

Building Relationships with Fiscal Intermediaries

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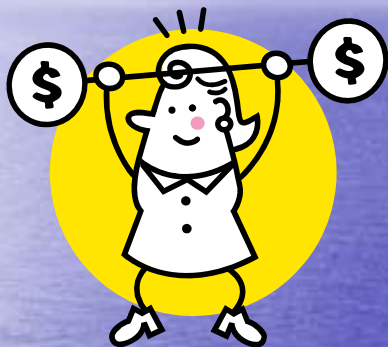
Community Living Services of Oakland County

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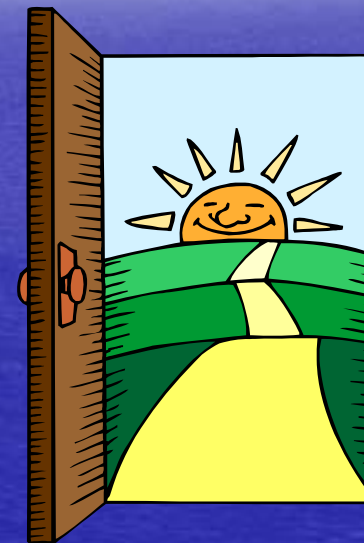
Principles of Self-Determination



Freedom

Authority

Support



Responsibility

Confirmation



Introduction

Arrangements that support self-determination mean exercising authority to responsibly **manage** the use of needed services and supports by **controlling an individual budget** and **choosing and controlling workers and providers.**

What do we Call the FI?

- FI – Fiscal Intermediary
- FE/A- Fiscal Employer/Agent
- FSE – Fiscal Support Entity
- FMS – Financial Management Service
- NOT an Investment Banker

Michigan's System

- Organized Health Care Delivery System (OHCDS)
- Managed Care Entities
 - 21 PIHPs
 - 48 CMHSPs
- Each responsible for own FI arrangements

FI Service Definition

- Fiscal Intermediary Services is a
b (3)Waiver Service

FI Service Definition

Fiscal intermediary services include, but are not limited to:

- Facilitation of the employment of service workers by the beneficiary, including federal, state and local tax withholding/payments, unemployment compensation fees, wage settlements, and fiscal accounting;
- Tracking and monitoring participant-directed budget expenditures and identifying potential over- and under-expenditures;
- Assuring adherence to federal and state laws and regulations; and
- Ensuring compliance with documentation requirements related to management of public funds.

FI Service Definition

Fiscal Intermediary Services is defined as services that assist the adult beneficiary, or a representative identified in the beneficiary's IPOS, to meet the beneficiary's goals of community participation and integration, independence or productivity while controlling his individual budget and choosing staff who will provide the services and supports identified in the IPOS and authorized by the PIHP. as to promote independence and inclusive community living for the beneficiary.

FI Service Definition

The fiscal intermediary helps the beneficiary manage and distribute funds contained in the individual budget. The fiscal intermediary may also perform other supportive functions that enable the beneficiary

- to self-direct needed services and supports. These functions may include selecting, contracting with or employing and directing providers of services, verification of provider qualifications
- (including reference and background checks), and assisting the beneficiary to understand billing and documentation requirements.

MI Guidance on Fiscal Intermediaries

- Self-Determination Policy and Practice Guideline
- Choice Voucher System Technical Advisory
- Readiness Review Protocol

SD Policy & Practice Guideline

- E. *A CMHSP shall collaborate with and guide the fiscal intermediary and each consumer involved in self-determination to assure compliance with various state and federal requirements, and to assist the consumer in meeting his/her obligations to follow applicable requirements. It is the obligation of the CMHSP to assure that the entities selected to perform intermediary functions are capable of meeting and maintaining compliance with the requirements associated with their stated functions, including those contained in relevant MDCH Technical Assistance Advisories.*

FI Entities in Michigan

Examples of entities that might serve in the role of a fiscal intermediary include: bookkeeping or accounting firms; local ARC or other advocacy organizations; a subsidiary of a service provider entity if no conflict of interest exists.

The Choice Voucher System

The Choice Voucher System is not "self-determination." It is a concrete set of methods to successfully implement arrangements that support self-determination.

