



SELF-DIRECTION TECHNICAL REQUIREMENT IMPLEMENTATION GUIDE

BEHAVIORAL HEALTH & DEVELOPMENTAL DISABILITIES ADMINISTRATION

SELF-DIRECTED

This Technical Guide covers instructions to PIHPs and their CMHSPs affiliates for implementing self-directed services

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I. PREFACE

This Technical Guidance provides people with methods to control and direct how the services and supports in their Individual Plan of Service (IPOS) are implemented. Self-Directed Services are a partnership between the PIHP/CMHSP and the individual. The person-centered planning process will drive self-determination along with the development of an Individual Plan of Service (IPOS), as well as exploration of self-directed services.

The PIHP/CMHSP is required to develop and maintain a system that supports people who choose to use any method of the self-directed options, (i.e. direct-employment, purchase of service, agency-supported self-direction). The PIHP/CMHSP must actively educate people about the option to direct services, ensure all CMHSP staff are aware of self-directed services, the different levels of control available, and the methods to exercise that control. **A PIHP/CMHSP may not deny someone the option to direct services.** A PIHP/CMHSP may not limit access to any self-directed options (direct-employment, purchase of service, agency-supported self-direction). See section XII for more information.

Self-directed services must include an individual service budget. The individual budget provides a set amount of funds necessary to implement the individual's IPOS. An individual may choose to direct one specific service, some, or all services in their IPOS. The level of control will be determined by the individual. The individual will choose who will support them to manage their self-directed services. Without a legal agreement, the family member of an adult does not have the right to be involved without the individual's consent.

Please note that provider controlled or congregate settings at places like day programs, group homes, and foster care, are not self-directed (or vouchered) because the funding and hiring of staff are not controlled by the individual. An exception would be if the person has a plan to move or transition out of these settings in the current IPOS.

ACKNOWLEDGMENTS

This Self-Direction Technical Requirement Implementation Guide is the result of a dedicated Workgroup of public behavioral health partners with expertise in implementation of self-direction service arrangements. A special thanks to the families, service providers, professionals, allies, and community members who provided information, input, and support to complete this work that provides a comprehensive best practice guide on "how to" support participant directed services consistently and equitably across the state.

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II. DEFINITIONS

Agency Supported Self-Direction (Also Known as Agency with Choice)

This allows the person to direct as much or as little employer and administrative responsibilities as agreed upon in the Individual Plan of Service (IPOS) and Agency Agreement while a provider agency serves as employer of record.

Choice Voucher Arrangements

Choice Voucher is the name for self-directed services for people under the age of 18. This is because children cannot independently direct their services until adulthood.

Employer of Record

The Employer of Record is the term for the person who is a legal employer. In much of this document a person who is self-directing will be considered the employer of record or a managing employer.

Financial Management Service Provider/Fiscal Intermediary

A Fiscal Intermediary is an organization or person independent of the CMH system that assists employers to manage the dollars Self-Directed budgets.

Individual Budget

An individual budget is the amount of money from community mental health given to pay for behavioral health services and supports as listed in the individual plan of services (IPOS). By using an individual budget, people have the power to make meaningful choices about how they control their services and live their lives.

Managing Employer

A managing employer is the person or designee who is acting in a supervisory role but is not considered the legal employer of record. All parents/guardians in a Choice Voucher Arrangement are considered managing employers.

Person

For the purposes of this policy, "person" means a person receiving behavioral health services and supports.

Person Centered Planning

Person-centered planning is a collaborative, person-directed process designed to assist an individual to plan their life and supports.

Prepaid Inpatient Health Plan (PIHP)

A PIHP is a managed care organization that provides Medicaid services and money to the Community Mental Health Service Provider to pay for specialty mental health services and supports in an area of the state. There are 10 PIHPs in Michigan.

Qualified Provider

A qualified provider is an individual or agency that meets the federal and state requirements in their contract to provide mental health services and supports.

Self-Determination

Self-determination (SD) is the right of all people to have the power to make decisions for themselves; to have free will. The goals of SD, on an individual basis, are to promote full inclusion in community life, to feel important and increase belonging while reducing the isolation and segregation of people who receive services. The principles of self-determination are autonomy, competence and relatedness which are building blocks of psychological wellbeing.

Self-Direction

Self-direction is a method for moving away from professionally managed models of supports and services. It is the act of selecting, directing, and managing one's services and supports. People who self-direct their services are able to decide how to spend their CMH services budget with support, as desired.

The methods of self-direction are crafted with the principles of self-determination.

Principles of Self-Determination	Self-Directed Outcome
Freedom	Deciding how to live a good life
Authority	Controlling a targeted amount of dollars
Support	Organizing resources in ways that are life enhancing and meaningful
Responsibility	Using public funds wisely
Confirmation	Having a role in redesigning the service system

Supports Broker

A Supports Broker is a person that helps individuals find and get the needed services and supports in their IPOS. A Supports Broker has a clear focus on helping people identify and meet goals to increase independence and quality of life.

Worker

In this document, worker is used when staff chosen and managed by the person are hired through an agency supported self-direction arrangement.

III. SUPPORTING SUCCESSFUL SELF-DIRECTED SERVICES

Individuals who successfully self-direct do not do it alone. They use informal support from others to assist them to implement services arrangements that best meet their needs. The involvement of informal supports starts in the person-centered planning process. Through this process, the IPOS, budgets, and the manner of methods for their implementation are developed. The individual chooses which allies to involve in the person-centered planning process. These allies provide input and support to the planning process and the IPOS that results. The individual will decide how much support they need, in what areas, and whether that support is paid or informal. The following requirements must be written in the individual's plan of services (IPOS):

- Which services the individual will direct and control, including if the individual will directly hire workers and control the individual budget.
- What support is chosen by the individual to help them direct their services; if no support is needed or desired, they must have the following training:
 - ✓ How the self-directed option works
 - ✓ Employer of record duties
 - ✓ How to act as a supports broker, including information on how to access the community and other resources
- The employer's chosen method for documentation of services provided must be included within the IPOS. (See sections III.B, V.3, and VI. for more information.)
- The Financial Management Services Provider (FMS) (formally known as a Fiscal Intermediary Provider) is chosen by the individual.
- A written copy of the IPOS and individual budget is provided to the Community Mental Health Service Program (CMHSP) and other necessary people.

Services the individual will direct and control

Support chosen by the individual to help them direct their services

Documentation of service with method chosen by employer

FMS or The Financial Management Services Provider chosen by the individual

IPOS written copy and individual budget provided to stakeholders

When using self-directed services, the person-centered planning process must include the individual's need for information, guidance, and support regarding:

Budget

- Control of the budget

Contracting

- Directly contracting with chosen providers

Staffing

- Directly employing staff

Role

- Requirements and responsibilities of the employer role

Opportunities

- Opportunities to learn how to direct and supervise support workers

Support

- Ways that allies can provide informal support to assist the individual with the tasks involved

The PIHP/CMHSP is expected to provide **active** education and support to people who are exploring and using self-directed services. To ensure the PIHP/CMHSP can support people who are using self-directed services, the PIHP/CMHSP must be pro-active, knowledgeable, and up to date in all aspects of self-directed service arrangements, including all applicable state and federal policy and law. This must include education of staff to ensure knowledge of applicable policy and laws related to managing self-directed services.

Support must be provided by the PIHP/CMHSP to the individual to ensure successful implementation of self-directed services. Support must be ongoing and include education and training, as necessary on:

- Being an employer
- Managing employees
- Medicaid documentation expectations
- Department of Labor (DOL)/Fair Labor Standards Act (FLSA) Law(s)
- Roles and responsibilities of CMHSP, FMS, individual
- Budget management

Both the individual and the PIHP/CMHSP have roles and responsibilities in supporting successful implementation of self-directed service arrangements. Prior to beginning a new self-directed service arrangement, the PIHP/CMHSP must make sure the individual understands these roles and responsibilities.

A. CMHSP RESPONSIBILITIES:

1. Provide education, training, and support so the person can develop the skills needed to be an employer

B. INDIVIDUAL'S RESPONSIBILITIES:

- Responsibly manage the funds in the budget to meet the goals and needs identified in the IPOS.
- Coordinate with the PIHP/CMHSP and Fiscal Management Services Agency (FMS), formerly known as a fiscal intermediary (FI), about any changes that may require a modification of the IPOS or the budget
- Develop job descriptions for each provider (Direct Hire only)
- Ensure each provider is trained in current Job Description (if applicable) and the IPOS
- Complete all requirements for documentation of Medicaid services in the format agreed to by the individual and CMHSP in the IPOS
- Provide all necessary information for all providers of services and supports, and make sure all required documentation and written agreements are in place
- Assure that each service provider hired meets the provider qualifications
- Provide the FMS with necessary authorization and documentation (such as timesheets and invoices) to verify use of the funds in the budget



IV. PROVIDER QUALIFICATIONS & TRAINING

All Medicaid beneficiaries have rights defined by federal law, including the right to choose the providers of the services and supports they need. The PIHP/CMHSP must ensure the individual understands their right to provider choice. Providers must meet Medicaid provider qualifications and receive the minimum required training, per the Michigan Medicaid Provider Manual. Provider choice must not be limited by the PIHP/CMHSP. **The individual has the right to hire anyone who meets the provider qualifications. A PIHP/CMHSP may not require a provider to be placed on a provider panel in order to provide services in a self-directed arrangement.**

In a self-directed arrangement, the individual is the employer, and **only the employer** may determine additional training requirements or qualifications for their employees. The PIHP/CMHSP may not mandate any additional training or provider qualifications to those listed below. Individuals who direct their services cannot hire or contract with their legally responsible individuals (the individual's spouse, conservator, etc.) or with his/her legal guardian. They also cannot hire or contract with their landlord for supports and/or services.

A. MEDICAID PROVIDER QUALIFICATIONS:¹

- Be at least 18 years of age
- Able to prevent transmission of communicable disease
- Able to communicate effectively to follow IPOS requirements, beneficiary-specific emergency procedures, and to report on activities performed
- Be in good standing with the law (i.e., not a fugitive from justice, a convicted felon who is either under jurisdiction or whose felony relates to the kind of duty to be performed, or an illegal alien)

B. REQUIRED TRAINING, AIDE LEVEL SERVICE WORKING WITH ADULTS:

- Recipient rights

¹ Professional staff hired to do aide level work can be presumed to already have some of this training (i.e. a nurse would not need first aid training). In these cases, proof of licensure is enough to meet the credentialing requirements in these situations.

- Knowledge of basic first aid
- Training in the individual's IPOS
- Training in preventing transmission of communicable disease (Typically Bloodborne Pathogens)

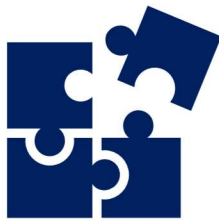
C. REQUIRED TRAINING, AIDE LEVEL SERVICE WORKING WITH CHILDREN ON SED AND CWP WAIVERS:

- Recipient rights
- Basic first aid as evidenced by completion of first aid training course, or other method determined by the PIHP to demonstrate competence
- Perform emergency procedures as evidenced by completion of emergency procedures training course, or other method determined by the PIHP to demonstrate competence
- Training in the individual's IPOS

Additional information about provider qualifications and training requirements can be found in a document called Michigan Provider Qualifications Per Medicaid Service and HCPC/CPT Code.

V. STEPS TO IMPLEMENT SELF-DIRECTED SERVICES & SUPPORTS

Ensure the individual understands their roles and responsibilities for directing their services. Discuss the following and decide the level of support needed for the individual to be able to self-direct well:



Types of self-directed models



DOL and FSLA Rules – Co-employment, overtime, hiring/firing workers



Managing, scheduling, authorizing timesheets, documentation, Medicaid qualifications

The decision to direct services must come from the individual. Once the individual decides to self-direct services, the SD Agreement is discussed and signed by all parties.

1

Create a Budget - Person decides how to spend individual budget through person-centered planning process.

