Training, Adult, Unit of Service, item 1, is amended to clarify how to determine the daily ratio and to clarify the rounding convention

Page 7-27, Day Treatment and Training, Recordkeeping and Reporting Requirements, items 3 and 4, are amended to clarify the recordkeeping requirements

Page 7-30, Day Treatment and Training, Child (After-School), Service Utilization Guidelines, item 2, is amended to clarify which staff to consumer ratio will generally be authorized and which ratio shall be used for claiming payment

Page 7-31, Day Treatment and Training, Child (After-School), Rate, item 2, is amended to insert “at the program” after “consumers present”

Page 7-31, Day Treatment and Training, Child (After-School), Unit of Service, item 1, is amended to clarify how to determine the daily ratio and to clarify the rounding convention

Page 7-32, Day Treatment and Training, Child (After-School), Recordkeeping and Reporting Requirements, items 3 and 4, are amended to clarify the recordkeeping requirements

Page 7-35, Day Treatment and Training, Child (Summer), Service Utilization Guidelines, item 2, is amended to clarify which staff to consumer ratio will generally be authorized and which ratio shall be used for claiming payment

Page 7-36, Day Treatment and Training, Child (Summer), Rate, item 2, is amended to insert “at the program” after “consumers present”

Page 7-36, Day Treatment and Training, Child (Summer), Unit of Service, item 1, is amended to clarify how to determine the daily ratio and to clarify the rounding convention

Page 7-37, Day Treatment and Training, Child (Summer), Recordkeeping and Reporting Requirements, items 3 and 4, are amended to clarify the recordkeeping requirements

The following pages are attached:

Revised SECTION 3 – INSTRUCTIONS TO APPLICANTS, pages 3-3 and 3-4

Revised SECTION 4 – BACKGROUND, page 4-7

Revised SECTION 6 – DES/DDD STANDARD TERMS AND CONDITIONS, pages 6-1, 6-2, 6-7, 6-9, 6-10, 6-12, 6-16, 6-16 (a), 6-17, 6-18, and 6-25 to 6-28

Revised SECTION 7 – SERVICE SPECIFICATIONS, pages 7-25, 7-26, 7-26 (a), 7-27, 7-30, 7-31, 7-31(a), 7-32, 7-35, 7-36, 7-36(a), and 7-37

EXCEPT AS PREVIOUSLY AMENDED, ALL OTHER PROVISIONS OF THE RFQVA SHALL REMAIN IN THEIR ENTIRETY.

NOTE: CONCURRENT WITH THE RELEASE OF THIS AMENDMENT THE DIVISION OF DEVELOPMENTAL DISABILITIES IS PUBLISHING REVISED RATE SCHEDULES . THESE RATE SCHEDULES INCLUDE NEW RATES FOR DAY TREATMENT AND TRAINING, ADULT; DAY TREATMENT AND TRAINING, CHILD (AFTER-SCHOOL); DAY TREATMENT AND TRAINING, CHILD (SUMMER).

THE EXPLANATIONS CONTAINED IN THE SCHEDULES HAVE BEEN AMENDED TO CONFORM WITH THE AMENDMENTS TO THE RFQVA.

IN ADDITION, THE RATE SCHEDULES INCLUDE THE FOLLOWING EDITS TO “FLAT TRIP FOR REGULARLY SCHEDULED DAILY TRANSPORTATION”:

Schedule 1.1: SFY 04 Phase-in Rates – Sub-Schedule 1E-Transportation Services, page 2, under “Other Transportation Services,” the column “Unit of Service,” is amended to delete “mile” in two places and in each instance replace it with “trip”

Schedule 3.1: Benchmark and Adopted Rates – Sub-Schedule 3E-Transportation Services, page 2, under “Other Transportation Services,” the column “Unit of Service,” is amended to delete “mile” in two places and in each instance replace it with “trip”

FINALLY, THE SERVICE CODES FOR A NUMBER OF SERVICES HAVE BEEN CHANGED.

Applicant hereby acknowledges receipt and understanding of the above RFQVA amendment.

Signature Date

Typed Name and Title

Name of Company

The above referenced RFQVA Amendment is hereby executed this 23rd day of June, 2003, at Phoenix, Arizona.

Antonio Valladares

DDD Procurement Specialist

3.2.2 Website

The RFQVA and any amendments are available on the Internet at the Division's website at: www.de.state.az.us/ddd. The website also contains links to other websites to access materials referenced in the RFQVA.

3.2.3 RFQVA Amendments

The signature page for any RFQVA Amendment shall be signed with an original signature by the person signing the Application, and shall be submitted with the original hard copy of the Application.

3.2.4 Public Record

Prior to the effective date of the Qualified Vendor Agreement, the Division shall not disclose any information identified by the Applicant as confidential business information or proprietary information without first notifying the Applicant in writing and allowing the Applicant opportunity to respond or protest the planned disclosure.

3.2.5 Agreement

An Application does not constitute a Qualified Vendor Agreement nor does it confer any rights to the Applicant regarding the award of a Qualified Vendor Agreement. A Qualified Vendor Agreement is not created until the Application is accepted in writing by the Procurement Officer's signature on the Application and Qualified Vendor Agreement Award (see Section 9, Attachment A).

The Qualified Vendor Agreement shall consist of the various documents specified in Section 6.1.2. However, the Applicant is only required to submit the Application and Qualified Vendor Agreement and Award form (see Section 9, Attachment A), the required information in the Qualified Vendor Application and Directory System via the Division's website, a print-out of the required information entered by the Applicant into the Qualified Vendor Application and Directory System (see Section 9, Attachment B), and all applicable submittals required in the Qualified Vendor Application Assurances and Submittals form (see Section 9, Attachment B).

Qualified Vendors should maintain a file titled "Agreement" which includes a copy of all of the items listed in Section 6.1.2. This entire file will reflect the total agreement between the Qualified Vendor and the Division of Developmental Disabilities.

3.2.6 Application Updates and Amendments

A Qualified Vendor shall update in the Qualified Vendor Application and Directory System the general information section of the vendor contract information component, the Qualified Vendor assurances and submittal form and associated submittals, and the program description section of the service detail information component, including providing hard copies of any applicable submissions, when there is a change or at the request of the Division. Such changes will be subject to approval by the Division and the execution of an agreement amendment. A Qualified Vendor may update all other information in the Qualified Vendor Application and Directory System at any time. The Qualified Vendor may also submit an amended Application to request that additional services be added to the Qualified Vendor Agreement. The Division will begin accepting updated and amended Applications later this summer. This will be announced by the Division on its website. Only Qualified Vendors will be able to update or amend their Application. The Division shall respond to a request for an amendment to Qualified Vendor Agreements based on the criteria defined in A.A.C. R6-6-2103 and A.A.C. R6-6-2104.

