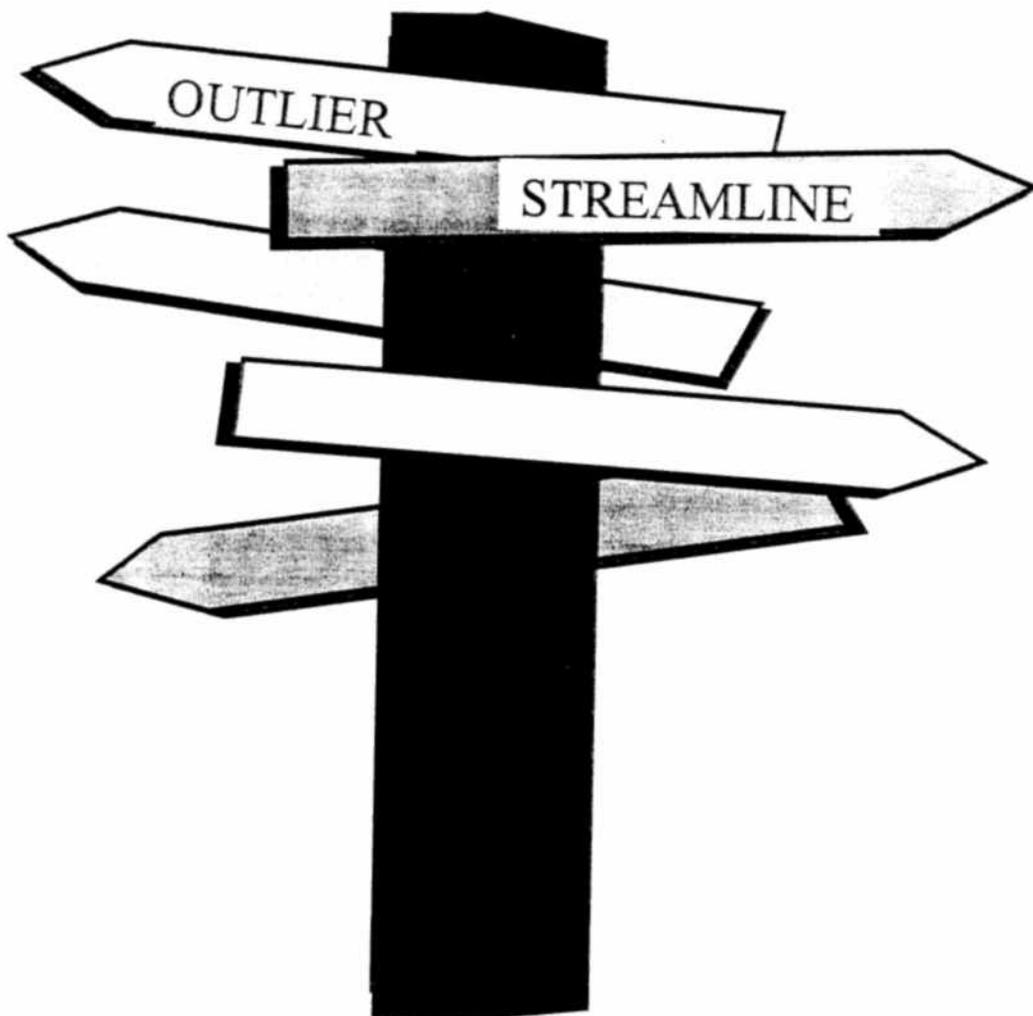


OMRDD/DOB
VOLUNTARY
OPERATED PROGRAMS
THRESHOLD GUIDE



**OMRDD / DoB THRESHOLD GUIDE
For Voluntary Operated Programs
and State Community Capital**

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TITLE:	General Overview	
HEADING:	Parts, Intent and Parties Agreement	
DATE:	February 22, 2000	Section: A
SUPERSEDES:	April 28, 1993	Page 1 of 1

PART I
PRINCIPLES UNDERLYING DoB's DEVOLUTION OF MANAGEMENT
FLEXIBILITY UNDER COMMUNITY SERVICES PLAN (CSP)

PART II
SPECIFIC OPERATING REVIEW THRESHOLDS THAT APPLY TO
TRANSACTIONS UNDER CSP

PART III
SPECIFIC CAPITAL COST REVIEW THRESHOLDS THAT APPLY TO
TRANSACTIONS UNDER CSP

PART IV
OTHER GUIDELINES APPLICABLE TO REVIEW OF CAPITAL PROJECTS

INTENT:

Shift the focus of OMRDD Central Office and DoB review of individual situations/transactions to only high-cost outliers, while permitting local autonomy over the use of resources to fund the vast majority of Individual Service Plans (ISPs).

Shift the emphasis of DoB review from oversight of individual transactions to the undertaking of program evaluation and analyses of systemic issues.

The Capital Thresholds and Capital Review Guidelines apply to both State and voluntary operated sectors unless stated otherwise.

PARTIES AGREEMENT

The parties to this agreement recognize that the management flexibility provided to OMRDD by DoB under CSP is discretionary and contingent upon the above understandings and satisfactory post-audit review.

TITLE:	Part I	
HEADING:	Principles of Flexibility Under CSP/NYS-CARES	
DATE:	August 1, 2003	Section: A
SUPERSEDES:	September 1, 2000	Page 1 of 6

Review Thresholds:

- DoB has established review thresholds for operational and capital costs, to be applied to each proposal.
- Review thresholds for operating costs under traditional models (e.g., VOICF, Day Tx) will be consistent with existing streamlining and other applicable parameters. Each waiver proposal will be subject to a review threshold based on historical data for similar service modalities.
- Capital review thresholds are largely based on existing streamlining guidelines and historical experience.

Approval Parameters:

- All new rates/fees and capital proposals continue to be subject to DoB sign-off, on a post-audit basis for proposals that meet applicable review thresholds, or on a pre-approval basis if any review thresholds is exceeded.
- In all situations where a provider proceeds with a proposal before final operating or capital costs have been determined and, if necessary, approved by OMRDD Central Office and DoB, the provider accepts that it is proceeding at its own risk for any such costs incurred which exceed the levels which receive final approval.
- If all elements of a proposal meet applicable review thresholds, the DDSO Director shall have sole approval authority, subject to reporting and post-audit by OMRDD Central Office and DoB, as described below. References to DDSO or DDSO Director shall be interpreted to include NYCRO or NYCRO Associate Commissioner when applicable.
- If any review threshold is exceeded, either for operating or capital components, that element of the proposal (e.g., At-Home Residential Habilitation) is an outlier and will require OMRDD Central Office and DoB review and approval.
- For proposals that have both an operating and capital component, at least one of which is an outlier, the preferred approach involves coordinated submission of final operating and capital cost proposals for OMRDD Central Office and DoB approval.

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- For proposals that have both an operating and capital component, at least one of which is an outlier, and where it is impractical to delay the capital component of the project while awaiting a final determination on the operating price, DoB agrees to permit separate consideration of the capital component, as provided below. Such separate approval of the capital component of a proposal does not, however, promise or imply that either OMRDD Central Office or DoB will approve the operating component and the provider remains at risk for costs incurred above the final approval level.

1. If the capital component exceeds threshold, a Capital Package (PPA) will be forwarded to OMRDD Central Office/DoB pursuant to either A. or B. below.

A. If the proposed operating component is projected to be within threshold, the Capital Package (PPA) must include a statement from the provider that the operating component is expected to be within the applicable threshold.

INTERNAL OMRDD POLICY (not required by DoB):

If, when finalized, the actual operating price exceeds the operating threshold, the provider will assume responsibility for the operating costs that exceed the threshold. The provider may request approval of the actual operating price, however, until the actual price is approved by DoB, the provider will be responsible for the operating costs that exceed the operating threshold.

B. If the proposed operating component is projected to exceed threshold, the Capital Package (PPA) must include a brief description of the individuals and narrative on why the operating component is expected to exceed the applicable threshold.

INTERNAL OMRDD POLICY (not required by DoB):

Once the provider and DDSO/NYCRO agree upon an operating price, if the price is within the operating threshold, the DDSO/NYCRO may issue local approval of the price, however, if the operating price exceeds the operating threshold, the operating price must be submitted for DoB approval. While awaiting DoB approval of the operating price, the provider has the option of:

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HEADING:	Principles of Flexibility Under CSP/NYS-CARES	
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INTERNAL OMRDD POLICY (continued)

- 1) delay opening until the operating component is approved by the OMRDD Central Office and DoB, recognizing that a delayed opening may result in other components of the project exceeding the Capital Review Guidelines and reimbursement of the capital costs will then only be allowable if DoB approval is obtained, or
- 2) open at an interim price set within threshold and approved through the internal OMRDD review procedure, until OMRDD Central Office and DoB approval of the final price, retroactive to the opening date, is received.

