

## **Service Addendum: Financial Management Services (Management of Self-Directed Supports)**

The provision of contracted, authorized, and provided services shall be in compliance with the provisions of this agreement, the service description and requirements of this section; *and if applicable*, state certification and licensing criteria.

### **Specifics**

Providers are subject to the same qualifications as providers under the Medicaid State Plan as defined in Wisconsin State Statute 1915 (c) Home and Community-Based Waiver services waivers #0367.90 and #0368.90 required under § 46.281 (1) (c).

The services for which Lakeland Care, Inc. (LCI) is contracting with your organization are noted in the Rates and Service Codes chart attached to the LCI Service Provider Contract or Memorandum of Understanding.

### **Timeliness and Access to Service**

Providers shall make all reasonable efforts to initiate service provision at the date and time requested by the LCI Interdisciplinary Team (IDT) staff on behalf of the member. In the event that initiation of the service at the member's preferred time is not feasible, the provider will express such to the LCI IDT staff, who will arrange an alternative start date of services, or, if necessary, arrange to meet the member's needs by other means.

### **Definition**

Financial management services are services to assist members and their families to manage service dollars or manage their personal finances to prevent institutionalization. This service includes a person or agency paying service providers after the member, guardian or other authorized representative authorizes payment to be made for services included in the member's approved self-directed supports (SDS) plan. Financial management services providers, sometimes referred to as fiscal intermediaries or fiscal agents, are organizations or individuals that write checks to pay bills for personnel costs, tax withholding, worker's compensation, health insurance and other taxes and benefits appropriate for the specific provider consistent with the individual's SDS plan and budget for services. Financial management services are purchased directly by the MCO and made available to the member/family to insure that appropriate compensation is paid to providers of services. It also includes the provision of assistance to members who are unable to manage their own personal funds to assist them to manage their personal resources. This service includes assistance to the member to effectively budget the member's personal funds to ensure sufficient resources are available for housing, board and other essential costs. This service includes paying bills authorized by the member or their guardian, keeping an account of disbursements and assisting the member to ensure that sufficient funds are available for needs. Excludes payments to court-appointed guardians or court appointed protective payees if the court has directed them to perform any of these functions. A Financial Management Service provider must have standards in place that ensure at minimum that: 1) the provider is an agency, unit of an agency or individual that is bonded and qualified to provide financial services related to the scope of the services being provided; 2) has training and experience in accounting or bookkeeping; and 3) has a system in place that recognizes the authorization of payment by the participant or legal representative, that promptly

issues payment as authorized and that documents budget authority and summarizes payments in a manner that can be readily understood by the participant or legal representative.

Financial Management Service providers designated to the management of members' SDS plans assist members in:

- a. Managing and directing the distribution of funds contained in the participant-directed budget.
- b. Facilitating the member's employment of staff by performing as the participant's agent. This includes but is not limited to employer responsibilities such as processing payroll, withholding and filing federal, state, and local taxes, and making tax payments to appropriate tax authorities.
- c. Performing fiscal accounting and distributing expenditure reports to the member and state authorities.

**Fiscal/Employer Agent (F/EA)** is when the member is considered the legal employer of staff. The provider establishes the member as a legal employer by obtaining an Employer Identification Number (EIN) for the member and helping the member complete the necessary documents, including federal and state tax forms. The member signs a form that allows the provider to file employer taxes on his/her behalf. Employees whom the member has chosen to hire are subject to a pre-employment background check and, if hired, must complete certain employment documents, including the W-4 and I-9 forms. Members are responsible for recruiting, hiring, training, supervising and, if necessary, dismissing their employees. Some of the responsibilities of the member as employer include:

- Recruiting and selecting employees to be hired.
- Setting employees' work schedules and rates of pay within appropriate limits and following applicable laws.
- Deciding how to train employees.
- Choosing and managing the tasks assigned to employees.
- Supervising employees while they perform tasks for the member, providing feedback regarding employees' performance of these tasks and, if necessary, dismissing employees.
- Signing employee time cards and submitting them to the provider as authorization for payment of wages.

The provider shall generate employee payroll checks and non-labor related invoices in a timely and accurate manner and in compliance with all federal and state regulations pertaining to domestic/household employees and independent contractors. The provider will also be responsible for documenting and reporting on all disbursements to the state, the LCI and members.