3.3 RFQVA Schedule

Notices for significant events in the processing of RFQVAs, amendments, and changes to the Qualified Vendor Application and Directory System will be posted on the Division's website, www.de.state.az.us/ddd.

The Provider Letter, and its attachments, as well as any updates to the published rate schedules may be found on the Division's web site at www.de.state.az.us/ddd.

The published rate schedules that will initially apply to this RFQVA will not include rates for independent providers (non-agency rates). The independent provider rates (non-agency rates) included in the draft rate schedules that were released on January 21, 2003 for Attendant Care; Habilitation, Support; Housekeeping; Respite; Day Treatment and Training, Adult; Day Treatment and Training, Children (After-School); Day Treatment and Training, Children (Summer); Habilitation, Individually Designed Living Arrangement; and Transportation (Family) have been withdrawn. The rates will be re-released in the fall of 2003 after the development and administration of the statewide individual consumer level of need assessment process and the adoption of rate modifiers. Until that time independent providers will continue to be compensated pursuant to the independent rate schedule in the district where the consumer resides. After the statewide rates for independent providers (non-agency rates) are published, independent providers, whether or not they are Qualified Vendors, will receive the applicable statewide independent provider rate as modified by the individual consumer level of need assessment.

SECTION 6
DES/DDD STANDARD TERMS AND CONDITIONS

6.1 Definition of Terms

As used in this Request for Qualified Vendor Applications (RFQVA) and any resulting agreement, the terms listed below are defined as follows:

- 6.1.1 “Agency” means an organization that has a Federal Employer Identification Number (FEIN) and employs one or more direct service staff other than the owner.
- 6.1.2 “Agreement” means the Qualified Vendor Agreement which is a legally binding contract to provide community developmental disability services and includes the following: the Request for Qualified Vendor Applications, including service requirements/scope of work, terms and conditions, and services specifications; the published or negotiated rates and any updates; the Application and any updates; the Qualified Vendor Agreement Award Notice; any amendments to the RFQVA; any Agreement Amendments; and any terms applied by law.
- 6.1.3 “Agreement Amendment” means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the agreement.
- 6.1.4 “Agreement Services” means the services to be delivered by the Qualified Vendor under this agreement.
- 6.1.5 “AHCCCS” means the Arizona Health Care Cost Containment System as established by Arizona Revised Statutes (A.R.S.) 36-2901 et seq., and defined by Arizona Administrative Code (A.A.C.) R9-22-101.B.1.
- 6.1.6 “AHCCCSA” or “Administration” means the Arizona Health Care Cost Containment System Administration as defined by A.R.S. 36-2901.1.
- 6.1.7 “ALTCS” means the Arizona Long Term Care System as defined by A.A.C. R9-28-101.B.2.
- 6.1.8 “Applicant” means a vendor who submits an application in response to the Request for Qualified Vendor Applications.
- 6.1.9 “Application” means a completed copy of the Application and Qualified Vendor Agreement Award form submitted in hard copy to the Division; the required information in the Qualified Vendor Application and Directory System submitted electronically to the Division via the Division’s website, and approved by the Division; a hard copy of the required information entered into the Qualified Vendor Application and Directory System submitted to and approved by the Division; and all applicable submittals required in the Qualified Vendor Application Assurances and Submittals form submitted to and approved by the Division.
- 6.1.10 “Business Day” means any day that the Division is open to conduct business.
- 6.1.11 “Clean Claim” means claims that may be processed without obtaining additional information from the provider of service or from a third party but does not include claims under investigation for fraud and abuse or claims under review for medical necessity (A.R.S. 36-2904.H.1).
- 6.1.12 “Client,” “Member,” “DD/ALTCS Member,” “Consumer,” or “Individual” means a person who is authorized to receive services through the Division.

- 6.1.13 “Community Developmental Disability Services” means any service or support the Division is authorized to purchase on behalf of individuals with developmental disabilities and their families or guardians.
- 6.1.14 “Day” means calendar day unless otherwise specified.
- 6.1.15 “Department” means the Arizona Department of Economic Security (DES), unless otherwise indicated.
- 6.1.16 “Division” or “DDD” means the Division of Developmental Disabilities within the Department of Economic Security.
- 6.1.17 “Effective Date” means the date that the Procurement Officer signs the Qualified Vendor Agreement Award, unless another date is specifically stated in the agreement.
- 6.1.18 “Encounter” means the record of a service submitted to or by the Division and processed by AHCCCS that is rendered by a provider registered with AHCCCS to a member who is enrolled with the Division on the date of service for which the Division incurs a financial liability (A.A.C. R9-22-107.13).
- 6.1.19 “Gratuity” means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 6.1.20 “Independent Provider” means a person who does not have any employees other than himself/herself and provides Attendant Care; Habilitation, Support; Housekeeping; Respite; Day Treatment and Training, Adult; Day Treatment and Training, Children (After-School); Day Treatment and Training, Children (Summer); Habilitation, Individually Designed Living Arrangement; or Transportation (Family and Friend).
- 6.1.21 “Individual Support Plan” or “ISP” means a written statement of services to be provided to an individual with developmental disabilities including habilitation goals and objectives and a listing of the services, if any, the consumer is authorized to receive. The ISP incorporates and replaces the Individual Program Plan, the placement evaluation, the individualized service program plan and the service program plan used in A.R.S. § 36-557, and incorporates the Individual Family Service Plan (IFSP) as defined in Section 809.1 of the Division’s Policy and Procedures Manual.
- 6.1.22 “Individual Support Plan Team” or “ISP Team” means a group of persons including the consumer, the consumer’s representative, and other persons selected by the consumer, assembled by the Division and coordinated by the consumer’s support coordinator in compliance with A.R.S. § 36-551 and 36-560 to develop the consumer’s individual support plan.
- 6.1.23 “May” indicates something that is not mandatory but permissible.
- 6.1.24 “Procurement Officer” or “Department Procurement Officer” means the person duly authorized to enter into and administer agreements and make written determinations with respect to the agreement or their designee.
- 6.1.25 “Qualified Vendor” means any person or entity that has an agreement with the Division of Developmental Disabilities.
- 6.1.26 “Shall” or “Must” indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of an Application or termination of the agreement in whole or in part.

6.3.4 Notices.

Notices to the Qualified Vendor required by this agreement shall be made by the State to the person indicated on the Qualified Vendor Application form submitted by the Qualified Vendor unless otherwise stated in the agreement. Notices to the State required by the agreement shall be made by the Qualified Vendor to the Division's Contract Management Section at the following address:

Contract Management Section
Business Operations – Site Code 791A
Division of Developmental Disabilities
Arizona Department of Economic Security
P.O. Box 6123
Phoenix, Arizona 85005

An authorized Procurement Officer and an authorized Qualified Vendor representative may change their respective person to whom notice shall be given by written notice and an amendment to the agreement shall not be necessary. All notices shall reference the agreement number.

