

Imagine Policy and Procedures for Consumer Directed Services Financial Management Services

Overview:

Imagine Enterprises provides Financial Management Services (FMS) as a Financial Management Services Agency (FMSA) for both the Home and Community Services (HCS) and Texas Home Living (TxHmL) Medicaid waivers for those who select the CDS option. This document outlines Imagine's role and responsibilities to implement the CDSA services.

Commonly Used Acronyms:

HCS	Home and Community Based Services Medicaid Waiver
TxHmL	Texas Home Living Medicaid Waiver
CDS	Consumer Directed Services
CFC	Community First Choice
HHSC	Texas Department of Aging and Disability Services
FMS	Financial Management Services
FMSA	Financial Management Services Agency
HHSC	Health and Human Services Commission
LAR	Legal Authorized Representative
DR	Designated Representative
IPC	Individual Plan of Care
PDP	Person Directed Plan
TWC	Texas Workforce Commission
IRS	Internal Revenue Services
OAG	Office of the Attorney General
HHSC	Health and Human Services Commission

Reference Materials:

The HHSC [Consumer Directed Services Handbook](#) includes rules and procedures on the CDS service delivery option and CDS forms and budget workbooks for both the HCS and TxHmL and this information can be found at the HHSC CDS website. The HHSC CDS Chapters 41 & 49 define the rules and this provides a comprehensive description of Texas' CDS program.

THE CDS OPTION

There are several ways to choose the CDS option for a Texas Medicaid Waiver:

1. Individuals who currently receives services from their HCS or TxHmL Medicaid Waiver can request the CDS option at anytime.
2. At the annual staffing the client/LAR is provided information about CDS. If interested they notify the service coordinator of their choice to participate in the CDS option and the service coordinator works with the client and/or LAR to determine if the option is a good match.
3. When an individual's slot becomes available on the interest lists, the CDS option can be chosen.
4. An individual can transfer from one FMSA to another with the assistance of their service coordinator.

Once the CDS option is chosen or if transferring from one FMSA to another, the service coordinator provides a current list of FMSA's from which to choose from. The individual/LAR should call several CDSA's and ask questions about the companies and services before making a choice. The individual/LAR provides the name of the FMSA they have chosen to the service coordinator who contacts the FMSA to proceed.

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ENROLLMENT IN THE CDS OPTION

The service coordinator initiates enrollment paperwork (DAD's 1500 series) into the CDS option or transfer paperwork from one FMSA to another. Signatures are needed from individual/LAR and Imagine Enterprises. This documentation is sent by the service coordinator to HHSC.

IPC DEVELOPMENT

The IPC is developed by the individual/LAR and the service coordinator, who meets with the individual/LAR to determine the number of units per services and together develop an IPC. Imagine Enterprises can attend these meetings at the request of the individual/LAR. If the individual is transferring from a provider or from another FMSA, Form 3617 is utilized to show the units used, to be held back for billing, and what units are available to the receiving FMSA.

FINANCIAL MANAGEMENT SERVICES

A monthly fee Imagine is paid for FMSA services from the client's budget through the IPC and is a set amount for both HCS and TxHmL. The fee can only be accessed if the FMSA processes billing for a date of service in the specific month.

EMPLOYER RESPONSIBILITIES

An employer/DR is responsible for planning with the individual's service planning team, budgeting CDS funds, determining wage and benefits, ensuring that employees/contractors are paid in a timely manner, recruiting, screening, hiring, and training qualified personnel, managing and terminating personnel, and planning and arranging for back-up services.

INITIAL ORIENTATION MEETING

The initial orientation meeting is coordinated by Imagine Enterprises and held in the individual's residence. During this meeting the following materials are used:

HHSC CDS Documents

- Orientation Meeting Documentation, CDS Form 1736
- Designated Representative Form, CDS Form 1720.
- Relationship Definitions in CDS, CDS Form 1726
- Criminal Conviction and Registry Checks, for DR, CDS Form 1725
- Employer and CDSA agreement, CDS Form 1735
- Texas Home Living Addendum Form 1735
- HCS Addendum Form 1735
- CFC Addendum Form 1735

Information is provided by Imagine Enterprises on how to report Abuse, Neglect and Exploitation, and Form 1732 for annual evaluations. At the initial orientation or at the time of transfer, the employer is informed to complete an annual review for each employee using Form 1732 evaluations and a customer satisfaction survey; these documents are returned to Imagine.