**Agency with Choice (AWC)** is when the member manages employees but is not the employer. The provider is the legal employer and is responsible for the paperwork requirements, worker's compensation and liability insurance coverage. Some of the responsibilities shared by the member include:

- Recruiting and recommending employees to be hired.
- Assisting with determination of employees' work schedules and rates of pay.
- Helping guide training of employees.
- Choosing and managing the tasks assigned to employees.
- Supervising employees while they perform tasks for the member, providing feedback regarding employees' performance of these tasks and, if necessary, making the decision

to dismiss employees (the provider representative notifies employees if they are being dismissed).

- Signing employee time cards and submitting them to the provider as authorization for payment of wages

**Fiscal Conduit (FC)** is when the member purchases a service or goods from an independent contractor, company or organization of their choice using a budget that is developed and authorized based on what LCI would otherwise pay through a contracted provider. The entity from which the service or goods are purchased invoices the provider and also provides a completed Form W-9 Request for Taxpayer Identification Number and Certification to the provider. The provider issues payment for the service or goods and a 1099 Form to the entity from which the service or goods were purchased.

### **Background Checks**

Providers are required to perform background checks that are substantially similar to the background checks required under WIs. Stat. Chapter 50.065 and Wis. Admin. Code Chapter DHS 12 on individuals providing services to self-directing members who have, or are expected to have, regular, direct contact with the member. Regular contact means scheduled, planned, expected or otherwise periodic contact. Direct means face-to-face physical proximity to a member that may afford the opportunity to commit abuse or neglect or misappropriate property.

### **Standards, Training, and Competency**

Providers of services shall meet the standards of this agreement; and if applicable, agrees to retain licensing in good standing during contract period.

Provider shall ensure that staff providing care to members is adequately trained and proficient in both the skills they are providing and in the needs of the member(s) receiving the services. Provider shall ensure competency of individual employees performing services to the LCI members. Competency shall include assurance of the general skills and abilities necessary to perform assigned tasks.

Training of staff providing services shall include:

1. Provider agency recording and reporting requirements for documentation, critical incident reporting, and other information and procedures necessary for the staff to ensure the health and safety of member(s) receiving supports
2. Training on the needs of the target group for the member(s) served under this agreement
3. Training on the provision of the services being provided
4. Training on the needs, strengths, and preferences of the individual(s) being served
5. Training on rights and confidentiality of individuals supported
6. Information and provider procedure for adherence to the LCI policies below:
  - a. Incident Management System
  - b. Restraint and Seclusion Policy and Procedure
  - c. Communication Expectations
  - d. Unplanned use of restrictive measure
  - e. Confidentiality

Provider shall ensure staff providing care will complete all required Training and Documentation Standards for Supportive Home Care set forth by the Department of Health Services, October 2016 found here:

<https://www.dhs.wisconsin.gov/publications/p01602.pdf>

Provider shall attest to the completion of this training and provide LCI an attestation letter signed and dated by an authorized signer on behalf of the provider. These training requirements include the following:

### **Personal Assistance Services: Worker Training Standards**

Workers who provide personal assistance services, or personal assistance and household services related to the care of the person, such as food purchasing and preparation, laundry, and cleaning of areas of the home necessary to provide personal assistance, must receive training on the following subjects:

- A. Policies, Procedures, and Expectations for workers, including HIPAA (Health Insurance Portability and Accountability Act) compliance and other confidentiality requirements; ethical standards, including respecting personal property; safely providing services to members; and procedures to follow when unable to keep an appointment, including communicating the absence and initiating backup services.
- B. Billing and Payment Processes and Relevant Contact Information, including recordkeeping and reporting; and contact information, including the name and telephone number of the primary contact person at the SHC agency, or the SDS member or representative, and the fiscal/employer agent.
- C. Recognition of, and response to, an emergency, including protocols for contacting local emergency response systems; prompt notification of the SHC agency or the member's SDS employer fiscal agent; and notification of the contacts provided by the SDS member and LCI's IDT staff.
- D. Member-Specific Information, including individual needs, functional capacities, relevant medical conditions, strengths, abilities, member preferences in the provision of assistance, SHC-related outcomes, and LCI's care manager contact information. The member/representative may provide this training component, in whole or in part.
- E. General Target Population. Information that is applicable to the members the worker will serve. (This applies primarily to SHC agency-based services or where a worker will serve multiple SDS members with the same or similar conditions.)
- F. Providing Quality Homemaking and Household Services, including understanding good nutrition, special diets, and meal planning and/or preparation; understanding and maintaining a clean, safe, and healthy home environment; and respecting member preferences in housekeeping. (This applies where a worker will be providing housekeeping services in addition to

personal assistance. The training may focus on the particular housekeeping services the worker will provide.)

