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# PERSON-CENTERED BUDGET REVIEW

## *Alignment of Funding and the Person's Need*

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### Directive 2.5

Authorizing Code: 26B-6-403  
Rule: R539-12  
Version Date: January 2024  
Next Review: January 2026

Forms: Budget Utilization Justification Form

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### Purpose

This directive establishes a standardized process for reviewing and aligning a person's plan max with the person's needs. Through the budget review process, the division removes surplus money from a pro forma budget based on documented use of services during two consecutive and closed plan cycles. The budget review process does not adjust a service in an open plan cycle.

### Definitions

**Maximum allowable expenditures** – the sum of all self-administered service line items; and each service line item multiplies the units paid by the rate in the plan.

**Plan cycle** – the period of time between the person-centered support plan's effective start date and effective end date. A plan cycle cannot exceed 365 days, or 366 days during a leap year.

**Plan max** – the total amount of money authorized for use in a plan cycle. The total amount includes the value of the authorized spending limit on the person-centered support plan's effective start date plus the proration of any one-time and ongoing money added to the pro forma budget during the plan cycle.

**Pro forma budget** – a USTEPS screen that summarizes and itemizes any one-time or ongoing adjustments to the authorized spending limit, current year max, and plan max; and brings money forward from the previous fiscal year.

**Surplus** – the difference between the plan max and the plan cycle expenditures within two consecutive and closed plan cycles.

**Total paid expenditures** – the sum of all provider service line items; and each service line item multiplies the units paid by the rate paid.

# Policy

1. The division annually reviews utilization of person-centered budgets to maintain alignment of funding and the person's needs.
  - a. The division administrative services director begins the review process in August of each fiscal year.
  - b. A request for services committee member reviews each budget with a potential funding misalignment.
2. The division shall reduce a person-centered budget after two consecutive and completed plan cycles of underuse due to a misalignment of funding and actual need.
  - a. A budget with a \$2,000 or more surplus is subject to a budget reduction that realigns funding with actual need.
  - b. Underuse for any of the following reasons indicates that other circumstances affected budget use rather than a decrease in need:
    - i. hospitalization, including placement in the Utah State Hospital;
    - ii. incarceration;
    - iii. temporary placement in facility-based care, including placement in a nursing facility (NF) or intermediate care facility (ICF);
    - iv. temporary placement in Utah State Developmental Center (USDC);
    - v. public health or other declared emergency;
    - vi. limited access to service providers; or
    - vii. limited access to direct care employees for a person participating in the self-administered services (SAS) model.
  - c. Underuse for a reason not listed in (2)(b) is considered on a case-by-case basis.
    - i. Any other reason presented as justification must have evidence to support that the reason qualifies as other circumstances that affected budget use rather than a decrease in need.
    - ii. The division's administrative services director reviews each justification and makes a determination.
  - d. If the budget review process identifies that changes are needed to one or more services in an open plan cycle, use Directive 1.49 "Request for Services" to make service adjustments.

3. The division allows the support coordinator to demonstrate that underspending is due to other circumstances before taking action. Justification of underuse must include the following:
  - a. A detailed description of:
    - i. why the unused service continues to represent the person's need;
    - ii. why the service was not used; and
    - iii. how underuse is being remedied.
  - b. A list of the date and location in USTEPS of each document or information screen that support the detailed description described in (3)(a).
4. If the division reduces a person-centered budget, the person is entitled to a fair hearing. The Request for Services Committee member assigned to the budget shall send the person a Notice of Agency Action and Hearing Rights as described in Section R539-3-8.
5. The Request for Services Committee shall coordinate any appeal of the person-centered budget review process. Hearing Request Forms must be directed to the Committee.

## Procedure

1. Implementation of the person-centered budget review may phase-in over a period of three fiscal years using the following thresholds:
  - a. Fiscal year 2022, review each budget with a minimum surplus of \$5,000 in the plan max.
  - b. Fiscal year 2023, review each budget with a minimum surplus of \$3,000 in the plan max.
  - c. Fiscal year 2024 and each fiscal year after, review each budget with a minimum surplus of \$2,000 in the plan max.
2. Identify person-centered budgets with potential funding misalignment.
  - a. The USTEPS Budget Surplus Report calculates the difference between the plan max and plan cycle expenditures for each person-centered budget.
  - b. The USTEPS Budget Surplus Report identifies each person-centered budget:
    - i. that meets the fiscal year minimum surplus amount; and
    - ii. has two consecutive and completed plan cycles of underuse.
  - c. USTEPS generates a log note on behalf of the division's administrative services director if the budget surplus report identifies the person as having a surplus budget eligible for reduction.