DESIGNATED REPRESENTATIVE

Once the individual chooses CDS they must decide if they will choose someone to be their designated representative to assist with employer responsibilities (this is also covered by the service coordinator

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when a person expresses the desire to use CDS). An individual who needs support in the employer process and responsibilities may appoint a Designated Representative (DR) to assist with the employer duties. The DR is responsible for duties and responsibilities as outlined on the Form 1720 and throughout the Imagine FMSA procedures. To be eligible to serve as a DR, the FMSA will perform the required background checks on the Texas Department of Public Safety secure website is utilized. If the DR is no longer able to provide these services, a Revoke DR form is completed. The employer can choose another DR at this time.

AGENCY EMPLOYER DOCUMENTS

- IRS Form SS-4, Application for Employer Identification Number

Once the document is completed authorizing Imagine Enterprises to apply as a 3rd party application for the employer, the application can be completed online with the employer present or if necessary, the form can be faxed to the IRS.

- Texas Workforce Commission, C-42 Written Authorization Form

Imagine will assist the employer to register through the Texas Workforce Commission, which establishes an employer account where unemployment benefits will be paid for the employer by Imagine quarterly throughout the year.

- IRS Form 2678 Employer/Payer Appointment of Agent

This document gives permission for Imagine Enterprises to report, deposit, pay and communicate with the IRS on behalf of the employer and must be signed by the employer and Imagine.

EMPLOYEE NEW HIRE PACKET

When an employer wants to hire a new employee, the list below is sent to Imagine.

*1725 Criminal History Check

Prior to hiring, Imagine Enterprises will screen the CDS employee applicants and notify the Employer of the results from the TXDPS secure website, the Employee Misconduct Registry, Nurses Aide Registry (if applicable), and the LEIE Medicaid Exclusion lists within two days of receipt of form.

1729 Applicant Verification

Imagine Enterprises must verify that the applicant is at least 18 years of age by utilizing the applicant's driver license, I-9 and the Form 1729, the applicant is not disqualified based on Form 1734 relationship, is not barred from employment based on the results of the criminal history background and LEIE misconduct registry checks, for 1728 Liability Acknowledgement, and has read the Notice Concerning Workers Compensation in Texas.

1734 Employer Relationship Determination

This document certifies the relationship status of employer and employee candidate and verifies that the employee candidate is 18 or older.

I-9 Employment Eligibility Verification

Common documents provided are a driver license and social security card. See application for complete list of allowable documents.

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1728 Liability Acknowledgment

This is an acknowledgement between the Employer and an applicant that documents the discussion if the employer is, or is not, a subscriber to workers' compensation and the arrangements, if any, that the employer has made for work-related injuries or illness incurred by an employee if the employer is not a subscriber to workers' compensation.

W-4 Employee's Withholding Allowance Certificate (IRS)

OAG New Hire

1730 Wage and Benefits

This document reflects the agreed compensation, benefits, withholdings and garnishments.

1731 Employee Work Schedule

Acknowledgement of work schedule and assigned tasks.

1737 Service Agreement between Employer and Employee

1739 Service Provider Agreement

1727 Acknowledgement of Hepatitis B Vaccination and Universal Precautions

1733 Employer and Employee Exemption from Nursing Licensure for Certain Services

1732 Management and Training of Service Provider

Orientation and annual reviews are required.

1732 EMR Employee Misconduct Registry Notification

Auto Liability Insurance Card if transporting the individual

Note: if individual is transferring from another FMSA, the Employer must provide documentation to the receiving FMSA within five working days after the transfer date to establish and maintain eligibility of each current employee and contractor. The Employer must also provide other documentation requested by the receiving FMSA.

