Appendix E: Participant Direction of Services

[NOTE: *Complete Appendix E only when the waiver provides for one or both of the participant direction opportunities specified below.*]

Applicability *(select one)*:

●	**Yes.** This waiver provides participant direction opportunities. Complete the remainder of the Appendix.
○	**No.** This waiver does not provide participant direction opportunities. Do not complete the remainder of the Appendix.

CMS urges states to afford all waiver participants the opportunity to direct their services. Participant direction of services includes the participant exercising decision-making authority over workers who provide services, a participant-managed budget or both. CMS will confer the Independence Plus designation when the waiver evidences a strong commitment to participant direction. Indicate whether Independence Plus designation is requested (select one):

○	**Yes.** The State requests that this waiver be considered for Independence Plus designation.
●	**No.** Independence Plus designation is not requested.

Appendix E-1: Overview

a. Description of Participant Direction. In no more than two pages, provide an overview of the opportunities for participant direction in the waiver, including: (a) the nature of the opportunities afforded to participants; (b) how participants may take advantage of these opportunities; (c) the entities that support individuals who direct their services and the supports that they provide; and, (d) other relevant information about the waiver's approach to participant direction.

Self-Directed Opportunities Available within the Attendant Care Waiver:
All participants have the right to make decisions about and self-direct their own waiver services. Participants in the Attendant Care waiver may choose to hire and manage staff using Employer Authority or manage an individual budget using Budget Authority. In addition, participants may choose a combination of service models to meet their individual needs. Participants are encouraged to self-direct their services to the highest degree possible. During the actual provision of services, the participant is responsible for directing the activities of their support worker.

Under Employer Authority, the participant serves as the common-law the employer and is responsible for hiring, firing, training, supervising, and scheduling their support workers. Budget Authority, known in Pennsylvania as Services My Way, provides participants with a broader range of opportunities for participant-direction. Services My Way provides participants with greater flexibility, choice and control over their services, by giving participants the opportunity to: 1) select and manage staff that performs personal assistance type services under the Participant-Directed Community Supports service definition; 2) manage a flexible Spending plan; and 3) purchase allowable goods and services through their Spending plan.

How Participants May Take Advantage of Self-Directed Opportunities:
Participants may choose to self-direct their services during the development of the initial Individual Service Plan (ISP), at reassessment, or at any time. The participant's Service Coordinator is responsible for presenting all available service options and ensuring that each participant understands the full range of opportunities within the waiver. As described in Appendix E-1-e below, the Office of Long-Term Living has developed standardized educational materials and

promotional materials with information about self-direction for all waiver participants. OLTL has also developed and provided regional on-site training for Service Coordinators on self-direction to ensure information is provided accurately and consistently statewide.

As stated previously, the participant may utilize a combination of any model(s) to personalize their service plan. The ISP is developed in conjunction with the Service Coordinator, as described in Appendix D, to ensure that the participant's service needs are met, and reflects the participant's choice of model of service. Service Coordinators shall offer all participants who have chosen to self-direct their services provider-managed services until the individual's support workers are hired. Participants may elect to change their service model at any time by notifying their Service Coordinator. Service Coordinators must work with participants to ensure they do not experience a disruption in services when participants choose to change service models.

Entities That Support Individuals:

Participants will receive a full-range of supports, ensuring that they are successful with the participant-directed experience. Individuals choosing Employer or Budget Authority will receive support from certified Fiscal/Employer Agents (F/EA) and Service Coordinators to assist them in their role as the common-law employer of their workers. The Fiscal/Employer Agents will:

- Enroll participants in Financial Management Service (FMS) and apply for and receive approval from the IRS to act as an agent on behalf of the participant;
- Provide orientation and skills training to participants on required documentation for all directly hired support workers, including the completion of federal and state forms; the completion of timesheets; good hiring and firing practices; establishing work schedules; developing job descriptions; training and supervision of workers; effective management of workplace injuries; and workers compensation;
- Establish, maintain and process records for all participants and support workers with confidentiality, accuracy and appropriate safeguards;
- Establish and maintain a separate bank account for the purposes of managing participant directed funds and provide a full accounting of the use of these funds;
- Conduct criminal background checks and when applicable, child abuse clearances, on potential employees;
- Assist participants in verifying support workers citizenship or alien status
- Distribute, collect and process support worker timesheets as verified and approved by the participant
- Prepare and issue support workers' payroll checks, as approved in the participant's Individual Support Plan
- Withhold, file and deposit federal, state and local income taxes in accordance with federal IRS and state Department of Revenue rules and regulations
- Broker workers' compensation for all support workers through an appropriate agency;
- Process all judgments, garnishments, tax levies, or any related holds on workers' pay as may be required by federal, state or local laws
- Prepare and disburse IRS Forms W-2's and/or 1099's, wage and tax statements and related documentation annually
- Assist in implementing the state's quality management strategy related to FMS
- Establish an accessible customer service system for the participant and the Service Coordinator
- Receive, verify and process all invoices for Participant Goods and Services as approved in the Participant's Spending Plan (Budget Authority only); and
- Provide written financial reports to the participant, the Service Coordinator and OLTL on a monthly and quarterly basis, and as requested by the participant, Service Coordinator, and OLTL (Budget Authority only).

