

CONTRACT FUNDING AND SPENDING ANALYSIS ADI, CCE, HCE

Revised: May 2025

Purpose:

In order to support the ability of the Alliance to ensure the annual funding provided for the ADI, CCE, and HCE programs is utilized in its entirety to enhance these program purposes and to serve as much of the population in need of these services as possible. To achieve this purpose, the Alliance uses the following procedure to initiate contracts and analyze the spending patterns for each of the ADI, CCE, and HCE programs and to provide a fair and clear mechanism to ensure funding is utilized appropriately and entirely.

Initial contract funding and analysis of spending are as follows: The provider will submit a Surplus/Deficit Report monthly throughout the contract period indicating the actual spending, units served, and number of clients served.

The Alliance will review the Surplus/Deficit Report. Any noted variations will be reviewed and discussed with the provider in order to improve forecast accuracy.

A. Initial Annual Funding Allocation:

1. To ensure contracts are executed prior to the contract fiscal year beginning date of July 1, the Alliance will determine, at the time required to prepare the contracts and through eCIRTS reports, each agency's active case load to be funded for each of these three programs. For ADI & CCE, funding will be established based on that caseload multiplied by the established PMPM. For HCE, funding will be determined based on that caseload multiplied by the sum of the established Case Management PMPM, the Basic Subsidy allowance of the program, and the established PMPM of Special Subsidy.
2. Should the funding provided by the State of Florida through DOEA be lower than the amount necessary to fund the case load as determined above, the Alliance will review the S/D reports and determine the best means for funding reductions. The Alliance may use a proportionate reduction for each agency. Should this occur, client attrition will be the primary remedy for the reduction in funding. Should additional funding be made available through DOEA subsequent to the initial funding allocation, the additional funding may be used to offset any funding reduction required during the initial finding allocation. The offset will depend on the case load and spending history of the provider at the time the additional funding allocation is calculated.
3. Should the funding provided by the State of Florida through DOEA be higher than the amount necessary to fund the case load, as determined above, the amount of excess funding will be used to release additional clients from the waitlist to be enrolled in the program and begin to receive services. The ADRC will release clients with the highest ranking and priority score to the appropriate providers in each respective county. Should a County have multiple providers, clients will be provided with a choice of agencies from which to receive services in that county. The fiscal staff will advise the ADRC of the number of referrals to be made based on the amount of funds available. Once all clients to be referred are identified and their choice of case management agency is made, the ADRC will notify the Alliance fiscal office and the providers. Appropriate contract amendments will then be prepared and executed.

B. Surplus/Deficit Analysis:

1. For CCE, ADI, and HCE Case Management:

- a. The Alliance will review each agency's spending following each of the first eleven (11) months of the contract year to provide a means to ensure funding is being used to its fullest and carry out the intent of the programs. This review will utilize a simple comparison of YTD actual spending compared to a YTD straight line monthly expected spending pattern.

- b. The Alliance will prepare and review a Surplus/Deficit analysis and contract spending projection each month during each of the first 11 months of the contract year. This analysis will be based on the YTD billing from the previous month, from information from the provider agencies of additional subcontracted billing that may not have been entered by the time billing was due, and less any adjusted units reported with the previous month's billing to the Alliance. This additional information that did not make it into the billing from the previous month must be submitted to the Alliance with the provider's monthly S/D report by the 15th of the month to be included in the analysis. The analysis will include agreed upon eCIRTS reports that the Alliance will run for active client counts, clients added, and clients terminated for each program, as well as information provided by the ADRC of referrals requested by and made to the provider agencies.
- c. The analysis will be generated after the billing and S/D reports are submitted by the provider agencies. The analysis will compare the actual YTD spending (as per the eCIRTS reports mentioned above) to the YTD straight line monthly expected spending pattern.

YTD straight line monthly expected spending pattern is defined as the total contract award divided into 12 equal amounts for each month. The monthly amount is multiplied by the number of months for which the calculation is based.