The receiving FMSA must enroll the individual and employer with the FMSA, including registering the FMSA as the employer-agent, begin FMS and employer-agent by conducting an initial orientation in the individual's residence if the current employer has not received an initial orientation from a FMSA, entering into the required service agreement with the employer and obtaining the required HHSC service agreements with each of the employer's employees/contractors before issuing the first payment.

MONTHLY REPORTING

Each month the FMSA will screen contractors, CDS employees, and Imagine Enterprises employees who handle CDS information by searching the federal and Texas LEIE websites, HHSC OIG Excluded Individuals/Entities, prohibit payment for any items or services by an excluded individual or entity, and

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report exclusion information to HHSC. A monthly log is kept in the FMSA office and the log will contain: date of service, first name, last name, DOB, excluded in database fields and are signed by the Chief Operating Officer for CDS. If a CDS employee or contractor or Imagine Enterprises employee appears on the excluded database, employment will be terminated immediately. Also, the employer and FMSA are required to self-report. If an individual or entity is excluded from the databases, Imagine Enterprises will inform the employer immediately that services must be terminated.

CDS BUDGET WORKBOOK AND DEVELOPMENT

The employer and Imagine Enterprises use the HHSC CDS Budget Workbook to create a budget for CDS services. Information on available units for the budget period is found on the IPC. Discussion with the employer is used to create a budget. Budget revision must be made if there is a change (authorized units, unit rate, or amount of funds allocated have changed) to the IPC or if the employer desires to raise an hourly rate or add a benefit.

Developing a CDS budget includes employer expenses such as basic office supplies (see HHSC website for current Allowable Employer Expenditures), criminal history background check expense, funds for a workers compensation policy or healthcare benefits if desired, other employee benefits (vacation, holiday or sick days, bonus), non-taxable entity agreements, service units, hourly wages, and taxes. Note that hourly wages must be at least minimum wage and within the approved rate for the service.

Bonus Payments to CDS Staff

1. The HHSC-CDS Handbook provides the following guidance:

A bonus is an optional benefit. A bonus must be pre-planned and budgeted. Funds for a bonus must be accrued from each hour worked by the employee before the bonus payment is made. A hire-on bonus when an employee is hired and the amount budgeted for the bonus must be accrued from hours worked by the person within the first three months of employment.

When determining the size of the bonus one must remember that bonuses are treated the same as salary, and payroll taxes and income tax (if appropriate) will be deducted from the bonus amount, and the employer will be responsible for the employer's share of payroll taxes, just like the regular payroll.

Example:

The employer calculates that the employee will work 40 hours per week for 50 weeks, for a total of 2,000 hours.

The employer wants to budget a \$500 bonus to be paid at the end of the 12 months. The budget is calculated at \$.25/hour from each hour the employee works to accrue (save) \$500 (calculation is the hourly rate \$14.00 + .25 or \$14.25 to accrue the funds for the bonus).

Each pay period funds are accrued at \$.25 for each hour worked by the employee. If the employee only works 1800 hours, only \$450 will have been accrued at the end of the 12 month period. The bonus amount would then be limited to \$450.

The budget must reflect the bonus and the amount per hour worked and the total amount to be accrued.

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2. Processing a bonus for payment through Imagines' payroll:

Imagine recommends the use of an hourly wage based on each employee's ability and performance that utilizes the funds available. Bonuses are then included in the monthly budget and approved as the Employer determines employee performance as deserving of the bonus. Bonuses should reflect a logical percentage of the hourly wage as referenced in the HHSC guidance.

A bonus can be given to CDS employees when a written notification is provided that includes the following: Name of staff and amount for the bonus, not to exceed accrual.

3. Recommendations for planning and determining bonuses:

The actual amounts can vary, but by showing a plan to provide bonuses, the employer can use their flexibility, as support needs change.

