



<b>UTAH DEPARTMENT OF HEALTH AND HUMAN SERVICES DIVISION OF SERVICES FOR PEOPLE WITH DISABILITIES POLICY AND PROCEDURES</b>		
<b>Policy: 2.5</b>		<b>Page 1 of 4</b>
<b>PERSON-CENTERED BUDGET REVIEW ALIGNMENT OF FUNDING WITH A PERSON'S NEED</b>		
<p><b>RATIONALE:</b> The intent of this policy is to establish consistent procedures for division staff to follow when reviewing and aligning a Person's plan max with a Person's needs.</p> <p>Authorizing Code: 26B-6-403 Rule: R539-12 Forms: Budget Utilization Justification Form; Forms 522-I and 490S</p>		
<b>Original Effective: NA</b>	<b>Revision: 3/17/2026</b>	<b>Next Review Due: 4/1/2029</b>

**I. DESCRIPTION**

This policy establishes a standardized procedure for reviewing and aligning a Person's plan max with the Person's needs. Through the budget utilization review process, the division removes surplus money from a pro forma budget based on documented use of services during the prior two consecutive, closed plan cycles.

**II. DEFINITIONS**

The following terms are defined for this policy as:

- A. **Person-centered budget (PCB):** means an initial budget plus any budget adjustments that are made by the RFS team.
- B. **Plan cycle:** means the period of time between a person-centered support plan's effective start date and the effective end date. A plan cycle may not exceed 365 days, or 366 days during a leap year.
- C. **Plan max:** means the representation of a Person's total care plan limit when totalling individual service reimbursement rates with the approved unit amounts.
- D. **Pro forma budget:** means a USTEPS screen that summarizes and itemizes any one-time or ongoing adjustments.
- E. **Request for services (RFS):** means a process integrated into USTEPS that facilitates the creation of a person-centered budget through an initial budget, and then any budget adjustments that are made by submitting the following to the RFS team for review: proposed service codes; units; rates; designated start and end dates; and documented evidence of need.

- F. **Request for services team (RFS team):** means the division team that reviews and makes determinations about RFS. The team consists of all RFS team members and the request for services program administrator as described in Policy 1.49. All members of the RFS team serve as voting members in RFS meetings.
- G. **Surplus:** means the difference between the plan max and the plan cycle expenditures within two consecutive and closed plan cycles.
- H. **Total paid expenditures:** means the sum of all provider service line items that were paid during a plan cycle. The total for each service line is the number of units paid multiplied by the rate for each service.

### III. **POLICY**

- A. The division shall review annually the utilization of person-centered plans to maintain alignment of authorizations with a Person's needs and prevent an over-obligation of funds.
  - 1. The division's individual budgets team manager shall begin the review process at the beginning of each fiscal year.
  - 2. RFS team members shall review each plan that has a potential authorization/ utilization misalignment.
- B. The division shall reduce a person-centered plan after two consecutive and completed plan cycles that reflect an underuse that is due to a misalignment of service authorizations with a Person's need.
- C. A plan with an estimated annual surplus of \$2,000 or more may be subject to a reduction to realign authorizations with need.
- D. Other than a decrease in need, other legitimate reasons for the affected plan's underuse include:
  - 1. hospitalization, including placement in the Utah State Hospital;
  - 2. incarceration;
  - 3. temporary placement in facility-based care, including placement in a nursing facility (NF) or intermediate care facility (ICF);
  - 4. temporary placement in the Utah State Developmental Center (USDC);
  - 5. a public health or other declared emergency;
  - 6. limited access to service providers; or
  - 7. limited access to direct care employees for a Person participating in the self-administered services (SAS) model.
- E. Underuse of a plan for a reason not listed in (D) shall be considered on a case-by-case basis through review of the justification.
  - 1. A justification for underuse shall include supporting evidence showing that the affected plan's underuse was not due to a decrease in need or an initial misalignment, and that the underuse is not anticipated to continue in the future.
  - 2. The RFS team shall consider all submitted justifications and then make a determination.
- F. The budget review process may not adjust a service during an open plan cycle. If the budget review process determines that changes are required to one or more services during an open plan cycle, the division shall follow Policy 1.49 to make any service adjustments.
- G. Before taking any action to reduce the service authorizations, the division shall allow

a support coordinator to demonstrate that the underuse of services is due to other circumstances than reduced need.