- The person's decision on how to expend individual budget resources must be determined before services began. However, it is as flexible and changing as the PCP document.
- **CMHSPs cannot set staff pay rates. CMHSPs can identify a standard budget cost limit that is not less than the established agency rate for a specified service.**
- Discussions on how resources will be spent include the individual and their chosen supports, which may include a supports broker, FMS provider, SD Coordinator, Case Manager/Supports Coordinator, and anyone else the individual chooses to be on their person-centered planning (PCP) team.

- Deciding how resources are spent is a key component of self-directing services. Services including the FMS are fully authorized through the IPOS as part of step 1. Starting 10/1/20, as plans and budgets are renewed naturally, CMHSPs will need to use a U7 modifier to identify what services are being self-directed. A self-directed service is any service included in an individual budget and paid through a fiscal intermediary (per FY21 Technical Requirements). If a fiscal intermediary is used in a respite-only arrangement and there is no other service, no individually controlled budget, the modifier shall not be used.

2**Recruit staff, identify provider(s)**

- The individual can hire any qualified provider. The provider does not need to be put on the provider panel. Credentialing for a professional provider needs to be completed by the CMHSP.
- Recruiting staff will include the individual, and may include their supports broker, FMS provider, and anyone else the individual would like to assist them. To a lesser extent, a Case Manager/Supports Coordinator, and/or CMHSP might be involved in rare instances there is a problem with the hiring process. However, they are not involved in hiring or firing providers directly. Care must be taken to ensure decisions are made by the employer and their chosen allies, not the CMHSP.
- This process will typically happen at the individual's home, or other location of their choosing. The FMS may provide hiring packets for the individual to use and distribute during the hiring process. Completion of required paperwork (i.e. application, credentialing release, etc.) will begin the hiring process.
- Identifying who will provide services (if not already done through the PCP meeting) is important to having control of who will be involved in helping achieve the individual's life goals.

3**Credentialing at FMS level for non-professional, CMHSP for professional**

- Credentialing means ensuring that a provider meets Medicaid criteria to be eligible to receive funding to provide services. Without this, a different funding source would be needed to pay for these services.
- Once a provider is chosen by the individual, all required documentation will be sent to FMS to complete credentialing process. FMS will contact employer once qualifications are met, and the employer will determine start date based on this information, (cc: CMHSP)
- Credentialing is typically done by an FMS entity for non-professional staff; however, in some cases a CMHSP make take over this role.

4**Hiring process finalized including signing all remaining agreements**

- The person hires and finalizes the onboarding process with assistance from their chosen supports and the FMS entity. The hiring process is finalized by entering into agreements between the employer (the individual), the employee (the provider), the CMHSP. These parties will work collaboratively to ensure the employer is meeting all criteria required to use Medicaid funds, including that the provider is correctly trained and supervised to ensure those funds can continue to be used.
- This process could happen in several places over a few days. There are many different people who are entering into these agreements, but the key individual is the one self-directing their services.

5

- This is a key step to the individual having real control over their service providers, the individual is officially the boss.

Training and beginning of work

Staff who are hired by the individual will be offered rapid training, in order to start as soon as the individual desires. Training (time and travel) will be paid for through a line item in the budget.

- Timesheet will be coded for travel/training time so the FMS provider can pull funds from the correct budget line
- Timesheets must be authorized by the employer of record
- Timesheet authorization will be done by the individual, possibly with the assistance of their paid supports or allies.
- The FMS provider will receive approved timesheets and process them for payroll.
- The timesheet must include the employee providing the service, the type of service, the time the service started and ended, the date, and the employee and employer's signature.
- Timesheets are typically completed at the employer's home and sent to the FMS through mail, electronically, fax, or hand delivered by a responsible party.
- Timesheets are not only necessary for the employee's payroll to be processed; it is also a way the employer has authority to approve the work their employees are providing.
- The FMS provider will have a regular time to process payroll, typically weekly or bi-weekly.

VI. OVERSIGHT

The CMHSP representative responsible for the IPOS or Wraparound Plan must train employees on the IPOS. This can be done several ways. Training and documentation can be provided to show each employee was trained directly by the representative responsible for writing the IPOS.

- The responsible representative can train the individual who directs their services on the IPOS and supply documentation to allow the individual who trains their own employees.
- The responsible representative can meet with the staff team or one-on-one to train a lead or designated employee who will then train and document training to all other employees.
- Each new employee will need to be trained on current IPOS as new employees are scheduled to work.

For all self-directed models, **a staffing back-up plan is required**. The back-up plan must ensure delivery of critically medically needed services continue without interruption.

- The responsible representative must ensure all staff are trained on the current back-up plan, which must be documented in writing and accessible to all staff. (this could be in a crisis plan, IPOS, job description, posted in the home, etc.)

A supports broker can be used to assist with any part of the employer responsibilities and will provide ongoing support until the individual who directs their services decides the broker is no longer needed.

- Once training is done, the case manager or supports broker will be responsible for supporting the employer to ensure service documentation meets the standards set forth in the IPOS.
- The responsible representative or supports broker may also oversee the self-directed arrangement to ensure employer satisfaction, that the arrangement is running smoothly and will work on problem solving as issues arise.

The Office of Recipient Rights has investigative authority for specialty mental health services and supports including self-directed supports and services.

VII. DEVELOPING & IMPLEMENTING THE INDIVIDUAL BUDGET

an individual budget. The PIHP/CMHSP must establish a transparent process for budget development and educate each individual on the process, prior to engaging in budget development.

The individual budget must be developed with the individual, at least annually, or when changes are needed.

- The Estimated Cost of Services (ECOS) will be used as a tool to inform the budget process. The ECOS should be reflective of the cost of services in the most updated IPOS.
- This ECOS must be reviewed at least annually with the individual, to inform them on the cost of services and options for flexibility in directing those dollars.
- The signed and approved budget is sent to the FMS. The individual and the FMS work together to implement and oversee the individual budget, but the CMHSP is only involved in monitoring the budget. (see FMS section below)

The individual budget is not a predetermined amount; it is developed during the person-centered planning process. The PIHP/CMHSP must establish a cost schedule for each service to be used while developing the budget. An individual budget must be cost neutral, meaning the same or less than the cost of service. However, a change in the services needs would also mean a change in the ECOS and potentially the individual budget.

In order to establish the maximum amount of Medicaid funds to possibly utilize in the individual budget, **the service cost must not be less than the contracted, provider rate for the same service for the same level of need for that individual.** For example, the PIHP/CMHSP's contracted provider rate for Community Living Service is \$20 per hour. If an individual's budget includes the delivery of Community Living Service, then the hourly amount allocated in the individual budget for this service is \$20 per hour. This amount is then used, in combination with all other budget line items, to calculate the budget amount for the person to control.

- The line item would be calculated by multiplying the number of units by the cost per unit. (units vary, some are 15-minute units, while other may be per encounter). Begin with the allowable contracted provider rate, then deduct the employer's benefits from that rate. This will establish a range of pay for the employee wages.

The budget development must include discussions with the individual on expenses that can be included in the budget. This could include:

- If training is included in the budget, mileage, paid time off, rate of pay, and all other benefits. The employer (individual) will decide what will be included in the final individual budget, within the overall cost parameters determined by the PIHP/CMHSP.
- Care must be taken by the PIHP/CMHSP to ensure budget development and implementation are in line with FLSA Co/Joint-Employment standards.

Costs for administrative activities (background checks, credentialing activities, etc.) must not reduce the available funding for services. The rate for directly employed workers must include Medicare and Social Security Taxes (FICA), Unemployment Insurance, and Worker's Compensation Insurance.

- **The individual budget must be flexible.** This means the individual may adjust the CMHSP-authorized funds to accomplish their IPOS.
- This could include moving funds between budgetary lines to accomplish the individual's IPOS.
- It means the individual has control over how to schedule services and supports (days of the week, time of the day) to best meet their needs.
- It may also mean an individual uses more hours for one week and fewer hours in a future week, yet the individual does not exceed the authorized budget amount.

Services that are self-directed are included in the individual budget. The ECOS includes the costs for all services included in the IPOS. The FMS is not a self-directed service and its costs do not reduce the individual budget.

A. WHAT THE CMHSP CAN CONTROL IN THE BUDGET:

- Establish a training rate
- Require workman's compensation insurance
- Must establish the maximum amount of Medicaid funds used in the budget
- Must have a system for budget oversight
- Must authorize the budget for the same timeframe as the IPOS

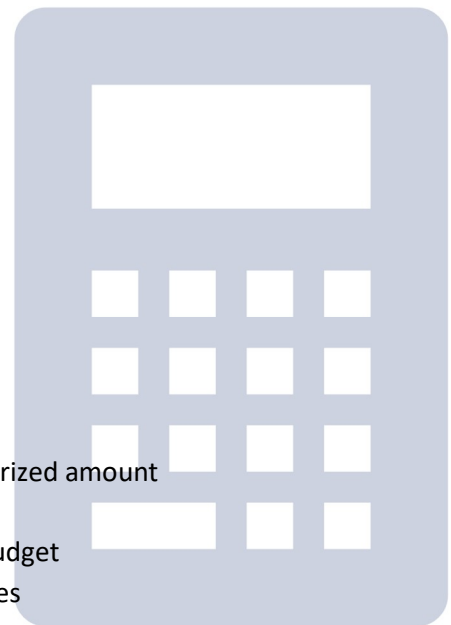
NOTE: Internal authorization processes must not interfere with control of the individual budget. For example, authorizations for a 3-month period can lead to unnecessary impediments to flexibility and control and must not be used.

B. WHAT THE INDIVIDUAL CONTROLS IN THE BUDGET:

- How much of the budget is utilized during a given amount of time
- When and how frequently pay rates are changed
- Determining employee benefits included in budget
- When overtime is approved
- Moving dollars from one-line item to another budget line

C. THE INDIVIDUAL HAS RESPONSIBILITY FOR:

- Using budget funds to meet needs identified in the IPOS
- Staying within authorized amounts
- Ensuring the use of services and supports do not exceed the authorized amount
- Reviewing monthly budget report (provided by FMS)
- Informing PIHP/CMHSP of any needed changes to the individual budget
- Ensuring documentation is present for all Medicaid covered services



The individual budget must be accessible. The CMHSP must ensure the individual has a full and complete understanding of the control they have of the budget. The individual must be aware of how to make changes to the budget and who they need to contact to make those changes.

The individual budget must be portable. Once an individual budget is agreed to and signed by both parties, the individual does not need CMHSP approval to make any changes within the framework of the approved budget.

For example, the individual has an employment goal in the IPOS. Recently, the individual has been offered more hours at work and needs employment supports to be successful. They decide to transfer a few units from the Community Living Support budget line item to the Employment Supports line. Both services are included in the individual budget. The provider is a qualified provider for the services. The IPOS is revised to reflect the shift in service needs. The individual uses the budget funds for Employment Supports to match their priority needs.

All of the above apply to all self-directed service models. Model specific information is detailed in sections VII, IX, and X of this document.