In addition, individuals choosing to self-direct their services will receive assistance from Service

Coordinator to develop their Individual Service Plan (ISP). Once the ISP is developed, approved, and authorized, the participant is responsible for arranging and directing the services outlined in their plan with, as appropriate, information and support from the Service Coordinator. During the implementation and management of the ISP, the Service Coordinator will:

- Assist the participant to gain information and access to necessary services, regardless of the funding source of the services;
- Advise, train, and support the participant as needed and necessary;
- Assist the participant to develop an individualized back-up plan;
- Assist the participant to identify risks or potential risks and develop a plan to manage those risks;
- Monitor the provision of services to ensure the participant's health and welfare;
- Assist the participant in understanding and fulfilling their responsibilities outlined in the Common Law Employer Agreement form when the participant chooses to self-direct all or some of their services; and
- Assist the participant to secure training of support workers who deliver services that would require a degree of technical skill, and would require the guidance and instruction from a health care professional such as a Registered Nurse.

Participants who choose to manage an individual budget will receive assistance from Service Coordinators to develop the Spending Plan. The Service Coordinator will review and approve the participant's Spending Plan, and enter the plan in to HCSIS for OLTL approval. Once the Spending plan is developed, approved and authorized, the participant is responsible for arranging and directing the services outlined in their plan. During the implementation and management of the Spending plan, the Service Coordinator will assist the participant with the execution and development of the Spending Plan and monitor spending of the Spending Plan.

b. Participant Direction Opportunities. Specify the participant direction opportunities that are available in the waiver. *Select one:*

○	**Participant – Employer Authority**. As specified in ***Appendix E-2, Item a,*** the participant (or the participant's representative) has decision-making authority over workers who provide waiver services. The participant may function as the common law employer or the co-employer of workers. Supports and protections are available for participants who exercise this authority.
○	**Participant – Budget Authority.** As specified in ***Appendix E-2, Item b***, the participant (or the participant's representative) has decision-making authority over a budget for waiver services. Supports and protections are available for participants who have authority over a budget.
●	**Both Authorities.** The waiver provides for both participant direction opportunities as specified in ***Appendix E-2***. Supports and protections are available for participants who exercise these authorities.

c. Availability of Participant Direction by Type of Living Arrangement. *Check each that applies:*

☑	Participant direction opportunities are available to participants who live in their own private residence or the home of a family member.
☐	Participant direction opportunities are available to individuals who reside in other living arrangements where services (regardless of funding source) are furnished to fewer than four persons unrelated to the proprietor.
☐	The participant direction opportunities are available to persons in the following other living arrangements *(specify)*:

d. Election of Participant Direction. Election of participant direction is subject to the following policy (s*elect one):*

○	Waiver is designed to support only individuals who want to direct their services.
●	The waiver is designed to afford every participant (or the participant's representative) the opportunity to elect to direct waiver services. Alternate service delivery methods are available for participants who decide not to direct their services.
○	The waiver is designed to offer participants (or their representatives) the opportunity to direct some or all of their services, subject to the following criteria specified by the State. Alternate service delivery methods are available for participants who decide not to direct their services or do not meet the criteria. *Specify the criteria*:

e. Information Furnished to Participant. Specify: (a) the information about participant direction opportunities (e.g., the benefits of participant direction, participant responsibilities, and potential liabilities) that is provided to the participant (or the participant's representative) to inform decision-making concerning the election of participant direction; (b) the entity or entities responsible for furnishing this information; and, (c) how and when this information is provided on a timely basis.

The participant's Service Coordinator is responsible for presenting all available service options and ensuring that each participant understands the full range of participant direction opportunities within the waiver. The Service Coordinator documents the participant's choice of service delivery model(s) on the ISP. Participants are also advised that they have the opportunity to change their model of service at any time throughout the year. Participants receive information about participant-direction at time of enrollment, on an annual basis and upon request.