6.3.5 Advertising and Promotion of Agreement.

The Qualified Vendor shall not advertise or publish information for commercial benefit concerning this agreement without the prior written approval of the Division.

6.3.6 Property of the State.

6.3.6.1 Any materials, including reports, computer programs and other deliverables, created under this agreement are the sole property of the State. The Qualified Vendor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Qualified Vendor shall not use or release these materials without the prior written consent of the State.

6.3.6.2 The Federal and State governments reserve a royalty-free, nonexclusive and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal or State government purposes such materials, reports, data or information system, software, documentation and manuals.

6.3.6.3 At the termination of the agreement in whole or in part, the Qualified Vendor shall make available all such relevant materials, reports, data and information to the Division within 30 days following termination of the agreement or such longer period as approved by the Division.

6.3.7 Confidentiality.

The Qualified Vendor shall observe and abide by all applicable State and Federal statutes, rules and regulations regarding the use or disclosure of information including, but not limited to, information concerning applicants for and recipients of agreement services. To the extent permitted by law, the Qualified Vendor shall release information to the Department and the Attorney General's Office as required by the terms of this agreement, by law or upon their request.

- 6.4.1.3 The Qualified Vendor shall report agreement expenditures to the Division in the manner prescribed by the “Records,” “Audits,” and “Reporting Requirements” sections of these terms and conditions. Upon receipt of applicable, accurate and complete reports, the Division shall authorize payment or reimbursement in accordance with the method(s) indicated by this agreement.
- 6.4.1.4 If the Qualified Vendor is in any manner in default in the performance of any obligation under this agreement, or if audit exceptions are identified, the Division may, at its option and in addition to other available remedies, either adjust the amount of payment or withhold payment until satisfactory resolution of the default or exception.
- 6.4.1.5 Under no circumstances shall the Division make payment to the Qualified Vendor that exceeds the authorization. Under no circumstances shall the Division make payment to the Qualified Vendor for services performed prior to or after the term of the agreement without timely extension or renewal of the agreement. Under no circumstances shall the Division make payment to the Qualified Vendor for services delivered prior to licensing if licensing is required. Under no circumstances shall the Division make payment to the Qualified Vendor for services delivered prior to certification. Under no circumstances shall the Division make payment to the Qualified Vendor for services delivered prior to AHCCCS registration.
- 6.4.1.6 Claims by the Qualified Vendor shall be submitted to the Division on the Division’s approved Billing Document. The Qualified Vendor shall be required to make any change in claims format required by the Division, AHCCCS or the Federal government under the electronic submission requirements of the Health Insurance Portability and Accountability Act of 1996.
- 6.4.1.7 The Division is not obligated to pay for services provided without prior authorization. Claims for services delivered shall be initially received by the Division not later than nine months after the last date of service shown on the claim. A resubmitted claim shall not be considered for payment unless it is received by the Division as a clean claim not later than 12 months after the last date of service shown originally on the claim.
- 6.4.1.8 For the purpose of determining the date of receipt of a claim, the date of receipt is the date the Division receives the claim. Only claims received by the Division in accordance with the provisions of this section will be considered for payment.
- 6.4.1.9 Any payment reconciliation shall be submitted in writing, complete with all backup documentation, no later than 60 days from agreement termination date (whether in whole or in part) or renewal date. The Division will determine if additional payment is due to the Qualified Vendor. Failure to submit information within the 60 day timeline will result in forfeiture of any payment determined appropriate.
- 6.4.1.10 The Qualified Vendor shall obtain any necessary authorization from the Division or AHCCCSA for services provided to members and shall comply with encounter reporting and claims submission requirements of the Division and AHCCCS.
- 6.4.1.11 Corrections to claims submitted to the Division in which an underpayment was made due to either billing errors or an error on the part of the Division when paying must be

made within a 12 month period of time following delivery of service. Underpayment billing corrections will not be considered beyond 12 months from service delivery.

6.4.2 Applicable Taxes.

6.4.2.1 *Payment of Taxes by the State*

The State shall pay only the rate and/or amount of taxes identified in the agreement.

6.4.2.2 *State and Local Transaction Privilege Taxes*

The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect taxes from the buyer does not relieve the seller from its obligation to remit taxes.

6.4.2.3 *Tax Indemnification*

The Qualified Vendor and all subcontractors shall pay all Federal, State and local taxes applicable to its operation and any persons employed by the Qualified Vendor. The Qualified Vendor shall, and require all subcontractors to, hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or State and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

6.4.2.4 *Arizona Substitute W-9 Form*

In order to receive payment under the agreement, the Qualified Vendor shall have a current Arizona Substitute W-9 Form on file with the State of Arizona and shall submit a W-9 upon request by the Division. A W-9 will need to be submitted if there are any changes to the Qualified Vendor's address, name, telephone number or other information. A copy of this W-9 form can be found at the Arizona Department of Administration's General Accounting Office website, <http://www.gao.state.az.us/ach/>.

6.4.3 Availability of Funds.

Funds may not presently be available for performance under this agreement beyond the current fiscal year. No legal liability on the part of the State for any payment may arise under this agreement beyond the current fiscal year until funds are made available for performance of this agreement. The State shall make reasonable efforts to secure such funds. The Division may reduce payments or terminate this agreement in whole or in part without further recourse, obligation or penalty in the event that insufficient funds are appropriated or allocated. The Director of the Department shall have the sole and unfettered discretion in determining the availability of funds.

6.4.4 Certification of Cost or Pricing Data.

By signing the Qualified Vendor Application, agreement, agreement amendment or other official form, the Qualified Vendor is certifying that, to the best of the Qualified Vendor's knowledge and belief, any cost or pricing data submitted is accurate, complete and current as of the date submitted or other mutually agreed upon date. Furthermore, the price to the State shall be adjusted to exclude any significant amounts by which the State finds the price was increased because the Qualified Vendor-furnished cost or pricing data was inaccurate, incomplete or not current as of the date of certification. Such adjustment by the State may include overhead, profit or fees. The certifying of cost or pricing data does not apply when agreement rates are set by law or regulation.

