



November 22, 2006

State of Connecticut Department of Social Services

Highlights of November 16, 2006 Presentation Affecting Connecticut Nursing Facilities

The following summarizes certain important points expressed by representatives of the Department of Social Services during a presentation that occurred on November 16, 2006. Questions may be directed to Vincent Ruocco, LLC, CPA. Mr. Ruocco can be reached by phone at (203) 932-2931 or by email at vrucoco@artcpas.com.

1. With regard to 2006 filing requirements, 10% rate penalties will be imposed for non-filers as of February 5, 2007.
2. During the next legislative session, DSS will propose to relax criteria to enable more facilities to qualify for bed hold reimbursement.
3. If DSS determines that a provider claimed costs on its 2006 Annual Report related to an excluded entity or individual listed in the Administrative Actions List, DSS will issue a referral to the Department of Health and Human Services Office of the Inspector General. Providers should search two websites for excluded entities and individuals. The first website is www.ct.gov (in the search box enter Administrative Actions List). The second website is www.exclusions.oig.hhs.gov.
4. With regard to benefits derived from Group Purchasing Organizations, all costs must be reported on Annual Reports net of any rebates, refunds, dividends, fees, credits, free goods, etc, at the facility level.
5. Effective January 1, 2007 providers that receive more than \$5.0 million in Medicaid revenues must comply with the compliance program requirements outlined in the Deficit Reduction Act of 2005.
6. The Department has indicated that premiums associated with Directors and Officers insurance of for-profit organizations should be self-disallowed when filing Annual Reports.

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