The Office of Long-Term Living has developed consistent materials to inform current and prospective waiver participants about the benefits and potential liabilities of participant-direction. Participant materials include a comprehensive participant reference manual which contains details about participant-direction roles, responsibilities, and informed decision-making. These materials have been distributed to the Independent Enrollment Broker as well as all Service Coordination agencies, and are available on the OLTL website. This information is widely available and shared with individuals upon entering service, at monitoring contacts and during annual ISP updates each year thereafter. This information is written at a level that is easily understood using everyday common language to ensure accessibility, and is provided in advance of the ISP meeting to ensure that individuals have sufficient time to consider their options and the responsibilities.

The F/EA, a single statewide entity providing consistent functions across the Commonwealth, is responsible for providing orientation and training to the participant prior to employing their support worker. Orientation is based upon a standard curriculum developed by OLTL and includes the following:

- Review of the information and forms contained in both the Employer and Support worker enrollment packets and how they should be completed
- The role and responsibilities of the common law employer;
- The role and responsibilities of the F/EA;
- The process for receipt and processing timesheets and employee payroll checks;
- The process for purchasing approved goods and services from vendors, including submitting invoices for payment;

- Effective practices for recruiting potential employees, hiring employees, training employees, supervising and managing employees and firing employees;
- The process for resolving issues and complaints; and
- Workers Compensation and the process for reviewing workplace safety issues.

In addition, the F/EA is responsible for providing ongoing skills training to participants and working with Service Coordinators to identify any participants who may need and/or desire additional employer skills training.

f. Participant Direction by a Representative. Specify the State's policy concerning the direction of waiver services by a representative *(select one)*:

●	The State does not provide for the direction of waiver services by a representative.	
○	The State provides for the direction of waiver services by a representative. Specify the representatives who may direct waiver services: *(check each that applies)*:	
	☐	Waiver services may be directed by a legal representative of the participant.
	☐	Waiver services may be directed by a non-legal representative freely chosen by an adult participant. Specify the policies that apply regarding the direction of waiver services by participant-appointed representatives, including safeguards to ensure that the representative functions in the best interest of the participant:

g. Participant-Directed Services. Specify the participant direction opportunity (or opportunities) available for each waiver service that is specified as participant-directed in Appendix C-3. *(Check the opportunity or opportunities available for each service)*:

Participant-Directed Waiver Service	Employer Authority	Budget Authority
Participant-Directed Goods and Services	☑	☑
Personal Assistance Services	☑	☐
Participant-Directed Community Supports	☑	☑
	☐	☐
	☐	☐
	☐	☐

h. Financial Management Services. Except in certain circumstances, financial management services are mandatory and integral to participant direction. A governmental entity and/or another third-party entity must perform necessary financial transactions on behalf of the waiver participant. *Select one:*

●	**Yes**. Financial Management Services are furnished through a third party entity. *(Complete item E-1-i)*. Specify whether governmental and/or private entities furnish these services. *Check each that applies:*	
	☐	Governmental entities
	☑	Private entities

○	**No**. Financial Management Services are not furnished. Standard Medicaid payment mechanisms are used. *Do not complete Item E-1-i*.

i. Provision of Financial Management Services. Financial management services (FMS) may be furnished as a waiver service or as an administrative activity. S*elect one*:

○	FMS are covered as the waiver service entitled	
	as specified in Appendix C-3. *Provide the following information:*	
●	FMS are provided as an administrative activity. *Provide the following information:*	
i.	**Types of Entities**: Specify the types of entities that furnish FMS and the method of procuring these services:	
	Financial Management Services are provided to participants across the Commonwealth by one qualified Fiscal Employer Agent, which was selected through a competitive procurement process (RFA). The Department of Human Services issued a Request for Application (RFA) to secure up to three entities that will provide Vendor F/EA Financial Management Services throughout the Commonwealth or on a regional basis for participants who receive participant-directed services in the OBRA Attendant Care waiver. One statewide vendor F/EA was selected as a result of the RFA.	
ii.	**Payment for FMS**. Specify how FMS entities are compensated for the administrative activities that they perform:	
	•The statewide F/EA receives a monthly per participant administrative fee for the FMS administrative service provided by the F/EA. The monthly administrative fee was established through the competitive procurement process. The selected vendor must apply the monthly per participant fee consistently with each participant enrolled with the vendor. •A one-time start-up administrative fee is available for each participant for required activities related to the participant's enrollment with the selected vendor. The start-up administrative fee will be authorized for each participant in the month prior to authorization of the ongoing monthly per participant administrative fee. The one-time start-up administrative fee is established by DHS. The one-time per participant start-up fee and the ongoing per member per month administrative fee may not be billed simultaneously. Payment for Financial Management Services is not based on a percentage of the total dollar volume of transactions that the FMS entity processes. The percentage of FMS costs relative to the participant's service costs are independent of one another, as service costs are based upon the assessed needs of the participant.	
iii	**Scope of FMS**. Specify the scope of the supports that FMS entities provide *(check each that applies):*	
	Supports furnished when the participant is the employer of direct support workers:	
	☑	Assist participant in verifying support worker citizenship status
	☑	Collect and process timesheets of support workers
	☑	Process payroll, withholding, filing and payment of applicable federal, state and local employment-related taxes and insurance
	☑	Other *(specify):*
		• Enroll participants in FMS and apply for and receive approval from the IRS to act as an agent on behalf of the participant; • Provide orientation and skills training to participants on required documentation for