Fiscal Intermediary/ CVS TA

- Fiscal Intermediary Roles & Responsibilities .12
- Key Elements of the Relationship Between the PIHP/CMHSP and the Fiscal Intermediary.....13
- The Value of Using an Independent Agency 15
- Putting it all Together.....16

Fiscal Intermediary/ CVS TA

Fiscal Intermediary Roles & Responsibilities

.....12

- APPENDIX A: LIST OF FISCAL INTERMEDIARY FUNCTIONS
- Fiscal Intermediary Qualifications
- Administrative Functions
- Employer Agent Functions
- Employee Verification Functions
- Information and Guidance Functions

Fiscal Intermediary CVS/TA

Key Elements of the Relationship Between the
PIHP/CMHSP and the Fiscal Intermediary.....13

- FI has a fiduciary relationship with the
PIHP/CMHSP for accountability of public funds
- Service Provider to Participant b(3) Service
- Fiscal Intermediary Agreement is Critical
- Draft Agreement.....23

Fiscal Intermediary CVS/TA

The Value of Using an Independent Agency15

- Handles and monitors Individual Budgets
- Handles payments quickly and efficiently
- Can insulate the PIHP/CMHSP from Liability
- Handles Employer Agent Functions

PIHP/CMHSP Functions

1. Develop a FI Agreement that outlines the minimum functions of both the PIHP/ CMHSP and the fiscal intermediary;
2. Develop and provide a written set of procedures for the FI including clear guidance on the minimum requirements for accounting;
3. Require FI to maintain liability insurance and indemnify PIHP/CMHSP for performance of FI functions;

FI Qualifications

- Cannot be a provider of direct mental health services
- Cannot be a guardian or trust holder of any participant or have any other compensated fiduciary relationship with a participant except rep. payee
- Must be able to fulfill the functions required by CMHSP as identified in the FI Agreement

Procurement

- Networking at Conferences/Events
- Request for Proposal Process
- Readiness Review Process

SD Policy & Practice Guideline

- *A CMHSP shall select and make available qualified third-party entities that may function as fiscal intermediaries to perform employer agent functions and/or provide other support management functions, in order to assist the consumer in selecting, directing and controlling providers of specialty services and supports.*

Readiness Review Protocol

Procurement/Readiness Review Protocol

- I. Status Of Physical Plant Equipment, Information Systems Technology, And Customer Service System
- II. Coordination And Communication With PIHP/CMHSP Support Coordinators
- III. Administration - FI Policies And Procedures Manual, Quality Management Plan, And Staying Up-to-date With Federal And State Rules And Regulations Pertaining To Vendor Fiscal

Readiness Review Protocol

- IV. Administration – Record Management Process
- V. Administration – Processing Payroll And Invoices
Preparing And Submitting Required Reports To State
- Government And Program
Participants/representatives
- VI. Enrollment Of Participants And Workers
- VII. FEIN Process

Request for Proposal Process

- FI Qualifications
- FI Services
- Other Requirements
- Service Cost/Payment

Agreement/Services

- Agreement defines functions/responsibility of each party.
- Required Functions/Other Functions
- Payment Arrangements
- Should be Individualized

Developing the FI Relationship

- Involve Clinical and Finance People.
 - The Relationship requires input from both sides.
 - Create Empathy for a common goal. (you're on the same team!)
- Involve the FI
 - The FI is a financial arm of arrangements Self-Determination.
 - The FI can be a great resource for documentation and backup.
- Electronic Claims Processing
 - The FI should understand and interface with the claims system.
 - Develop relationships with third party vendors
 - Shortcut process steps for more efficient data transfer
 - Reimbursement cycle shortens

Variety in the FI Role

- Traditional service includes:
 - Payroll Agent
 - Individual Reporting
 - Customer/Field Services
 - Claims Processing/Invoicing
- More limited version:
 - Payroll Agent
 - Basic Claims

Monitoring

- Service Monitoring by PIHP/CMHSP
- Monthly Reports
- Ongoing Communication
- Mechanisms for Q&A from PIHP/CMHSP

Assessment Criteria

- Develop and implement plan for assessing and monitoring FI performance that involves participants, families and advocates
 - Fulfillment of FI Agreement Requirements
 - Evaluation of participant feedback and satisfaction data
 - Involvement of participants and family members in the development and implementation of the FI arrangement
 - Perform audit of a sample of the budgets

Monthly Budget Report

- Monthly Budget Reports to Supports Coordinator (at PIHP/CMHSP) and Participant
- Things to Look Out for
 - No/Reduced budget activity
 - High employee turnover
 - Over use of budget
- Participant Follow-up is key

Community Living Services of Oakland County

- Funded by the Oakland County Community Mental Health Authority
- CLS/OC was developed in October, 2004 after a response to a RFP issued by OCCMHA
- OCCMHA was looking to contract with an agency exclusively designed to advance Self-Determination, and to add choice of provider agencies for people with developmental disabilities in Oakland County.

Community Living Services of Oakland County

- Actively supporting 450 people, each self-directs their services via an individual budget and use of a Fiscal Intermediary (FI).
- Our enrollment numbers increase each month by approximately 15 people per month, some are transferring from the other service provider, and some are new to the system.