Example: a contract award is \$120,000. Twelve equal amounts would be \$10,000 per month. Assuming the analysis is for January (the 7th month of the contract), the YTD straight line monthly expected spending pattern would be \$70,000 (\$10,000 x 7 months)

- i. Should the results of the comparison indicate a deficit, the Alliance will inquire as to the reason for the deficit to ensure funding is available to serve existing clients throughout the contract period.
 - ii. Should the results of the analysis indicate a surplus, the Alliance would not only inquire as to the nature of the surplus but also determine whether a de-obligation of funding would be required. To allow providers to adjust to a new contract year, any potential de-obligations will not occur until after the 2nd month of the contract period. The analysis to determine a de-obligation of funding would incorporate a Surplus Allowance. The Surplus Allowance is calculated as follows:
 - For the 1st three months the Surplus Allowance is = 5% of the YTD straight line expected monthly expected spending pattern.
 - For months 4-6, the Surplus Allowance is = 2.5% of the YTD straight line expected monthly expected spending pattern
 - For months 7-9 the Surplus Allowance is = 1.5% of the YTD straight line expected monthly expected spending pattern
 - For months 10 and 11 the Surplus Allowance is = 1% of the YTD straight line expected monthly expected spending pattern.
 - iii. Any surplus in excess of the Surplus Allowance would initiate a de-obligation for the amount in excess of the Surplus allowance. As de-obligated funds would be used to support other clients, any de-obligation would be permanent.
- d. In addition to the above straight-line analysis, a quarterly PMPM analysis will be utilized to ensure as many clients as possible can be served with the contracted funding by ensuring provider agencies do not exceed the contractually stipulated PMPM. At the end of each of the first three quarters, should the total average monthly PMPM exceed the contractually stipulated PMPM, the Alliance will require a payback as follows:

- 50% of the cost that exceeds the agreed upon average PMPM at the end of the first quarter of the contract period,
- 75% at the end of the second quarter of the contract period, and
- 100% at the end of the third and fourth quarters of the contract period.

The total average monthly PMPM is defined as the result of dividing the total funding spent YTD divided by the number of unduplicated clients for the same period and then divided again by the number of months in the contract through the end of the quarter being analyzed. The agreed upon eCIRTS report will be generated on or after the 18th of the month following the quarter being analyzed to obtain the data for the calculation.

2. For HCE Basic Subsidy allocation:

The Alliance will generate MTD & YTD eCIRTS reports for the month being analyzed to determine the actual amount of Basic Subsidy utilized. This actual amount utilized will be compared to the YTD straight line expected monthly spending pattern. Should the results of the comparison indicate a deficit, the Alliance will inquire as to the reason for the deficit to ensure funding is available to serve existing clients throughout the contract period. Should the results of the analysis indicate a surplus, the Alliance would not only inquire as to the nature of the surplus but also reduce the Basic Subsidy allocation by the full amount of the excess surplus calculated.

3. For HCE Special Subsidy allocation:

The analysis will follow the same process as identified in 1.a., 1.b., and 1.c. above.

4. De-obligated or recaptured funds will be used to release additional clients from the waitlist to be enrolled in the program and begin to receive services and follow the same process as described in Section A.3 above. However, the provider for which funds were de-obligated will not be eligible to participate for client choice. Should there be only one provider for which a de-obligation is not required, no choice will be given to the clients being released from the waitlist as all those being released will be referred to the one provider for which no de-obligation was required. Should all providers have funding de-obligated, all providers will be eligible to participate in client choice. The fiscal staff will advise the ADRC of the number of referrals to be made based on the amount of funds available and which agencies are eligible to participate in the client choice process. Once clients to be referred are identified and their choice of case management agency is made, the ADRC will notify the Alliance fiscal office and the providers. Appropriate contract amendments will then be prepared and executed.
5. Should additional funding be received after the contract year has been initiated, the additional funds will be used to release additional clients from the waitlist to be enrolled in the program and begin to receive services and follow the same process as described in Section A.3 above. The allocation of the additional funding received will consider any provider surplus at the time of the allocation. The fiscal staff will advise the ADRC of the number of referrals to be released based on the amount of funds available and which providers will be able to participate in client choice. Once all the clients to be referred are identified and their choice of case management agency is made, the ADRC will notify the Alliance fiscal office and the providers. Appropriate contract amendments will then be prepared and executed.
6. Should additional funding be received, and de-obligations or recaptured funds are calculated during the same month, for purposes of ADRC referral, any de-obligated or recaptured funds will be treated as in Section B.4 above and the additional funding will be treated as in Section B.5 above. If a provider receives referrals from both de-obligated funds and new funds, the contract amendment will follow combining of both sources of funding. -

C. CCE AND ADI PROVIDER CO-PAYMENTS

Agencies providing case management services under the Community Care for the Elderly (CCE) and Alzheimer's Disease Initiative (ADI) programs must ensure adherence to the procedures established in the DOEA Programs and Services Handbook.