VIII. THE DIRECT EMPLOYMENT MODEL

In a direct employment model, the individual is the employer of record of all employees. An FMS is utilized to act as an employer agent, responsible for handling payroll, tax, and legal details of the employment relationship. The FMS is the holder of the Individual Record for each employee. While the employer has authority over employment decisions, the CMHSP must provide needed support and training to the individual in areas related to functioning as an employer. The individual has authority to:

- Choose an FMS
- Recruit employees
- Interview prospective employees
- Hire any qualified employee they choose
- Determine pay rates, benefits, etc. (within individual budget parameters)
- Authorize payment
- Supervise and evaluate employees
- Determine schedule
- Fire employees

The CMHSP cannot directly involve themselves in issues related to payment or supervision of employees. Payroll decisions must be handled between the employer and FMS provider. The CMHSP must not adopt policies that violate any DOL law (i.e. 'no Overtime will be paid', etc.). Any CMHSP who becomes involved in the employer/employee relationship will be at risk of being a Co/Joint Employer. While the CMHSP is not the employer in this model, the CMHSP must enter into a Medicaid agreement with each employee to document the Medicaid requirements related to their employment. To avoid the appearance of co-employment, the CMHSP cannot:

- Make hiring or firing decisions
- Require employees be placed on their provider panel
- Supervise the individual's employees
- Set employee schedules
- Deny payroll for work that has been completed and approved by the employer
- Set more restrictive qualifications for employees than the Medicaid minimum
- Determine pay rates, benefits, etc.
- Refuse to pay overtime approved by the employer

For more specifics on co-employment, see FLSA

The CMHSP has the responsibility to educate the individual with information and tools to carryout employer roles and responsibilities. The areas of support/counsel will vary, based on individual's wants and needs, and may include:

- Where/how to advertise for staff
 - What to include in the job description
- Interviewing techniques and questions
- Training on the IPOS
- Staff work schedules
- Review of staff timesheets and documentation

- Staff call-in and back-up staffing plans
- Staff performance concerns
- Review of monthly budget report from FMS

A. DIRECT EMPLOYMENT MODEL

This chart shows each agreement that needs to be signed by which party for this model of Self-Direction

	Individual w/ SDS	CMHSP	FMS	Employee/ Provider
Self Determination Agreement	X	X		
Medicaid Provider Agreement		X		X
Employment Agreement	X			X
Purchase of Service Agreement	N/A			
FMS Agreement	X		X	
Agency Supported Self Direction Provider Agreement	N/A			
Job Description	X			X

Hiring in the Direct Employment Model

The Direct-Employment Model is a partnership between the individual, CMHSP, and FMS, with the ultimate decision made by the individual. The CMHSP must support a transparent system to ensure timely on-boarding of all employees. The PIHP/CMHSP must not establish policy that is an unnecessary barrier to timely hiring of employees. See Training section below.

a) Best Practice

- i. Employer identifies potential employee or advertises to find an employee
- ii. Potential employee completes job application and required credentialing releases
- iii. Application and releases are forwarded to the credentialing entity (FMS or CMHSP). The employer should sign a Background Results Acknowledgment Form for any results outside of the Medicaid Exclusion List. Credentialing is completed based on Medicaid requirements (not CMHSP/PIHP requirements). Using the FMS for HR paperwork is recommended. It is the discretion of the employer if potential employees will drive as part of their employment. Any decision based on results of a driving record will be made by the employer. Requirements in addition to the Medicaid exclusion list are not allowed
- iv. Credentialing results and any needed follow-up must be coordinated through employer.
- v. Once the applicant has met all employment requirements, FMS will contact employer that applicant has met qualifications then employer will determine start date, (cc: CMHSP).

b) Training

Training on the individual IPOS must be included in the training plan and must be updated as the IPOS is updated. Documentation of training provided by the supports coordinator to the employer or employer’s designee is required. Subsequent IPOS training may be provided by the employer or designee, including any updates.

Special care should be made to develop a training process/curriculum that does not become a barrier to employment. An example of a system that is not a barrier is developing a ‘Rapid Training’ where employees can meet basic training requirements (documentation, IPOS, basic first aid) in a modified curriculum, allowing them to begin working while having an extended period of time from start date (i.e. 60-90 days) to take any required training modules. Training (time and travel) will be paid for as identified in the budget. The PIHP/CMHSP cannot impose additional training requirements beyond Medicaid required training (See training section above).

c) Direct Employment model Hiring Process Tasks

This table is a list of Hiring Process tasks. **Tasks may need to be done in a different order.** All items below can be completed concurrently and shall be done quickly, at direction of the employer (Support provided by identified personnel in the final column only if desired or required by employer).

Task	Method	Support Personnel
Select Fiscal Management Services Agent (FMS)	<ul style="list-style-type: none"> • Employer decides which FMS to use <ul style="list-style-type: none"> ✓ Develop and sign the FMS Agreement • Send referral to FMS • Employer will contact their FMS • Employer decides how to use and understand their budget 	Case Manager (CSM), Supports Coordinator (SC), Supports Coordinator Assistant (SCA), Broker or designee
Get Ready to Hire Employees	<ul style="list-style-type: none"> • Employer develops: <ul style="list-style-type: none"> ✓ Job description ✓ Interview questions ✓ Decides how and where to advertise for new employees • Employer connects with the FMS for: <ul style="list-style-type: none"> ✓ Generic job applications ✓ Releases for background checks ✓ Releases for driving history, if desired ✓ Decide where the employee forms will be held (not at CMHSP) <p>Employer decides who will help them interview, if needed</p>	CSM, SC, SCA or Broker
Employer Interviews	<ul style="list-style-type: none"> • Employer interviews potential employees and gets forms signed and application filled out • Employer calls potential employee's references and decides whether to employ the person interviewed • Employer provisionally employs applicants pending results of background check 	Designee, CSM, SC, SC Assistant or Broker, all as desired or needed by the employer
Background & Driving Checks	<ul style="list-style-type: none"> • Employer determines whether potential employee will drive • Employer sends filled out release forms to FMS • FMS will send in request(s) for background check, driving record (if wanted), and credentialing if hiring a professional provider (doctor, nurse, OT, etc.) • Requirements in addition to the Medicaid exclusion list are not allowed. • When background check results are returned, the CMHSP will review with employer and help employer (if needed) decide whether to continue or terminate employee 	Designee, CSM, SC, SC Assistant or Broker, if needed FMS Employer or Designee, and SC, SC Assistant or Broker, all as desired or needed by the employer

Task	Method	Support Personnel
<p>Background & Driving Checks <i>(continued)</i></p>	<ul style="list-style-type: none"> ✓ The only offenses (Medicaid exclusions) in the background check that would prevent an employee to continue employment are those set by the Center for Medicaid & Medicare Services. They are: ✓ 42 USC a – Mandatory Exclusions <ul style="list-style-type: none"> ▪ Crimes related to program delivery ▪ Crimes related to “patient” abuse ▪ Felony convictions related to health care • Felony convictions related to controlled substance abuse 	
<p>Hiring Employees</p>	<p>All hiring must be in accordance with all applicable DOL and/or Medicaid standards². The Background check must be approved, if not, employer sends no thank you letter.</p> <ul style="list-style-type: none"> • Employer fills out and obtains employee agreements for each new hire • Select start date and notify employee of start date in writing <ul style="list-style-type: none"> ✓ Employer develops a schedule and a back-up plan in case employees are not able to work as scheduled 	<p>Employer or Designee, CSM, SC, SC Assistant or Broker</p>
<p>Training</p>	<p>The employer must be given a full curriculum from which they can select any training in addition to Medicaid required training.</p> <p>The PIHP/CMHSP cannot impose additional training requirements beyond Medicaid required training. See training section above.</p> <ul style="list-style-type: none"> • An example of a system that is not a barrier is: <ul style="list-style-type: none"> ✓ A ‘Rapid Training’ system where employees can meet basic training requirements (documentation, IPOS, basic first aid) in a modified curriculum, allowing them to begin working while having an extended period of time from start date (i.e. 60-90 days) to take any required training modules ✓ Training (time and travel) will be paid for as identified in the budget • Assist the employer, if desired, to develop a training plan <ul style="list-style-type: none"> ✓ Training on the IPOS must be included in the training plan and must be updated as IPOS is updated 	<p>PIHP and CMHSP</p> <p>Designee, CSM, SC, SC Assistant or Broker</p> <p>Employer or Designee</p> <p>CSM, SC, SCA or Broker</p>

Task	Method	Support Personnel
<p>Training (continued)</p>	<ul style="list-style-type: none"> ✓ Teach employer or their designee how to train others about their plan of service (IPOS) ✓ Documentation that training was provided to the employer or employer’s designee as required, an employer, designee/lead staff trained by the case holder is then qualified train other employees <p>Subsequent training may be provided by the employer or designee. This includes any updates needed.</p>	
<p>Time Sheets and Documentation</p>	<p>The employer has the authority to review and approve employee timesheets. The employer will decide through the person-centered planning process how their staff will document services provided. The employer will review supporting Medicaid documentation to ensure it meets their standard.</p> <p>The PIHP/CMHSP does not have authority to preemptively review or approve timesheets but does have oversight for administrative purposes. Timesheets must be submitted directly to the FMS.</p> <ul style="list-style-type: none"> • An individualized process for gathering and storing documentation of the services provided should be held by the employer, their designee, or CMHSP for review upon request. • The employer is responsible to review and approve timesheets according to the established payroll schedule, ensuring documentation is provided to the FMS within established timelines. <ul style="list-style-type: none"> ✓ The timesheet must include the employee providing the service, the type of service, the time the service started and ended, the date, and the employee and employer’s signature. • The FMS provider is responsible for paying accurate and complete timesheets submitted by the employer. The FMS is not responsible for reviewing supporting Medicaid documentation, or making determinations for appropriateness of this documentation. <ul style="list-style-type: none"> ✓ The FMS should not be sent supporting Medicaid documentation. 	<p>Employer or their Designee</p> <p>Employer and, Designee, CSM, SC, SC Assistant or Broker</p> <p>Employer or their Designee</p> <p>Employer or Designee and Employee</p> <p>FMS</p> <p>Employer or Designee and SC, SC Assistant or Broker</p> <p>SC, SC Assistant or Broker</p>

Task	Method	Support Personnel
Time Sheets and Documentation <i>(continued)</i>	<ul style="list-style-type: none"> • The employer, CMHSP and FMS must partner to address any concerns in accordance with all applicable Department of Labor and/or Medicaid standards. <ul style="list-style-type: none"> ✓ While the CMHSP is not the employer, they have a responsibility to ensure Medicaid documentation and qualification requirements are being met. It is the responsibility of the CMHSP to conduct periodic clinical documentation review to ensure Medicaid standards are being met. ✓ PIHP or CMHSP is responsible for ensuring the employer and employee are trained in these standards. <p>Required documentation on timesheets must meet Medicaid documentation standards</p>	
Ongoing Support with Tasks	<p>Within the Direct-Employment model, instances will occur when the employer, the CMHSP, and the FMS must work in partnership to ensure concerns are addressed. Support may be needed to:</p> <ul style="list-style-type: none"> • Assist the employer with training about any changes in the IPOS • Review monthly financial statements from FMS • Resolve any staff performance concerns including but not limited to timeliness, no-shows, communication, etc. 	Employer or Designee and CSM, SC, SC Assistant or Broker, and FMS

B. TIMESHEET/DOCUMENTATION IN THE DIRECT EMPLOYMENT MODEL

The employer has sole authority to review and approve employee timesheets and supporting Medicaid Documentation. The PIHP/CMHSP does not have authority to preemptively review or approve timesheets. Timesheets must be submitted directly to the FMS. Supporting documentation should be held by the employer for review by the PIHP/CMHSP upon request.

The employer is responsible to review and approve timesheets according to the established payroll schedule, ensuring documentation is provided to the FMS within established timelines. The timesheet must include the employee providing the service, the type of service, the time the service started and ended, the date of service, and the employee and employer's signature.

The FMS provider is responsible for paying accurate and complete timesheets submitted by the employer. The FMS is **not** responsible for reviewing supporting Medicaid documentation or making determinations for appropriateness of this documentation. The FMS should not be sent supporting Medicaid documentation. It is the responsibility of the CMHSP to conduct periodic clinical documentation review to ensure Medicaid standards are being met.

Required documentation that corresponds to timesheets must meet Medicaid documentation standards. The PIHP/CMHSP is responsible for ensuring the employer and employee is trained in these standards. The employer will decide how their staff will document services provided, using the individual-centered planning process. The employer determines how documentation is organized, as long as the documentation:

- Meets Michigan’s Medicaid rules
- Is complete, concise, and accurate, including the face-to-face time spent providing services
- Is legible, signed, and dated

To assure the chosen documentation method is person-centered and directed by the employer, their chosen documentation method must be documented within the IPOS or Self-Determination Agreement.

The employer and CMHSP/FMS must partner to address concerns in accordance with all applicable DOL and/or Medicaid standards. While the CMHSP is not the employer, they have a responsibility to ensure Medicaid documentation and qualification requirements are being met. The CMHSP should work to ensure transparent systems are in place to support the employer in addressing Medicaid concerns related to their employees.