G. Working Effectively with Members, including appropriate interpersonal skills; understanding and respecting member direction, individuality, independence, and rights; procedures for handling conflict and complaints; and cultural differences and family relationships. This component should include training on behavioral support needs, if applicable.

### **Household/Chore Services: Worker Training Standards**

Workers who perform only household chores relating primarily to the care and/or upkeep of the interior or exterior of the member's residence shall receive training commensurate with the scope of their duties as follows:

A. Policies, Procedures, and Expectations for workers, including HIPAA compliance and other confidentiality requirements; ethical standards, including respecting personal property; safely providing services to members; and procedures to follow when unable to keep an appointment, including communicating the absence and initiating backup services.

B. Billing and Payment Processes and Relevant Contact Information, including recordkeeping and reporting; and contact information, including the name and telephone number of the primary contact person at the SHC agency, or the SDS member, and fiscal/employer agent.

C. Recognition of, and response to, an emergency, including protocols for contacting local emergency response systems; prompt notification of the SHC agency or the member's SDS employer fiscal agent; and notification of the contacts provided by the SDS member and LCI's IDT staff.

D. Providing Quality Homemaking and Household Services, including understanding good nutrition, special diets, and meal planning and/or preparation; understanding and maintaining a clean, safe, and healthy home environment; respecting member preferences in housekeeping tasks and shopping.

E. Member-Specific Information only to the extent that it is necessary and is directly related to performing the tasks of household/chore services, and LCI's care manager contact information. (The member or member's representative may provide this component of training, in whole or in part.)

**Note:** While all five areas (subsections A-E) of this section must be addressed in the training of household/chore services workers, the type and depth of information provided may not need to be as extensive as for personal assistance services.

### **Exemption from or Waiver of Training**

A. Exemption—Due to their own licensure or credentialing requirements, the following professions may be exempted by the responsible entity or entities

from these training requirements: certified nursing assistant, licensed practical nurse, registered nurse, licensed physical or occupational therapist, or certified physical or occupational therapy assistant. When an exemption is granted, the responsible entity or entities must still ensure that a worker performing medically oriented tasks, such as tube feedings, wound care, or tracheotomy care is competent in performing these tasks with the specific member.

B. Waiver—Some or all of the required training may be waived based on knowledge and skills attained through prior experience (e.g., as a personal care worker for a Medicaid-certified personal care agency). Responsibility for making, documenting, and maintaining documentation of such a waiver shall be based on the protocols in Section III.B. and VIII. When a waiver is granted, the responsible entity or entities must still ensure that a worker performing medically oriented tasks, such as tube feedings, wound care, or tracheotomy care is competent in performing these tasks with the specific member.

**Note:** Notwithstanding any exemption or waiver under subsections A or B of this section, such workers will likely need agency and member contact information, information on billing, payment, documentation, and any other relevant administrative requirements, protocols for emergencies and member-specific information.

C. Documentation—For workers exempted from some or all of the training requirements under subsections A or B of this section, the responsible entity (pursuant to Section III.B.) making the exemption or waiver decision shall maintain copies of credentials or other documentation of their existence, or a written rationale for waivers based on experience, signed and dated by that entity.

### **Completion and Documentation of Training**

#### A. Timeframes

1. Personal assistance services training shall be completed prior to providing personal assistance services.
2. Household/chore services training shall be completed within two months of beginning employment.

#### B. Responsibility for Creating and Maintaining Documentation

1. For agency-based services, the SHC agency shall document the training and any exemptions or waivers, and maintain the documentation.
2. For SDS members who are common-law employers:
  - a. Members who make training decisions shall document the training and any exemptions or waivers, and maintain the documentation with the assistance of the fiscal/employer agent if within the scope of its work or.
  - b. If members do not make training decisions, the fiscal/employer agent if within the scope of its work shall document the training and any exemptions or waivers, and maintain the documentation.

### C. Content of Documentation

1. Documentation shall list the training content, dates such training occurred, and for exemptions and waivers, the credentials and/or rationale that are the basis for any training exemption or waiver.
2. Documentation that training requirements have been met through provision of training and/or exemption or waiver shall be signed and dated by the entity or entities making those decisions.

