



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE

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KEVIN T. CASEY
Deputy Secretary
Office of Developmental Programs

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August 13, 2008

Dear Administrator or Director:

Please find enclosed the bulletin entitled "*Vendor Fiscal/Employer Agent Financial Management Services (VF/EA FMS)*". The previous terminology of Intermediary Service Organization has been replaced by Financial Management Services to be consistent with the Centers for Medicare and Medicaid Services (CMS).

The Office of Developmental Programs (ODP) recognizes the complexity of this service delivery model and will be conducting training for stakeholders in the following months on issues relating to this policy bulletin. We have worked closely with the Department of Public Welfare Office of General Counsel, CMS, the Pennsylvania Departments of Labor and Industry and Health, the Internal Revenue Service, and Susan Flanagan, an expert in Financial Management Services, in order to accurately reflect the requirements and responsibilities as it relates to this service delivery model. We recognize that there are existing Department of Health regulations that are being revised, that once finalized may require us to revise our policy bulletins and possibly our Waivers. Currently our Waivers and this bulletin adhere to the existing Department of Health regulations.

All Internal Revenue Service requirements; Labor and Industry standards; and applicable local, state, and federal laws must be adhered to. In addition, Administrative Entities must adhere to the identified timelines and requirements for contracting with the statewide VF/EA, Acumen, that are outlined in the bulletin. Administrative Entities will be responsible to update existing procedures with any changes to local, state, and Federal laws as they occur.

The bulletin refers to a *Pennsylvania Guide to Participant Directed Services* (PA Guide to PDS) which is currently being finalized and will soon be distributed in the near future. The purpose of the PA Guide to PDS is to provide all stakeholders with consistent information on Participant Directed Services, Financial Management Services, and the difference between the Agency With Choice and Vendor Fiscal options. In addition, the PA Guide to PDS includes all of the ODP standard forms and agreements associated with these two models.

This bulletin is effective July 1, 2008. ODP-sponsored training on the bulletin and the PA Guide to PDS will occur in the upcoming months. The *Guidelines for Operating a Vendor Fiscal/Employer Agent and Agency With Choice Intermediary Service Organization* issued by ODP on May 6, 2003, are obsolete.

Please share this bulletin with your staff, providers, colleagues, and other stakeholders. Questions and feedback regarding this bulletin should be directed to the appropriate Regional Program Manager.

Sincerely,

A handwritten signature in black ink that reads "Kevin T. Casey". The signature is written in a cursive style with a large initial 'K' and a distinct 'T'.

Kevin T. Casey

Enclosures