Community Living Services of Oakland County

- Everyone who chooses CLS/OC is choosing Self-Determination, as it is our only model of support.
- GT Financial Services is the Fiscal Intermediary for everyone served by CLS/OC.
- Our agency is designed exclusively around the principles of Self-Determination and having people being served self-direct ALL of their authorized services through a Fiscal Intermediary.

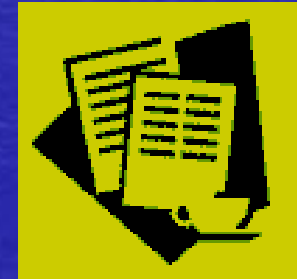
More than just an individual budget: Planning for Meaningful Lives

- Dreaming- A Person's Vision Of His/Her Desired Future
- Planning- Taking the Steps to Get There
- Attaining the Desired Outcomes
 - Someone to Love, Something to Do, Something to Look Forward to
 - Having Friends, Relationships, Income, and a Role in the Community
 - Choosing Where and With Whom You Live
 - Being Healthy And Safe



Funding people, not programs

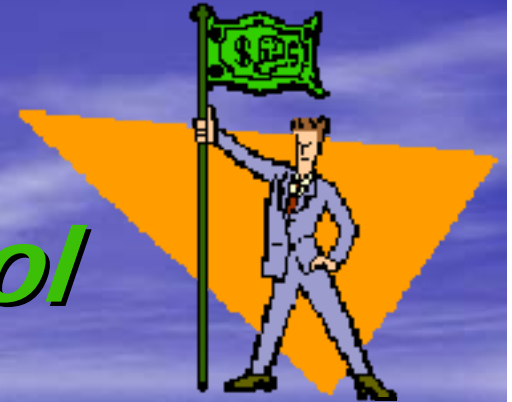
- Everyone supported by CLS/OC has a self-directed budget they use to implement their Person-Centered Plan.
- **Open choice of service providers.** Services are provided by community based, independent contractors and agencies including:
 - Independent Supports Coordinators & Brokers
 - Respite
 - Clinical Services
 - Community Living Supports (Staffing)
 - Skill-Building or Employment Services



Building Real Authority & Control

- Independent people and agencies enter into agreements directly with the people they support. The agreements outline roles, responsibilities, expectations, and agreed upon fees for services.
- Their invoices or timesheets are reviewed with the person / family and then payments are issued through the Fiscal Intermediary.
- The person is provided with a monthly Revenue & Expense Report, so they know the exact cost related to the services they receive. They also know how much they have spent YTD and how much is left in their budget.

Building Real Authority & Control



- Staff/clinicians/providers are all hired and fired by the individuals they support.
- Focus is upon the person as the customer.
- Providers compete for person's choice (must satisfy the person in order to stay in business).
- Competition drives provider quality, and "raises the bar" on quality service provision.

Budget Process

Budget Development is based on good Person-Centered Planning.

- Identification of Hopes & Dreams
- Identification of Support Needs
- Utilization of Natural Supports/
Community Resources/Entitlements
- Authorization of Services



Plan Authorization + Rates = Budget

Budget Implementation

- Discuss Fiscal Intermediary role / schedule kick off meeting with the FI.
- Coordinate/confirm Service Provider selection and understanding of expectations.
 - ✓ Signed Agreements
 - ✓ Signed Consents
 - ✓ Service Authorizations



Adherence to Medicaid Regs

CLS/OC maintains responsibility for credentialing/screening providers before authorizing Medicaid payments:

- CLS conducts the credentialing process for independent contractors and agencies, if the individual has a person or agency in mind that they would like to hire.
- If the person does not have anyone in mind, CLS/OC provides options/resources regarding pre-credentialed providers, and assists the person in the interviewing and selection process.

Adherence to Medicaid Regs

- Fiscal Intermediary does credentialing for all direct hire employees, including:
 - ➔ Criminal Background Checks
 - ➔ Tracking and ongoing follow up related to training requirements

Fiscal Intermediary Role

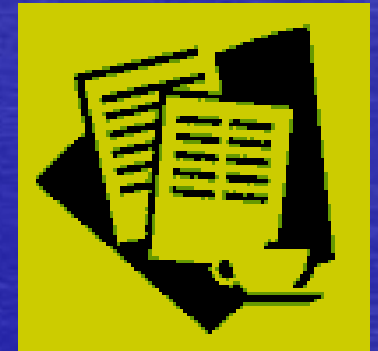
- Intake – includes face to face “kick off” meeting with new people choosing SDS to explain procedures and complete all forms
- Disbursement – disburse payroll for direct hire employees and pay invoices
- Reporting - Individual and aggregate R & E Reports
- Claims/Reimbursement – data processing, submission of claims in electronic 837 file
- Customer Support Services

Fiscal Intermediary Role

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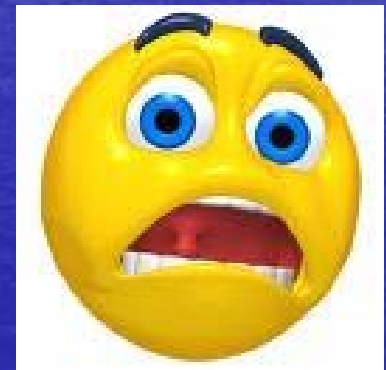
A smile, friendly handshake, and discussions over a cup of coffee means a lot to people



Fiscal Intermediary Role

The employer/employee forms and hiring process are far less intimidating for people with face to face Fiscal Intermediary guidance.