		all directly hired support workers, including the completion of federal and state forms; the completion of timesheets; good hiring and firing practices; establishing work schedules; developing job descriptions; training and supervision of workers; effective management of workplace injuries; and workers compensation; • Conduct criminal background checks and when applicable, child abuse clearances, on potential employees; • Distribute, collect and process support worker timesheets as verified and approved by the participant; • Prepare and issue support workers' payroll checks, as approved in the participant's Individual Support Plan; • Withhold, file and deposit federal, state and local income taxes in accordance with federal IRS and state Department of Revenue rules and regulations; • Broker workers' compensation for all support workers through the an appropriate agency; • Process all judgments, garnishments, tax levies, or any related holds on workers' pay as may be required by federal, state or local laws; • Prepare and disburse IRS Forms W-2's and/or 1099's, wage and tax statements and related documentation annually; • Assist in implementing the state's quality management strategy related to FMS; • Establish an accessible customer service system for the participant and the Service Coordinator; • Assist participants in verifying support workers citizenship or alien status; • Receive, verify and process all invoices for Participant Goods and Services as approved in the Participant's Spending Plan (Budget Authority only); and • Provide written financial reports to the participant, the Service Coordinator and OLTL on a monthly and quarterly basis, and as requested by the participant, Service Coordinator, and OLTL (Budget Authority only).
	Supports furnished when the participant exercises budget authority:	
	☑	Maintain a separate account for each participant's participant-directed budget
	☑	Track and report participant funds, disbursements and the balance of participant funds
	☑	Process and pay invoices for goods and services approved in the service plan
	☑	Provide participant with periodic reports of expenditures and the status of the participant-directed budget
	☐	Other services and supports *(specify)*:
	Additional functions/activities:	
	☑	Execute and hold Medicaid provider agreements as authorized under a written agreement with the Medicaid agency
	☑	Receive and disburse funds for the payment of participant-directed services under an agreement with the Medicaid agency or operating agency
	☐	Provide other entities specified by the State with periodic reports of expenditures and the status of the participant-directed budget
	☑	Other *(specify):*
		The F/EA must provide accurate and timely reports monthly to common law employers, service coordinators, and OLTL. These reports include service utilization, written notification of over and under utilization, and notification of any common law employer who does not submit timesheets for two or more consecutive payroll periods.