- A. A bonus is connected to services you receive (or the person getting services receives, at the employer's discretion). This means you are using a bonus to reward staff for services performed that relate to your plan of care or quality of life. An employee can only accrue a bonus for hours they worked in that particular service. These can include, but are not limited to:
 - Reward for good work
 - Assisting the person to sustain positive performance or behavior
 - Completion or good progress on an activity or a goal
 - Staff person's efforts have made a positive impact on the person's life
 - Staff is consistent and predictable in their work.
 - Showed good decision making at a time of crisis
 - Helped to resolve a difficult situation
- B. Bonuses may be rewards for positive performance as well as direct support services. For instance, you may want to provide bonuses when staff:
 - Consistently showing up for work on-time
 - Showing up for work ready to work with the consumer
 - being creative and/or thoughtful in planning activities or structure that is helpful
 - Seeking additional training to improve skills and opportunity on your (or the persons) behalf.
 - Has longevity 3 - months, 6 - months, 1 - year or longer
 - Is flexible and willing to work evening and weekends
 - Provides back-up when other staff are not available
- C. If there are several employees who work for you, bonuses should be a consideration for all employees based on criteria that relate back to your plan and staff performance.
- D. As in the example given, the amount of the bonus should be tied back to the number of hours worked and compensation level of the employee. For instance, depending on the amount of funds that you have to create the bonus, you may want to provide a 5% bonus for that pay period. Make sure all employees know how bonuses are earned and what they would have to do to get a bonus.

SUPPORT CONSULTATION SERVICES

Support consultation is an optional service available to an individual participating in the CDS option and is delivered to an employer, an employer's DR or an individual receiving services through the CDS option. Support consultation provides training, assistance, and support that does not duplicate or

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replace the services delivered through FMS, case management services, or other available program or non-program services or resource. Support consultation provides skills training and assistance for recruiting, screening, and hiring workers; developing and documenting job descriptions; verifying employment eligibility and qualifications; completing CDS documents. The services can also developing ongoing decision making skills for employer-related and employment-related situations.

CONTRACTORS AND VENDORS

For each contractor/vendor (speech, OT, PT, etc.) Imagine Enterprises utilizes HHSC Form 1749 & 1739. Pre-contract screening will be conducted before the client receives services by the FMSA with the LEIE and on a monthly basis. Once the entity is cleared, the FMSA will provide a Form 1749 and Form 1739 for the employer and entity to sign.

CDS EMPLOYER TRACKING

Imagine prepares a quarterly employer tracking report that shows how many units per service have been used in each pay period, the amount of funds used which includes taxes, bonuses and other employer expenses. These reports also show the employer how many units per service are remaining through their budget year and are emailed and/or mailed quarterly to the employer and their service coordinator/case manager. These reports are also available upon request.

CORRECTIVE ACTION PLANS

Imagine Enterprises will work with Employers to be informed and implement the CDS rules and guidelines to the best of their ability. However, in the event there is an improper action, the FMSA can take corrective action if the Employer submits incomplete, inaccurate, or late documentation of service delivery, does not follow the budget, does not comply with program requirements related to the CDS option, or does not meet other employer responsibilities.

A written corrective action plan must include the reason the corrective action plan is required, the action to be taken, the person responsible for each action, and the date the action must be completed. An Employer may request assistance in the development or implementation of a corrective action plan.

PAYROLL PROCESS

Imagine Enterprises provides bi-weekly payroll for CDS. Time sheets are emailed or faxed and due dates are denoted on the Imagine Enterprises CDS Pay Date Chart. Receipts for employer expenses and invoices from contractors (dentist, speech, etc.) are also submitted in the same manner. For pay dates, see the current CDS Pay Date Chart provided at the in-home CDS orientation and yearly thereafter (via email or mail).

CDS staff access the electronic and faxed timesheets, prints the documents and checks each timesheet for employee name, and signatures and employer/DR signatures, and calculates the number of hours per service.

Hours are then entered onto the CYMA spreadsheet and they are also re-verified to ensure the transfer of information is accurate. After hours are confirmed, the CYMA payroll system processes further with an ultimate direct deposit scheduled or paper check produced. Overtime is mandatory and is a total of hours for all services per employee for one pay week, which is Sunday – Saturday.