2. If the capital component is within threshold and the proposed operating component, is supported by the DDSO even though it, is projected to exceed the threshold, but the provider wishes to proceed with capital development in the absence of final price approval, the DDSO may locally approve the capital if the provider agrees to:
 - A. delay opening until OMRDD Central Office/DoB approval of the operating component is received [*see above for possible consequence of delayed opening*], or
 - B. open at an interim price, *set within threshold and approved through the internal OMRDD review procedure*, until OMRDD Central Office/DoB approval of the operating component, retroactive to opening, is received.

INTERNAL OMRDD POLICY (not required by DOB):

3. If the capital component is within threshold and the operating exceeds threshold, the provider may request the local DDSO/NYCRO to obtain OMRDD Central Office and DoB approval of the operating component, before the DDSO/NYCRO issues approval of the capital component.
4. If both the capital and operating components are within applicable thresholds, but the DDSO/NYCRO and provider can not reach agreement on the operating price, the DDSO/NYCRO may give approval to proceed with the capital portion if the provider agrees to:

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DATE:	August 1, 2003	Section: A
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INTERNAL OMRDD POLICY (continued)

- A. delay opening until the operating component is approved by the DDSO/NYCRO [*see above for possible consequence of delayed opening*], or
- B. open at the DDSO/NYCRO recommended operating price, with resolution of the operating price to be reached within 60 days of opening.

- If any operating cost review threshold is exceeded, the package submitted for approval by the DDSO will include a **detailed** summary of operating costs of all elements of the **individuals' service plans**, regardless of funding source (e.g., State OMRDD, DoH Medicaid, the State Education Department, etc.).
- All review thresholds are subject to revision by DoB, as warranted by experience or other relevant data.
- The current rate- and fee-setting methodologies, practices and policies will remain in effect. This includes, but is not limited to, the calculation procedure for salaries, administration and overhead, and fringe benefits currently employed by OMRDD Central Office. Any methodological, regulatory or policy changes are subject to DoB approval.
- If, based upon revision either the operating or capital component exceeds the applicable review threshold, but the revised component is less than or equal to the initial or prior approval, the revision may be approved following the same procedures applied to proposals that initially are within the applicable review threshold **but have OMRDD Central Office approval before local approval of the revision is issued**. This Approval Parameter shall supersede any other Principles, Thresholds or Guidelines that state or infer that Central Office/DoB approval is required on a pre-approval basis for revised operating or capital components.

TITLE:	Part I	
HEADING:	Principles of Flexibility Under CSP/NYS-CARES	
DATE:	August 1, 2003	Section: A
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Post-Audit Review:

- In lieu of individual transaction review, DOB will focus on analytic studies of outcomes under CSP/NYS-CARES. These post-audits will include review of back-up data at the OMRDD Central Office and in the field, at the DDSOs. Accordingly, any information, which would have been subject to review if flexibility had not been in place, will be readily available for review upon request.

Reporting:

- Accurate, complete and timely reporting is the *sine qua non* of the CSP/NYS-CARES relationship between OMRDD and DoB.
- OMRDD will submit to DoB reports regarding new sites and services, on the following schedule:

Sites and services approved by the DDSO Director –

- Capital Projects – For Fiscal Year 2000 and forward, quarterly reports will be submitted for DoB review and a year-end report will be submitted for DoB review and approval.
- Operating Prices – Quarterly reports submitted for DoB review and approval.

OMRDD Central Office Adjustments, to include but not limited to, approved trend factors, SSI and adjustments to property (e.g., interest variations).

- “Mass” price updates – Beginning with State fiscal year 2003-04, OMRDD may submit to DoB as streamlined approvals operating threshold increases each year equal to the base Medicaid trend factor. Enhancements to the trend factor (e.g., “super” trends) reports must be submitted to DoB for review and approval.
- DoB sign-off on these reports is required to fulfill applicable statutory and regulatory requirements.

TITLE:	Part I	
HEADING:	Principles of Flexibility Under CSP/NYS-CARES	
DATE:	August 1, 2003	Section: A
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Accounting for Costs under CSP/NYS-CARES:

- The CSP/NYS-CARES is intended to include all non-Federal and non-local district costs budgeted in OMRDD for new and expanded programs in their first year of operation. Costs for subsequent years, will be budgeted in OMRDD HCBS Waiver/NYS-CARES.
- Consistent with the above, OMRDD must account for the full State share of programs that fall under CSP/NYS-CARES and HCBS Waiver.
- In particular, OMRDD will be responsible for the full State share of all expansions of Day Treatment services regardless of whether an individual is eligible for Subchapter A or not; there is no provision in the DoH budget for new or expanded Day Treatment services.
- When reviewing program conversions (e.g., ICF to IRA), a comparison of the new rate with the old rate will determine if DoB reviews on a pre-approval or post-audit basis. If the new rate exceeds the old rate, prior approval by DoB will be necessary. If the new rate is equal to or less than the old rate, approval for the rate will be streamlined, and DoB will review the price/rate on a post-audit basis.

TITLE:	Part II	
HEADING:	Operating Thresholds	
	Voluntary Operated Intermediate Care Facilities (VOICFs)	
DATE:	January 1, 2004	Section: A
SUPERSEDES:	August 1, 2002	Page 1 of 1

NEW SITE RATE STREAMLINE THRESHOLDS

The Thresholds represent the operating rate limit by which OMRDD can implement the rate independently, subject to DoB post review approval. Property costs are added on as a pass-through to the particular site rate since they are already subject to separate guidelines. The standards are not delineated by region. The current streamline thresholds are:

Over 30 beds	\$310.70
Under 31 beds	\$316.90

INTERIM RATES

The purpose of an interim rate is to initiate cash flow to providers before their actual budget-based new site rate is finalized. The Interim Rates reflect the operating portions only. Property is added on as a pass-through to the particular site rate since it is already subject to separate guidelines.

	REGION I 7/1/04	REGION II 1/1/04	REGION III 1/1/04
4- 7 beds	338.23	272.72	244.99
8- 10 beds	235.50	219.69	233.14
11-13 beds	214.01	203.25	209.48
14-19 beds	201.16	193.05	207.15
20-30 beds	183.46	180.71	198.48
31 beds +	220.01	220.01	220.01

The VOICF per diem thresholds will be increased annually by the base Medicaid trend factor. The 3.2 percent trend factor for 2004 has been applied to the above values.

TITLE:	Part II	
HEADING:	Operating Thresholds Voluntary Operated Community Residences (VOCRs)	
DATE:	June 16, 1993	Section: B
SUPERSEDES:	April 28, 1993	Page 1 of 2

With the implementation of the new community residence fee methodology effective March 1, 1993, the following thresholds reflect the application of the new methodology.

NEW SITE FEE STREAMLINE THRESHOLDS

Interim Fees

The following is the procedure for the calculation of interim fees for community residence sites for which a March 1, 1993 fee has not been established:

- Community Residence sites certified prior to March 1, 1993.
 - ❖ The interim fee for the period from the date of certification through February 28, 1993, will be issued according to the interim fee schedule listed on the next page.
 - ❖ The interim fee for March 1, 1993 will be the March 1, 1993 program fee (supervised or supportive) that was approved for the other supervised or supportive sites operated by the community residence agency.
 - ❖ In the event that the community residence site is being operated by an agency which has no other community residences of the specific program type, the interim fee established for the pre-March 1, 1993 period will continue in effect.
- Community Residence sites certified on or after March 1, 1993.
 - ❖ The interim fee will be the March 1, 1993 program fee (supervised or supportive) that was approved for the other supervised or supportive sites operated by the community residence agency.
 - ❖ In the event that the community residence site is being operated by an agency which has no other community residences of the specific program type, the interim fee will be issued according to the interim fee schedule listed on the next page.

TITLE:	Part II	
HEADING:	Operating Thresholds Voluntary Operated Community Residences (VOCRs)	
DATE:	June 16, 1993	Section: B
SUPERSEDES:	April 28, 1993	Page 2 of 2

INTERIM FEES
Supervised Community Residence Sites
Statewide Interim Fee Schedule

<u>Bed Size</u>	<u>Interim Fee (per diem)</u>
3 – 5	\$44.36
6 – 8	36.24
9 – 11	33.77
12 – 14	30.95

Supportive Community Residence Sites
Statewide Interim Fee Schedule

Statewide (all bed sizes)	\$12,012 per year
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Final Fees

Final program fees will be established in accordance with the community residence fee methodology as set out in regulation (14 NYCRR Part 671). Because this methodology is formula-driven, all new community residence fees will be established under the post-approval process.