- 6.4.7.6 Any amounts paid to the Qualified Vendor, which are subsequently determined to be defective pursuant to the “Certification of Cost or Pricing Data” section of these terms and conditions;
- 6.4.7.7 Any payments made for services rendered before the agreement begin date or after the agreement termination date (whether in whole or in part); and
- 6.4.7.8 Any amounts received by the Qualified Vendor from the Division that are identified as a financial audit exception.
- 6.4.8 Reporting Requirements.
- 6.4.8.1 Unless otherwise provided in this agreement, reporting shall adhere to the following schedule: no later than the 15th day following the end of each month during the agreement term the Qualified Vendor shall submit required programmatic and financial reports to the Division in the form set forth in the agreement or as required by the Division. Failure to submit accurate and complete reports by the 15th day following the end of a month may result, at the option of the Division, in retention of payment. Failure to provide such report within 45 days following the end of a month may result, at the option of the Division, in a forfeiture of such payment.
- 6.4.8.2 No later than the 45th day following the termination of this agreement in whole or in part, the Qualified Vendor shall submit to the Division a final program and fiscal report. Failure to submit the final program and fiscal report within the above time period may result, at the option of the Division, in forfeiture of final payment.
- 6.4.8.3 All reports shall reference the agreement number and be submitted to the person designated by the Division.
- 6.4.8.4 Earned income reports for employment-related services shall be submitted to the Division by the Qualified Vendor no later than the 15th day of each month. This also applies to Qualified Vendors who contract with another division to provide employment-related services to the Division’s clients.
- 6.4.8.5 The Qualified Vendor shall comply with any other reporting requirements as specified in the agreement or as required by the Division.
- 6.4.9 Substantial Interest Disclosure.
- 6.4.9.1 The Qualified Vendor shall not make any payments, either directly or indirectly, to any person, partnership, corporation, trust, or any other organization which has a substantial interest in the Qualified Vendor’s organization or with which the Qualified Vendor (or one of its directors, officers, owners, trust certificate holders or a relative thereof) has a substantial interest, unless the Qualified Vendor has made a full written disclosure of the proposed payments, including amounts, to the Division.
- 6.4.9.2 Leases or rental contracts or purchase of real property which would be covered by 6.4.9.1 of this section shall be in writing and accompanied by an independent commercial appraisal of fair market rental, lease, or purchase value, as appropriate.
- 6.4.9.3 For the purpose of this section, “relative” shall have the same meaning as in A.R.S. §38-502.
- 6.4.10 Coordination of Benefits; Third Party Liability Determination.
- 6.4.10.1 When applicable, the Qualified Vendor shall establish and maintain a third party pay or identification process. The Qualified Vendor shall report to the Division any

- 6.5.9.2 Any other sanctions imposed against the Division by AHCCCSA in accordance with applicable AHCCCS rules, policies, and procedures that would not have been imposed but for the Qualified Vendors action or lack thereof will be assessed dollar for dollar against the Qualified Vendor.
- 6.5.9.3 Sanctions imposed against the Division by AHCCCSA for failure of a Qualified Vendor or any subcontractor to submit requested disclosure statements will be assessed dollar for dollar against the Qualified Vendor.
- 6.5.10 Fair Hearings and Consumers' Grievances.
- 6.5.10.1 The Qualified Vendor shall advise all consumers who receive services of their right, at any time and for any reason, to present to the Qualified Vendor and to the Division any grievances arising from the delivery of services, including, but not limited to, ineligibility determination, reduction of services, suspension or termination of services, or quality of services. The Division may assert its jurisdiction to hear the grievance or refer the matter to the appropriate authority.
- 6.5.10.2 The Qualified Vendor shall maintain a system, subject to review upon request by the Division, for reviewing and adjudicating grievances by members or subcontractors concerning the actual provision of services and payment for same by or on behalf of the Qualified Vendor. This system shall follow the grievance procedure agreed to by AHCCCSA and the Division in the current AHCCCS/Division intergovernmental agreement and the Division rules and policies.
- 6.5.11 Merger or Acquisition.
A proposed merger, reorganization, affiliation, or change in ownership of the Qualified Vendor shall require prior approval of the Division.

6.6 Agreement Changes

6.6.1 Amendments.

This agreement is issued under the authority of the Procurement Officer who signed this agreement. The agreement may be modified only through an agreement amendment within the scope of the agreement unless otherwise permitted by the Terms and Conditions. Changes to the agreement, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by an unauthorized State employee or made unilaterally by the Qualified Vendor are violations of the agreement and of applicable law. Such changes, including unauthorized written agreement amendments shall be void and without effect, and the Qualified Vendor shall not be entitled to any claim under this agreement based on those changes. If an amendment requires the signature of the Qualified Vendor, and the Qualified Vendor fails to sign and return the amendment in the form and within the timeframe specified by the Division, the Division may terminate the agreement in whole or in part.

6.6.2 Updating Information in Qualified Vendor Application and Directory System.

6.6.2.1 The Qualified Vendor shall update in the Qualified Vendor Application and Directory System the general information section of the vendor contract information component, the assurances and submittal form and associated submittals, and the program description section of the detail information component as necessary to ensure that the information is current and accurate. Any change to these items in the Qualified Vendor Application and Directory System must be approved by the Division and shall require an agreement amendment or other agreement action.

6.6.2.2 The Qualified Vendor shall update all other information in the Qualified Vendor Application and Directory System as necessary to ensure that the information is current and accurate.

6.6.2.3 If the Division finds that the information provided in the original application or as an update to the application is misleading, and the Qualified Vendor fails to correct such information within the time specified in a notice from the Division, such failure shall be cause for termination of the agreement in whole or in part. The Division may remove the information from the directory until a remedy is provided or the agreement is terminated.

6.6.2.4 The addition of a service to a Qualified Vendor Agreement shall require an agreement amendment.

6.6.3 Subcontracts.

The Qualified Vendor shall not enter into any subcontract for direct services under this agreement without advance notice to the Division. The subcontract shall incorporate by reference this agreement. The Qualified Vendor shall provide copies of subcontracts relating to the provision of agreement services to the Division upon request. The Qualified Vendor shall be legally responsible for agreement performance whether or not subcontractors are used. No subcontract shall operate to terminate or limit the legal responsibility of the Qualified Vendor to assure that all activities carried out by any subcontractor conform to the provisions of this agreement.

6.6.4 Assignment and Delegation.

The Qualified Vendor shall not assign any right nor delegate any duty under this agreement without advance notice to the Division.

6.7 Risk and Liability

6.7.1 General Indemnification.

To the extent permitted by A.R.S. § 41-621 and A.R.S. § 35-154, the State of Arizona shall be indemnified and held harmless by the Qualified Vendor for its vicarious liability as a result of entering into this agreement. Each party to this agreement is responsible for its own negligence.

