



# STATE OF CONNECTICUT

DEPARTMENT OF SOCIAL SERVICES

25 SIGOURNEY STREET • HARTFORD, CONNECTICUT 06106-5033

November 3, 2009

RE: 2009 Annual Report Filing

Dear Provider:

This is to advise you that an original and one copy of the 2009 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 December 31, 2009. 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 2009 Annual Report software may be downloaded from the Craig J. Lubitski Consulting LLC's (CJLC) website at [www.cjlc.com](http://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 2009 Annual Report on CD, please contact CJLC at (860) 610-9009 and the software will be mailed to you.

We recommend use of the 2009 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 2009 Annual Report using a non-DSS computerized version, your hard copy submission must identically match the 2009 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, 2009. 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 2009 DSS computerized Annual Report or any questions related to non-DSS computerized submission, please call Liz Maglio at (860) 610-9009 at CJLC.

The filing date of December 31, 2009 should be strictly adhered to so that rates may be promulgated in a timely fashion. Under Section 17-311-50 of State Regulations, the lowest rate paid to a facility for the same licensure category may be authorized for the next year if the

Annual Report is not submitted. In addition, 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. 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.

Update to Vehicle Cost/Lease Guidelines

Please be advised that effective October 1, 2006 (Cost Year 2007) the maximum cost guideline for vehicles was revised as follows:

	<u>Post 10/1/06</u>
Vehicle Cost	\$28,000
Service Bus/Wheel Chair Van Cost	\$51,000
Vehicle Lease	\$560
Service Bus/Wheel Chair Van Lease	\$1,120

Other Issues

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, 2004 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.

DSS and contractor field 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 Gary Richter, Director, Certificate of Need and Rate Setting, Department of Social Services (860) 424-5105. Thank you for your prompt attention to Annual Report filing requirements.

Sincerely,



Michael P. Starkowski  
Commissioner