TITLE:	Part II	
HEADING:	Operating Thresholds Home and Community Based Services (HCBS) - Residential	
DATE:	January 1, 2005	Section: C
SUPERSEDES:	January 1, 2004	Page 1 of 5

VOLUNTARY OPERATED INDIVIDUALIZED RESIDENTIAL ALTERNATIVES (VOIRAs)

The thresholds represent the operating price limit by which OMRDD can implement the rate independently, subject to DOB post review approval. Property costs are added on as a pass-through to the particular site rate since they are already subject to separate guidelines. *Proposed prices are compared to the threshold before the offset of SSI.* The threshold levels are based upon the 85th percentile of 2002 base prices. The thresholds are increased annually by the base Medicaid trend factor. The 3.33 percent trend factor for 2005 has been applied to the values below.

For each region there are two threshold levels, a threshold level for Supportive residences and a threshold level for Supervised residences. The thresholds below should be utilized for all IRA prices, including price changes for prior periods.

I. Supportive Thresholds

<u>Region</u>	<u>Monthly Threshold</u>	<u>Providers Based In</u>
I	\$ 6,917	New York City
II	\$ 5,421	Westchester, Rockland, Putnam, Nassau and Suffolk Counties
III	\$ 5,113	Rest of State

II. Supervised Thresholds

<u>Region</u>	<u>Monthly Threshold</u>	<u>Providers Based In</u>
I	\$ 8,452	New York City
II	\$ 8,618	Westchester, Rockland, Putnam, Nassau and Suffolk Counties
III	\$ 7,504	Rest of State

TITLE:	Part II	
HEADING:	Operating Thresholds Home and Community Based Services (HCBS) - Residential	
DATE:	January 1, 2005	Section: C
SUPERSEDES:	January 1, 2004	Page 2 of 5

III. Enhanced Thresholds

Establishing the monthly thresholds at the 85th percentile of the 2002 base prices and allowing the automatic increase of the base Medicaid trend factor has resulted in agreement between DOB and OMRDD that Enhanced Thresholds are no longer needed at this time.

<u>Region</u>	<u>Monthly Threshold</u>	<u>Providers Based In</u>
I	\$ n/a	New York City
II	\$ n/a	Westchester, Rockland, Putnam, Nassau and Suffolk Counties
III	\$ n/a	Rest of State

TITLE:	Part II	
HEADING:	Operating Thresholds Home and Community Based Services (HCBS) - Residential	
DATE:	January 1, 2005	Section: C
SUPERSEDES:	January 1, 2004	Page 3 of 5

INDIVIDUALS LIVING AT HOME and IN AGENCY SPONSORED FAMILY CARE

The thresholds for annual **and** per diem costs represent the residential habilitation price limits by which OMRDD can implement the rate independently, subject to DOB post review approval. The thresholds are:

Annual Cost \$25,395 (includes 2005 3.33 percent base trend) **AND**

At Home per diem:

<u>Region</u>	<u>Per Diem</u>	<u>Counties</u>
I	\$212.64	New York City
II	\$201.22	Westchester, Rockland, Putnam, Nassau and Suffolk
III	\$203.59	Rest of State

The thresholds are increased annually by the base Medicaid trend factor. The 3.33 percent trend factor for 2005 has been applied to the above per diem values.

Any family care price proposal which includes any agency sponsored direct care staff, irrespective of the price level, must be reviewed by OMRDD Central Office and DOB.

NOTE: For prior period prices to which the Operating Thresholds – Home and Community Based Services (HCBS) – Residential section applies, contact the appropriate Rate Setting Liaison or consult the DRAFT HCBS Waiver Price Setting Manual for information on the applicable thresholds.

TITLE:	Part II	
HEADING:	Operating Thresholds Home and Community Based Services (HCBS) – Respite Services	
DATE:	January 1, 2005	Section: C
SUPERSEDES:	January 1, 2004	Page 4 of 5

Principles:

- Respite care, whether hourly or overnight, is provided on a short-term basis because of the absence or need for relief of those persons normally providing the care.
- Cost for room and board shall not be reimbursed except when respite care is provided in a facility approved by the State that is not a private residence.
- The type of respite care provided – basic or skilled – will be determined by the individual's approved plan of care.
- These thresholds apply only to respite services provided under the HCBS Waiver.

Thresholds:

Basic or Skilled Hourly In-Home Respite (for as many as 24 hours in one day) – effective October 1, 2003 – may be provided in, but not limited to one's own home, family care, CR (including IRA), ICF or Free-Standing Respite home:

DOB Threshold: \$ 10,664 annual

TITLE:	Part II	
HEADING:	Operating Thresholds Home and Community Based Services (HCBS) – Respite Services	
DATE:	January 1, 2005	Section: C
SUPERSEDES:	January 1, 2004	Page 5 of 5

Overnight Respite:

- Certified Residential Programs
 - IRA (includes Residential Habilitation)
 - \$ Per diem as determined by the site
monthly residential habilitation fee times 12
divided by 365
 - Family Care & CRs
 - \$ Per diem set at pre-approved site rate
 - ICF Upstate
 - \$250.23 per diem
 - ICF NYC
 - \$263.40 per diem
- DOB annual threshold: \$10,664 per year.
- For Overnight Respite, a proposal must be within BOTH the per diem of site (or the specified ICF threshold) and annual threshold for the proposal to be locally approved. If either the per diem or annual threshold is exceeded, the proposal is subject to Central Office and DOB review and approval.

NOTE 1: For Overnight Respite in a Family Care Home that is State Sponsored, the threshold shall be \$50 per diem.

TITLE:	Part II	
HEADING:	Operating Thresholds Day Program Services	
DATE:	January 1, 2004	Section: D
SUPERSEDES:	August 1, 2003	Page 1 of 2

Under CSP, there is no distinction between Sub-Chapter A and DoH Day Treatment individuals. If an individual is placed in Day Treatment, all costs are borne by OMRDD and the DDSO's CSP allocation.

Day Habilitation (Home and Community Based Waiver Services):

Thresholds reflect the 80th percentile of enhanced 2003 day habilitation daily operating prices weighted on the number of slots (excluding property and to/from transportation costs), updated to include the 3.2 percent 2004 base Medicaid trend.

Region I	\$97.19	NYC
Region II	\$92.65	Westchester, Rockland, Putnam, Nassau and Suffolk Counties
Region III	\$84.53	Rest of State

Transportation Costs:

For new day habilitation sites opening on or after July 1, 1996, transportation costs as computed per 14 NYCRR Part 635 are to be considered a pass-through cost that is not included in the site operating cost used for comparison to the above thresholds.

For conversions of sheltered workshop and day training programs to day habilitation, transportation costs are considered a pass through cost that is not included in the site operating cost used for comparison to the above thresholds, regardless of the opening date of the program.

Day Treatment:

There are no thresholds for the day treatment program, fees being formula driven by methodology promulgated in OMRDD Regulations Section 14 NYCRR Part 690. As under the current streamline practice, all day treatment fees are established under the post-approval process.

TITLE:	Part II	
HEADING:	Operating Thresholds Supported Employment Services (HCBS Waiver), Prevocational Services (HCBS Waiver)	
DATE:	January 1, 2004	Section: D
SUPERSEDES:	August 1, 2003	Page 2 of 2

Principles:

- Documentation must exist indicating that supported employment services are not available to the individual funded under Section 110 of the Rehabilitation Act of 1973, as amended (i.e., VESID State or Federal funds, State or Federal funds from the Commission for the Blind and Visually Handicapped, or OMRDD State funds).
- **Supported Employment** - There is no threshold for Supported Employment. Reimbursement will be in accordance with 14 NYCRR Subpart 635-10.5(d) and applicable trends per 635-10.5(i).
- **Pre-vocational Services** – There is no DOB threshold for Pre-Vocational Services. All prices will be reported to DOB for approval as streamlined.

An OMRDD Internal Threshold for Pre-Vocation Services has been established, prices which exceed the OMRDD Internal Threshold must be submitted to OMRDD Central Office for review and approval before proceeding:

OMRDD Internal Threshold - \$7,100 annually per person.

- These thresholds apply only to services provided under the HCBS Waiver.