3. Calculate a proposed plan max for each person.
  - a. The USTEPS budget surplus report calculates a proposed plan max for each person identified as having a surplus budget eligible for reduction.
  - b. The proposed plan max includes one or both of the following calculations:
    - i. For the provider service delivery method, calculate the cost of total paid expenditures from the most recently closed plan cycle adjusted for any service rate increase applied during the current plan cycle plus \$250.
    - ii. For the self-administered services delivery method, calculate the maximum allowable expenditures for the most recently closed plan cycle adjusted for any service rate increase applied during the current plan cycle plus \$250.
4. The division's administrative services director notifies the support coordinator of each person identified for budget realignment.
  - a. Email notification shall:
    - i. inform the support coordinator of the person-centered budget review process;
    - ii. direct the support coordinator to review the budget surplus report in USTEPS; and
    - iii. directions for how the support coordinator may submit a justification of underuse if the person wants to preserve the current plan max.
  - b. A person's support coordinator may intervene on the person's behalf by submitting a written justification of underuse within 30 calendar days of the date of email notification.
    - i. The support coordinator must inform and consult with the person and the team before submitting justification.
    - ii. The support coordinator must submit any justification through the Google form included in the email notification.
    - iii. Any justification must clearly explain:
      - A. why the unused service continues to represent the person's need;
      - B. why the service was not used; and
      - C. how underuse is being remedied.
    - iv. Any justification must include a list of the date and location in USTEPS of each document or information screen related to the explanation described in (4)(b)(ii).
    - v. If the support coordinator does not submit justification of underuse, the division shall send

a Notice of Agency Action to the person no later than the fifth business day after the 30th calendar day, and at least 10 calendar days before the date of agency action.

5. A request for services committee member shall use the general guidelines and criteria set forth in the policy section of the directive to review any justification of underuse.
  - a. If the request for services committee member determines that the justification given by the support coordinator is adequate:
    - i. the request for services committee member notifies the support coordinator of the division's findings either in writing or by email; and
    - ii. the division takes no further action.
  - b. If the request for services committee member determines that the justification given by the support coordinator is not adequate:
    - i. the request for service committee member notifies the support coordinator of the division's findings either in writing or by email; and
    - ii. the request for service committee issues a Notice of Agency Action at least 10 calendar days before the date of agency action.
6. The division takes agency action.
  - a. Agency action includes:
    - i. reduction of the person-centered budget plan max in the pro forma budget; and
    - ii. email notification that includes the total dollar amount of the reduction, and instructs the support coordinator to reduce the person's plan cycle total within 30 calendar days of the agency action email notification.
  - b. If the division receives a hearing request form before the date of agency action, the division shall begin the appeal process and not take action.
  - c. If the division receives a hearing request form after the date of agency action and within 30 calendar days of date of notice, the division shall begin the appeal process and take action.
7. Support Coordinator compliance with the agency action.
  - a. The division's finance and contracts team monitors the plan to ensure that the support coordinator reduces the plan cycle total as described in the agency action email notification.
  - b. If the support coordinator fails to reduce the person's plan cycle total within 30 calendar days of the agency action email notification, the division emails the support coordinator a second notice informing the support coordinator that:

- i. the support coordinator has 15 calendar days to make the requested changes to the person's plan cycle total; and
- ii. on the first business day after the 15th calendar day, the division refers the support coordinator to the Office of Service Review (OSR) for any failure to make the requested changes.

c. OSR may take corrective action as described in the contract.

8. Waiver manager coordination of appeals.

- a. The community supports waiver manager shall schedule any request for an administrative hearing with the DHHS Office of Administrative Hearings.
- b. The community supports waiver manager shall conduct any division resolution.
- c. The community supports waiver manager shall notify the support coordinator of receipt of a Hearing Request Form.