iv.	**Oversight of FMS Entities.** Specify the methods that are employed to: (a) monitor and assess the performance of FMS entities, including ensuring the integrity of the financial transactions that they perform; (b) the entity (or entities) responsible for this monitoring; and, (c) how frequently performance is assessed.
	The statewide F/EA contractor is an IRS-Approved Fiscal/Employer Agent and functions as the participant's agent in performing payroll and other employer responsibilities that are required by federal and state law, in accordance with the OLTL F/EA contract requirements. The F/EA provides specific employer agent functions that support the participant with the employer-related functions. The OLTL Quality Management and Efficiency Teams (QMET) conducted a Readiness Review of the selected vendor prior to serving waiver participants. The purpose of the Readiness Review was to assess and document the status of the selected vendor's readiness to meet the requirements as outlined in the competitive procurement documents. OLTL will monitor the selected vendor to ensure that the contract deliverables are met and participants are in receipt of Financial Management Services in accordance with their ISP. The statewide F/EA will be monitored by QMET annually. OLTL will monitor the FMS organization's performance of administrative activities, as well as adherence to contract conditions and waiver requirements. These requirements include, but are not limited to, participant satisfaction, timeliness and accuracy of payments to workers, accuracy of information provided to participants and workers by the F/EA, timeliness and accuracy of tax fillings on behalf of the participant, and executed agreements between the F/EA and the workers or other vendors. If the F/EA is not in compliance with contractual or waiver provisions, OLTL will issue a Statement of Findings. The F/EA will be required to develop a Corrective Action Plan (CAP) in response to each finding and remediate areas of non-compliance. The CAP is due to OLTL within 15 days of issuance of findings to the F/EA. OLTL reviews and approves or disapproves the CAP within 15 days of receipt. OLTL will conduct follow-up monitoring activities to ensure the CAP is instituted and identified issues are remediated. In addition to the process described above, OLTL will monitor performance through the use of monthly utilization reports, quarterly and annual status reports, as well as problem identification reports. These reports cover activities performed and issues encountered during the reporting period. OLTL will also conduct on-site monitoring more frequently if utilization or problem identification reports indicate additional review is necessary. Service Coordinators will be required to report any issues with the statewide FMS organization's performance to OLTL. Lastly, the F/EA will conduct a Common Law Employer Satisfaction Survey using the survey tool provided by the Department. The survey must be conducted 60 days after enrolling a new common law employer and annually. Survey data must be collected and analyzed by the F/EA, and a report must be prepared and submitted to OLTL based upon specifications determined by the Department. Through the established claims oversight process, OLTL will monitors claim submitted by the F/EA to ensure the payments to the vendor for both administrative fees, timeliness and services are in accordance with all applicable regulations and requirements.

j. Information and Assistance in Support of Participant Direction. In addition to financial management services, participant direction is facilitated when information and assistance are available to support participants in managing their services. These supports may be furnished by one or more entities, provided that there is no duplication. Specify the payment authority (or authorities)

under which these supports are furnished and, where required, provide the additional information requested *(check each that applies)*:

☐	**Case Management Activity**. Information and assistance in support of participant direction are furnished as an element of Medicaid case management services. *Specify in detail the information and assistance that are furnished through case management for each participant direction opportunity under the waiver:*
☑	**Waiver Service Coverage**. Information and assistance in support of participant direction are provided through the waiver service coverage (s) specified in Appendix C-3 entitled: **Service Coordination**
☑	**Administrative Activity**. Information and assistance in support of participant direction are furnished as an administrative activity. *Specify: (a) the types of entities that furnish these supports; (b) how the supports are procured and compensated; (c) describe in detail the supports that are furnished for each participant direction opportunity under the waiver; (d) the methods and frequency of assessing the performance of the entities that furnish these supports; and, (e) the entity or entities responsible for assessing performance:*

The Department of Public Welfare issued a Request for Application (RFA) to secure up to three entities that will provide Financial management Services throughout the Commonwealth or on a regional basis for participants who receive participant-directed services in the Attendant Care waiver. One statewide vendor F/EA was selected as a result of the RFA.

The selected F/EA organization receives a monthly per participant administrative fee for the FMS administrative service provided by the F/EA. In addition, a one-time start-up administrative fee is available for each participant for required activities related to the participant's enrollment with the selected vendor. The initial start-up administrative fee will be authorized for each participant in the month prior to authorization of the ongoing monthly per participant administrative fee The monthly administrative fee was established as part of the competitive procurement process; the one-time start-up administrative fee is established by DHS.

Participants will obtain enrollment and informational materials from the selected F/EA organization under contract with OLTL. In addition, the F/EA is responsible for providing orientation and training to the participant prior to employing their support worker. Orientation is based upon a standard curriculum developed by OLTL and includes the following:

- Review of the information and forms contained in both the Employer and Support Worker enrollment packets and how they should be completed
- The role and responsibilities of the common law employer;
- The role and responsibilities of the F/EA;
- The process for receipt and processing timesheets and employee payroll checks;
- The process for purchasing approved goods and services from vendors, including submitting invoices for payment;
- Effective practices for hiring, training, and supervising employees;
- The process for resolving issues and complaints; and
- The process for reviewing workplace safety issues.

In addition, individuals choosing to self-direct their services will receive assistance and support from their Service Coordinator. The Service Coordinator will:

- Provide participants with information regarding self-direction, including Services My Way, on an ongoing basis, including information about responsibilities, rights and concepts of self-direction;

- Work with the F/EA and the participant as necessary to ensure all enrollment and employment paperwork is completed and sent to the F/EA;
- Assist the participant in understanding and fulfilling their responsibilities outlined in the Common Law Employer Agreement form when the participant chooses to self-direct all or some of their services;
- Assist the participant to develop job descriptions for support workers to be employed by the participant. Job descriptions must be consistent with the individual service plan;
- Assist the participant to secure training of support workers who deliver services that would require a degree of technical skill, and would require the guidance and instruction from a health care professional such as a Registered Nurse.
- Assist the participant in communicating with the F/EA as needed;
- Support the participant in problem-solving, decision-making, and recognizing and reporting critical incidents; and
- Monitor the provision and utilization of services to ensure the participant's health and welfare.