Within the Direct-Employment model, instances will occur when the employer and CMHSP/FMS must work in partnership to ensure concerns are addressed. Some examples of these are:

- The worker does not/no longer meets provider qualifications
- Concerns related to acceptable Medicaid documentation
- The employer of record is not following Medicaid requirements
- Documentation is inconsistent with timesheets
- Incomplete trainings
- Fraud, waste, abuse

IX. THE AGENCY SUPPORTED SELF-DIRECTION MODEL

The agency in this model must be in-network with the PIHP/CMHSP. In this model of self-direction, an FMS is not utilized. The exception being, if the individual chooses a non-contracted agency, an individual must use a Purchase of Service Agreement and FMS. After a Purchase of Service Agreement is completed, implementation is the same as the Agency Supported Self-Direction Model described below.

In the Agency Supported model of self-direction, the individual serves as a ‘managing employer’, but does not have full employer authority. The ‘Agency’ serves as employer of record and is responsible for the administrative aspects of employment as determined by the individual (i.e. determining pay rate, benefits, paying payroll, taxes, worker’s comp, etc.). Workers in this model are employees of the Agency but are managed by the individual and are referred to as ‘workers’, in relation to the individual.

In this model, the individual may identify a worker and connect them to the Agency or receive assistance from the Agency in identifying an available pool of employees to choose from. The agency may decline to retain a worker selected by the individual if there is a demonstrated concern that the worker is unable to complete required duties. The agency may set personnel policies for workers to follow but shall not penalize the individual or worker if the individual decides to pursue the Direct Employment Model. The Agency must be clear about its role with both the worker(s) and the individual, and refrain from intruding upon the individual’s role in managing workers, instead supporting them by making him or her aware of challenges and offering assistance in problem solving.

The Agency must be a staffing agency that is properly oriented as a business, meets all applicable Medicaid provider requirements, maintains all required professional and business liability insurance, and meets all Medicaid documentation requirements. **Note: The following agencies may not be Agency Supported Self-Determination providers: FMS, PIHPs, CMHSPs, and their subsidiaries or affiliated agencies.**

As in the Direct Employment Model, the individual and the agency have roles and responsibilities within the Agency Supported Self Direction Model. While an agency will have the ultimate say in who will work for that agency and how long, the individual who self-directs this service will have as much or as little role in employment as they choose. What responsibilities the individual takes on will be up to them, so having an agency that understands the flexibility of Self-Directed Services will be important to giving people a wide range of abilities through that agency.

A. AGENCY SUPPORTED SELF-DIRECTION MODEL

This chart shows each agreement that needs to be signed by which party for this model of Self-Direction

	Individual w/ SDS	CMHSP	FMS	Employee/ Provider
Self-Determination Agreement	X	X		
Medicaid Provider Agreement		X		X
Employment Agreement	NA			
Purchase of Service Agreement	NA			
FMS Agreement	NA			
Agency Supported Self-Directed Services Provider Agreement	X	X		X
Job Description	X			X

X. PURCHASE OF SERVICE MODEL

A Purchase of Service Model is utilized when an individual chooses a non-contracted Provider Agency or Professional provider (an example of a professional provider would be Occupational Therapy, Nursing, Psychiatric, etc.). In this model an individual budget and FMS are required. The individual may choose any qualified provider and will partner with the CMHSP to ensure their chosen provider meets all applicable Medicaid and professional requirements.

The CMHSP/PIHP must have an established transparent process for people to access providers in this model. The CMHSP cannot require the provider to become a contracted/panel provider, nor can the CMHSP require the Purchase of Service provider meet additional CMHSP contracted provider credentialing or training requirements. Training requirements must not exceed established Medicaid Provider Requirements. The provider must meet all applicable Medicaid provider requirements, maintain all required professional and business liability insurance, and meet all Medicaid documentation requirements.²

² Provider Qualifications can be found here: https://www.michigan.gov/documents/mdhhs/PIHP-MHSP_Provider_Qualifications_530980_7.pdf

Rates for services within this model may be guided by the CMHSP/PIHP and not conflict with the CMHSP/PIHP established contracts rates for the same service. For this reason, full budget control may not be possible in this model. Budget and hour flexibility will remain.

Credentialing for a professional provider should be completed by the CMHSP and forwarded to the FMS, as provider requirements for ‘professional’ services are unique to each service and typically higher than those of a direct support professional/aide level. Credentialing for professional services should be the same Medicaid credentialing requirements for the service they are providing.

As with the Direct Employment and Agency Supported Models, the individual, the FMS and the CMHSP have roles and responsibilities.

A. THE INDIVIDUAL WILL:

- Enter into a Purchase of Service Agreement with the provider
- Ensure service provision
- Set the provider Schedule
- Develop the Job Description
- Review and Approve Timesheets and Medicaid documentation

B. THE FMS WILL:

- Pay invoices, as approved by the individual
- Issue monthly budget reports
- Issue a 1099 to the provider
- Complete the billing to the CMHSP
- Receive a completed W-9 to pay invoices

C. THE CMHSP WILL:

- Credential all Purchase of Services providers
- Enter into Medicaid Provider Agreement with each provider
- Monitor service delivery

D. PURCHASE OF SERVICE MODEL

This chart shows each agreement that needs to be signed by which party for this model of Self-Direction

	Individual w/ SDS	CMHSP	FMS	Employee/ Provider
Self Determination Agreement	X	X		
Medicaid Provider Agreement	X	X		
Employment Agreement	NA			
Purchase of Service Agreement	X			X
FMS Agreement		X	X	
Agency Supported Self- Directed Services Provider Agreement	NA			
Job Description (optional)	X			X

XI. AGREEMENTS

Self Determination Agreement – This agreement is between the CMHSP and the individual (or representative) and describes the responsibilities of the parties, delivery of services, funds used and any limitations on their use, as well as conditions for ending the Self-Directed Arrangement.

Medicaid Provider Agreement – This agreement is between the CMHSP and any Medicaid provider to be paid with Medicaid funds.

Employment Agreement – This agreement is between the employer of record and their directly employed staff.

Purchase of Service Agreement – This agreement is between the employer of record and a directly contracted professional provider or agency.

Job Description – This is a job description specific to whatever position is being hired by the employer (individual). This document will outline job duties and responsibilities including specific roles and tasks specific to supporting the employer.

FMS (formerly Fiscal Intermediary) Agreement – This agreement is between the PIHP or CMHSP and the FMS provider and sets forth the scope of FMS services. This is now typically done through a contract.

Agency Supported Self Direction Provider Agreement – This agreement is between an agency and the individual and outlines the agreement of what duties will be taken on by the individual and what duties will remain with the agency.

For samples of each agreement please see the Appendices C-H at the end of the document.

XII. LIMITING OR TERMINATING SELF-DIRECTED SERVICE ARRANGEMENTS

Ending a self-directed arrangement by a PIHP/CMHSP is not a Medicaid Fair Hearings issue. Only a change, reduction, or the ending of Medicaid services can be appealed through the Medicaid Fair Hearings Process. Ending Financial Management Services (formerly fiscal intermediary) can be appealed through the Medicaid Fair Hearings Process.

The CMHSP's role in a self-directed services arrangement is to support the individual as an employer and provide oversight – monitoring health and safety, responsible budget management and proper use of Medicaid funds. Limiting or terminating an arrangement is done in terms of removing the source of funding. The CMHSP can never take away someone's self-determination, only the funding to self-direct services. Ending self-directed services, by itself, shall not change the medically necessary services provided to the individual. The PIHP/CMHSP shall provide all medically necessary services to the individual as identified in the IPOS. In any instance of PIHP/CMHSP termination, the individual must be provided a written explanation of applicable appeal, grievance, and dispute resolution processes and (when required) appropriate notice.

Version 2.2 changed on page 16 (a) iii.: "It is solely at the discretion of the employer if they choose to check the driving record of potential employees." To "It is the discretion of the employer if potential employees will drive as part of their employment. Any decision based on results of a driving record will be made by the employer."

This is because currently in Michigan there is no other way to determine if a driver's license is valid (not suspended or restricted) without a driving record check.

APPENDIX A: FINANCIAL MANAGEMENT SERVICES (FORMERLY FISCAL INTERMEDIARY)

A. BACKGROUND

The purpose of this appendix is to clarify the qualifications, role, and functions of entities that provide Financial Management Services (FMS) and the requirements Prepaid Inpatient Health Plans/Community Mental Health Service Programs (PIHP/CMHSPs) have in procuring and contracting FMS.

Financial Management Services are essential for providing financial accountability and Medicaid integrity for the budgets authorized for individuals using self-directed services. Entities that provide FMS provide critical support to individuals who use self-directed services that allow them to control and manage their arrangements effectively. The primary role of the FMS is to provide fiscal accountability for the individual budget. The FMS does not develop the individual budget or direct how services and supports are used. It ensures the payments correspond with budget and time/amount of services delivered.

With self-directed services, authority for use of public funds is delegated to the individual using services and supports. The individual has a responsibility to use the funds consistent with the Individual Plan of Service (IPOS) and individual budget. There are best practices that must be followed to ensure the budget is not exceeded. Methods to address potential budget overages are listed in the Best Practices Table in the Appendix.

B. PIHP/CMHSP REQUIREMENTS

- Each PIHP must ensure there are at least two FMS providers within the region and ensure access to all impaneled FMS providers. When procuring and contracting with FMS providers, the PIHP must ensure that the FMS providers meet all of qualifications in this technical requirement, as well as Medicaid provider requirements.
- The PIHP/CMHSP must facilitate and ensure access to individual choice of FMS providers within the region.
- The PIHP/CMHSP also must assure that FMS providers are oriented to and supportive of the principles of self-direction and able to work with a range of people's styles, characteristics, and abilities.
- PIHP/CMHSPs have an obligation to identify and require remedy to any conflicts of interest that interfere with the role of FMS.
- PIHP/CMHSPs must ensure contracts with FMS providers identify the scope and functions of the FMS consistent with MDHHS policy, technical requirements, and Medicaid Provider Manual.
- PIHP/CMHSPs must require indemnification and professional liability for non-performance or negligent performance of FMS duties.
- PIHP/CMHSPs must identify a contact individual/lead for self-directed services at the FMS entity for troubleshooting problems and resolving disputes.
- The PIHP/CMHSP must provide the individual using FMS services and their allies the opportunity to provide input into the development and scope of the FMS services and the implementation of those services for that individual.
- In addition to the required functions identified below, PIHP/CMHSPs may choose to contract with the FMS providers to assist with other supportive functions such as verification of employee qualifications, background checks, provider qualification checks, tracking training completion, and driving record checks.

- In addition to contracting and procurement, each PIHP/CMHSP must monitor the performance of FMS providers on an annual basis like the performance monitoring of other service providers. Minimally, this annual performance monitoring must include:
 - ✓ Verification that the FMS is fulfilling contractual requirements
 - ✓ Verification of demonstrated competency
 - ✓ Verification that indemnification and required insurance provisions are in place and updated as necessary
 - ✓ Evaluation from individuals using FMS including experience and satisfaction data and other performance measurements that includes alternate data collection methods (more than mailed surveys)
 - ✓ Audit of a random sampling of individual budget reports to compare authorizations versus expenditures

C. REQUIRED QUALIFICATIONS FOR FMS PROVIDERS

FMS providers must have a proven track record of managing and accounting for funds. These entities must be independent and free from conflicts of interest. They cannot be a provider of any other mental health services and supports or any other publicly funded services. Neither providers of other covered services to the beneficiary, family members, or guardians of the beneficiary may provide financial management services to the beneficiary.

D. REQUIRED FINANCIAL MANAGEMENT SERVICE FUNCTIONS

Financial Accountability Functions

For all individuals using self-directed services and families of minor children using choice voucher arrangements, providers of FMS services must:

Verify invoices/timesheets with individual budget authorization

Pay only invoices approved by the individual or their designee (or family of a minor child) for services and supports explicitly authorized in the individual budget.

Track and monitor individual budget expenditures and identifying potential over- and under-expenditures that minimally includes the following:

Provide monthly budget reports to the assigned contact at the PIHP/CMHSP identified in the of the previous month.

