



# MENTAL RETARDATION BULLETIN

COMMONWEALTH OF PENNSYLVANIA • DEPARTMENT OF PUBLIC WELFARE

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00-94-16

SUBJECT

Movement of Funds in Intermediate  
Cafe Facilities for the  
Mentally Retarded

BY

  
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## Scope

Non-State Operated Intermediate Care Facility for the Mentally Retarded (ICF/MR) Directors

## Purpose

The purposes of this Bulletin are to: a) clarify and continue procedures regarding the allowable movement of funds across Intermediate Care Facility for the Mentally Retarded (ICF/MR) sites operated by a single agency, and, b) clarify procedures related to tentative cost settlements.

## Background

Rate setting and reimbursement for non-State ICFs/MR are governed by 55 Pa. Code, CH. 1181, Subchapter C titled "Allowable Cost Reimbursement for Non-State Intermediate Care Facilities for the Mentally Retarded" (soon to be recodified as 55 Pa. Code CH. 6211). The Office of Mental Retardation (OMR) is required to establish an approved funding level and an interim per diem rate for each ICF/MR. Additionally, OMR is responsible for revision to funding levels based on the review of waivers submitted by providers.

Mental Retardation Bulletin #00-92-04 titled "Movement of Funds in ICFs/MR", issued on February 13, 1992, established procedures for OMR approval of the movement of funds across programs, effective with Fiscal Year 1991-92. This flexibility was established to allow providers to adjust approved funding levels among an agency's programs due to changes and unforeseen over-or under-spending which may occur during the course of the fiscal year. These procedures have resulted in a decrease in the number of waivers and the paperwork and workload associated with the waiver process used to request increases.

REFER COMMENTS AND QUESTIONS TO:

Frank L. Pierce, Office of Mental Retardation, Room 512, Health and Welfare Building, Harrisburg, PA 17120, Telephone: (717) 783-5663, Network: 8-443-5663

Although the movement of funds procedures have been successful in allowing additional flexibility to providers, it has become necessary to clarify the cost reporting section as stated in MR Bulletin #00-92-04.

The following is to continue the movement of funds provisions as contained in MR Bulletin #00-92-04 and to clarify and reiterate the tentative cost settlement procedures currently in effect.

### PROCEDURES

#### 1. Conditions for Movement of Funds.

(a) Agencies that operate multiple non-State ICF/MR programs are permitted to move up to 10% of the approved funding level of any program across other ICF/MR programs the agency operates.

(b) Movement of funds is permitted only once per Commonwealth fiscal year.

(c) The request for movement of funds must be submitted to OMR by May 31, 30 days before the close of the Commonwealth's fiscal year.

(d) The request for movement of funds will be approved by OMR provided there is no increase in the sum of the already approved funding levels for each of the programs the agency operates. Movement of funds is limited to 10% of a program's approved funding level.

(e) Movement of funds can be directed from several programs to a single program, for example, increasing a program's budget by more than one 10% shift of an approved budget from another program, or simply from one program to another program, subject to the upper limit of (d.) above.

#### 2. Documentation.

(a) Any agency requesting the movement of funds by May 31 must submit revised program budget pages (not full budgets) to OMR for all affected programs.

(b) For programs affected by the change with standard interim rates, no program budget page will be required, however, the agency must document to OMR the change in the total projected operating cost as a result of the movement of funds.

#### 3. Related Procedures.

(a) The OMR will not process any changes in payment as a result of any approved request to move funds across programs, and no revised interim rates will be issued related to the funding levels changed through an approved movement of funds request.

(b) The revised program budget pages and any notification regarding changes to the total projected operating costs will be forwarded by OMR to the Department's Bureau of Financial Operations for audit purposes, so that at the time of audit, the program is held to the revised approved funding levels and in accordance with the principles established by Chapter 1181, Subchapter C.

(c) The principles established under Section 1181.338 (relating to standard rate) and Section 1181.355 (relating to waiver rate) remain in effect.

4. Regulations.

All requirements of Chapter 1181, Subchapter C remain in effect. In particular, if an unforeseen circumstance occurs resulting in a cost increase that cannot be accommodated, a waiver may be requested per Section 1181.351 (relating to request for waiver).

5. Cost Reporting.

Cost reporting on the cost report form specified by the Department will remain individualized for each certified ICF/MR program. At the time of tentative cost settlement, each ICF/MR program's reported costs will be compared to the total interim payments received by the provider, plus client income and any other allowances for the fiscal period. If the provider has been reimbursed more than the total reported costs as derived above, the overpayment will be recovered via a notice of tentative cost settlement from the Department's Office of the Comptroller. Any interest earned on overpayments received from the Department is also refundable, with interest amounts verified through final audit by the Department.

If a provider has been reimbursed less than reported costs, the reconciliation between actual costs and total reimbursement will follow final audit.

6. Rate Setting.

(a) Subsequent year's rate setting will be based upon the revised approved levels resulting from any requested and approved movement of funds.

(b) Rate setting will use the immediate preceding year as base if a requested movement of funds has been approved, and, therefore, the revised approved funding levels will be reflected in rate setting for the upcoming fiscal year.

OBSOLETE BULLETIN

This Bulletin replaces and rescinds OMR Bulletin #00-92-04, titled "Movement of Funds in ICFs/MR", issued February 13, 1992.