TITLE:	Part II	
HEADING:	Operating Thresholds Waiver-Like Services, Assistive Supports, and Non-Medicaid Service Coordination	
DATE:	March 1, 2000	Section: E
SUPERSEDES:	May 21, 1999	Page 1 of 1

- “Waiver-Like Services” are waiver services (e.g. residential habilitation, day habilitation) provided to individuals who are not enrolled in the HCBS waiver. Effective May 21, 1999, Waiver-Like Services are subject to the applicable waiver service DoB threshold guidelines dated April 28, 1993 and all subsequent revisions.
 - If the outlier price applies to waiver enrolled as well as to those who are not enrolled in the waiver, existing procedures for obtaining DoB approval of outlier prices must be followed.
 - If the outlier price applies to non-waiver enrollees **only**, both the regional OMRDD Associate Commissioner and the Deputy Commissioner for Administration and Revenue Support (DARS) must sign off on the price. Each proposal will be reviewed individually to determine if DoB approval is required.
- Assistive Supports are special non-Medicaid services that do not mirror the waiver service categories. These services are provided to consumers who may or may not be waiver enrolled or Medicaid eligible. Summer camp is a common Assistive Support. **All** Assistive Support prices are to be approved by the regional OMRDD Associate Commissioner and the DARS Deputy Commissioner.
- “Mirrored” Plan of Care and “Mirrored” Medicaid Service Coordination (MSC) prices do not require approval by the regional OMRDD Associate Commissioner and the DARS Deputy Commissioner since these prices will be set to “mirror” the fees paid for Plan of Care and MSC.
- Effective May 21, 1999, the “Application for Internal Approval of Outlier Price” is to be used to document senior staff approval of (1) Waiver-Like Services for non-waiver enrollee prices, (2) Assistive Support prices and (3) Non-Medicaid Service Coordination prices.
- Providers should NOT be sent a price notification until the price appears on the Rate Setting data base. Waiver-Like Services for non-waiver enrollees, and individuals receiving Assistive Supports and Non-Medicaid Service Coordination must be billed to OMRDD Community Funding. Community Funding will reject claims unless the price is on the Rate Setting data base.

TITLE:	Part III	
HEADING:	Capital Review Thresholds Residential Acquisition of Land and/or Buildings – New or Relocation (Including Condominium and Cooperative Apartments)	
DATE:	April 1, 2006	Section: A
SUPERSEDES:	October 1, 2005	Page 1 of 3

Principles:

- All proposals will include a Fair Market Appraisal and no provider can be reimbursed in excess of Fair Market Value.
- The thresholds make no distinction between acquisition/rehabilitation and new construction.
- The square footage per individual test will not be a determinant, for an individual project, of whether a project requires OMRDD Central Office/DOB review. However, square footage is to be tracked over time. Significant deviations from the general expectations that the average will be around 425 square foot per individual (without garage space) and 475 square foot per individual (with garage space) may trigger a review of the Capital Program at a given DDSO.
- For CRs and IRAs, an allowance of up to the stated amounts is provided for Assistive Technology (AT) costs (also known as Environmental Modifications or Home Adaptations) for projects where AT costs have been identified, in determining the costs subject to the applicable regional threshold. The allowances are as follows:

NYC, Nassau and Westchester Counties	\$8,339
Rest of State	\$6,270

The Assistive Technology allowances used throughout this threshold document are trended through July 2005 and will be automatically adjusted annually by the **RSMeans Construction Cost Index**.

- Except for condominium or cooperative apartment acquisitions, the cost per bed shall be calculated by deducting the lower of (a) the identified AT costs or (b) the allowance times the number of MR/DD individuals to reside in certified non-respite beds at the site, from the sum of land, sitework and rehabilitation (or new construction), and then dividing by the number of MR/DD individuals (the denominator) to reside at the site. Respite and other temporary beds may be included in the number of individuals if planned per the Development Plan.
- For condominium or cooperative apartment acquisitions, the cost per bed shall be calculated by deducting the lower of (a) the identified AT costs or (b) the allowance times the number of MR/DD individuals to reside in certified non-respite beds at the site, from the sum of the acquisition, rehabilitation (if any) and, the annual "cost of

TITLE:	Part III	
HEADING:	Capital Review Thresholds	
	Residential Acquisition of Land and/or Buildings – New or Relocation (Including Condominium and Cooperative Apartments)	
DATE:	April 1, 2006	Section: A
SUPERSEDES:	October 1, 2005	Page 2 of 3

ownership” billed in the “maintenance fee/common area charges” (MF/CAC) times the years of financing the acquisition, and then dividing by the number of MR/DD individuals (the denominator) to reside at the site. Respite and other temporary beds may be included in the number of individuals if planned per the Development Plan. A condominium/cooperative apartment acquired for MR/DD consumer use will be subject to the same allocation of MF/CAC as other condominium owners/cooperative shareholders.

The annual “cost of ownership” shall be calculated by summing the annual value of the Capital Improvement Fund (may be known as the Building Improvement Fund or similar name), real estate taxes, interest on the underlying debt, and parking charges that are part of the monthly MF/CAC.

- All other portions of the MF/CAC will be included with the proposed operating costs for evaluation under the applicable operating threshold.
 - For ICFs, the calculation of cost per bed shall not have an allowance for Assistive Technology (AT) costs (also known as Environmental Modifications or Home Adaptation) but will otherwise follow the formulae given on page 1 of this Section.
 - Program Approval from the Commissioner of OMRDD to develop a new ICF is required before issuance of a Prior Property Approval.
 - Proposals which include funding by other Governmental Entities (e.g., HUD, DHCR, etc.), or a non-OMRDD contribution that will not be reimbursed (e.g., contributions from parents of individuals with DD), may be locally approved if the applicable threshold is not exceeded. If the applicable threshold is exceeded, the proposal must be submitted to OMRDD Central Office for review and approval, but will be reported to DOB as a locally approved project.
 - This section is used for currently operating programs when there is a change of title due to lease buy-out from a private person to not-for-profit. For such projects, the acquisition cost is included in the cost per bed calculation.
-
- The regional thresholds are trended through December 2004 and will be automatically increased annually by the **OMRDD Single Family Housing Index**.

TITLE:	Part III	
HEADING:	Capital Review Thresholds Residential Acquisition of Land and/or Buildings – New or Relocation (Including Condominium and Cooperative Apartments)	
DATE:	April 1, 2006	Section: A
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If a decrease is indicated by the data, OMRDD will establish the reduced threshold as an Internal OMR Threshold, requiring Central Office approval, but streamline reporting to DOB. The Internal OMR Threshold will subsequently be modified based on subsequent data by aggregating annual decrease(s) and increase(s) back to the year upon which the DOB threshold is predicated. When the aggregated decrease(s) and increase(s) result in a net increase, the Internal OMR Threshold will be eliminated and the DOB threshold updated for the net increase.

• **Principles Applicable To Only State Operated Community Projects –**

- The streamlining authority provided by this section pertains only to new construction and acquisition and rehabilitation of IRA projects.
- Streamlined projects may be subject to a post-audit review process. Therefore, any information normally required for PPA submissions should be kept on file and available for review.
- Any property acquisition that constitutes a non-arm's length transaction, has potential ethics law implications, and must be pre-approved by DOB.

OMRDD Internal Policies Applicable To Only State Operated Community Projects-

- If construction/rehabilitation work is to be performed by DDSO staff, the estimated cost of their labor is to be included in the cost per bed calculation.
- If upon receipt and review of the feasibility study, the Dormitory Authority of the State of New York (DASNY) recommends that development of a site **NOT** be pursued, the DDSO must obtain OMRDD Central Office approval before proceeding with the development.
- OMRDD Central Office approval is needed if a DDSO wishes to remove items from the scope of work that were included in the feasibility study.