Contact the CMHSP contact or lead by phone or e-mail for an over expenditure of 10 percent of the budget authorization prior to making payment for that expenditure

Have policies and procedures in place to assure:

- Adherence to federal and state laws and regulations (including requirements related to Medicaid integrity)
- Compliance with documentation requirements related to management of public funds.
- Fiscal accountability for the funds in the individual budgets
- Timely invoicing, service activity, and cost reporting to the PIHP/CMHSP for services as required by the contract.

E. EMPLOYER AGENT FUNCTIONS (FMS)

For all individuals using self-directed services and directly employing staff, the FMS act as the Employer Agent. This role includes withholdings and payments of federal, state, and local taxes, procuring worker's compensation coverage, unemployment compensation fees, wage settlements, and fiscal accounting. The FMS must meet the requirements of state and local income tax authorities and unemployment insurance authorities. The Employer Agent functions include:

- Obtain documentation from the individual and file with the IRS so that the FMS can serve as Employer Agent
- Verify timesheets for directly employed workers with authorized budget
- A process to address over-expenditures that exceed 10 percent of the total budget.
- Issue payroll payments to directly employed workers for authorized services
- Withholding of State and Federal Income, Social Security, and Medicare taxes from payroll payments and make payments to the appropriate authorities
- Payments for unemployment taxes and worker's compensation insurance to the appropriate authorities, when necessary
- Issue W-2 forms, 1099s, and other necessary tax statements
- Assist the individual to directly purchase worker's compensation insurance, as required.

F. CLAIMS AND PAYMENTS

Every effort should be made to proactively avoid any issue with non-payment of providers, claims and budget utilization. At least once every quarter the EOR should engage in a complete review of budget utilization. If needed, the EOR may ask CMHSP/Support Broker for assistance on strategies to stay within budget. No later than 3 months prior to end of authorized budget period, the EOR and FMS should review budget utilization and, if needed, develop utilization plan for the remainder of budget period. CMHSPs should follow claims guidance in their contracts to work with the FMS provider to fix any claim issue.

APPENDIX B: BEST PRACTICES FOR PROBLEM SOLVING FOR ANY SELF-DETERMINATION MODEL

XIII. ISSUE	Best Practice	Responsible Party
<p>Provider Qualifications: The Employer of Record (EOR) must be made aware of all mandatory background and optional driving record results for current and potential employees. The CMHSP/PIHP does not have authority over hiring decisions. They do, however, have a responsibility to ensure the EOR is aware of Medicaid Provider Qualifications and how to apply the Medicaid Exclusion List.</p>		
<p>Background Record Results</p>	<p>All background check decisions must be made in accordance with the Medicaid mandatory/historically limited exclusion list. Hiring decisions based on any result not covered in this list are at the sole discretion of the EOR. The EOR will document these decisions using an acknowledgement form.</p>	<p>Employer</p>
<p>Driving Record Results</p>	<p>If a driving record is checked, the EOR has sole discretion to make hiring decisions or employment restrictions based on these results. For example, an EOR may choose to limit an employee's driving responsibilities based on these results. In these instances, any restrictions should be documented in employee specific Employment Agreement/Job Description.</p>	<p>Employer</p>
<p>Substantiated Recipient Rights Violation</p>	<p>Any substantiated ORR violations should be reviewed by the EOR and CMHSP. The CMHSP has the responsibility to minimize serious health and safety risks. If the CMHSP has valid concerns the employer of record would be abused, neglected or otherwise put in serious danger, CMHSP may notify the Employer of Record that they can still choose to hire the potential employee however, CMHSP will not be able to fund that employee's payroll.</p>	<p>CMHSP</p>
<p>Provider Qualifications</p>	<p>An EOR may not hire staff through the SD Arrangement who do not meet Medicaid qualifications (i.e. is guardian for the individual being supported, not 18 years old, etc.) If an EOR attempts to hire an employee who does not meet Medicaid Provider Qualifications, written direction will be provided stating Medicaid funds cannot be used for services provided by this employee. The EOR may use this individual as a natural support.</p>	<p>CMHSP/ FMS</p>

Issue	Best Practice	Responsible Party
Budget: EOR must be made aware of the parameters on wages in the budget.		
Wage and Benefits Decisions	<p>EOR has sole authority of determining pay wages, within established budget parameters.</p> <p>EOR coordinates with FMS on all wage and benefit decisions and adjustments. FMS is responsible for informing EOR if a wage or benefit decision falls outside of approved budget.</p> <p>The employer will decide the wage range and benefits based on the rate cap for their budget based on CMHSP authorizations.</p>	
Budget Over-Utilization	<p>Monthly Budget/Spending Report: This is a tool for all parties to use when working to stay within budget. The FMS must have report sent to the EOR and CMHSP by 10th of the month.</p> <p>EOR and CMHSP are responsible for consistently reviewing the report and working collaboratively, when appropriate, to ensure the budget is not exceeded.</p> <p>If the budget report is trending toward over-utilization, FMS must notify EOR and CMHSP.</p> <p>At least once every quarter EOR should engage in a complete review of budget utilization. If needed, the EOR may ask the CMHSP/Support Broker for assistance on strategies to stay within budget. No later than 3 months prior to end of the authorized budget period, the EOR and FMS should review budget utilization and, if needed, develop utilization plan for remainder of budget period.</p> <p>Common Issues</p> <p><u>Over Time (OT) Usage</u> If budget overage is caused by unexpected use of OT, EOR will need to adjust hours used, or reduce budget elsewhere, to cover additional cost of OT.</p> <p><u>Over-utilization of hours</u> EOR must adjust service unit/hour utilization for remainder of budget period to balance overage.</p>	EOR, FMS, CMHSP
Staff working Overtime	<p>Timesheets reviewed and approved by both the employee and employer are to be paid by the FMS, in accordance with an established payment schedule. This includes unexpected or unplanned Over Time hours that have been approved by the employer.</p> <p><i>(exceptions to this must be within DOL regulations and communicated in advance of action taken to the employee and employer)</i></p>	EOR, FMS

Issue	Best Practice	Responsible Party
Staff working Unexpected Hours	<p>The EOR and CMHSP/PIHP should work together when unexpected OT occurs to responsibly manage the funds within the approved budget. The CMHSP/PIHP may not intervene with FMS payment of timesheets. For example, no PIHP/CMHSP entity can deny payment for hours an employee has worked. No entity will violate DOL regulation by intervening in the payment of lawfully worked hours. See over time usage for specifics on addressing unexpected over time.</p> <p>The FMS will ensure that all DOL regulations are followed when completing payroll on behalf of employer.</p>	
Resolving Claims Issues	<p>CMHSPs should follow claims guidance in their contracts to work with FMS provider to fix any claim issue.</p> <p>Claim issues should not impact payment of employees.</p>	CMHSP/FMS/EOR
Training		
Late Training	<p>Employers should be assisted to be proactive to avoid late training. FMS or others can help to track training and set reminders for those needing training for 4 months in advance of expiration. CMHSP can work in partnership with FMS to proactively avoid any missed training dates. By ensuring training systems are not barriers to being able to self-direct services, procedures can be put in place to assure services can run smoothly. For example, rapid training, or online options are a good way to ensure staff can stay current in their qualifications.</p>	Employer, CMHSP, FMS
Non-compliant Staff	<p>Staff who are trying to maintain compliance are different than non-compliant or non-responsive to training. In situations where non-compliance is an issue, the employer must be made aware and has the responsibility to provide supervision as they see fit, which can include temporary suspension. If after the employer has attempted to resolve the issue, the EOR can request assistance from the CMHSP to use the authority of the Medicaid Provider Agreement to encourage staff to complete training. This can mean temporary suspension of the Medicaid Provider Agreement, which will force a stoppage of work until training is completed. The CMHSP should document the terms of the suspension in writing for the employee.</p>	Employer, CMHSP
Mismanagement of SD Arrangement by EOR		
Supervision of Employees	<p>If an EOR is struggling with supervision of employees, the EOR may request assistance from the CMHSP. CMHSP should provide training and modeling for EOR in supervision skills and may provide in-person individual support during meetings. CMHSP may also assist EOR to engage their family/friends/allies in assisting with employer responsibilities, including supervision.</p> <p>CMHSP must not provide supervision in the EOR's place.</p>	EOR and CMHSP

Issue	Best Practice	Responsible Party
<p>Medicaid Documentation The CMHSP/PIHP must ensure the EOR is trained in Medicaid documentation standards for their employees. The EOR has responsibility to ensure employees are meeting established Medicaid documentation standards, including timeliness of documentation submission. (These responsibilities should be detailed in the SD Agreement).</p> <p>While the CMHSP is not the employer and does not have authority over hiring/firing decisions, if robust collaboration with employer on significant employee issues fails (i.e. refusal to take training), the CMHSP/PIHP does have authority to terminate Medicaid Provider Agreement with any employee</p>		
<p>Concerns related to acceptable Medicaid documentation</p>	<p>EOR and CMHSP must review clinical Medicaid documentation to ensure services are provided in accordance with IPOS.</p> <p>If CMHSP finds documentation does not support IPOS goals ongoing and consistently, CMHSP will inform EOR, who has responsibility to ensure staff document according to established Medicaid standards.</p>	<p>EOR and CMHSP</p>
<p>Late/ Inconsistent Timesheet Submission</p>	<p>The employer will decide how their staff will document services provided, using the individual-centered planning process. The employer determines how documentation is organized, as long as the documentation:</p> <ul style="list-style-type: none"> • Meet Michigan’s Medicaid rules • Is complete, concise, and accurate, including the face-to-face time spent providing services • Is legible, signed, and dated <p>To assure the chosen documentation method is individual-centered and directed by the employer, their chosen documentation method must be documented within the IPOS or the SD Agreement.</p> <p>CMHSP should train or retrain employer of record. Training could also be provided to an individual designated by that employer who would then be responsible to train other staff.</p> <p>In instances where the employer has addressed the issue through supervision, they can request assistance from the CMHSP to use the Medicaid Provider Agreement to temporarily suspend the employee.</p>	<p>Employer, CMHSP, FMS</p>
<p>Overlapping timesheets</p>	<p>FMS contacts EOR.</p> <p>EOR is responsible for reviewing and approving all timesheets and documentation. EOR is responsible for ensuring accuracy in all documentation submitted for payment.</p> <p>EOR is expected to provide staff supervision to ensure timely and accurate submission of timesheets and Medicaid documentation.</p>	<p>EOR, FMS</p>

Issue	Best Practice	Responsible Party
<p>Fraud, waste, abuse The EOR and CMHSP have joint responsibility to ensure documentation for services within the SD Arrangement meet Medicaid requirements. The EOR and FMS have joint responsibility to ensure timesheets are accurate. Cases of suspected fraud/waste/abuse will involve compliance, OIG, ORR, etc. and all decisions may not be under the CMHSP authority.</p>		
<p>Suspected Fraud, Waste, Abuse by EOR</p>	<p>During investigations of Suspected fraud, waste, or abuse by an EOR or the individual, the CMHSP must takes steps to ensure medically necessary services continue without interruption. This may include increased oversight and monitoring of service delivery, temporary addition of provider-controlled services, or temporarily suspending the arrangement and replacing with provider-controlled services.</p> <p>The least restrictive option must be utilized during the investigation.</p>	
<p>Confirmed Fraud, Waste, Abuse by EOR</p>	<p>If, following a thorough and complete investigation, there is CONFIRMED Fraud, Waste or Abuse on the part of the EOR or the individual, the CMHSP may act. Each circumstance should be handled individually.</p> <p>In instances of unintentional fraud, waste, or abuse, the CMHSP may choose to provide the employer with in-depth counseling related to Fraud/Waste/Abuse and implement heightened oversight of documentation and service delivery, rather than terminating the SD Arrangement.</p> <p>In instances of intentional fraud, waste, or abuse, the CMHSP should take steps to end the arrangement.*</p> <p>If the arrangement ends, CMHSP must engage in robust planning with EOR/ and team to ensure no interruption to services occurs. Services may not be limited or terminated because of the ending the SD Arrangement. The decision to end the arrangement must be detailed, in writing, to the individual.</p> <p>*It is worth noting that the decision to end the arrangement may not fall within CMHSP authority, but may instead be determined by an outside agency, (such as the OIG). Decisions made in these cases do not absolve the CMHSP from the need to engage in planning to ensure services continue without interruption.</p>	<p>EOR, CMHSP, FMS</p>