In addition to the above, the Service Coordinator is also responsible for the following activities when the participant chooses to exercise budget-authority:

- Explain the method for developing the individual budget and share the budget amount with the Participant during the ISP process;
- Assist the participant in developing the individual spending plan if requested to do so;
- Ensure that allowable expenditures for goods and services are made using the participant's individual budget;
- Counsel the participant on the budget and other issues as necessary;
- Assist the participant with service plan modifications within limits of the individual budget; and
- Notify the F/EA regarding changes to the individual budget and spending plan.

The OLTL Quality Management and Efficiency Teams (QMET) conducted a Readiness Review of the selected F/EA prior to serving waiver participants. The purpose of the Readiness Review was to assess and document the status of the selected vendor's readiness to meet the requirements as outlined in the competitive procurement documents. OLTL will monitor the selected F/EA to ensure that the contract deliverables are met and participants are in receipt of Financial Management Services in accordance with their ISP. The statewide F/EA will be monitored by QMET annually. OLTL will monitor the FMS organization's performance of administrative activities, as well as adherence to contract conditions and waiver requirements. These requirements include, but are not limited to, participant satisfaction, timeliness and accuracy of payments to workers, accuracy of information provided to participants and workers by the F/EA, timeliness and accuracy of tax fillings on behalf of the participant, and executed agreements between the F/EA and the workers or other vendors. If the FMS organization is not in compliance with a contractual or waiver provisions, OLTL will issue a Statement of Findings. The F/EA will be required to develop a Corrective Action Plan (CAP) in response to each finding and remediate areas of non-compliance. OLTL will conduct follow-up monitoring activities to ensure the CAP is instituted and identified issues are remediated. In addition to the process described above, OLTL will monitor performance through the use of quarterly and annual status reports as well as problem identification reports. These reports cover activities performed and issues encountered during the reporting period. OLTL will also conduct on-site monitoring more frequently if utilization or problem identification reports indicate additional review is necessary.

k. Independent Advocacy *(select one)*.

○	**Yes.** Independent advocacy is available to participants who direct their services. *Describe the nature of this independent advocacy and how participants may access this advocacy*:

●	**No.** Arrangements have not been made for independent advocacy.

l. Voluntary Termination of Participant Direction. Describe how the State accommodates a participant who voluntarily terminates participant direction in order to receive services through an alternate service delivery method, including how the State assures continuity of services and participant health and welfare during the transition from participant direction:

Participants have the option to transition from participant direction to the provider managed service delivery model by contacting their Service Coordinator who will guide them through the process of transition. When a participant voluntarily chooses to terminate participant direction, they will notify their Service Coordinator. The Service Coordinator is responsible for transitioning the participant to the traditional model of service and ensuring that there is not a break in service during the transition period.

m. Involuntary Termination of Participant Direction. Specify the circumstances when the State will involuntarily terminate the use of participant direction and require the participant to receive provider-managed services instead, including how continuity of services and participant health and welfare is assured during the transition.

Participants who demonstrate the inability to self-direct their services, whether due to misuse of funds, consistent non-adherence to program policy, or an on-going health and welfare risk, will be required to transition to provider managed services.

Involuntary Termination from participant direction may also occur after it has been determined that there has been a negative impact on the participant's health and welfare and/or services have not been provided as outlined in the ISP. Involuntary termination would only occur after a thorough review of the participant's health and welfare needs as identified in the service plan.

Termination of participant direction would occur only after a team meeting with the participant, the participant's Service Coordinator, and any family, friends and advocate if requested by the participant and a review of the recommendations by the OLTL.

The Service Coordinator is responsible for transitioning the participant to the traditional model of service and ensuring that there is not a break in service during the transition period.

The participant has the right to an Appeal and Fair Hearing and will be given this opportunity as outlined in Appendix F-1 Right to a Fair Hearing.

n. Goals for Participant Direction. In the following table, provide the State's goals for each year that the waiver is in effect for the unduplicated number of waiver participants who are expected to elect each applicable participant direction opportunity. Annually, the State will report to CMS the number of participants who elect to direct their waiver services.