6.7.2 Indemnification - Patent and Copyright.

To the extent permitted by A.R.S. § 41-621 and § 35-154, the Qualified Vendor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of agreement performance or use by the State of materials furnished or work performed under this agreement. The State shall reasonably notify the Qualified Vendor of any claim for which it may be liable under this section.

6.7.3 Force Majeure.

6.7.3.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this agreement if and to the extent that such party's performance of this agreement is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

- 6.7.3.2 Force majeure shall not include the following occurrences:
- 6.7.3.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
 - 6.7.3.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
 - 6.7.3.2.3 Inability of either the Qualified Vendor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
- 6.7.3.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following business day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this section, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by agreement amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this agreement.
- 6.7.3.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.
- 6.7.4 Third Party Antitrust Violations.
The Qualified Vendor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Qualified Vendor, toward fulfillment of this agreement.
- 6.7.5 Predecessor and Successor Agreements.
The execution or termination of this agreement in whole or in part shall not be considered a waiver by the Division of any rights it may have for damages suffered through a breach of this agreement or a prior contract with the Qualified Vendor.
- 6.7.6 Insurance.
Without limiting any liabilities or any other obligation of the Qualified Vendor, the Qualified Vendor and any subcontractor shall, as applicable, purchase and maintain at all times during the term of this agreement the minimum insurance coverage below:
- 6.7.6.1 Commercial General Liability: Provides coverage for bodily injury and property damage to others as a result of accidents from the premises or operations of the Qualified Vendor. Commercial General Liability: with minimum limits of \$1,000,000 Combined Single Limit (CSL) each occurrence-minimum limits. Coverage shall be at least as broad as the Insurance Service Office, Inc. Form CG00010196, issued on an Occurrence basis, and endorsed to add the State of Arizona and the Division as an Additional Insured (CG20 10(10-01)) with reference to this contract. The policy shall include coverage for:
 - Bodily Injury
 - Broad Form Property Damage Liability (including completed operations)
 - Personal Injury

the number of days specified in the demand may, at the State's option, be the basis for terminating the agreement in whole or in part.

6.9.2 Stop Work Order.

6.9.2.1 The State may, at any time, by written order to the Qualified Vendor, require the Qualified Vendor to stop all or any part of the work called for by this agreement for a period of 90 days after the order is delivered to the Qualified Vendor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Qualified Vendor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

6.9.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Qualified Vendor shall resume work. The Division shall make an equitable adjustment in the authorization schedule or agreement price, or both, and the agreement shall be amended in writing accordingly.

6.9.3 Non-exclusive Remedies.

The rights and the remedies of the State under this agreement are not exclusive.

6.9.4 Nonconforming Tender.

Reports or other documents supplied under this agreement shall fully comply with the agreement. The delivery of reports or other documents or a portion of the reports or other documents in an installment that do not fully comply constitutes a breach of agreement. On delivery of nonconforming reports or other documents, the State may terminate the agreement for default as defined in Section 6.10.6 Termination for Default, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

6.9.5 Right of Offset.

The State shall be entitled to offset against any sums due the Qualified Vendor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Qualified Vendor's non-conforming performance or failure to perform the agreement, including expenses, costs and damages.

6.9.6 Provisions for Default.

In addition to any other remedies available to the Division, if the Qualified Vendor fails to comply with a term of the agreement, the Division may take one or more of the following actions:

6.9.6.1 Withhold payment in whole or in part;

6.9.6.2 Suspend enrollment; or

6.9.6.3 Suspend the agreement in whole or in part, remove the Qualified Vendor from the Qualified Vendor List, and enroll individuals with another Qualified Vendor.

6.10 Agreement Termination**6.10.1 Cancellation for Conflict of Interest.**

Pursuant to A.R.S. § 38-511, the State may cancel this agreement within three years after agreement execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the agreement on behalf of the State is or becomes at any time while the agreement or an extension of the agreement is in effect an employee of or a consultant to any other party to this agreement with respect to the subject matter of the agreement. The cancellation shall be effective when the Qualified Vendor receives written notice of the cancellation unless the notice specifies a later time. If the Qualified Vendor is a political subdivision of the State, it may also cancel this agreement as provided in A.R.S. § 38-511.

6.10.2 Gratuities.

The State may, by written notice, terminate this agreement, in whole or in part, if the State determines that employment or a gratuity was offered or made by the Qualified Vendor or a representative of the Qualified Vendor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the agreement, an amendment to the agreement, or favorable treatment concerning the agreement, including the making of any determination or decision about agreement performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the gratuity offered by the Qualified Vendor.

6.10.3 Suspension or Debarment.

The State may, by written notice to the Qualified Vendor, immediately terminate this agreement in whole or in part if the State determines that the Qualified Vendor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. This prohibition extends to any entity, which employs, consults, subcontracts with or otherwise reimburses for services any person substantially involved in the management of another entity, which is debarred, suspended, or otherwise excluded from Federal procurement activity.

6.10.4 Termination for Convenience.

The State reserves the right to terminate the agreement, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Qualified Vendor shall immediately stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this section, all documents, data and reports prepared by the Qualified Vendor under the agreement shall become the property of and be delivered to the State. The Qualified Vendor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination.

6.10.5 Termination upon Request of the Qualified Vendor.

The State shall terminate the agreement in whole or in part upon request of the Qualified Vendor. The Qualified Vendor shall provide at least 60 days written notice to the Division setting forth the reasons for requesting termination. The Division shall provide written notice of acceptance of such termination and the termination date. Upon termination, all goods, materials, documents, data and reports prepared by the Qualified Vendor under the agreement shall become the property of and be delivered to the State on demand. The State may, upon termination, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this agreement. The Qualified Vendor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Qualified Vendor.

6.10.6 Termination for Default.

6.10.6.1 The State reserves the right to terminate the agreement in whole or in part when a Qualified Vendor no longer meets the criteria defined in the Request for Qualified Vendor Applications; for non-compliance with the agreement requirements; or for failure to maintain a valid license, AHCCCS registration or Division certification, as appropriate. The Division shall provide written notice of the termination and the reasons for it to the Qualified Vendor.

6.10.6.2 Upon termination under this section, all goods, materials, documents, data and reports prepared by the Qualified Vendor under the agreement shall become the property of and be delivered to the State on demand.

6.10.6.3 The State may, upon termination of this agreement, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this agreement. The Qualified Vendor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Qualified Vendor.

6.10.6.4 This agreement may immediately be terminated if the Division determines that the health or welfare or safety of consumers is endangered.

6.10.7 Continuation of Performance Through Termination.

The Qualified Vendor shall continue to perform, in accordance with the requirements of the agreement, up to or beyond the date of termination, in whole or in part, as directed in the termination notice.

