



# **RISK MANAGEMENT Part 2**

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# **Developmental Disabilities Residential Services**

Highest Classification of Risk

Consumer Outcomes

Safety and Well-being

Successful Outcomes



- Has this applicant demonstrated an awareness of the financial risks involved in becoming a Provider?
- Has this applicant demonstrated an understanding of the full costs involved in becoming a Provider?
- Has the applicant submitted a budget which appears to be adequate to support the expected levels of care?



- Has this applicant demonstrated that they have planned adequately for contingencies?  
Resources?
- Does the overall financial presentation reflect a reasonably robust fiscal outcome to suggest ongoing viability at the required service / care level?
- Does the overall financial presentation suggest adequate management skill and experience?

# Budget

## Identify Fixed Costs

- Rent / Mortgage
- Insurance
- Utilities
- Licenses / Permits
- Equipment / Furnishings
- Supplies
- Other?

- Costs categorized by match to available revenues? Medicaid reimbursable vs Room and Board
- Are both categories sustainable?

# Budget

## Identify Variable Costs

*Across possible # of consumers served*

(Generally 1-4)

### Staffing Expense – Detail

- Show wages and fringes
- Training costs
- Insurance / Bonding
- Other ?

# Budget

## Identify Variable Costs

*Across possible # of consumers served*

(Generally 1-4)

### **For-Profit**

- Taxes
- Owner's Draw

### **Not-For-Profit**

- Salaries / Taxes



# Budget

## Identify Variable Costs

*Across possible # of consumers served*

### Other Expenses

- Food and supplies
- Transportation
- Consumer spending
- Other ?

# Budget

**Identify Variable Costs**

***Across possible # of consumers served***

**Show ALL expected revenues**

- Social Security
- Medicaid
- Wages, pensions, family support
- Other ?



# Questions?



# Contact Information

Provider Enrollment Unit:

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