Case Managers/Support Coordinators don't have to be Employer/Employee regulation experts:



Let the FI do what they do best!

Fiscal Intermediary Role



*Let the FI do
what they do best!*

Assist with completion of all required IRS forms.

Assures all taxes are deducted/paid.

Labor laws are followed.

Fiduciary responsibility to handle, manage,
and account for the funds in the budgets.



Fiscal Intermediary Role

- Disbursement – Disburse payroll for direct hire employees and pay invoices

For the person's entire plan, all authorized services, not just payroll

A combination of direct hire employees, individual contractors (Support Coordinators or Brokers), and agencies can be utilized



Fiscal Intermediary Role

- Reporting – Revenue & Expense Reports



Challenge is to provide as much information as possible, while still being user friendly.

Fiscal Intermediary Role

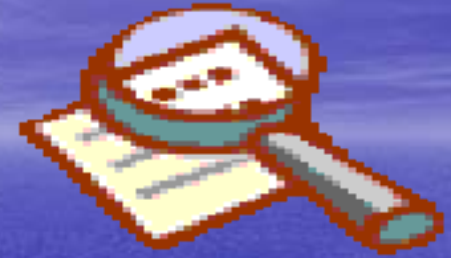
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Revenue & Expense Reports

- Individual R&Es are sent to the person and Independent Support Coordinator each month.
- CLS/OC Self-Determination Coordinator reviews individual R&E reports each month to monitor for over/under utilization. Schedules a meeting with person/support circle if concerns are noted.
- CLS/OC Director reviews aggregate report for entire agency / total enrollment (ongoing assessment of expenditures vs. revenue in aggregate).



Fiscal Intermediary Role

- Claims/Reimbursement – data processing, submission of claims in electronic 837 file



Encounter data, with exact unit costs, are entered for submission to county/state by the Fiscal Intermediary.



Fiscal Intermediary Role

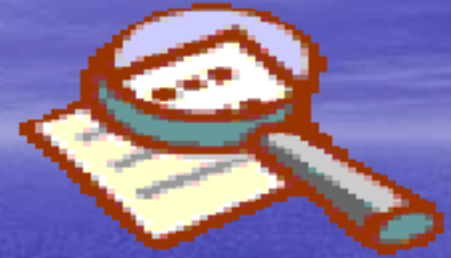
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Fiscal Intermediary Role

- Customer Support Services

Think about how you want to define the FIs role in Customer Service?

There are lots of options, varying from FIs participating in three hour problem solving meetings in people's homes *TO/OR* strict policy implementation (you set the policy and they enforce it)?

Fiscal Intermediary Role

- Customer Support Services

Make sure you agree on agency philosophy, language, flexibility, etc.

For example, at CLS/OC we do not refer to those we support as “clients” or “consumers”, and therefore we expect the same from our FI.



Joint Partnership

People We Support, FI, CMH

- The establishment of a positive rapport and trust with people supported and their families is key to successful Self-Determination arrangements.
- Be honest and acknowledge that you are working together to make these arrangements work well for everyone involved – successful system changes take time and solid partnerships.

Say what you mean, mean what you say.

Benefits of Fiscal Intermediary

- **Removing Paperwork Roadblocks**
- **Collaborating with PIHP/CMHHS Staff**
- **Helping Navigate SD related Issues**

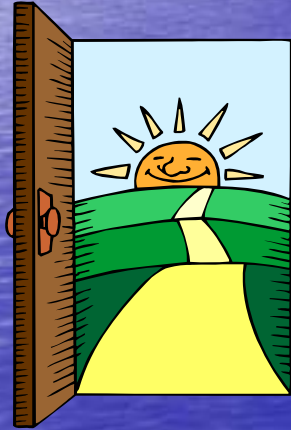
Viewing Services Differently

- People need to know how much their services cost in order for them to assess whether what they are receiving is of good value to them.
- Shifting control over supports helps people and their families be more in control of their lives. It also helps make sure providers know who they work for.



Aim High

- Celebrate Self-Determination success stories!



*Where creativity leads,
policy and practice follows.*