6.10.8 Termination for Any Reason.

6.10.8.1 In the event of termination or suspension of the agreement by the Division, in whole or in part, such termination or suspension shall not affect the obligation of the Qualified Vendor to indemnify the Division, the Department and the State for any claim by any other party against the Division, the Department and/or the State arising from the Qualified Vendor's performance of this agreement and for which the Qualified Vendor would otherwise be liable under this agreement. To the extent such indemnification is excluded by A.R.S. §41-621 et seq. or an obligation is unauthorized under A.R.S. §35-154, the provisions of this section shall not apply.

- 6.10.8.2 In the event of early termination, any funds advanced to the Qualified Vendor shall be returned to the Division within ten days after the date of termination or upon receipt of notice of termination of the agreement, whichever is earlier.
- 6.10.8.3 In the event the agreement is terminated, in whole or in part, with or without cause, or expires, the Qualified Vendor shall assist the Division in the transition of members to other Qualified Vendors in accordance with applicable rules and policies. Such assistance shall include but shall not be limited to:
 - 6.10.8.3.1 Forwarding program and other records as may be necessary to assure the smoothest possible transition and continuity of services. The cost of reproducing and forwarding such records shall be borne by the Qualified Vendors.
 - 6.10.8.3.2 Notifying of subcontractors and members.
 - 6.10.8.3.3 Facilitating and scheduling medically necessary appointments for care and services.
 - 6.10.8.3.4 Providing all reports set forth in this agreement.
 - 6.10.8.3.5 Making provisions for continuing all management/administrative services until the transition of members is completed and all other requirements of this agreement are satisfied.
 - 6.10.8.3.6 If required by the Division, extending performance until suitable arrangements have been made by the Division for a replacement Qualified Vendor.
 - 6.10.8.3.7 If required by the Division, at the Qualified Vendor's own expense, assisting in the training of personnel.
 - 6.10.8.3.8 Paying all outstanding obligations for care rendered to members.
 - 6.10.8.3.9 Providing the following financial reports to the Division until the Division is satisfied that the Qualified Vendor has paid all such obligations: (a) a monthly claims aging report by provider/creditor including Incurred But Not Reported (IBNR) amounts; (b) a monthly summary of cash disbursements; and (c) copies of all bank statements received by the Qualified Vendor in the preceding month for Qualified Vendor's bank accounts. All reports in this section shall be due on the fifth day of each succeeding month for the prior month.
- 6.10.9 In the event the agreement is terminated in part, the Qualified Vendor shall continue the performance of the agreement to the extent not terminated.

6.11 Agreement Claims

All agreement claims or controversies under this agreement shall be according to A.R.S. §36-557(B), and rules adopted thereunder.

4. Assist each consumer in developing methods of starting and maintaining friendships of his/her choice, as well as appropriate assertiveness, social skills, and problem solving abilities for use in daily interactions.
5. Provide opportunities for consumers to participate in community activities and facilitate consumer utilization of community resources.
6. Provide transportation necessary to support program activities.
7. Develop a monthly on-site/community integrated schedule of daily activities and document consumers' direct input into the monthly schedule. Daily activities and schedules are based on consumer choice, developmental level, ISP goals, and enrichment of life experiences. Allow for reasonable choice in activity participation, and offer alternative activities. This schedule shall be available to consumers, consumer representatives, or others upon request.
8. Play an active role in ensuring that services with other involved entities, including group homes, health care providers, and schools are coordinated to meet the needs of the consumers served.
9. When appropriate, provide consumers opportunities to earn money as part of habilitative learning objectives.
10. Partner with the Division to conduct program reviews to assess performance in meeting all identified tasks, promote quality improvement, and encourage best practices. Such reviews shall include participation of consumers served, families, and all other interested parties. The frequency of the reviews shall be determined by the Division.

Service Utilization Guidelines

1. Typical usage is up to seven units per day; direct service time associated with providing transportation to/from the program is included in the "Flat Trip Rate for Regularly Scheduled Daily Transportation" rate.
2. This service will generally be authorized at the 1:2.5 to 1:4.5 staff to consumer ratio rate for each consumer. However, the Qualified Vendor's claims for each consumer (excluding behaviorally or medically intense consumers with a specially authorized rate) for a program day shall reflect the actual staff to consumer ratio (excluding hours related to behaviorally or medically intense consumers who have a specially authorized rate).
3. Service to adults and children shall be provided separately through the age of 15. Upon age 16, transition plans shall be individually developed, and may permit the provision of services to children concurrently with adults with parental consent.

Rate

1. Published.
2. The daily ratio rate for this service is established through the ratio of total direct service staff hours with consumers present at the program to total consumer hours.
3. The Division established a separate rate for this service in the rural areas of the state. This modified rate has a premium over the standard rate for this service. The Qualified Vendor shall bill the Division this modified rate only after it receives authorization from the DDD Program Administrator/Manager or designee. The general guideline for authorizing the modified rate for rural areas is that the potential client base of the program size has fewer than 20 consumers in a 40 mile radius.
4. The Division established a separate rate for this service to behaviorally or medically intense consumers. Special authorization for these consumers is required by the DDD Program Administrator/Manager or designee. The rate is equal to the adopted Habilitation, Support rate in the published rate schedule. The hours for these consumers and the direct service staff hours related to the behaviorally or medically intense consumers shall not be considered in determining the overall program staffing ratio for the remaining consumers.

Unit of Service

1. The basis of payment for this service is the daily ratio rate. To determine the appropriate billing rate for each day this service is provided, the Qualified Vendor shall:
 - a. Divide (the total hours consumers, excluding hours for behaviorally or medically intense consumers with a specially authorized rate, attended the program in a day) by (the total direct service staff hours with consumers present at the program in a day, excluding hours related to behaviorally or medically intense consumers with a specially authorized rate); and
 - b. Use the resulting quotient, which is the number of consumer hours per direct service staff hours and can be stated as “1: (result from step a.)” staff to consumer ratio, to find the appropriate staff to consumer ratio rate on the rate schedule.

For example, if the number of hours attended by all consumers (excluding behaviorally or medically intense consumers with a specially authorized rate) in a program totaled 109.75 hours for a day, and the number of hours worked by direct service staff when consumers were present at the program (excluding hours related to behaviorally or medically intense consumers with a specially authorized rate) totaled 28.25 for that day, then the calculation would be:

- Total consumer hours divided by total direct service staff hours = $109.75 / 28.25 = 3.885$
- This program's ratio for this day is 1:3.885

Total hours for consumers or direct service staff shall not include the time spent during transportation to/from the program. For both consumers and direct service staff, units shall be recorded on the *per consumer* and *per direct service staff* basis, shall be expressed in terms of hours and shall be rounded to the nearest 15-minute increment, as illustrated in examples below:

- If total hours for a consumer or direct service staff were equal to 3 hours and 5 minutes, round the total to 3 hours
- If total hours for a consumer or direct service staff were equal to 5 hours and 24 minutes, round the total to 5.5 hours
- If total hours for a consumer or direct service staff were equal to 6 hours and 48 minutes, round the total to 6.75 hours

2. The Division will not compensate Qualified Vendors for any absences. For example, if a consumer stays in the day program for two hours in the morning, then leaves for two hours, and then returns for three hours, and all activity takes place within the same program day, total hours for this consumer shall be equal to five.