### D. Additional Training

The entity responsible for making and documenting training decisions shall ensure the worker completes appropriate additional training if the worker's job duties change and require additional knowledge and/or skills.

The provider's tasks related to managing SDS finances could include but are not limited to:

- Providing education to the member and potential employees regarding employment related paperwork to assure timely implementation of SDS.
- Completing and explaining necessary eligibility, tax and insurance paperwork with the member and potential employees.
- Performing comprehensive background checks and providing LCI with findings in a timely manner.
  - A comprehensive background check will include:
    - Criminal Background Check Report
    - Office of Inspector General Report
    - Caregiver Misconduct Registry report
- Promptly issuing employee paychecks based on approved time records.
- Withholding and depositing income tax, within the state of WI Department of Workforce Development (DWD) standards.
- Managing FICA, FUTA and SUTA in accordance with federal and state requirements.
- Providing necessary year end taxation form to members and employees.
- Timely Communication of concerns with the Interdisciplinary Team (IDT) staff regarding identified or suspected fraudulent activity related to budget utilization; including over/under utilization of budget by 10% year to date.
- Addressing and resolving member and/or worker concerns related to payment for services rendered in collaboration with the LCI IDT staff.
- Creating and emailing/mailling budgets to members and the LCI IDT staff.

### **Enrollment and Orientation:**

1. Upon receiving referral information from LCI, the provider will contact the member/legal representative to schedule an initial face-to-face enrollment and orientation visit with the member and each potential employee; the LCI IDT staff may attend this visit.
2. The provider is responsible for processing all background checks for potential employees. Completed background checks must be sent via fax or email to the LCI Care Management Specialist (CMS).
3. The provider must have each potential employee complete all Federal and State required employment documents prior to beginning any employment.

\*LCI funds cannot be released without completion of all required employment paperwork; including background checks.

### **On-Going Monitoring:**

1. The provider will provide ongoing support for members and their employees.
2. The provider agrees to perform in-home visits as needed during the contract year to assist members and/or employees with FMS related functions.
3. The provider will oversee and monitor members' budgets.
4. The provider will immediately communicate to LCI when the provider identifies any suspicious or irregular spending by the member.
  - a. Suspicious or irregular spending can include a deviation from what the member typically submits for timesheets, a drastic rate of pay change, timesheets that do not appear to be in alignment with the member's needs, an overlap in billable time by employees, inaccurate timesheets, a deviation in the timesheet signatures, etc. This level of communication would warrant a phone conversation with the assigned LCI IDT staff.
5. The provider will provide supporting documentation (timesheets, etc.) to LCI staff as requested to aid in collaborative and effective care management practices.
6. The provider will report spending patterns monthly to LCI and to the member via monthly spending reports.
  - a. The monthly spending reports will always include year to date spending, budget remaining detail and will flag/identify a 10% year to date in overspending when warranted.

### **Staff to Member Ratio**

Staff to member ratio for services will vary based on member needs and long-term care outcomes and will be determined under guidance of the LCI IDT staff.

### **Staffing Assignment and Turnover**

The provision of successful services is attributable in large part to the strength of the relationship between a member and the staff directly providing the service. Given this contributory factor, provider agrees to make every effort to match and retain direct care staff under this agreement in a manner that optimizes consistency.

In order to establish and preserve this relationship, providers must take specific precautions to establish and monitor these services. Providers must have a process in place for:

1. Members to provide feedback on their experience with the employees performing these tasks and respond when appropriate.
2. Written information indicating who within the organization to contact with concerns, or questions related to the provision of services or direct care staff.
3. Provider will forward documentation and/or feedback to the IDT staff to allow members to express concerns to individuals other than the individual who performs the task.

Changes in staff assignments to specific members and within the organization are at the discretion of the provider. Provider agrees to take member requests for specific staff into consideration when assigning or reassigning staff to specific members and will notify the LCI IDT staff in their reporting of any changes to staff providing services.



### **Collaboration and Coordination of Care**

Through the use of the Resource Allocation Decision method (RAD), the LCI IDT staff shall assess the member's needs and outcomes to determine the amount of services to be authorized. The LCI IDT staff shall exchange pertinent information with the provider at the time the referral is made to assure all health and safety needs are provided during the services. This information exchange shall include the assessed needs and amount of authorized units as it relates to services.