Issue	Best Practice	Responsible Party
Suspected Fraud, Waste, Abuse by Employee	<p>In instances of SUSPECTED Fraud, Waste or Abuse by an employee, the EOR may temporarily suspend the employee from working during the investigation.</p> <p>The CMHSP may elect to temporarily suspend the employee's Medicaid Provider Agreement until the completion of the investigation (meaning the employee would not be able to provide Medicaid services during the investigation).</p> <p>The employer and employee must fully cooperate with any investigation into suspected fraud, waste, or abuse. Refusal to willingly participate may lead to termination of Medicaid Provider Agreement or Self Determination Agreement.</p>	EOR, CMHSP
Confirmed Fraud, Waste, Abuse by Employee	<p>If, after a thorough and complete investigation, there is CONFIRMED Medicaid Fraud, Waste or Abuse on the part of the employee, action may be taken.</p> <p>The EOR may act against employment, up to terminating the employee.</p> <p>If EOR does not terminate employment, CMHSP has authority to terminate Medicaid Provider Agreement.</p> <p>Each circumstance should be handled individually. There may be instances where the action was unintentional. In these instances, CMHSP may choose to provide the employee and employer within depth counseling related to Fraud/Waste/Abuse and implement heightened oversight of documentation and service delivery, rather than terminating the Medicaid Provider Agreement.</p>	Employee

APPENDIX C: SELF-DIRECTED SERVICES AGREEMENT PROTOTYPE

The prototype agreements provided in Appendix C should not be used, “as is.” They are presented as technical guidance only for the PIHPs/CMHSPs and individuals using services to use as starting points for the parties, with their local counsel, to develop individualized and locally viable agreements.

A. SELF-DIRECTED SERVICES AGREEMENT

The Self-Directed Services Agreement is a contract that defines the roles and responsibilities of the parties of the PIHP/CMHSP and an individual using self-directed services. This prototype agreement can be used as a template for PIHPs/CMHSPs to create local agreements that meet their unique needs.

The purpose of Self-Directed Service Agreement:

- Describe the responsibilities of the PIHP/CMHSP, including ways that the PIHP/CMHSP can support the individual in creating and using self-directed services
- Describe the authority and responsibilities of the individual
- Describe how the agreement, the IPOS, or the individual budget can be changed
- Describe the financial management service arrangements

B. SAMPLE PROTOTYPE

Self-Directed Services Agreement

Notes in bold, italics and brackets are places where specific information must be inserted. To make the agreement clearer for the individual, his or her name should be substituted for the term “individual” throughout the document.

This agreement is made on **[insert date]** between **[insert name of PIHP/CMHSP]** (“PIHP/CMHSP”) and **[insert name of individual]** (“individual”). The PIHP/CMHSP authorizes services and supports to individuals receiving mental health specialty services and supports and the individual is using self-directed services to access those supports. These arrangements include using the individual-centered planning process to determine the appropriate service and supports, develop an Individual Plan of Service (IPOS), and authorize an individual budget.

The purpose of this agreement is to define the responsibilities of the parties using self-directed services. This agreement may be changed only through a written agreement by both parties. Termination of this agreement does not affect the individual’s right to access services and supports through the PIHP/CMHSP. The individual has the right to local dispute resolution processes provided by the PIHP/CMHSP.

Funds in the individual budget are the responsibility of the PIHP/CMHSP and must be used consistently with Medicaid requirements. Providers must meet provider requirements and sign a Medicaid Provider Agreement with the PIHP/CMHSP. The authority over control and direction of the funds is delegated by the PIHP/CMHSP to the individual to enable the individual to use his or her services and supports in a way that best meets his or her needs.

The budget will be administered by the financial management service (FMS) **[insert name and contact information for the financial management service provider]**, which will be responsible for completing and submitting paperwork for billing, payment for services when authorized by the individual, and handling the employer agent function. The financial management service will provide a monthly spending report to the individual and the PIHP/CMHSP.

Article I—PIHP/CMHSP RESPONSIBILITIES

The PIHP/CMHSP agrees to the following responsibilities:

1. Fund services and supports in the IPOS and the individual budget.
2. Inform the individual of the Medicaid requirements for providers (such as age, and relationship to individual).
3. If needed, assist the individual with obtaining required agreements from each provider.
4. Provide information on the documentation and reporting requirements for services and supports obtained through self-direction.
5. Provide monthly assistance in monitoring expenditures and reviewing financial reports.
6. Provide the individual with information on applicable dispute resolution procedures.
7. The PIHP/CMHSP will:
 - Work with the individual to develop an IPOS and an individual budget through a person-centered planning process.
 - Work with the individual to develop a back-up plan for essential services in case of worker absences, emergencies, or unforeseen circumstances.
 - [Insert other specific supports coordination roles to be provided by the PIHP/CMHSP.]

Article II—INDIVIDUAL'S RESPONSIBILITIES

The individual agrees to:

1. Directly manage all, or a portion of, his or her services and supports.
2. Directly hire or contract with employees or providers who meet provider requirements.
3. Use services and supports consistent with the goals in the IPOS.
4. Provide the PIHP/CMHSP and/or the financial management service with all necessary documentation supporting expenditures of funds authorized in the individual budget.
5. Manage the use of funds so that expenses over the course of the year do not go over the individual budget.

6. Let the PIHP/CMHSP know of a change in circumstance or an emergency that may require a change in the IPOS or the individual budget.
7. When requested to do so, the individual agrees to provide feedback to the financial management service or PIHP/CMHSP to enable them to improve financial management service services.

The **PIHP/CMHSP** and **individual** agree to the terms and conditions of this agreement.

Individual* Date

PIHP/CMHSP Representative Date

* Some individuals may have a guardian or a chosen legal representative. If the individual has a guardian or a chosen legal representative, **a place should be inserted for that individual to sign** and the appropriate documentation verifying that individual's authority should be attached to that agreement.

APPENDIX D: FINANCIAL MANAGEMENT SERVICE AGREEMENT PROTOTYPE

A. FINANCIAL MANAGEMENT SERVICE AGREEMENT

The purpose of this sample contract is to define the roles and responsibilities of the PIHP/CMHSP and the financial management service in the use of the financial management service to perform a number of essential tasks that support individuals using self-directed services to access mental health specialty services and supports while assuring accountability for the public funds allotted to support those arrangements. The use of a financial management service assures the opportunity for individuals using self-directed services to control and direct the use of funds allocated in their budgets in order to acquire supports and services to accomplish the goals and purposes of their IPOS, developed through the person-centered planning process. This prototype should be used to develop a specific agreement for use locally.

The provisions of this Agreement:

- Explains the role of the financial management service in supporting self-direction for individuals
- Describes the duties of the PIHP/CMHSP
- Describes the duties of the financial management service

B. AGREEMENT PROTOTYPE

Financial Management Service Agreement

Notes in bold, italics and brackets are places where specific information must be inserted.

This agreement is made on [Insert date between **[Insert name of PIHP/CMHSP]** (the “PIHP/CMHSP”) and **[Insert name of financial management service]** (the “financial management service”). The purpose of this contract is to define the roles and responsibilities of the parties in the use of the financial management service’s services to assure the opportunity for individuals using self-directed services to control and direct the use of funds allocated in their budgets in order to acquire supports and services to accomplish the goals and purposes of their plans of service developed through the individual-centered planning process.

This contract shall remain in effect until it is terminated or modified. Any party can initiate a termination or modification by providing 30 days written notice to the other party.

This agreement supersedes any previous agreements between these two parties. This agreement is entered into under authority granted by Public Act 258 of 1974, as amended, and in accordance with the rules and regulations of the Michigan Department of Health and Human Services adopted and promulgated under:

Act 258. The PIHP/CMHSP policies shall govern in any area not specifically covered in this Agreement and are available from the PIHP/CMHSP for review upon request.

The requirements for the FMS are described in the Financial Management Service Technical Requirement

Article I - PIHP/CMHSP RESPONSIBILITIES

The PIHP/CMHSP agrees to the following:

1. To designate a liaison, who shall be the primary contact person with the financial management service, and a procedure for the financial management service to use to obtain and access the funds necessary to implement the individual budget for each individual using self-directed services through the **PIHP/CMHSP**.
2. To provide the financial management service with funds to be expended by each individual, in accordance with the IPOS and individual budget.
3. To perform the PIHP/CMHSP functions described in the Financial Management Service Technical Requirement.

Article II - FINANCIAL MANAGEMENT SERVICE RESPONSIBILITIES

The financial management service agrees to the following:

1. To designate a liaison, who will be the primary contact person and have responsibility for monitoring and ensuring that the terms of this contract are fulfilled
2. To receive, safeguard, manage and account for funds provided by the PIHP/CMHSP on behalf of each individual and maintain complete and current financial records and supporting documentation verifying expenditures paid by the financial management service and a chart of accounts [Reference and attach approved verification forms, and chart of accounts format]
3. To assist individuals using self-directed services to understand billing and documentation responsibilities
4. To perform the financial accountability functions and provide employer agent services to the individual directly employing workers described in the Financial Management Service Technical Requirement. The financial management service shall abide by all federal and state laws regarding payroll taxes and shall remain current with all payroll tax requirements. Both the PIHP/CMHSP and the individual shall provide copies of all required employment documents, including the Medicaid Provider Agreement, to the financial management service.
5. To safeguard all confidential information including the results of any background checks, and/or other documents pertaining to providers of services as needed or requested by the individual and/or PIHP/CMHSP.

The Parties also agree to the following:

1. That the role of the **financial management service** is that of an agent of the **PIHP/CMHSP**, through this contract, for the purpose of assuring for each assigned individual maximum control over services, within the framework of the individual's IPOS and budget.

2. The **financial management service** is not an employer of workers directly employed by the individual or a party to any contract in which the individual enters.
3. That the **financial management service** shall be kept informed of any changes such as a change in the employment status of an employee or a contract modification or termination.
4. This agreement is subject to and governed by the laws of the State of Michigan.
5. Any notice to amend or terminate this contract shall be in writing by receipt of personal delivery or by first class mail, postage prepaid as follows:

[Insert contact information and individual for the *PIHP/CMHSP*.]

[Insert contact information and individual for *financial management service*].

This agreement, with its attachments, sets forth the entire understanding and agreement between the parties regarding the provision of financial management service services. This agreement supersedes any and all other agreements, either oral or in writing between the parties. No modification of the terms of this contract is valid unless it is in writing and signed by the parties.

Financial Management Service Representative Date

PIHP/CMHSP Representative Date

APPENDIX E: EMPLOYMENT AGREEMENT PROTOTYPE

A. EMPLOYMENT AGREEMENT

This agreement should be used as a prototype for developing an agreement between an individual using self-directed services and a person directly employed by the individual to provide services. It outlines and describes the duties and responsibilities of the parties to the contract.

The provisions of this Agreement:

- Describe the nature of self-directed services, the nature of the employment relationship, and the structure of service authorization and payment mechanisms
- Detail the employee's compensation and benefits
- Outline the rules and regulations affecting the employee's employment
- Explain the importance of the Medicaid Provider Agreement
- Outline the requirements that the employee must meet

An individual may choose to use a power of attorney to authorize a family member or trusted friend to handle matters for him or her; some individuals may have a legal guardian whose responsibility to act in place of the individual in certain matters.

B. AGREEMENT PROTOTYPE

Employment Agreement

Notes in bold, italics and brackets are places where specific information must be inserted. To make the agreement clearer for the individual, his or her name and the employee's name should be used throughout the document.

This agreement is made on **[Insert date]** between **[Insert name of individual directly employing the worker]** ("employer") and **[Insert name of employee]** ("employee") to describe the supports that the employee will provide to the employer and the terms and conditions of employment.