If the consumer permanently stops attending the Qualified Vendor's facility, then the Qualified Vendor shall notify the DDD Program Administrator/Manager or designee. The Qualified Vendor shall not bill the Division for vacancies.

Direct Service Staff Qualifications

The direct service staff shall have at least three months experience in conducting group or individual activities related to specific developmental, habilitative, or recreational programs, or be supervised by an individual with such experience.

Recordkeeping and Reporting Requirements

1. The Qualified Vendor shall maintain a copy of the support plan on file and make it available to the consumer/family/consumer's representative and/or Division upon request.
2. The Qualified Vendor shall submit monthly progress reports, including a written summary describing the specific service activities and the performance data that identifies the consumer's progress toward achievement of the established objectives, within ten business days of the close of the month to the consumer's support coordinator and the consumer/family/consumer's representative.
3. For consumers, the Qualified Vendor must keep daily records of the number of hours each consumer spends in the Qualified Vendor's program. The time begins when the Qualified Vendor assumes responsibility for the consumer and ends when the Qualified Vendor ends this responsibility. Total time shall not include any time spent during transportation to/from the program. Time for behaviorally or medically intense consumers with a specially authorized rate shall be recorded separately.
4. For direct service staff, the Qualified Vendor must keep daily records of the number of hours each direct service staff spends providing direct services to consumers in the program. Only the time when consumers are present at the program shall be counted as direct service. Total time shall not include any time spent during transportation to/from the program. Staff time related to behaviorally or medically intense consumers who have a specially authorized rate shall be recorded separately.

4. Assist each consumer in developing methods of starting and maintaining friendships of his/her choice, as well as appropriate assertiveness, social skills, and problem solving abilities for use in daily interactions.
5. Provide opportunities for consumers to participate in community activities and facilitate consumer utilization of community resources.
6. Provide transportation necessary to support program activities.
7. Develop a monthly on-site/community integrated schedule of daily activities and document the consumer's direct input into the monthly schedule. Daily activities and schedules are based on the consumer's choice, developmental level, ISP goals, and enrichment of life experiences. Allow for reasonable choice in activity participation, and offer alternative activities. This schedule shall be available to the consumer, consumer's representative, or others upon request.
8. Play an active role in ensuring that services with other involved entities, including group homes, health care providers, and schools are coordinated to meet the needs of the consumers served.
9. Partner with the Division to conduct program reviews to assess performance in meeting all identified tasks, promote quality improvement, and encourage best practices. Such reviews shall include participation of consumers served, families, and all other interested parties. The frequency of the reviews shall be determined by the Division.

Service Utilization Guidelines

1. Typical usage is up to four units per day on school days; direct service time associated with providing transportation to/from the program is included in the "Flat Trip Rate for Regularly Scheduled Daily Transportation" rate.
2. This service will generally be authorized at the 1:2.5 to 1:4.5 staff to consumer ratio rate for each consumer. However, the Qualified Vendor's claims for each consumer (excluding behaviorally or medically intense consumers with a specially authorized rate) for a program day shall reflect the actual staff to consumer ratio (excluding hours related to behaviorally or medically intense consumers who have a specially authorized rate).
3. Service to children shall be provided separately through the age of 15. Upon age 16, transition plans shall be individually developed, and may permit the provision of services to children concurrently with adults with parental consent.

Rate

1. Published.
2. The daily ratio rate for this service is established through the ratio of total direct service staff hours with consumers present at the program to total consumer hours.
3. The Division established a separate rate for this service to behaviorally or medically intense consumers. Special authorization for these consumers is required by the DDD Program Administrator/Manager or designee. The rate is equal to the adopted Habilitation, Support rate in the published rate schedule. The hours for these consumers and the direct service staff hours related to the behaviorally or medically intense consumers shall not be considered in determining the overall program staffing ratio for the remaining consumers.

Unit of Service

1. The basis of payment for this service is the daily ratio rate. To determine the appropriate billing rate for each day this service is provided, the Qualified Vendor shall:
 - a. Divide (the total hours consumers, excluding hours for behaviorally or medically intense consumers with a specially authorized rate, attended the program in a day) by (the total direct service staff hours with consumers present at the program in a day, excluding hours related to behaviorally or medically intense consumers with a specially authorized rate); and
 - b. Use the resulting quotient, which is the number of consumer hours per direct service staff hours and can be stated as "1: (result from step a.)" staff to consumer ratio, to find the appropriate staff to consumer ratio rate on the rate schedule.

For example, if the number of hours attended by all consumers (excluding behaviorally or medically intense consumers with a specially authorized rate) in a program totaled 109.75 hours for a day, and the number of hours worked by direct service staff when consumers were present at the program (excluding hours related to behaviorally or medically intense consumers with a specially authorized rate) totaled 28.25 for that day, then the calculation would be:

- Total consumer hours divided by total direct service staff hours = $109.75 / 28.25 = 3.885$
- This program's ratio for this day is 1:3.885

Total hours for consumers or direct service staff shall not include the time spent during transportation to/from the program. For both consumers and direct service staff, units shall be recorded on the *per consumer* and *per direct service staff* basis, shall be expressed in terms of hours and shall be rounded to the nearest 15-minute increment, as illustrated in examples below:

- If total hours for a consumer or direct service staff were equal to 3 hours and 5 minutes, round the total to 3 hours
- If total hours for a consumer or direct service staff were equal to 5 hours and 24 minutes, round the total to 5.5 hours
- If total hours for a consumer or direct service staff were equal to 6 hours and 48 minutes, round the total to 6.75 hours

2. The Division will not compensate Qualified Vendors for any absences. For example, if a consumer stays in the day program for two hours in the morning, then leaves for two hours, and then returns for three hours, and all activity takes place within the same program day, total hours for this consumer shall be equal to five.

If the consumer permanently stops attending the Qualified Vendor's facility, then the Qualified Vendor shall notify the DDD Program Administrator/Manager or designee. The Qualified Vendor shall not bill the Division for vacancies.

Direct Service Staff Qualifications

The direct services staff shall:

1. Have at least three months experience in conducting group or individual activities related to specific developmental, habilitative, or recreational programs, or be supervised by an individual with such experience; and
2. Have completed training, approved by the Division, in early childhood development when working with children who are under age six.