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CDS employees have the option of their paycheck direct deposited or paid via a paper check. On the date of payroll, payroll stubs for direct deposit employees are available on the CYMA Payroll Portal. Employees who receive a paper check will have their pay stub attached to their pay check and mailed on pay day.

Vendors for adaptive aids, minor home modifications must follow HHSC rules and as well as dental/OT/PT/Speech services, etc. are paid via invoice with a signed Entity Agreement/Service Provider Agreement.

CDS Process and Changes that Occurred in 2018

January to March 2018 were processed in the same manner as before using Wegner. We did also load the same information into CYMA, an accounting system designed to handle FMSA payroll and all that is required with that. That allowed us to also run a parallel for one pay period before going live.

The gathering of timesheets by CDS Imagine staff and verifying the information on them has not changed from the process used with Wegner.

Our CDS staff did develop new spreadsheets to summarize the data from the time sheets at a more detail level from what had been done with Wegner. Previously and for the first three months we continued to record Wegner's payroll in QuickBooks at a Client/type of service and pay date level. Beginning with the first payroll in April, we now record in QuickBooks at a Client/type of service/payroll period and then pay day. This additional level of detail to have the payroll period is helpful on the employee's pay stub, when applying the payment from CARE and also when CDS staff reconcile with CARE.

As new Clients, Employers and employees are identified, the appropriate data is entered into CYMA prior to processing payroll.

CDS payroll is processed biweekly. Once the timesheets are received and verified, the data is entered into the CYMA Payroll Spreadsheet so overtime can be easily calculated and we can also identify if an employee has conflicting hours. CDS staff address the questions/issues identified in the spreadsheet and then two people verify that all data was entered correctly. Once this is done a data file is created to upload and process in CYMA by Imagine. Totals from the batch are verified with the amounts in CYMA to ensure all data was processed.

Since timesheets come in starting Saturday we process multiple batches. Each batch that is uploaded to CYMA, creates a report from CYMA that is used to enter the time into the CARE System by other CDS staff.

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Then on Thursday CYMA summarizes all the data to create a CDS tracker report that is used to ensure that each client has available hours. Any discrepancies are reviewed and changes are made in CYMA.

On Friday when the last adjustments are in CYMA the payroll reports, checks and direct deposit file is generated. Payroll reports are sent to the QuickBooks accounting personnel for entry into the QuickBooks Accounting system.

The direct deposit is set up in Nat Pay with reports going to accounting. The EFTPS is set up with the confirmation being sent to Accounting and payroll checks are mailed on pay day.

All vendor invoices related to CDS-FMSA are entered directly into QuickBooks and the payments are set up in the bank on the same schedule as the employee pay day. Those vendor invoices are set up in QuickBooks as billable to the CARE recipient so the revenue amounts are also created right after that.

Quarterly and Annual payroll reports are generated using CYMA payroll processes, verified and submitted. Any payments needed are also processed. This also includes a reconciliation of all tax payments during the quarter for all payroll tax accounts.

CARE BILLING

The CARE Billing Specialist will utilize the finalized payroll spreadsheet that includes name of the employee, name of the employer, date of payroll, number of hours per service, net payment and FICA/Medicare taxes. The CARE Billing Specialist inputs the information into CARE for reimbursement to Imagine Enterprises.

QUARTERLY IRS AND TWC PAYMENTS

Each quarter payments and reports are due to the IRS and Texas Workforce Commission. The payroll department processes the information and either utilizes the online method or will complete paper reports and submit on behalf of the CDS clients.

SATISFACTION SURVEYS

As an effort to continue providing quality services and as required by HHSC, Imagine Enterprises conducts satisfaction surveys with their CDS clients or employer or DR. Copies of the surveys are evaluated by the CDS staff with appropriate measures taken and they are also retained by Imagine Enterprises. At the initial orientation meeting or at the time of transfer meeting, Imagine Enterprises provides a blank satisfaction survey and Form 1732 with instructions to submit these annually to Imagine Enterprises.

RECORD RETENTION

Imagine Enterprises must create and retain records in accordance with the contract between Imagine Enterprises and HHSC, Contracting for Community Care Services, the Texas Administrative Code, Chapters 41 & 49, requirements of the individual's program, applicable government agencies' requirements, and Imagine Enterprises' record keeping and record retention policy.