- H. A justification for underuse shall include a detailed description of:
  - 1. why the unused service continues to represent the Person's need;
  - 2. why the service was not used; and
  - 3. how underuse is being remedied.
- I. A justification for underuse shall also list the date and location in USTEPS of each document or information screen that supports the detailed description of H.
- J. If the division reduces a person-centered budget, the Person is entitled to access the division dispute resolution process and may receive an informal administrative hearing.
  - 1. The RFS team member assigned to the budget shall send the Person a Notice of Agency Action and Hearing Rights, Forms 522-I and 490S, as described in Section R539-3-7 and Policy 1.11.
  - 2. The division appeals team shall coordinate any appeal of a person-centered budget review process.

#### IV. **PROCEDURE**

- A. A person-centered budget review shall consider each plan with a minimum surplus of \$2,000 in the plan max for the two preceding plan cycles. The review shall identify person-centered plans with potential funding misalignment.
- B. The USTEPS Budget Surplus Report calculates the difference between the plan max and plan cycle expenditures for each person-centered budget and identifies each person-centered budget:
  - 1. that meets the fiscal year minimum surplus amount; and
  - 2. has two consecutive and completed plan cycles of underuse.
- C. USTEPS generates a log note on behalf of the division's individual budgets team manager if the budget surplus report identifies a Person as having a surplus budget with potential need for reduction.
- D. The division shall calculate a proposed plan max for each Person.
- E. The USTEPS budget surplus report calculates a proposed plan max for each Person identified as having a surplus budget with potential need for reduction. The proposed plan max shall be calculated based upon the service delivery methods used, which may be in combination.
  - 1. For the provider service delivery method, the division shall calculate the cost of total paid expenditures from the two preceding plan cycles, adjusted for any service rate increase applied during the current plan cycle, plus \$250.
  - 2. For the self-administered services delivery method, the division shall calculate the total paid expenditures for the most recently closed plan cycle adjusted for any service rate increase applied during the current plan cycle, and then add \$250.
- F. The division shall notify the support coordinator by email of each Person who is identified for authorization/utilization realignment. The email notification shall:
  - 1. inform the support coordinator about the person-centered budget review process;
  - 2. direct the support coordinator to review the budget surplus report in USTEPS; and
  - 3. provide directions for how the support coordinator may submit a justification of underuse if the Person wants to preserve the current plan max.
- G. If the division has identified that there is a need for an authorization/utilization

realignment, the Person's support coordinator shall be assigned a task on the USTEPS home screen with a choice to either review and accept the budget reduction, or to submit justification for the underutilization.

- H. An RFS team member shall use the general guidelines and criteria set forth in the policy section of this policy to review any justification for underuse.
- I. If a RFS team member determines that a justification given by a support coordinator is adequate:
  - 1. the RFS team member shall notify the support coordinator of the division's determination either in writing or by email; and
  - 2. the division shall take no further action.
- J. If a RFS team member determines that a justification given by a support coordinator is not adequate:
  - 1. the RFS committee member shall notify the support coordinator of the division's determination either in writing or by email; and
  - 2. the RFS committee member shall issue a Notice of Agency Action and Hearing Rights at least 10 calendar days before the date of agency action.
- K. The division may take agency action including:
  - 1. a reduction of the person-centered plan max in the pro forma budget; and
  - 2. sending a notice of agency action and hearing rights by following the procedures prescribed in Policy 1.11.
- L. The division shall ensure that the support coordinator complies with the agency action.
  - 1. The division's budget specialist team shall monitor the plan to ensure that the support coordinator reduces the plan cycle total as described in the agency action email notification.
  - 2. 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 shall email the support coordinator with a second notice informing the support coordinator that the support coordinator has 15 calendar days to make the requested changes to the Person's plan cycle total, and on the first business day after the 15th calendar day, the division shall refer the support coordinator to the Office of Service Review (OSR) for any failure to make the requested changes.
  - 3. OSR may take corrective action as described in the support coordinator contract.
- M. The division appeals team shall coordinate appeals.
  - 1. The community supports waiver manager shall schedule any request for an administrative hearing with the DHHS Office of Administrative Hearings.
  - 2. The community supports waiver manager shall conduct any division resolution.
  - 3. The community supports waiver manager shall notify the support coordinator when the division has received a Form 490S requesting a hearing.