Article I - EMPLOYEE RESPONSIBILITIES

I, **[Insert name of employee]** (employee) am aware and agree that my employment is conditioned on my employer's use of self-directed services administered by the PIHP/CMHSP. If my employer stops using self-directed services, my employment may end. I agree to the following terms of employment:

1. During the term of this Agreement, I shall provide support to my employer by performing the duties outlined in this agreement and any attachments to it.
2. I agree to assist my employer to maintain the documentation and records required by my employer or the PIHP/CMHSP. I agree to complete all necessary paperwork to secure mandatory payroll deductions from my pay. All records I may have or assist to maintain are the property of my employer. I will keep these records confidential, release them only with the consent of my employer, and return them to my employer if my employment ends. In addition, I will complete illness and incident reports when necessary as required or requested by my employer.

3. **[Optional Provision:** I shall immediately notify **(insert the name and contact information of the contact individual chosen by the employer** (for example, it may be an ally) if my employer experiences a medical emergency or illness. I will also notify **(insert name of contact individual)** before taking my employer to the physician, except in case of an emergency.]
4. I agree to abide by all of my employer’s rules (described below) regarding my employment duties to the employer and I acknowledge receipt of the following rules and regulations
 - a. Attachment A (Job Description) to this Agreement, which outlines the supports that I will provide to my employer.
 - b. **[Employer should insert rules he or she may have (such as rules regarding phone usage or smoking in his or her home)].**
 - c. **[Insert reporting and documentation requirements for verifying hours worked].**
5. I understand that this is an employment at will relationship, which can be terminated by me or by my employer at any time. However, my employer cannot terminate my employment based on my race, religion, sex, disability, or other protected status under federal or Michigan law. In addition, I agree to give **[insert number of days]** days written notice to my employer if I terminate my employment.
6. I understand and acknowledge that my employer is my sole employer and that I am not an employee of the PIHP/CMHSP, which authorizes the supports I provide, or the financial management service, which is the financial administrator of funds used to pay me.
7. I agree to assist my employer in filing Recipient Right complaints upon request. I also understand that I have a responsibility to report rights violations of which I am aware or any potential abusive or neglectful situations I observe. I understand that I may be requested to cooperate with a recipient rights investigation and/or assist my employer with exercising his or her rights.
8. I agree to not to sue the financial management service for its role as the financial administrator of my employer’s individual budget and the PIHP/CMHSP for its role in administering self-directed services.
9. I agree to execute a Medicaid Provider Agreement with the PIHP/CMHSP and acknowledge that this agreement does not alter the fact that the PIHP/CMHSP is only the administrator of the funds used through self-direction, and that my employer is **[insert name of employer]**. I understand that my employment is contingent on completing this agreement.

Article II EMPLOYER RESPONSIBILITIES

I, **[insert name of Employer]** (“Employer”) agree to the following:

1. I will provide my financial management service with the necessary documentation to assure timely compensation of my employee.
2. I will compensate my employee in the following manner:] \$ **[Insert hours wage]** an hour. **[Insert specific information about any benefits the employee shall receive and describe benefits that will be excluded.]** Payroll will be handled by my financial management service **[Insert name of financial**

management service], which will withhold all necessary tax, unemployment, and other withholdings from the employee's paychecks.

3. I will assure my employee receives required training.
4. I will evaluate the performance of my employee and provide appropriate feedback to assure that I am receiving quality supports.
5. I will assure that my employee executes a Medicaid Provider Agreement with the PIHP/CMHSP.

Employee Signature* Date

Employer Signature Date

* Some individuals may have a guardian or a chosen legal representative. If the employer has a guardian or a chosen legal representative, **a place should be inserted for that individual to sign and the appropriate documentation verifying that individual's authority should be attached to that agreement.**

APPENDIX F: PURCHASE OF SERVICE AGREEMENT PROTOTYPE

A. PURCHASE OF SERVICE AGREEMENT

This agreement should be used as a model for designing a locally sanctioned agreement to be used between the individual using self-directed services (or his/her chosen legal representative) and a provider agency or professional from which they choose to purchase services. A modification of this agreement format may also be used to contract with an independent licensed/certified professional, or an entity that provides other goods or services. The format does not allow for the sort of arrangements necessary to define an employer-employee relationship and should not be used as such.

The provisions of this agreement:

- Describe the duties required of the service provider
- Detail the service provider's compensation and benefits
- Outline the rules and regulations affecting the provision of services
- Explain the importance of the Medicaid Provider Agreement

A individual may choose to use a power of attorney to authorize a family member or trusted friend to handle matters for him or her; some individuals may have a legal guardian whose responsibility to act in place of the individual in certain matters.

B. AGREEMENT PROTOTYPE

Purchase of Services Agreement

Notes in bold, italics and brackets are places where specific information must be inserted. To make the agreement clearer for the individual, his or her name and the service provider's name should be used throughout the document.

This agreement is made on **[Insert date]** between **[Insert name of individual]** ("individual") and **[Insert name of service provider]** ("service provider"), a provider of **[Insert type of services]** to describe the services or supports the individual is purchasing from the service provider and how the service provider will be compensated for providing such services.

This contract shall remain in effect until it is terminated or modified. Any party can initiate a termination or modification by providing 30 days written notice to the other party. The other party shall respond to any such notice within seven (7) working days by accepting the modification or termination or proposing an alternative modification.

The parties acknowledge and agree that this contract is conditioned on the individual's use of self-directed services administered by the PIHP/CMHSP. If the individual ends participation in self-direction, this agreement will by default end.

The service provider agrees to provide services consistent with the Medicaid Provider Manual and the individuals plan of service.

1. The service provider understands and acknowledges that this agreement is with the individual receiving services only and that _____, which authorizes the supports provided, and the

financial management service, which is the financial administrator of the Medicaid funds used to fund the services or support, is not party to this agreement.

2. The individual shall purchase the services as indicated from the provider at the following rate:

Provider	Service/Code	Rate/Unit

3. The individual agrees to authorize their financial management service to pay the service provider for the provision of the outlined services, and that payment shall not be made until authorized by the individual. If the service provider has a question about payment, it must contact the individual to clarify the issue. If more information is necessary, the provider may contact the financial management service directly to process payment under this agreement and to understand requirements of self-direction. If further clarification is still needed, then the service provider may contact the PIHP/CMHSP for information.
4. If the provider is an Agency providing staff, insert the following provisions:
- The service provider is an independent contractor of the individual.
 - The service provider shall provide staff to perform the services or supports described above in a manner consistent with this agreement.
 - The service provider is the sole employer of the staff and shall fulfill all federal and state employment obligations including, but not limited to:
 - Maintaining worker's compensation insurance
 - Complying with minimum wage standards and overtime regulations; withholding and payment of employment taxes, complying with occupational health and safety standards
 - Ensure staff meet all applicable Medicaid requirements (training, background check)
 - And all other reasonable employer responsibilities
 - The provider has the legal responsibility to recruit, screen, hire, manage, and supervise the staff in accordance with all applicable federal and state laws. The provider shall make every effort to meet the individual's preferences when employing and scheduling its employees.
 - The individual will be involved in the selection of staff who will work directly with them, to the extent desired by the individual. The individual will have the maximum amount of control over staff as allowed by law.
5. The parties agree and specifically acknowledge that services may be performed in the individual's home. The service provider agrees that its staff will abide by all the individual's rules and the service provider acknowledges receipts of the following rules and regulations:
- [Individual should insert can rules he or she may have (such as rules regarding phone usage or smoking in his or her home)].**
 - [Insert reporting and documentation requirements for verifying hours worked].**

6. If the individual has a complaint regarding the provision of services under this contract, it should inform the provider and the provider shall respond to the complaint within seven days.
7. If a formal dispute arises concerning an invoice or the authorization of payment on an invoice, the following procedure should be followed: **[Insert Applicable Dispute Resolution Procedure]**.
8. **[Optional Provision:** The service provider shall immediately notify **[insert the name and contact information of the contact individual chosen by the individual]** [for example, it may be an ally] if the individual experiences a medical emergency or illness. The service provider will also notify **[insert name of contact individual]** before taking the individual to the physician, except in case of an emergency.]
9. The service provider agrees to complete illness and incident reports when necessary as required or requested by the individual.
10. The service provider agrees not to sue the financial management service for its role as the financial administrator of the individual's budget and not sue the PIHP/CMHSP in its role in administering self-directed services.
11. The service provider agrees to assist the individual in filing Recipient Right complaints upon request. The service provider also understands that it has a responsibility to report rights violations of which it is aware or any potential abusive or neglectful situations it observes. The service provider understands that it may be requested to cooperate with a recipient rights investigation and/or assist the with exercising his or her rights. The parties agree to comply with all Recipient Rights protections and other rights in applicable state and federal law.
12. The service provider agrees to execute a Medicaid Provider Agreement with the PIHP/CMHSP and acknowledges that this agreement does not alter the fact that the PIHP/CMHSP is only the administrator of self-directed services. The service provider acknowledges that payment for services is contingent on completing this agreement.
13. This agreement represents the entire understanding and contract between the parties, and supersedes any and all prior agreements, whether written or oral that may exist between the parties. Any modification to this agreement must be made in writing.

Service Provider's Signature

Date

Individual's Signature

Date

APPENDIX G: MEDICAID PROVIDER [42 CFR 431.107] AGREEMENT PROTOTYPE

The parties to the contract are _____ “herein referred to as the Host Agency”,
and _____ “herein referred to as the provider”.

The purpose of this agreement is to define the roles and responsibilities of the above name parties and to assure compliance with federal Medicaid requirements. This agreement shall remain in effect until such time it must be terminated or modified. Any party can initiate a termination or modification by providing written notice to the other of the desire to terminate or modify this agreement. This agreement should not be finalized until the provider has met any additional requirements to provide Medicaid Services (i.e. background check, training). Should the provider fail to meet Medicaid requirements, the Host Agency may suspend or terminate this agreement.

The Host Agency agrees to the following:

- 1) Upon receipt of this agreement, to certify the Provider as available to provide services to individuals who receive services and supports through arrangements authorized by the Host Agency or one of its subcontractors, and financed through Michigan’s Medicaid Specialty Pre-paid Mental Health Plan where the individual is seeking or requesting services and/or supports in accordance with their person-centered plan.

The Provider agrees to the following:

- 1) To keep any records necessary to disclose the extent of services the provider furnishes to recipients of services.
- 2) On request, to furnish any information maintained under paragraph (1) of this section and any information regarding payments claimed by the Provider for furnishing services under the person-centered plan to the Host Agency, the State Medicaid Agency, the Secretary of the Department of Health and Human Services, or the State Medicaid Fraud Control Unit.
- 3) To comply with the disclosure requirements specified in 42 CFR 455, Subpart B, as applicable which state that I must disclose if I own 5% of another provider entity.
- 4) To comply with the advance directive requirements specified in 42 CFR 489, Subpart I and 42 CFR 417.436 (d), as applicable. This regulation requires that the provider acknowledge the doctrine of informed consent whereby any and all forms of medical treatment, including life-sustaining treatment may be declined by the consumer as specified.

Both parties expressly acknowledge that the sole purpose of this agreement is to assure compliance with 42 USC 1902 (a) 27. (The Social Security Act, that requires an agreement with each provider.)

Further both parties recognize and reaffirm that the Host Agency is not the employer of the provider of services and that the participant is the sole employer of the provider of services.

This agreement sets forth the entire understanding between parties with respect to the subject matters, and supersedes any and all other agreements, either oral or in writing between parties, pertaining to these matters. No change or modification of the terms of this agreement is valid unless it is in writing and signed by the parties.

The parties agree to terms and conditions of this agreement as specified on the foregoing page, and so signify by affixing their signatures below.

Self-Determination Representative

Date

Provider

Date

APPENDIX H: AGENCY SUPPORTED SELF-DIRECTED SERVICES AGREEMENT PROTOTYPE

A. AGENCY SUPPORTED SELF-DIRECTED SERVICES AGREEMENT

Notes in bold, italics and brackets are places where specific information must be inserted.