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Imagine Enterprises will maintain financial records that include the following information to support claims billed to HHSC and payments received from HHSC: the amount of payment, voucher number, warrant number, and the date the payment was received.

Imagine Enterprises will document and maintain financial records in accordance with generally accepted accounting principles (GAAP) and HHSC requirements. Imagine Enterprises will keep records for at least five years and, if any litigation or claim involving records is ongoing at the conclusion of five years, Imagine Enterprises will maintain the records until all litigation or claims are resolved or for a longer period than five years if required by an applicable government agency. Imagine Enterprises must allow representatives of HHSC or other appropriate government agencies, to examine and copy records during normal business days and hours and for reasonable periods.

Imagine Enterprises will ensure confidentiality and security of all records. When records are destroyed, confidentiality and security is ensured by shredding the documents.

TRANSFER PROCESS

Within five working days after receipt of a request to transfer to another FMSA or to a provider, Imagine Enterprises must:

- account for the funds in the individual's budgets
- make payments to CDS staff for their final time sheet(s) within required time frames;
- bill in CARE for timesheets or invoices that must be paid pay on behalf of the employer
- submit billing adjustments for prior claims and payments from HHSC that will not be paid, or deposits, withholdings, and employee and employer contributions
- complete form 3617 that reflects the number of units and the amount of funds remaining in each budget after the scheduled transfer date
- transfer all employer-related and employer-agent related information and reports applicable to the individual's budgets, payroll, accrual amounts, and payables
- distribute a final FMSA report to the employer/DR, service coordinator, and the receiving FMSA within five working days after the individual's transfer

TERMINATION OF PARTICIPATION IN CDS OPTION

An employer may request voluntary termination of participation in the CDS option and receive services through a program agency provider at any time. The termination must last at least 90 calendar days. Exit survey is provided by Imagine Enterprises to the employer.

SUSPENSION OF PARTICIPATION IN THE CDS OPTION

An employer may request voluntary suspension of participation in the CDS option and request that all program services be delivered through a program provider at any time. The suspension must last at least 90 calendar days. The employer must notify the individual's service coordinator of intent to reactivate participation in the CDS option.

RE-ENROLLMENT FOR PARTICIPATION IN THE CDS OPTION

Following suspension or termination of participation in the CDS option, an individual or LAR will request re-enrollment in the CDS option by notifying the individual's case manager or service coordinator.

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REPORTING ALLEGATIONS OR FRAUD

If Imagine Enterprises or any other party suspects or has knowledge of abuse, neglect or exploitation of an individual, the situation must be reported in accordance with existing state laws and rules. The reporter of the situation must call 1-800-252-5400 at APS.

OVERSIGHT

HHSC oversees roles and responsibilities of Imagine Enterprises and all parties involved with the CDS option, including employer, LAR, DR, support advisor, service provider, case manager and service coordinator.

ELECTRONIC VISIT VERIFICATION

Effective January 1, 2021 EVV was mandated to begin for the HCS and Texas Home Living waivers for CDS. EVV is the electronic precise record of time worked by the CDS employee for PAS/HAB and Respite services.

HHSC has recently updated the EVV Policy Handbook and can be found on their website at:

<https://www.hhs.texas.gov/laws-regulations/handbooks/evvp/h/electronic-visit-verification-policy-handbook>

The policies found in this handbook must be adhered to. Imagine Enterprises will:

- follow the Medicaid rounding rules
- follow the HHSC employer and EVV handbooks policies
- follow the process of non-compliance with EVV

*TxDPS background check access and screening are completed only by the authorized Chief Operating Officer for CDS. Records are destroyed via shredding once the CDS employer is notified of the results. Results, date and time of search are completed and denoted on Form 1725 page 2 and stored with the signed background check form and stored in locked file cabinets in COO's office. Background results are shredded at the COO's office.

See the incorporated DPS Criminal History Record Information (CHRI) Proper Access, Use and Dissemination Procedures for complete processes used.

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