Thresholds – State and Voluntary Projects:

Manhattan	\$202,002 per bed
New York City (except Manhattan)	\$140,932 per bed
Westchester and Nassau Counties	\$140,932 per bed
Putnam, Rockland and Suffolk Counties	\$119,897 per bed
Columbia, Dutchess, Ulster, Orange and Sullivan Counties	\$104,121 per bed
Upstate (All Other Counties)	\$ 74,673 per bed

TITLE:	Part III	
HEADING:	Capital Review Thresholds Residential Leased Space – Apartments	
DATE:	October 1, 2005	Section: B
SUPERSEDES:	August 1, 2003	Page 1 of 3

Principles:

- Proposals will include a Fair Market Rent Study, when required, and no provider can be reimbursed in excess of the allowable lease costs per 14 NYCRR Part 635-6.3.
- This threshold applies to leases of less than five years only. For long-term leases of five years or more, the thresholds must be calculated on a per bed basis as specified in the thresholds for “Residential Leased Space”. These thresholds apply to **all** new rentals, including relocations.
- Fair Market Rent Studies are required for **all** new rentals, including relocations. For annual leases, a new Fair Market Rent Study **must** be requested every three (3) years. Fair Market Rent Studies must also be requested for every **OTHER** renewal of two-year leases (i.e., every four years), and for **EVERY** renewal of three- and four-year leases. (Rent regulated and rent subsidized apartments excepted.)
- Based on per year cost. Cost per apartment is based on rental amount and excludes ancillary expenses such as taxes, snow removal, lawn care, etc.
- For Upstate (which includes Sullivan, Greene and Columbia Counties), if renovations exceed the lesser of \$3,000 per person or \$15,000 per unit, the project is not streamlineable and **must** be reviewed by OMRDD Central Office/DOB.
- For Downstate (Hudson Valley and Taconic DDSOs – except for the counties specified above, Long Island DDSO and New York City), if renovations exceed the lesser of \$5,000 per person or \$25,000 per unit, the project is not streamlineable and **must** be reviewed by OMRDD Central Office/DOB.
- Three months pre-operational rent maximum.
- In all instances, regardless of funding source, the gross rent, including all subsidies whenever available, must be evaluated against the threshold amount.
- For multi-year leases, the first year rent amount has to be evaluated against the threshold amount.

TITLE: Part III
HEADING: Capital Review Thresholds
Residential Leased Space – Apartments

DATE: April 1, 2006
SUPERSEDES: October 1, 2005

Section: B
Page 2 of 3

- Use of bedrooms must be maximized. Even if a multi-bedroom site is below the threshold for a lower bed site, all bedrooms must be used, unless the bedroom does not meet the minimum applicable regulatory requirements e.g., 2-bedroom Upstate costs \$9,605 per bed with one person living in residence. To meet threshold test must have two people in apartment).
- The regional thresholds are trended through December 2005 and will be automatically increased annually by the **Bureau of Labor Statistics Consumer Price Index**. If a decrease is indicated by the data, OMRDD will establish the reduced threshold as an Internal OMR Threshold, requiring Central Office approval, but streamline reporting to DOB. The Internal OMR Threshold will subsequently be modified based on subsequent data by aggregating annual decrease(s) and increase(s) back to the year upon which the DOB threshold is predicated. When the aggregated decrease(s) and increase(s) result in a net increase, the Internal OMR Threshold will be eliminated and the DOB threshold updated for the net increase.
- No automatic annual increase will be made to the Heat Allowance, all increases must be prior approved by DOB.

TITLE:	Part III	
HEADING:	Capital Review Thresholds Residential Leased Space – Apartments	
DATE:	April 1, 2006	Section: B
SUPERSEDES:	October 1, 2005	Page 3 of 3

FOR RENTALS WHICH DO NOT INCLUDE HEAT

Upstate (includes Sullivan, Greene and Columbia Counties):

1 person	\$ 8,217
2 person	\$ 9,605
3 person	\$11,110
Each Additional Person	\$ 1,504

Downstate (Hudson Valley – except Sullivan and Westchester Counties, Taconic – except Greene and Columbia Counties):

1 person	\$10,647
2 person	\$12,614
3 person	\$15,392
Each Additional Person	\$ 2,777

Long Island and Westchester Counties:

1 person	\$13,887
2 person	\$17,128
3 person	\$20,484
Each Additional Person	\$ 3,356

New York City, except Manhattan:

1 person	\$19,442
2 person	\$22,683
3 person	\$25,923
Each Additional Person	\$ 3,240

Manhattan:

1 person	\$25,807
2 person	\$29,279
3 person	\$32,404
Each Additional Person	\$ 3,125

FOR RENTALS WHICH INCLUDE HEAT, the appropriate Heat Allowance should be added:

1 Person	+\$ 600
2 People	+\$ 900
3 People	+\$1,200
4 of More People	+\$1,200 plus \$300 per person above 3 people

TITLE:	Part III	
HEADING:	Capital Review Thresholds Residential Leased Space (Lease Term Greater Than 5 Years) Includes All Rent Regulated/Stabilized Apartments	
DATE:	April 1, 2006	Section: C
SUPERSEDES:	October 1, 2005	Page 1 of 2

Principles:

- Proposals will include a Fair Market Rent Study, when required, and no provider can be reimbursed rent in excess of the allowable lease costs per 14 NYCRR Part 635-6.3.
 - This threshold applies to all leases with terms of five years or more, including relocations, as well as all rent regulated/rent stabilized apartments. For short term leases (less than five years), except rent regulated/rent stabilized apartments, the “Residential Leased Space – Apartments” Threshold must be used.
 - For leases under this threshold, calculation must be predicated on a per bed basis as specified in this threshold.
 - Leases under this threshold will require a Fair Market Rent Study every five (5) years, including relocations, except when the renewal clause spells out the renewal rent. (Rent regulated and rent stabilized apartments excepted.)
 - For new leases, the minimum five (5) year term will begin with the commencement date of the lease. For existing leases with a new program, the minimum five (5) year term will begin with the program opening date.
 - An allowance of up to the stated amounts is provided for Assistive Technology (AT) costs (also known as Environmental Modifications or Home Adaptations) for projects where AT costs have been identified, in determining the costs subject to the applicable regional threshold. The allowances are as follows:

NYC, Nassau and Westchester Counties	\$8,339
Rest of State	\$6,270
 - Cost per bed is calculated by adding rehabilitation cost (after deducting the lower of (a) the identified AT costs or (b) the allowance times the number of MR/DD individuals to reside in certified non-respite beds at the site), design cost, total lease cost (over the life of the lease), then dividing by the number of individuals and then dividing by the number of years of the lease. Respite and other temporary beds may be included in the number of individuals if planned per the Development Plan.
-
- If a renewal option exists, it should not be used in the calculations unless the cost is pre-determined in the lease.

TITLE:	Part III	
HEADING:	Capital Review Thresholds	
	Residential Leased Space (Lease Term Greater Than 5 Years)	
	Includes All Rent Regulated/Stabilized Apartments	
DATE:	April 1, 2006	Section: C
SUPERSEDES:	October 1, 2005	Page 2 of 2

- The regional thresholds are trended through December 2005 and will be automatically increased annually by the **Bureau of Labor Statistics Consumer Price Index**. If a decrease is indicated by the data, OMRDD will establish the reduced threshold as an Internal OMR Threshold, requiring Central Office approval, but streamline reporting to DOB. The Internal OMR Threshold will subsequently be modified based on subsequent data by aggregating annual decrease(s) and increase(s) back to the year upon which the DOB threshold is predicated. When the aggregated decrease(s) and increase(s) result in a net increase, the Internal OMR Threshold will be eliminated and the DOB threshold updated for the net increase.

Thresholds:

Upstate (includes Sullivan, Greene and Columbia Counties)	\$ 4,976 per bed
Downstate (Taconic – except Greene and Columbia Counties, Hudson Valley – except Sullivan and Westchester Counties)	\$ 7,059 per bed
Long Island and Westchester County	\$ 9,605 per bed
New York City	\$12,036 per bed

TITLE:	Part III	
HEADING:	Capital Review Thresholds Day Program Acquisition, Including Relocations	
DATE:	April 1, 2006	Section: D
SUPERSEDES:	October 1, 2005	Page 1 of 1

Principles:

- All proposals will include a Fair Market Appraisal and no provider can be reimbursed in excess of Fair Market Value.
- The gross square footage per individual/staff test will not be a determinant, for an individual project, of whether a project requires OMRDD Central Office/DOB review. However, square footage is to be tracked over time and may trigger a review of Day Program development at a given DDSO. General expectations are that the average square footage for non-ambulatory will be around 255 and for ambulatory around 230.
- The regional thresholds are trended through December 2005 and will be automatically increased annually by the **Bureau of Labor Statistics Consumer Price Index**. If a decrease is indicated by the data, OMRDD will establish the reduced threshold as an Internal OMR Threshold, requiring Central Office approval, but streamline reporting to DOB. The Internal OMR Threshold will subsequently be modified based on subsequent data by aggregating annual decrease(s) and increase(s) back to the year upon which the DOB threshold is predicated. When the aggregated decrease(s) and increase(s) result in a net increase, the Internal OMR Threshold will be eliminated and the DOB threshold updated for the net increase.