Table E-1-n		
	Employer Authority Only	**Budget Authority Only or Budget Authority in Combination with Employer Authority**
Waiver Year	**Number of Participants**	**Number of Participants**

Year 1		7,529
Year 2		7,529
Year 3		7,529
Year 4 (renewal only)		7,529
Year 5 (renewal only)		7,529

Appendix E-2: Opportunities for Participant-Direction

a. Participant – Employer Authority *(Complete when the waiver offers the employer authority opportunity as indicated in Item E-1-b)*

i. Participant Employer Status. Specify the participant's employer status under the waiver. *Check each that applies:*

☐	**Participant/Co-Employer**. The participant (or the participant's representative) functions as the co-employer (managing employer) of workers who provide waiver services. An agency is the common law employer of participant-selected/recruited staff and performs necessary payroll and human resources functions. Supports are available to assist the participant in conducting employer-related functions. *Specify the types of agencies (a.k.a., "agencies with choice") that serve as co-employers of participant-selected staff; the standards and qualifications the State requires of such entities and the safeguards in place to ensure that individuals maintain control and oversight of the employee:*
☑	**Participant/Common Law Employer**. The participant (or the participant's representative) is the common law employer of workers who provide waiver services. An IRS-approved Fiscal/Employer Agent functions as the participant's agent in performing payroll and other employer responsibilities that are required by federal and state law. Supports are available to assist the participant in conducting employer-related functions.

ii. Participant Decision Making Authority. The participant (or the participant's representative) has decision making authority over workers who provide waiver services. *Check the decision making authorities that participants exercise*:

☑	Recruit staff
☐	Refer staff to agency for hiring (co-employer)
☐	Select staff from worker registry
☑	Hire staff (common law employer)
☑	Verify staff qualifications
☑	Obtain criminal history and/or background investigation of staff. Specify how the costs of such investigations are compensated:
	To ensure all participants make an informed choice of service and service delivery, criminal background checks are mandatory for individuals performing personal assistance services. The FMS agency secures and pays for the criminal background check.
☑	Specify additional staff qualifications based on participant needs and preferences so long as such qualifications are consistent with the qualifications specified in Appendix C-3.
☑	Determine staff duties consistent with the service specifications in Appendix C-3.
☑	Determine staff wages and benefits subject to applicable State limits
☑	Schedule staff
☑	Orient and instruct-staff in duties
☑	Supervise staff
☑	Evaluate staff performance

☑	Verify time worked by staff and approve time sheets
☑	Discharge staff (common law employer)
☐	Discharge staff from providing services (co-employer)
☐	Other *(specify)*:

b. Participant – Budget Authority *(Complete when the waiver offers the budget authority opportunity as indicated in Item E-1-b)*

i. Participant Decision Making Authority. When the participant has budget authority, indicate the decision-making authority that the participant may exercise over the budget. *Check all that apply*:

☑	Reallocate funds among services included in the budget
☑	Determine the amount paid for services within the State's established limits
☑	Substitute service providers
☑	Schedule the provision of services
☑	Specify additional service provider qualifications consistent with the qualifications specified in Appendix C-3
☑	Specify how services are provided, consistent with the service specifications contained in Appendix C-3
☑	Identify service providers and refer for provider enrollment
☑	Authorize payment for waiver goods and services
☑	Review and approve provider invoices for services rendered
☐	Other *(specify):*

ii. Participant-Directed Budget. Describe in detail the method(s) that are used to establish the amount of the participant-directed budget for waiver goods and services over which the participant has authority, including how the method makes use of reliable cost estimating information and is applied consistently to each participant. Information about these method(s) must be made publicly available.

The participant directed budget is developed based on the Individual Service Plan (ISP). The amount of the individual budget is based on the amounts of service that are authorized in the ISP and are reflected in a participant's Spending Plan. The process for ISP development is the same for all participants in the Attendant Care Waiver, regardless of service model. The Service Coordinator reviews the participant's needs with the participant and ensures that the ISP includes sufficient and appropriate services and provides the support that an individual needs or is likely to need in the home and community and to avoid institutionalization. Once the participant determines that they wish to self-direct, the number of units of Personal Assistance Services are multiplied by the average regional agency rate for Personal Assistance Services (Procedure Code W1793). This monetized amount represents the participant's individual budget amount and represents the amount that would have been paid on the participant's behalf if they used provider-managed services. Service Coordination and the monthly F/EA service fee is not included in the participant's individual budget amount and is not reflected in the participant's Spending Plan.

The Service Coordinator is responsible for explaining the method for developing the individual budget and sharing the budget amount with the Participant during the ISP process. The participant works with the Service Coordinator to determine how the budget can be utilized to best serve their needs while maintaining their health and welfare.

