



August 28, 2017

Sent: INSERT EMAIL ADDRESS

Agency XYZ (Provider ID#)  
Attn: Program Administrator  
1234 Everywhere Street  
Anchorage, AK 99502

**Response Due Date**  
**November 17, 2017**

**RE: Notice of Review Status: Settings Final Rule**

**Survey Key:** # 100XXX  
**Type of Review:** Onsite

**Current Status:** Emerging Compliant  
**Provider Action:** Remediation Plan

Dear Provider

Thank you for assisting Senior and Disabilities Services (SDS) in the review of your home and community based service setting for compliance with the final rule ([CFR 42. §441.301](#)) from Centers for Medicare and Medicaid Services (CMS). SDS understands how busy providers are offering quality services to Supported Employment recipients so appreciates your assistance. In this letter we are explaining the outcomes of our review and providing next steps so that your site can successfully comply with the CMS final rule.

The SDS settings self-assessment reviews were designed to verify that certified providers meet the settings requirements or are developing a remediation plan. SDS is pleased to report that the majority of reviewed settings were found to be in the category of “Emerging Compliant.”

CMS mandates that applications for new waivers include assurances that services will be provided in fully compliant settings by a new waiver’s proposed effective date. Because the new Individualized Supports Waiver (ISW) is expected to be operational in March, 2018, SDS is focusing the next phase of its settings work on compliance for services that will be offered in this waiver. The Provider Certification and Compliance Unit and Grants Unit identified settings that could provide ISW services beginning in March, 2018.

Based on your initial self-assessment, SDS conducted a focused or onsite review of your setting. **This resulted in the following determinations for your setting:**

**Emerging Compliant:** The setting does not meet all requirements, but is partially integrated and provides some supports for access by recipients to the greater community; the provider will be able to bring the settings into compliance through remediation.

**Required Provider Action:** Submit a remediation plan (your plan to correct identified deficiencies) for each item identified below.

Below, SDS summarizes the list of settings compliance findings from your self-assessment and the focused or on-site review of your setting. **Please note that only issues needing remediation are identified; if a settings requirement does not have a finding described below, you were determined to be compliant in that area.**

Instructions:

**Your remediation plan will be your response to each finding, as entered in each “Required Provider Action and Completion Timeline” box below, using the following procedures:**

- 1) Enter your remediation responses directly into this letter.
- 2) Save the response letter in PDF format.
- 3) Email the response letter in PDF format to [DSDSCompliance@alaska.gov](mailto:DSDSCompliance@alaska.gov)

Using these procedures will allow SDS to enter information electronically into the tracking system. Since SDS will be reviewing over 1,000 settings, **SDS appreciates you submitting your responses electronically via PDF attachment** instead of mailing or faxing a hard copy.

In order to successfully meet the timelines to transition to the new settings requirements, **it is important that you send us your remediation plan by November 17, 2017, addressing how you will be fully compliant by January 15, 2018.** SDS will review remediation plans and respond to providers by November 30, 2017. Failure to comply with this request will result in not being able to bill Medicaid for services provided to individuals on the Individualized Supports Waiver.

SDS will make a final determination of compliance. All fully compliant providers will move to ongoing monitoring processes. Reminder: Send your completed responses electronically to [DSDSCompliance@alaska.gov](mailto:DSDSCompliance@alaska.gov). This will speed up the review process.

For additional information that may aid you in developing your remediation responses, refer to the [Alaska HCBS Settings website \(http://dhss.alaska.gov/dsds/Pages/transitionPlanHCBS/HCBStransition.aspx\)](http://dhss.alaska.gov/dsds/Pages/transitionPlanHCBS/HCBStransition.aspx).

If you have any questions regarding this letter, please contact the Provider Certification and Compliance Unit at 907.269.3666 during normal office hours Monday-Friday, 8:30 a.m.-5:00 p.m.

Sincerely,

Provider Certification and Compliance Unit  
Senior and Disabilities Services

## Review Summary

Based on your initial self-assessment, SDS conducted a focused or onsite review of your setting. Certain items requiring clarification or further evidence arising from the initial self-assessment review were clarified and met during the review. Findings related to integration and competitiveness remain outstanding and require remediation.

### **Findings: Integration**

### **Required Provider Actions:**

Q 15. The agency confirmed that the individuals in this setting are primarily or exclusively people with disabilities.

Provide evidence of integration in the setting.

### **Remediation Plan and Completion Timeline (EVIDENCE THAT REMEDIATION HAS OCCURRED MUST BE RECEIVED AT SDS BY 1/15/18.)**

*There would be several steps in this section in order to accomplish integration in the setting. Three examples of possible steps from an approved action plan are provided.*

- Inform key stakeholders that Agency XYZ will no longer accept new referrals to Shredding and will reduce the number of individuals with disabilities employed as Shred Techs. Complete by 12-30-2017.
- Identify customized employment opportunities for individuals still working at Shredding. Complete by 1-10-2018.
- Hire Shred Techs without disabilities (begin 1-1-2017).

### **Findings: Competitiveness**

### **Required Provider Actions**

Q 23. The agency confirmed that some recipients of supported employment services are not employed in competitive, integrated settings.

Review, revise and adjust compensation practices to ensure that recipients are compensated at or above the minimum wage, but not less than the customary wage and level of benefits paid by the employer for the same or similar work performed by individuals without disabilities. Provide evidence to support the change in practice.

### **Remediation Plan and Completion Timeline (EVIDENCE THAT REMEDIATION HAS OCCURRED MUST BE RECEIVED AT SDS BY 1/15/18.)**

*There are many actions that could be taken to revise this area to meet compliance. One example is to increase the wage paid to those employed by the shredding company*

- Effective 1-10-18, all employees will earn at least minimum wage as evidenced by copies of payroll

documents

*Another strategy could be to assist recipients in finding other competitive, integrated employment site options.*

- Prioritize individuals who already have community jobs as first group to move out of Shredding (complete by 1-1-2018).
- Engage all Shredding staff in targeted planning meetings for their employment of choice (25% each week until completion by 1-15-18)
- Person-centered care plans reflect employment goals that promote community integration

SAMPLE