Thresholds:

Acquisition & Rehabilitation and New Construction

Upstate (except Monroe County, but including Greene and Columbia Counties): \$124 per square foot

Downstate (including Monroe County, Taconic – except Greene and Columbia Counties, Hudson Valley and Long Island DDSOs) \$147 per square foot

New York City: \$170 per square foot

TITLE:	Part III	
HEADING:	Capital Review Thresholds	
	Day Leased Space – New Space/Site	
DATE:	April 1, 2006	Section: E
SUPERSEDES:	October 1, 2005	Page 1 of 2

Principles:

- Proposals will include a Fair Market Rent Study, for all new leases, and no provider can be reimbursed rent in excess of the allowable lease costs per 14 NYCRR Part 635-6.3.
- Same standards apply to relocations.
- Lease terms should generally be five or more years.
- Renovation cost per individual includes design fees and Clerk-of-the-Works costs, and does not include the contingency estimate.
- Threshold rents do not include heat, utilities nor renovations.
- The regional thresholds are trended through December 2005 and will be automatically increased annually by the **Bureau of Labor Statistics Consumer Price Index**. If a decrease is indicated by the data, OMRDD will establish the reduced threshold as an Internal OMR Threshold, requiring Central Office approval, but streamline reporting to DOB. The Internal OMR Threshold will subsequently be modified based on subsequent data by aggregating annual decrease(s) and increase(s) back to the year upon which the DOB threshold is predicated. When the aggregated decrease(s) and increase(s) result in a net increase, the Internal OMR Threshold will be eliminated and the DOB threshold updated for the net increase.

Thresholds:

Renovations – statewide (regardless of whether lessee or lessor financed)

New/Relocation -	\$6,100 per individual
	\$8,100 in NYC, Westchester and Nassau
Conversions -	Existing program space \$0
Expansion -	\$6,100 per <u>new</u> individual (increased capacity)
	\$8,100 in NYC, Westchester and Nassau

TITLE:	Part III	
HEADING:	Capital Review Thresholds Day Leased Space – New Space/Site	
DATE:	April 1, 2006	Section: E
SUPERSEDES:	October 1, 2005	Page 2 of 2

Rentals:

Upstate (except where specified below)	\$12.15 per square foot
Albany, Rensselaer, Saratoga, Schenectady, Sullivan, Orange, Rockland, Ulster, Dutchess, Putnam, Monroe, Onondaga and Erie Counties	\$16.78 per square foot
Suffolk County	\$20.83 per square foot
Nassau and Westchester Counties	\$22.57 per square foot
New York City, except Manhattan	\$25.46 per square foot
Manhattan	\$27.77 per square foot

TITLE:	Part III	
HEADING:	Capital Review Thresholds Residential & Day Leased Space – Renewals	
DATE:	October 1, 2005	Section: F
SUPERSEDES:	August 1, 2003	Page 1 of 2

Principles:

- Proposals will include a Fair Market Rent Study, when required, and no provider can be reimbursed rent in excess of the allowable lease costs per 14 NYCRR Part 635-6.3.
- These thresholds apply to all residential and day programs under existing approved leases.
- Renewal term thresholds based on average annual percentage increases.
- Fair market rental studies are required for **all** new rentals, including relocations. For annual leases, a new Fair Market Rent Study **must** be requested every three (3) years. Fair Market Rent Studies must also be requested for every **OTHER** renewal of two-year leases (i.e., every four years), and for **EVERY** renewal of three- and four-year leases. (Rent regulated and rent subsidized apartments excepted.)
- For annual lease renewals, fair market studies are required only every third year provided that each annual rent increase is less than five percent. If the annual rent increase exceeds five percent, a fair market rent study is required on an annual basis.
- Average yearly increases must be calculated including rent escalations from the last year of the expired lease to the first year of the new lease.
- If the lease renewal is multi-year, inflate the base rent (last year of expired rent) by 5 percent for the number of years included in the renewal. Compare the final amount to the final rent of the lease renewal to determine whether the lease renewal is streamlineable. (See examples on next page.)

Thresholds – Statewide:

- **Local Approval** - Within Fair Market and less than 5 percent increase average per year.
- **OMRDD Central Office Approval** – Average per year increases of 5 percent or more, for multi-year leases.
- If the site is under rent control/rent stabilization or HUD subsidized, the renewal meets the thresholds as long as the increase does not exceed the parameters established by the appropriate rent control/stabilization agency or HUD authorizations.

TITLE:	Part III		
HEADING:	Capital Review Thresholds		
	Residential & Day Leased Space – Renewals		
DATE:	October 1, 2005		Section: F
SUPERSEDES:	August 1, 2003		Page 2 of 2

To Calculate Threshold for Multi-Year Lease Renewal:

- Inflate the base rent (last year of expired rent) by 5% for the number of years included in the renewal.
- Compare the final amount calculated to the final rent of the lease renewal to determine whether the lease renewal is eligible for local approval.

Example 1:

Current lease is \$4,300 and proposed year 4 rent is \$5,200

<u>Lease renewal:</u>		<u>Threshold Calculation:</u>	
Current	\$4,300	Current	\$4,300
New Lease:			> 5%
Year 1	\$4,500	Year 1	4,515
			> 5%
Year 2	\$4,700	Year 2	4,741
			> 5%
Year 3	\$4,900	Year 3	4,978
			> 5%
Year 4	\$5,200	Year 4	5,227

Since \$5,200 is less than \$5,227, the new multi-year lease is eligible for local approval.

Example 2:

Current lease is \$4,000 and proposed year 4 rent is \$5,000

<u>Lease renewal:</u>		<u>Threshold Calculation:</u>	
Current	\$4,000	Current	\$4,000
New Lease:			> 5%
Year 1	\$4,200	Year 1	4,200
			> 5%
Year 2	\$4,400	Year 2	4,410
			> 5%
Year 3	\$4,700	Year 3	4,630
			> 5%
Year 4	\$5,000	Year 4	4,862

Since \$5,000 is greater than \$4,862, the new multi-year lease is NOT eligible for local approval.

TITLE:	Part III	
HEADING:	Capital Review Thresholds Rehabilitation Costs for Currently Operating Programs	
DATE:	April 1, 2006	Section: G
SUPERSEDES:	October 1, 2005	Page 1 of 3#

Principles - OMRDD:

- Funding sources will determine review process.
- Internal agency (OMRDD) review policies do not replace DOB thresholds. Thresholds pertaining to DOB approvals still apply.
- DOB thresholds for “Rehabilitation Costs for Currently Operating Programs” (See page 2) are in addition to these Principles and Thresholds.
- Applies to existing programs that are approved for conversion from one program type to another (e.g., Supervised Community Residence to Individual Residential Alternative).

Thresholds - OMRDD:

Non-Waiver Programs: Effective July 1, 1999, all new requests for property adjustments (renovation work commenced after 7/1/99) to non-waiver sites which meet the DOB thresholds (page 2) may be given “Prior” Property Approval by NYCRO/ DDSO.

NYCRO will be responsible for preparation of the Property Fiscal Summary for NYC requests; and will be responsible for obtaining DOB approval for requests that exceed the DOB threshold and advising providers of approval.

Capital Financing Services (CFS) will be responsible for the preparation of the Property Fiscal Summary for non-NYCRO requests. CFS will be responsible for obtaining DOB approval for requests that exceed the DOB thresholds. CFS will advise the DDSO when DOB approval is received, and the DDSO will be responsible for informing the provider of the approval.

Waiver Programs: Same as Non-Waiver Programs, regardless of whether the improvement is funded by the DDSO/NYCRO or Central Office.

Page 1 Principles and Thresholds developed solely by OMRDD (revised) June 16, 1999, except for last bullet, which was added effective September 1, 2001.

TITLE:	Part III	
HEADING:	Capital Review Thresholds Rehabilitation Costs for Currently Operating Programs	
DATE:	April 1, 2006	Section: G
SUPERSEDES:	October 1, 2005	Page 2 of 3#

Principles - DOB:

- Review thresholds do not apply to the cost of converting existing program space to a different program use. (Apply thresholds for new development.)
- Any project with a total cost, including soft costs, of less than \$30,000 is considered minor maintenance (Preservation) and is subject to OMRDD's guidelines for such projects (owned and leased properties).
- See Section A (Residential Acquisition of Land and/or Buildings) if the rehabilitation of the currently operating program is being done in conjunction with a lease buyout.