All aspects of services shall be discussed between the LCI IDT staff, member or legal representative, and provider to ensure proper collaboration.

### **Agency Communication Responsibilities**

Provider's staff shall respond to LCI staff, member, and/or employee within one (1) business day of attempted contact. Provider is required to be in contact with the member and the potential employee within three (3) business days of the initial referral. Provider will notify the LCI IDT staff of any potential fraudulent activity.

Provider shall ensure a mechanism for recording and reporting to the LCI IDT staff and other appropriate agencies incidents including:

- a. Changes in:
  - Condition (medical, behavioral, mental)
  - Medications, treatments, or MD order
  - Falls (with or without injury)
  - Urgent Care, Emergency Room or Hospitalization
  - Death: anticipated or unexpected
  - Any other circumstances warranting the completion of an agency incident or event report
  - Unplanned use of Restrictive Measure
- b. Communication/Coordination regarding:
  - Medical Equipment or Supplies
  - Plan of Care development and reevaluation
  - Transition difficulty, discharge planning
  - Ongoing Care Management

Note: Staff will first follow their own established in-house protocol. Staff will then inform the LCI IDT staff of *any member circumstance that would warrant family or physician notification* that includes, but is not limited to the above circumstances.

### **Documentation**

Providers shall comply with documentation as required by this agreement; *and if applicable*, state licensure and certification requirements as expressed by ordinance, state and federal rules and regulations applicable to the services covered by this contract.

Provider is responsible for paying the member's SDS employees on a timely basis and keeping an account of disbursements while assuring that sufficient funds remain available. The documentation demonstrating the financial activities of the member's SDS services must be made available via regular, routine reporting and upon request by LCI.

LCI IDT staff and members receiving SDS services paid through the provider shall receive or have access to a monthly spending summary report containing the following elements:

- Services on the member's SDS plan.
- Budget for the period (quarter, year, etc.), amount of budget already used, processing to be paid, and remaining percentage/total monthly.

Time Card Activity Monitoring:

1. The provider will provide monthly spending summaries via mail and/or email to members.
2. The provider will monitor members' unusual spending and utilization patterns. The provider will immediately contact LCI IDT staff via written communication (email or letter) to inform of any extraordinary spending (spending that may disrupt the authorized budget).

The provider must retain all documents and records for seven years as required by law and regulation. Records shall be organized so that non-accountants can easily understand individual members' accounting records.

At any time, the IDT staff may request:

- A written report to enhance the coordination and/or quality of care; which includes:
  - Changes in members' activities
  - List of supportive tasks provided
  - Ongoing concerns specific to the member
- Additional documentation of the services provided

### **Billable Units**

Provider rates for provision of services will incorporate all administrative and business functions related to the provision of service. Contracted rates include the provision of administrative functions necessary for services and are not billable beyond units provided to each authorized member.

Providers should reference the Rates and Service Codes chart of the agreement for contract units and rates.

Providers should use increments as listed in the rates and service codes chart to bill LCI up to the authorized number of units for the member. Providers can only bill for services rendered to the member. Provider will refund LCI the total amount of any/all units billed without services rendered to the LCI member.

Providers are required to provide for all identified care needs during the provision of services and are specifically prohibited from billing fraudulently for additional services during the provision of these services.

Family Care services administered by LCI are funded by state and federal tax dollars through the Medical Assistance program. As a publicly-funded system, LCI strives to maintain the integrity

of the program by ensuring that all services are billed as authorized by LCI, and as rendered to members. LCI ensures this protection, by regularly conducting random reviews of claims submitted by its contracted providers. LCI reserves the right to request verification documentation from providers. This could include but is not limited to: providers' case notes, files, documentation and records.

**Additional Considerations:**

- Services will be provided as identified and authorized by the LCI IDT staff.
- Providers may not limit or deny any LCI member services due to dissatisfaction with their LCI contracted rate.
- LCI pre-authorizes all of its services. If provider bills for more units than authorized without prior authorization, these services may be denied.
- In the case that a LCI member cancels service, the provider must contact the LCI IDT staff. Services cancelled will not necessarily be rescheduled and should not be assumed by the provider.
- Provider will negotiate contract rates that include mileage and travel time associated with the provision of service

**Additional Contract Expectations:**

- Provider's staff shall have access to appropriate communication device(s) when out of the office during business hours (email, cell phone, etc.).