Recordkeeping and Reporting Requirements

1. The Qualified Vendor shall maintain a copy of the support plan on file and make it available to the consumer/family/consumer's representative and/or Division upon request.
2. The Qualified Vendor shall submit monthly progress reports, including a written summary describing the specific service activities and the performance data that identifies the consumer's progress toward achievement of the established objectives, within ten business days of the close of the month to the consumer's support coordinator and the consumer/family/consumer's representative.
3. For consumers, the Qualified Vendor must keep daily records of the number of hours each consumer spends in the Qualified Vendor's program. The time begins when the Qualified Vendor assumes responsibility for the consumer and ends when the Qualified Vendor ends this responsibility. Total time shall not include any time spent during transportation to/from the program. Time for behaviorally or medically intense consumers with a specially authorized rate shall be recorded separately.
4. For direct service staff, the Qualified Vendor must keep daily records of the number of hours each direct service staff spends providing direct services to consumers in the program. Only the time when consumers are present at the program shall be counted as direct service. Total time shall not include any time spent during transportation to/from the program. Staff time related to behaviorally or medically intense consumers who have a specially authorized rate shall be recorded separately.

4. Assist each consumer in developing methods of starting and maintaining friendships of his/her choice, as well as appropriate assertiveness, social skills, and problem solving abilities for use in daily interactions.
5. Provide opportunities for consumers to participate in community activities and facilitate consumer utilization of community resources.
6. Provide transportation necessary to support program activities.
7. Develop a monthly on-site/community integrated schedule of daily activities and document the consumer's direct input into the monthly schedule. Daily activities and schedules are based on the consumer's choice, developmental level, ISP goals, and enrichment of life experiences. Allow for reasonable choice in activity participation, and offer alternative activities. This schedule shall be available to the consumer, consumer's representative, or others upon request.
8. Play an active role in ensuring that services with other involved entities, including group homes, health care providers, and schools are coordinated to meet the needs of the consumers served.
9. Partner with the Division to conduct program reviews to assess performance in meeting all identified tasks, promote quality improvement, and encourage best practices. Such reviews shall include participation of consumers served, families, and all other interested parties. The frequency of the reviews shall be determined by the Division.

Service Utilization Guidelines

1. Typical usage is up to four units per day during summer vacation; direct service time associated with providing transportation to/from the program is included in the "Flat Trip Rate for Regularly Scheduled Daily Transportation" rate.
2. This service will generally be authorized at the 1:2.5 to 1:4.5 staff to consumer ratio rate for each consumer. However, the Qualified Vendor's claims for each consumer (excluding behaviorally or medically intense consumers with a specially authorized rate) for a program day shall reflect the actual staff to consumer ratio (excluding hours related to behaviorally or medically intense consumers who have a specially authorized rate).
3. Service to children shall be provided separately through the age of 15. Upon age 16, transition plans shall be individually developed, and may permit the provision of services to children concurrently with adults with parental consent.

Rate

1. Published.
2. The daily ratio rate for this service is established through the ratio of total direct service staff hours with consumers present at the program to total consumer hours.
3. The Division established a separate rate for this service to behaviorally or medically intense consumers. Special authorization for these consumers is required by the DDD Program Administrator/Manager or designee. The rate is equal to the adopted Habilitation, Support rate in the published rate schedule. The hours for these consumers and the direct service staff hours related to the behaviorally or medically intense consumers shall not be considered in determining the overall program staffing ratio for the remaining consumers.

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 - a. Divide (the total hours consumers, excluding hours for behaviorally or medically intense consumers with a specially authorized rate, attended the program in a day) by (the total direct service staff hours with consumers present at the program in a day, excluding hours related to behaviorally or medically intense consumers with a specially authorized rate); and
 - b. Use the resulting quotient, which is the number of consumer hours per direct service staff hours and can be stated as "1: (result from step a.)" staff to consumer ratio, to find the appropriate staff to consumer ratio rate on the rate schedule.

For example, if the number of hours attended by all consumers (excluding behaviorally or medically intense consumers with a specially authorized rate) in a program totaled 109.75 hours for a day, and the number of hours worked by direct service staff when consumers were present at the program (excluding hours related to behaviorally or medically intense consumers with a specially authorized rate) totaled 28.25 for that day, then the calculation would be:

- Total consumer hours divided by total direct service staff hours = $109.75 / 28.25 = 3.885$
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Total hours for consumers or direct service staff shall not include the time spent during transportation to/from the program. For both consumers and direct service staff, units shall be recorded on the *per consumer* and *per direct service staff* basis, shall be expressed in terms of hours and shall be rounded to the nearest 15-minute increment, as illustrated in examples below:

- If total hours for a consumer or direct service staff were equal to 3 hours and 5 minutes, round the total to 3 hours
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2. The Division will not compensate Qualified Vendors for any absences. For example, if a consumer stays in the day program for two hours in the morning, then leaves for two hours, and then returns for three hours, and all activity takes place within the same program day, total hours for this consumer shall be equal to five.

If the consumer permanently stops attending the Qualified Vendor's facility, then the Qualified Vendor shall notify the DDD Program Administrator/Manager or designee. The Qualified Vendor shall not bill the Division for vacancies.

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The direct service staff shall:

1. Have at least three months experience in conducting group or individual activities related to specific developmental, habilitative, or recreational programs, or be supervised by an individual with such experience; and
2. Have completed training, approved by the Division, in early childhood development when working with children who are under age six.

Recordkeeping and Reporting Requirements

1. The Qualified Vendor shall maintain a copy of the support plan on file and make it available to the consumer/family/consumer's representative and/or Division upon request.
2. The Qualified Vendor shall submit monthly progress reports, including a written summary describing the specific service activities and the performance data that identifies the consumer's progress toward achievement of the established objectives, within ten business days of the close of the month to the consumer's support coordinator and the consumer/family/consumer's representative.
3. For consumers, the Qualified Vendor must keep daily records of the number of hours each consumer spends in the Qualified Vendor's program. The time begins when the Qualified Vendor assumes responsibility for the consumer and ends when the Qualified Vendor ends this responsibility. Total time shall not include any time spent during transportation to/from the program. Time for behaviorally or medically intense consumers with a specially authorized rate shall be recorded separately.
4. For direct service staff, the Qualified Vendor must keep daily records of the number of hours each direct service staff spends providing direct services to consumers in the program. Only the time when consumers are present at the program shall be counted as direct service. Total time shall not include any time spent during transportation to/from the program. Staff time related to behaviorally or medically intense consumers who have a specially authorized rate shall be recorded separately.