B. PROTOTYPE AGREEMENT

Agency Supported Self-Directed Services Agreement

This agreement is made on **[Insert date]** between **[Insert name of PIHP/CMHSP]** (the “PIHP/CMHSP”) and **[Insert name of Agency Supported Self-Directed Services provider]** (the Agency Supported Self-Directed Services provider”). The purpose of this contract is to define the roles and responsibilities of the parties in the use of the Agency Supported Self-Determination provider’s services to assure the opportunity for individuals who directly hire workers who provide services and supports to them.

This contract shall remain in effect until it is terminated or modified. Any party can initiate a termination or modification by providing 30 days written notice to the other party. This agreement supersedes any previous agreements between these two parties. The PIHP/CMHSP policies shall govern in any area not specifically covered in this Agreement and are available from the PIHP/CMHSP for review upon request.

Article I - PIHP/CMHSP RESPONSIBILITIES

The PIHP/CMHSP agrees to the following:

1. To designate a liaison, who shall be the primary contact person with the Agency Supported Self-Determination provider.
2. To assist the individual using agency supported self-determination to assure that all necessary documentation is in place.
3. To monitor that services and supports are provided pursuant to the same monitoring processes used for all PIHP/CMHSP services and supports.

Article II – AGENCY SUPPORTED SELF-DIRECTED SERVICES PROVIDER RESPONSIBILITIES

The Agency Supported Self-Directed Services provider agrees to the following:

1. To designate a liaison, who will be the primary contact person and have responsibility for monitoring and ensuring that the terms of this contract are fulfilled.
2. To assist individuals to understand and perform managing employer responsibilities.

3. To perform the financial and administrative duties of employer of record. The Agency Supported Self-Determination provider shall abide by all federal, state, and local laws regarding income and payroll taxes, unemployment insurance, and worker's compensation, and shall remain current with all of these requirements.
4. To pay workers only upon receipt of all required agreements and timesheets or invoices approved by the individual or his or her authorized representative.
5. To maintain complete, current financial records, copies of all agreements and supporting documentation verifying expenditures paid by the Agency Supported Self-Determination provider on behalf of each individual. These records shall be retained for seven years from the start of services.
6. To safeguard all confidential information including the results of any background checks, and/or other documents pertaining to workers, as needed, or requested by the individual and/or PIHP/CMHSP.
7. To make records regarding services available to the PIHP/CMHSP, as requested, and to allow each individual access to his or her own records.
8. To indemnify the PIHP/CMHSP and maintain a valid insurance policy in the amount of \$ for its role as employer of record for workers.
9. To provide each individual and the PIHP/CMHSP with a monthly budget summary.
10. To provide support and assistance to individuals, as needed and requested, in recruiting and interviewing worker candidates.
11. To prohibit any agency policies or practices that penalizes workers or individuals for entering into an employment situation with one another outside of, or instead of, Agency Supported Self-Directed Services.
12. To comply with the following Medicaid Provider Requirements:
 - a. Accept payment, in form of check(s) or direct deposit, as payment in full for service(s) or item(s) purchased.
 - b. Agree to keep records of the service(s) or purchase(s) provided as required by the individual(s) using self-directed services or the PIHP/CMHSP.
 - c. Provide only the service(s) or item(s) as authorized in the individual's IPOS and do not exceed the hours set forth in the IPOS.
 - e. Upon request, provide information regarding the service(s) for which payment was made to and to provide such information and any related invoices or billings, upon request, to the individual using self-directed services, PIHP/CMHSP, the State Medicaid Agency, the Secretary of the Department of Health and Human Services, or the State Medicaid fraud control unit.

The Parties also agree to the following:

1. This agreement is subject to and governed by the laws of the State of Michigan.
2. Any notice to amend or terminate this contract shall be in writing by receipt of personal delivery or by first class mail, postage prepaid as follows:

- a. **[Insert contact information and individual.]**
 - b. **[Insert contact information and individual for Agency Supported Self-Determination provider.]**
3. This agreement sets forth the entire understanding and agreement between the parties regarding the provision of Agency Supported Self-Determination provider services. This agreement supersedes any and all other agreements, either oral or in writing, between the parties. No modification of the terms of this contract is valid unless it is in writing and signed by the parties.

Agency Supported Self-Determination Provider Date

Individual Date

APPENDIX I: FINANCIAL MANAGEMENT SERVICES PROVIDER READINESS REVIEW

BASE PROBES

Adapted from Protocol -- Drafted by Sue Flanagan, Ph.D., M.P.H. - The Westchester Consulting Group

Name of Financial Management Services Provider Reviewed:
Address (Street, PO Box, City, State, Zip):
Phone:

I. STATUS OF PHYSICAL PLANT EQUIPMENT, INFORMATION SYSTEMS TECHNOLOGY, AND CUSTOMER SERVICE SYSTEM

<p>Is the physical plant's location, size, equipment (including computer hardware and software) adequate to effectively operate Financial Management Services?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <i>If the answer is NO, please explain why and how the FMS plans to correct the situation.</i></p> <p>Click or tap here to enter text.</p>
<p>Is the FMS effectively executing the philosophy of participant direction and being culturally sensitive in all business practices in order to communicate effectively with a diverse population of participants of all ages and with a variety of disabilities and chronic conditions (including the need for large print/alternative formats, telecommunication devices for hearing and speech impaired, and access to translation services and to an interpreter)?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> System in Place <input type="checkbox"/> Written Policies and Procedures in Place <input type="checkbox"/> Internal Controls Documented for Monitoring</p> <p><input type="checkbox"/> No <i>If the answer is NO, please explain why and how the FMS plans to correct the situation.</i></p> <p>Click or tap here to enter text.</p>
<p>Are the necessary technologies and accommodations in place adequate to effectively operate FMS services?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> Toll-Free number (or other method for free calls from participants) <input type="checkbox"/> Fax (minimum 28.8 standard)</p> <p><input type="checkbox"/> Internet Web sit <input type="checkbox"/> Alternate/Large Print capabilities</p> <p><input type="checkbox"/> E-mail communication option TDD line <input type="checkbox"/> Foreign Language/American Sign Language capabilities</p> <p><input type="checkbox"/> No <i>If the answer is NO, please explain why and how the FMS plans to correct the situation.</i></p> <p>Click or tap here to enter text.</p>
<p>Does the FMS have a communication, corrective action, and complaint tracking system for program participants and workers that addresses the following issues and is automated so that information can be analyzed by program participant, issue and over time?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> System in Place <input type="checkbox"/> Written Policies and Procedures in Place <input type="checkbox"/> Internal Controls Documented for Monitoring</p> <p><input type="checkbox"/> No <i>If the answer is NO, please explain why and how the FMS plans to correct the situation.</i></p> <p>Click or tap here to enter text.</p>

Does the FMS notify program participants and PIHP/CMHSP staff in a timely manner in the event a payroll is processed and disbursed late (i.e., over five days)?

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

Does the FMS obtain and evaluate participant feedback, experience and satisfaction with the receipt of FMS services, have alternative methods for collecting this information (e.g., more than mail surveys), and use this information to make improvements to systems, policies, and procedures?

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

Are key management staff in place and is the level of staffing (FTEs) and staff qualifications and experience sufficient to provide effective FMS services?

Yes *If the answer is YES, please Attach job descriptions for all FMS management and staff positions and resumes of existing staff.*

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

II. COORDINATION AND COMMUNICATION WITH PIHP/CMHSP SUPPORT COORDINATORS

Do the FI's policies and procedures clearly describe the FI's and Case Holders' role and responsibilities related to self-directed participants and workers?

Yes No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

Does the FMS notify program participants and PIHP/CMHSP staff in a timely manner in the event a payroll is processed and disbursed late (i.e., over five days)?

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

Does the FMS notify a program participant's Supports Coordinator when FMS staff becomes aware of an issue related to a program participant's performance (e.g., untimely timesheet filling or over-reporting of a worker's hours) and/or any incidences of financial fraud/abuse or a program participant's inability to perform required tasks?

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

III. ADMINISTRATION – FMS POLICIES AND PROCEDURES MANUAL, QUALITY MANAGEMENT PLAN, AND STAYING UP-TO-DATE WITH FEDERAL AND STATE RULES AND REGULATIONS PERTAINING TO VENDOR FMS AND HOUSEHOLD EMPLOYERS AND EMPLOYEES (PLEASE ATTACH A COPY OF THE MANUAL.)

Has the FMS developed a comprehensive FMS Policies and Procedures Manual that documents all FMS tasks, includes all applicable federal and state forms and documented internal controls for each FMS task?

Yes No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

Does the FMS update its Policies and Procedures Manual as needed and at least annually in an accurate, complete, and timely manner?

Yes No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

Does the FMS review and update all rules, forms, and instructions for registering and retiring program participants as employers, and for withholding, filing and paying state income tax withholding for each program participant it represents, in accordance with information provided on the Internal Revenue Service Web sites and in IRS regulations and handbooks (Key Web site: www.irs.gov) and on the Michigan Department of Treasury Web sites and in department handbooks/manuals (Key Web site: www.michigan.gov/treasury)

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

Does the FMS review and update all IRS forms, instructions, notices, and publications related to FMSs, household employers and employees and for withholding, filing and paying federal income tax withholding and employment taxes (FICA and FUTA) and managing advance payments of federal earned income credit (EIC) on behalf of the program participants it represents and their workers (Key Web site: www.irs.gov) and with the Michigan Department of Treasury Web site(s) and in department handbooks/manual(s) (Key Web site: www.michigan.gov/treasury)

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

Does the FMS review and update all applicable U.S. Citizenship and Immigration Services (US CIS) rules, forms (i.e. US CIS Form I-9, *Employment Eligibility Verification*) and instructions (Key Web site: www.uscis.gov)?

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

Does the FMS review and update all applicable federal Department of Labor rules and all applicable Michigan Department of Labor & Economic Growth rules, forms, and instructions related to household employers and domestic service employees, and Federal Fair Labor Standards/Wage and Hour Rules (Key Web site: www.dol.gov)?

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

Does the FMS review and update all federal Department of Labor rules and Michigan Department of Labor & Economic Growth Unemployment Insurance Agency rules, forms, and instructions for registering and retiring program participants as employers, and for withholding, filing and paying state unemployment insurance taxes for each participant it represents in accordance with information presented on State Web sites and in department handbooks/manuals (Key Website: www.michigan.gov/uia)?

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

IV. ADMINISTRATION – RECORD MANAGEMENT PROCESS

Does the FMS establish and maintain current and archived program participant, worker, and FMS files on-site in a secure and confidential manner as required by federal and state rules and regulations (e.g., program records kept in a secure place with restricted access using a password-protected computer system)?

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

Does the FMS ensure that access to Medicaid information will be limited to FMS office staff and that it will take prudent safeguards to protect unauthorized disclosure of the Medicaid information in its possession and comply with HIPAA, as applicable?

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

Has the FMS developed a disaster recovery plan for electronic information and the related policies, procedures, and internal controls included in the FMS Policies and Procedures Manual?

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

V. ADMINISTRATION – PROCESSING PAYROLL AND INVOICES PREPARING AND SUBMITTING REQUIRED REPORTS TO STATE GOVERNMENT AND PROGRAM PARTICIPANTS/REPRESENTATIVES

Does the FMS process payroll and pay other invoices in an efficient manner?

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

Has the FMS developed the format for and submitted a monthly report of financial activities to each program participant with a copy to the PIHP/CMHSP within 15 days after the end of the month (please attach a sample report)?

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

Does the FMS report the information required by the MDHHS to the PIHP/CMHSP?

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

VI. ENROLLMENT OF PARTICIPANTS AND WORKERS

Does the FMS have a standard orientation protocol for program participants (by phone or in individual), as requested by the program participant or representative, to be implemented by FMS staff?

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

Does the FMS evaluate all FMS orientation materials and its standard orientation protocol?

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

Has the FMS developed program participant enrollment and worker employment packets in a user-friendly format? Please attach a copy of each packet.

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

Does the FMS produce and distribute Program Participant Enrollment and Worker Employment Packets and collect, review, and process the information contained in these packets?

Yes System in Place Written Policies and Procedures in Place Internal Controls Documented for Monitoring

No *If the answer is NO, please explain why and how the FMS plans to correct the situation.*

Click or tap here to enter text.