A Spending Plan is developed that uses the available monies to purchase goods and services in a manner that allows the participant increased control and flexibility in the way their services are delivered. The Spending Plan is a detailed plan that describes what, how much and from whom the participant will obtain goods and services that meet his/her needs as identified in the individual service plan. The Spending Plan also identifies the timing for spending throughout the timeframe of the participant's plan. The F/EA must pay the invoices in accordance with the Spending Plan as authorized by the participant.

Information about participant-directed services, including the method for determining the individual budget, is made available through the Services My Way (SMW) training manual, online and the standard participant information materials developed by OLTL.

iii. Informing Participant of Budget Amount. Describe how the State informs each participant of the amount of the participant-directed budget and the procedures by which the participant may request an adjustment in the budget amount.

During the ISP process, the Service Coordinator notifies the participant of the individual budget amount following the approval of the ISP by the OLTL, and assists the participant in developing the individual spending plan if requested to do so. In the event that participant needs change, the participant may request an adjustment to their individual budget by contacting their Service Coordinator. As described in Appendix D, the Service Coordinator will reassess the participant's needs and .request approval of the revision from OLTL as appropriate. The participant will be notified of the approval or denial of the request. The participant has the right to the fair hearing and appeals process as outlined in Appendix F.

iv. Participant Exercise of Budget Flexibility. *Select one:*

●	The participant has the authority to modify the services included in the participant-directed budget without prior approval. Specify how changes in the participant-directed budget are documented, including updating the service plan. When prior review of changes is required in certain circumstances, describe the circumstances and specify the entity that reviews the proposed change:
	Participants have flexibility to manage their services and modify their Spending Plan without requiring the prior preparation of a revised Service Plan. Funds in the participant's Spending Plan may be reallocated without modifying the service plan when: 1. The participant wants to change an employee's start time. 2. The participant wants to distribute work hours more evenly by assigning more hours to one employee, and this change will not exceed the budget limit. 3. The participant wants to change how an employee will do assigned tasks. 4. The participant wants to reschedule an employee from one day to the next. 5. The participant needs to use the back-up plan. Participants must notify the F/EA when they plan to exercise their authority to reallocate funds prior to implementing the changes. Upon making the change the participant must meet with the Service Coordinator to document the changes in the Spending Plan. Any changes that do not meet the criteria above require a change to the ISP and the Service Coordinator's submission to OLTL for approval prior to implementation. To

	initiate a change of this scope, the participant must meet with his/her Service Coordinator to amend their service plan and Spending Plan. The Service Coordinator will review and approve the amendment. Once the approval is granted the participant will submit an amended plan to the F/EA.
○	Modifications to the participant-directed budget must be preceded by a change in the service plan.

v. Expenditure Safeguards. Describe the safeguards that have been established for the timely prevention of the premature depletion of the participant-directed budget or to address potential service delivery problems that may be associated with budget underutilization and the entity (or entities) responsible for implementing these safeguards:

Monitoring oversight of the Spending plan is the dual responsibility of the Service Coordinator and the F/EA. The F/EA will provide written financial reports to the participant, the Service Coordinator and OLTL on a monthly and quarterly basis, and as requested by the participant, Service Coordinator, and OLTL. The participant, Service Coordinator and OLTL will receive written notification from the F/EA when utilization exceeds the monthly budget by 10% or more or when utilization is 80% or less.

The participant is responsible for developing a monthly Spending Plan, with assistance as needed, which will be approved and authorized by the Service Coordinator, and will be utilized to track over and under expenditures.

The F/EA will monitor expenditures, flag significant budget variances, and ensure that the purchase of goods and services and submitted timesheets match the participant's Spending Plan. The F/EA will not reimburse services not documented or authorized in the Spending Plan.

The Service Coordinator will track under-utilization and over-utilization and contact the participant and OLTL to resolve potential service delivery problems. The Service Coordinator must monitor the Spending Plan to assure that expenditures remain consistent with the individual budget, and review the monthly financial reports for the following:

- Under Spending – the participant spends less than 80% of what was authorized for the month, unless there was a hospitalization or other reason for low spending;
- Uneven Spending – the participant's employee's hours are disproportionately being used, e.g., the first two weeks at 75% and the last two weeks at 25%;
- Additional Hours – the participant's employees are being paid additional hours;
- Turnover – high turnover of employees. This should be reviewed over a series of months; and
- Excessive use of agency services for gap filling purposes instead of using back-up services.