



## State of Vermont

AGENCY OF HUMAN SERVICES

OFFICE OF THE SECRETARY  
103 South Main Street  
Waterbury, Vermont 05671-0204

September 15, 2005

Mr. Robert Aaronson  
Director, Division of Cost Allocation  
Department of Health and Human Services  
26 Federal Plaza, Room 41-122  
New York, NY 10278

Dear Mr. Aaronson:

The purpose of this letter is to inform you that due to certain programmatic changes within the Vermont Department of Aging and Independent Living (DAIL). Cost allocation plan changes effective 7/1/05 have been finalized and are outlined below.

### **Cost Allocation Database**

Effective 7/1/05, DAIL will be transferring the processing of their cost allocation plan to a new database. Documentation has been provided in conjunction with this letter that shows a comparison between the previous DAIL CAP, which was generated using a Microsoft Excel spreadsheet, and the new DDAIL CAP, which is run through Microsoft Access. This comparison shows that there is no variance between the two plans.

### **Department Re-Organization**

As part of the reorganization of the Agency of Human Services (AHS) that began on July 1, 2004, the Division of Developmental Services (DS), formerly under the Department of Disabilities and Mental Health, became part of DAIL. From July 1, 2004 to June 30, 2005, DS was a separate division within DAIL. Costs were grouped and allocated to reflect this distinction. As of July 1, 2005, the Division of Advocacy and Independent Living and the Division of Developmental Services were combined to form the Division of Disability and Aging Services (DDAS). The Department was also renamed to the Department of Disabilities, Aging and Independent Living (DDAIL). Henceforth, DAIL will be referred to as DDAIL.

The updated narrative illustrates how the newly formed DDAS' costs will be grouped and then allocated using the same previously approved allocation methodologies included in the previously approved Department's plan. While the narrative demonstrates the change in DDAS' organizational structure, the attached reports reflect only the change in tools to generate the cost allocation plan. Because the organizational changes impact reporting down to the position level, it is impossible to estimate the financial impact of the changes using data from previous quarters with any accuracy. For example, persons direct reporting their time to a set of program codes during Q4 2005 may direct report to a different set of programs during Q1 2006. Given this limitation, we did not submit reports showing the probable effects of the organizational data on previous quarters. We do plan to highlight any changes in the cost allocation plan once data is available that reflects the organizational changes. This will occur during submission of data for the quarter ending 9/30/05. If you have interim questions, do not hesitate to call us.

**Program Codes Deleted**

None

**Program Codes Renamed**

- 43030 – DDAS Managers and Support Staff
- 43040 – DDAS Division Admin/Leave Time
- 43070 – DDAS Division Director and Support Staff

**New Program Codes**

- 10001 – National Governor’s Association
- 10002 – Attorney General’s Office
- 41072 – OVHA SPAP Grant
- 43951 - CMS-CSRE-System Change
- 43952 – 1115 LTC Waiver extra admin 50%
- 43953 – 1115 LTC Waiver extra admin 75%

Documents included with this submission include:

- An updated narrative. Changes to the narrative are outlined in red.
- A comparison between the DAIL CAP as completed in Excel and as completed in the Access database
  - A Chart of Accounts report
  - An Allocation Summary report
  - A Final Receiver Summary report
  - A Final Receiver Detail report

We appreciate your cooperation. If you have any questions, please do not hesitate to contact Ira Sollace at (802) 241-2949.

Sincerely,

Michael K. Smith  
Secretary  
Agency of Human Services

cc: Ira Sollace  
Allan Merritt  
Tanya Donaghy  
Patrick Burke  
Hugh McCaslin  
Heidi Hall