



## Support Coordination Mergers & Acquisitions

### Fact Sheet

Per the [Gartner Glossary](#), mergers and acquisitions are “transactions in which the ownership of companies, including all associated assets and liabilities, is transferred to another entity.” In the case of Support Coordination Agencies, two or more agencies may decide to consolidate for operational or financial reasons.

The Division of Developmental Disabilities (Division) does not offer advice or participate in the legal process associated with mergers or acquisitions. Any merger or acquisition would be coordinated by and between the involved agencies. The Division will provide technical assistance to agencies as they navigate the Division’s internal process and will help ensure individuals and families have choice in agency selection. Agency closures and mergers involve both the Support Coordination Unit (SCU) and the Provider Performance and Monitoring Unit (PPMU).

## Options

Agencies can merge in one of two ways.

1. One agency closes and merges with an existing agency through acquisition.
2. Two agencies close and create a new agency with a new name and Federal Tax Identification Number. This option requires a new Medicaid/DDD Application and conflict-free policy.

## Individual Choice in Support Coordination Agency Selection

Individuals do not automatically move to the receiving support coordination agency when there is a merger or acquisition. **Individuals and families must have choice.** Any individual who does not wish to transfer to the receiving agency when there is a merger or acquisition must have the opportunity to choose a new agency.

## Instructions

1. Agencies that are *considering* a merger or acquisition should notify their assigned Quality Assurance Specialist (QAS) so their QAS can provide technical assistance. Agencies must work closely with their QAS to ensure a smooth transition.
2. Agencies that have decided to close and merge with another agency must provide written notification to the Division (through their QAS) that states their intention to close and merge and includes the expected date of closure and date of merger, and the name of the agency with which they plan to merge.
3. The closing agency’s QAS will advise them of next steps, which will include the following:
  - a. The closing agency must create a **draft letter** to individuals/guardians that explains the agency’s plan and includes the following elements:
    - i. Effective date of closure
    - ii. Effective date of merger

- iii. A link to the Division’s [List of Approved Support Coordination Agencies](#)
- iv. Language that explains that if the individual does not wish to transfer to the new agency they can choose a different agency by completing a change form (provided by the closing agency) and emailing it to [DDD.SCChoice@dhs.nj.gov](mailto:DDD.SCChoice@dhs.nj.gov)
- b. The closing agency must email their draft letter to their QAS for approval.
- c. The agency’s QAS will notify the agency when/if the draft letter is approved and, at that time, will provide the agency with a special SCA selection/change form.
- d. After the QAS notifies the agency that the Division approved their draft letter, the agency will send the letter and the special SCA selection/change form to all individuals/representatives on their roster.
- e. The Division will also send a letter to individuals/guardians, to advise them of the planned closure/merger and reiterate their right to select a new SCA.

## Agency Staff

Merging agencies that decide to make arrangements in terms of their staff must ensure all staff qualifications are met prior to the date of merger, taking the following into account:

1. **Background, Central Registry, and CARI checks:** because results of these checks are not transferrable, the receiving agency must ensure all incoming staff are fingerprinted and must complete mandatory background checks, Central Registry checks, and CARI checks for all incoming staff. (PPMU will close the closed agency’s background check accounts.)
2. **College of Direct Support (CDS):** the closing agency must make staff inactive in CDS under the closing agency name. The receiving agency must have access to all staff training records in CDS. (PPMU will close the closed agency’s CDS account.)
3. **iRecord:** the receiving agency must create email accounts for all incoming staff using the receiving agency domain and then submit iRecord access requests. The closing agency must deactivate iRecord accounts for all support coordinators and supervisors once all individuals are reassigned.
4. **Provider Enrollment Unit (PEU) Notification:** The closing agency must notify PEU (Karen Bashore) that the iRecord accounts have been deactivated.

## Other Considerations

1. The closing agency must review the roster to ensure all pending issues are resolved, plans are in approved status, SC Monitoring Tools are uploaded, and case notes are up to date prior to the date of closing. Any pending or incomplete work becomes the responsibility of the receiving agency on the date of merger.
2. The agency’s QAS will help determine whether there are any concerns around the receiving agency’s capacity, counties served, and conflict-free policy violations.
3. The receiving agency must ensure the following:
  - a. They have capacity to handle the influx of new assignments.
    - i. If they reach capacity during the reassignment process, remaining individuals must select a new agency or be auto-assigned to another agency.
    - ii. Requests for capacity increases should be sent to [Karen.Bashore@dhs.nj.gov](mailto:Karen.Bashore@dhs.nj.gov) and [Rachel.Jamison@dhs.nj.gov](mailto:Rachel.Jamison@dhs.nj.gov) before the reassignment process occurs.
  - b. They adhere to their conflict-free policy with regard to counties served.

- i. If the agency is not approved to serve a county where an individual lives, the individual must select a different agency.
- ii. If no violation is present but the receiving agency is not open in a particular county, the agency must contact PPMU to open the county prior to reassignments occurring and submit a revised conflict-free policy. If the agency does not take these steps, impacted individuals will be auto-assigned to another agency.
- c. Merging agencies should meet to review the Division evaluation history of their operations to date, and should address any claiming issues previously identified by the Division prior to moving forward.
- d. The Division expects merging agencies to meet policy manual requirements from the date of merger.

## **Additional Resources**

The following training is available on the College of Direct Support: ***Support Coordination Agencies Considering Operational Options and Sustainability***.

Division and College of Direct Support training schedules are available on the [Support Coordinator Information](#) webpage.