



RODERICK L. BREMBY
Commissioner

STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

October 31, 2011

TELEPHONE
(860) 424-5053

TDD/TTY
1-800-842-4524

FAX
(860) 424-5057

EMAIL
commis.dss@ct.gov

RE: 2011 Annual Report Filing

Dear Provider:

This is to advise you that an original and one copy of the 2011 Annual Report must be completed and filed with the Department of Social Services, 25 Sigourney Street, Hartford, Connecticut, 06106-5033, Attention: Office of CON and Rate Setting on or before January 3, 2012. We would appreciate receiving a CD along with your two paper copies as it will assist with faster and more accurate cost report reviews and rate setting.

The 2011 Annual Report software may be downloaded from the Craig J. Lubitski Consulting LLC's (CJLC) website at www.cjlc.com. You will find that preparation instructions, updated salary/hourly rate limitations and a completion check list are also available at the web site. CJLC is our Annual Report review and audit contractor. If you would like to receive the 2011 Annual Report on CD, please contact CJLC at (860) 610-9009 and the software will be mailed to you.

We recommend use of the 2011 Annual Report computerized version. Submission of the DSS computerized version of the Annual Report is not required but we believe you will find it easy to use. The program includes edit checks that should reduce the need for follow-up desk review questions and corrections. Microsoft Excel software (2000 or later) is necessary for the computerized Annual Report.

If you prepare your 2011 Annual Report using a non-DSS computerized version, your hard copy submission must identically match the 2011 Annual Report. The format and design of any non-DSS developed computerized Annual Report must be approved by the Department. Requests for approval must be submitted to Craig J. Lubitski Consulting, Founders Plaza, 225 Pitkin Street, East Hartford, CT 06108 by December 1, 2011. If approved, you will receive a written approval letter. A copy of the approval letter should be submitted with your Annual Report filing.

If you have any questions concerning the instructions, preparation or printing of a hard copy of the 2011 DSS computerized Annual Report or any questions related to non-DSS computerized submission, please call Liz Maglio at (860) 610-9009 at CJLC.

The due date for the cost report is on or before January 3, 2012. There will be no extensions granted. It is imperative that all cost reports be received on time in order to capture and report current cost information for all requesting parties as soon as possible. Section 17b-340 CGS provides that a facility's current year rate may be reduced by up to 10% for failure to file the Annual Report on time. In addition, under Section 17-311-50 of State Regulations, the lowest rate paid to a facility for the same licensure category may be implemented if the Annual Report

is not submitted. The Department will not accept an incomplete Annual Report filing. All Annual Report sections must be completed and executed including required Administrator and Owner signatures and notarizations on pages 1 and 37.

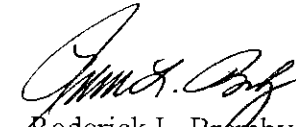
Should you need to amend your Annual Report after it is filed, revised/corrected pages must be marked "Amended" with changes highlighted. In order to be accepted, amended pages must include an Administrators/Owner's Certification (page 1 of Annual Report) and an explanation of the reason for any change or changes to the original filing. Please submit an original and one copy.

Expenditures for fixed assets, including movable equipment, which are greater than \$2,500 must be capitalized and depreciated or amortized over the useful life of the asset in accordance with the American Hospital Association Guide for Estimated Useful Lives, 2008 Edition. Assets in excess of \$1,000 but less than \$2,500 may be capitalized provided such accounting treatment is consistent with the organizations written capitalization policy.

Audits of Annual Report filings continue to identify expenses for personal items, unreported related-party transactions/employees and non-resident care related managerial and corporate costs, as well as, insufficient cost documentation. Please be advised that we have a zero tolerance for fraud and abuse and will vigorously pursue recovery of overpayments and criminal prosecution to the fullest extent under state law and regulations.

Should you have any questions, please contact Chris LaVigne, Acting Director, Certificate of Need and Rate Setting, Department of Social Services (860) 424-5719. Thank you for your prompt attention to Annual Report filing requirements.

Sincerely,


Roderick L. Bremby
Commissioner

RLB/cal