Thresholds - DOB:

- Statewide:
- A. Voluntary projects with a total cost of less than \$30,000, including soft costs, may be funded via Voluntary Preservation, without a PPA. Please consult with Capital Support Services or the Budget Office on State rehabilitation projects eligible for funding via Community Minor Maintenance.
 - B. Any voluntary project with a total cost of \$30,000 or more, including soft costs, that does not exceed one half of either:

1. The per bed cost for Residential Acquisition of Land and/or Buildings –

- (a) For CRs and IRAs, an allowance of up to the stated amounts is provided for Assistive Technology (AT) costs (also known as Environmental Modifications or Home Adaptations) for projects where AT costs have been identified, in determining the costs subject to the applicable regional threshold. The allowances are as follows:

NYC, Nassau and Westchester Counties	\$8,339
Rest of State	\$6,270

- (b) For CRs and IRAs, for projects where AT costs have been identified, the cost per bed shall be calculated by deducting the lower of (i) the identified AT costs or (ii) the allowance times the number of MR/DD individuals to reside at the site, from the rehabilitation, and then dividing by the number of MR/DD individuals (the denominator) to reside at the site. Respite or other temporary beds are NOT to be included in the number of individuals.

TITLE:	Part III	
HEADING:	Capital Review Thresholds Rehabilitation Costs for Currently Operating Programs	
DATE:	April 1, 2006	Section: G
SUPERSEDES:	October 1, 2005	Page 3 of 3#

- (c) For ICFs, the cost per bed shall be calculated by dividing the rehabilitation by the number of MR/DD individuals (the denominator) to reside at the site. Respite or temporary beds are NOT to be included in the number of individuals.

-- OR --

2. The per square foot cost for Day Program Acquisition.

Page 1 represents Principles and Thresholds developed solely by OMRDD, and are to be applied in addition to DOB Principles and Thresholds.

TITLE:	Part III	
HEADING:	Capital Review Thresholds Miscellaneous MCFFA/DASNY Bonding Issues	
DATE:	August 1, 2003	Section: H
SUPERSEDES:	April 1, 2002	Page 1 of 1

Principles:

- A provider must be given written notice that if the provider does not execute the FDC/DASNY mortgage within six months after the later of project certification (three months for refinancings and lease buyouts) or the availability of bond proceeds, the rate will be adjusted to remove the rate reimbursement for the interim financing and subsequent interim interest costs will be ineligible for reimbursement. This is effective with the June 1993 Bond Issue.
- For refinancings and lease buyouts, if these mortgages are not closed after three months from when the bond proceeds are available, then:
 - For refinancings, the rate must be adjusted to remove rate reimbursement for interim and permanent financing, and any subsequent interest costs will be ineligible for reimbursement.
 - For lease buyouts, reimbursement for rent or interim financing will be removed.

Thresholds:

For MCFFA/DASNY Bonded Project Interim Financing Rate Reimbursement

- OMRDD Central Office may extend the applicable six and three month time periods if the delay is related to forces beyond anyone's control. However, the provider must first state in writing why it can not meet the six or three month period. The provider must be notified in writing, stating the reasons and length of the extension (not to exceed an additional six or three months) and what steps the provider must take to assist in the closing.
- Any further extension beyond one year or six months, as applicable, will require OMRDD Central Office and DOB approval.

TITLE:	Part III	
HEADING:	Capital Thresholds Article 16 Clinics	
DATE:	January 1, 2004	Section: I
SUPERSEDES:	N/A	Page 1 of 1

INTERNAL OMRDD THRESHOLDS ONLY

Principles:

- All proposals must include a description of the work to be performed with a cost estimate, the number of existing consumers served, the number of additional consumers expected to be served (if applicable) upon completion of the work, and a brief narrative explaining the program necessity for the proposed work.
- Clinic fee reimbursement is determined independent of approved proposals, and will usually remain unchanged even though a proposal has been approved.

Threshold

All proposals require Central Office approval. At a minimum, proposals will be reviewed by Policy, Planning and Individualized Initiatives for programmatic necessity and by Capital Finance/NYCRO for fiscal reasonableness.

TITLE:	Part IV	
HEADING:	Capital Review Guidelines Universal Capital Review Guidelines	
DATE:	July 1, 2001	Section: A
SUPERSEDES:	March 31, 2000	Page 1 of 2

- Any program relocation which results in former property no longer being used for OMRDD programs must undergo review by OMRDD Central Office/DoB if such property carries outstanding bonds.
- Determination of whether a transaction is between related parties shall be based on 14 NYCRR part 635-6.2. All projects determined to be between related parties shall be subject to the same threshold reviews as projects that are not between related parties.
- Any interim prior-to-purchase lease for an Investor Developed site may not exceed one year without prior approval by OMRDD Central Office/DoB.
- Any lease that covers operating costs only, thereby not enabling the landlord to cover his/her maintenance responsibilities, must undergo review by OMRDD Central Office/DoB even if all other Review Thresholds are met.
- Authorization for MCFFA/DASNY Bonding for any project that meets the applicable Review Thresholds is granted if a summary of all proposed bonding is submitted to DoB for formal sign-off two weeks prior to the PACB meeting. If a project does not meet the applicable Review Thresholds, it must be submitted to OMRDD Central Office/DoB at least two weeks before the TEFRA publication notice deadline in order for the project to be considered for the next projected Bond Sale.

May 2, 1995 DoB letter: Effective immediately, requires that an OMRDD Voluntary Provider project have an operating price which has been streamlined or approved by DoB in order to receive DoB approval for inclusion in a Bond Sale.

- No Review Thresholds are established for the transfer of programs between auspice (i.e., State-operated to Voluntary-operated). All such proposals will be reviewed by OMRDD Central Office/DoB and receive joint sign-off.
- Any DoB approved PPA prior to and after CSP implementation must be reapproved by OMRDD Central Office/DoB if, due to cost or other changes:

TITLE:	Part IV	
HEADING:	Capital Review Guidelines Universal Capital Review Guidelines	
DATE:	July 1, 2001	Section: A
SUPERSEDES:	March 31, 2000	Page 2 of 2

- The bottom line cost previously approved is exceeded by more than 15 percent and/or any other "Capital Review Threshold" established in Parts III or IV under CSP is exceeded (e.g., closing costs exceed 12 percent of mortgage costs; purchase option exceeds twelve months or \$15,000, etc.). **Note, however, that the CSP cost per bed parameters are not applicable to these situations.**
- Any caveat or condition that was set by the prior approval is violated.
- Any request for increased reimbursement which is retroactive for a period of more than two years after the time of the project's certification, requires OMRDD Central Office approval.
- # 2 bullets pertaining to DDSOs/NYC encumbrance against their CSP for projects to be bonded have not been formally modified with DOB, DDSOs/NYC should take appropriate actions for recording commitments pertaining to bonded projects.
- For all new acquisition and/or construction projects (**including lease rehabilitation**), the maximum term of financing under these guidelines is 15 years, and all Prior Property Approvals must specify the approved term of financing. Any project which involves financing in excess of 15 years must be reviewed by OMRDD Central Office/DoB, and must include specific program and fiscal justification for the choice of a longer financing term.

September 21, 1995 DOB letter: On a case-by-case basis, DoB is willing to consider capital approval packages which utilize State Aid Grant (SAG) funds for greater than 50 percent of non-depreciable costs. Packages must clearly demonstrate a provider's inability, beyond what is already contributed, to cover such non-depreciable costs through its own reserves. **No streamlining authority is granted** with respect to this use of SAG funds.

TITLE:	Part IV	
HEADING:	Capital Review Guidelines Residential Start-Up	
DATE:	April 28, 1993	Section: B
SUPERSEDES:	n/a	Page 1 of 4

Principles:

- Adaptation of 1991 ICFR Advance Guidelines, with escalation.
- While allowable costs are built on individual categories, controlling review threshold is based on the bottom line of combined individual category totals.

Note: As of July 1, 1999, OMRDD will be using an estimate of 50% of the OMRDD Thresholds in the Property Fiscal Summary, the thresholds in this section will be used to determine streamlineable projects when costs are verified.

OMRDD Established Thresholds as of 3/6/96 (ICFs, Supervised CRs and IRAs):

- Pre-Operational Staffing: Not to exceed 4 FTEs, for a maximum of 6 weeks for Administrative Staff and 2 weeks for all other Staff, or \$15,000 per site.
 - Staff Training: Maximum of 2 weeks for approved Direct Care and Clinical Staff.
 - Advertising: \$250 per site.
 - Staff Travel: \$250 per site.
 - Security Services: As justified on a case by case basis.
 - Pre-Operational Utilities: Not to exceed 6 weeks.
 - Pre-Operational Rent: Not to exceed 6 weeks.
 - Miscellaneous: Not to exceed \$1,000 per site.
 - Furniture: Not to exceed \$2,000 per bed.
-
- Equipment, Supplies, Clothing: Not to exceed \$2,000 per bed.

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OMRDD Established Thresholds as of 3/6/96 (Supportive Apartments):

- Pre-Operational Staffing: Not to exceed 4 FTEs, for a maximum of 6 weeks for Administrative Staff and 2 weeks for all other Staff, or \$15,000 per site.
- Staff Training: Maximum of 2 weeks for approved Direct Care and Clinical Staff.
- Advertising: \$250 per site.
- Staff Travel: \$250 per site.
- Security Services: As justified on a case by case basis.
- Pre-Operational Utilities: Not to exceed 6 weeks.
- Pre-Operational Rent: Not to exceed 6 weeks.
- Miscellaneous: Not to exceed \$1,000 per site.
- Furniture: Not to exceed \$2,000 per bed.
- Equipment, Supplies, Clothing: Not to exceed \$3,000 for a one-bed site; \$2,000 per bed for larger sites.

If the above applicable thresholds are exceeded, OMRDD Central Office review and approval is required, however, OMRDD Central Office and DoB review and approval is required only if the thresholds in the subsequent pages of this Section are exceeded.

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Thresholds (ICFs, Supervised CRs and IRAs): DOB Thresholds

- Pre-Operational staffing not to exceed four FTEs for up to three months.
- Staff training not to exceed four FTEs for up to one month.
- Advertising: NYC/Long Island at \$200 a bed, and Upstate at \$80 a bed.
- Staff Travel: \$250 for local travel. State employee allowances for mileage, lodging and meals to evaluate individuals in other regions of the State.
- Pre-Operational Utilities: Maximum three months.
- Pre-Operational Rent: Maximum three months.
- Security Services: Not to exceed \$15,000.
- Miscellaneous: \$2,000 per site.
- Furniture: \$2,000 per bed.
- Equipment, Supplies, Clothing: \$2,000 per bed.

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Thresholds (Supportive Apartments): DOB Thresholds

- Pre- Operational staffing not to exceed four FTEs for up to three months.
- Staff training not to exceed four FTEs for up to one month.
- Advertising: NYC/Long Island at \$200 per bed, and Upstate at \$80 per bed.
- Staff Travel: \$100 per apartment site.
- Pre-Operational Utilities: Maximum three months.
- Pre-Operational Rent: Maximum three months, including security and property options.
- Security Services: Included in Pre-Operational Rent.
- Miscellaneous: \$1,000 per site.
- Furniture: \$2,000 per bed.
- Equipment, Supplies, Clothing: \$3,500 per individual for one-bed site;
\$2,500 per individual for larger sites.
- Rehabilitation: \$3,000 per site.

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Principles:

- While allowable costs are built on individual categories, controlling review threshold is based on the bottom line of combined individual category totals.
- Three months pre-operational rent maximum.
- Renovation cost per individual includes design fees and Clerk-of-the-Works costs.
- Reimbursement for rental cannot exceed Fair Market Value.
- Thresholds predicated on 1986 standards, with escalation, and apply, as appropriate, to both leased space and acquired property, except New/Relocations – Rent reflects the Capital Review Thresholds – Day Leased Space, New Space/Site.

OMRDD Established Thresholds as of 3/6/96:

New Programs/Relocations

Pre-Operational Staffing:	\$350 per individual.
Staff Training:	Included in "Pre-Operational Staffing".
Advertising:	Included in "Pre-Operational Staffing".
Staff Travel:	Included in "Pre-Operational Staffing".
Security Services:	Included in "Miscellaneous".
Pre-Operational Utilities:	Up to \$8,000 total.
Pre-Operational Rent:	Up to 8 weeks at the DoB square foot amounts.
Miscellaneous:	\$3,500 per site.
Furniture:	Included in "Equipment, Supplies, Materials".
Equipment, Supplies, Materials:	\$1,000 per individual.

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OMRDD Established Thresholds as of 3/6/96:

Conversions/Expansions

Pre-Operational Staffing:	None.
Staff Training:	None.
Advertising:	None.
Staff Travel:	None.
Security Services:	Included in "Miscellaneous".
Pre-Operational Utilities:	None.
Pre-Operational Rent:	None.
Miscellaneous:	\$1,000 per site.
Furniture:	Included in "Equipment, Supplies, Materials".
Equipment, Supplies, Materials:	\$300 per individual.

If the above applicable thresholds are exceeded, OMRDD Central Office review and approval is required, however, OMRDD Central Office and DoB review and approval is required only if the thresholds following in this section are exceeded.

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HEADING:	Capital Review Guidelines Day Program Start-Up	
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Threshold: Statewide (with exceptions noted):

New/Relocations

- Renovations: see CAPITAL REVIEW THRESHOLDS, Day Leased Space, New Space/Site
- Rent: see CAPITAL REVIEW THRESHOLDS, Day Leased Space, New Space/Site
- Utilities: Up to \$10,000 total.
- Equipment/Supplies/Materials: \$1,500 per individual.
- Staff and Staff Training: \$450 per individual.
- Miscellaneous: \$5,000 per site.

Conversions/Expansions

- Renovations: Existing program space \$0. New program space follows new thresholds.
- Rent: Existing program space \$0. New program space follows new thresholds.
- Utilities: Existing program space \$0. New program space follows new thresholds.
- Equipment/Supplies/Materials: \$400 per individual.
- Staff and Staff Training: None
- Miscellaneous: \$2,000 per site.

TITLE:	Part IV	
HEADING:	Capital Review Guidelines Soft Costs	
DATE:	July 7, 1999	Section: D
SUPERSEDES:	June 16, 1993	Page 1 of 2

Principles:

- Closing costs include points, credit reports, appraisals, bank legal fees, title insurance, survey maps, pest inspection, mortgage recording fees, private mortgage insurance, NYS mortgage tax, taxes, fire insurance and site survey.
- DASNY (former FDC) architectural fee schedule is used for design fees.
- Architectural contracts must be predicated using the lower of the architect's project estimate or the actual bid in calculating the fee from the DASNY architectural fee schedule.
- The approval for Clerk-of-the-Works is determined locally with no threshold.
- Other costs included accounting and audit fees, miscellaneous costs (such as building permits, insurance during construction, etc.) and legal fees (aside from bank attorney fees for closing).
- Architects are paid for change orders only if related to field conditions, not errors or omissions.

Thresholds:

- Closing costs may not exceed 12 percent of the mortgage amount, not including site survey or soil inspection costs.
- Design costs may not exceed five percent over the calculated amount using the DASNY architectural fee schedule.
- Change Orders may not exceed 15 percent of the cost for site work and rehabilitation (or new construction).

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HEADING: Capital Review Guidelines
Soft Costs

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SUPERSEDES: June 16, 1993

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- Short-term interest thresholds are:

Statewide

- 3 months acquisition of vacant land or acquisition of improved property, prior to the commencement of construction or rehabilitation
- 9 months construction or rehabilitation
- Interim or permanent financing interest rate:
 - Fixed rates at Prime (as defined by the Wall Street Journal) plus four (4) percent.
 - If variable rate, must have cap on maximum at no more than five (5) percent over initial rate.
 - No balloon mortgages. (That is, the principal of the mortgage must fully amortize over the nominal mortgage term.)
 - Any rate re-openers must not exceed five (5) percent over the initial rate.
- Other costs may not exceed \$20,000 with a specific threshold of other legal fees not to exceed five percent over the cost of bank attorney fees.
- Purchase Options may not exceed twelve months in length or \$15,000 in total cost.

TITLE:	Part IV	
HEADING:	Capital Review Guidelines Miscellaneous Financing Guidelines – Bonding Lease Buyouts and Refinancings	
DATE:	March 1, 2000	Section: E
SUPERSEDES:	April 28, 1993	Page 1 of 1

Principles:

- Review thresholds are predicated on a cost-benefit analysis which calculates the cost of the purchase (including any soft costs), bonding fees, and the applicable bond interest rate. This cost is compared to the projected cost of leasing over the life of the bond.
- A cost comparison should be prepared based on the DDSO's professional judgment of expected bonding versus leasing over the same bonding period.

Thresholds:

Statewide

- If the DDSO calculation shows an equal or higher cost to lease than to bond, the project meets the Review Threshold. (Illustratively, say a project costs \$500,000 over the life of a 15 year bond and the lease calculation shows that at 15 years, the lease cost is \$500,000 or higher, the project meets the Review Thresholds.)