>> Good afternoon, everyone, this is Tim Fuchs, with the National Council on Independent Living here in Washington, D.C. I want to welcome you all to our newest Webinar and teleconference series, Crystals and Financial Management Service Providers, as financial management Service Providers. This is being presented by the New Community opportunities center and the NCO is a national training and technical assistance program of ILRU, Independent Living Research Utilization in Houston, Texas. This Webinar was organized and facilitated by those of us here at National Council on Independent Living and support was provided by the U.S. Department of Education, RSA. We are recording today's call to archive it on ILRU's website and we will break several times during the presentation to take your questions.   
If you have your questions or if you are on the Webinar, you can ask your questions in the chat. Below the list of attendees and if you are on the telephone today, you can press "star pound"and you'll be able to ask your question live to the presenters.   
If any of you are on the full-screen CART, there is also a chat feature there. I'm logged in so if you are participating on the CC Productions CART screen you can ask your questions there. Of course if you are on the Webinar the captioning is displaying there as well.   
Okay. I want to make sure everyone has access to the PowerPoint before we begin. So if you are on the Webinar that will display automatically. If you are just on the telephone today, and you have, say, PowerPoint pulled up in front of you or printed out that's excellent. If you are on the phone and don't have the PowerPoint you will definitely want it to follow along. The PowerPoint for today's call was sent in the confirmation e-mail you received either on Monday or earlier this afternoon depending when you registered and if you don't have that for any reason, you can just e-mail me at Tim@ ncil.org. I'll get that to you right away.   
Just quickly I want to mention the evaluation form for our call today. One of the last slides we'll display today actually includes a live link to the evaluation form. You can also get the evaluation form in that same confirmation e-mail I just mentioned. Please do so at the eval. I mention this on all calls. We really want to know what each of you thinks and make sure these trainings are helpful to you. They are very, very brief. We make them short so they are not a burden to complete. They are just a few questions and we really take your thoughts and comments seriously.   
With that, I want to get us started by introducing our presenters for today. We have with us Molly Murphy and Lucia Cucu and it's just been a tremendous opportunity and we have really enjoyed working with them to put the presentation together and I really thank think you all will enjoy this. We have learned a lot and we know you all will, too. Molly is co-founder of -- specializes in policy and operations and work flow for Financial Management Services and self-direction. And Molly works with a number of clients to improve their efficiency, transparency, and compliance in their Financial Management Services. She works especially with fiscal and employer agent services. Lucia specializes in FMS and Medicaid policy. She runs Anne Kissim's turbo and provides consulting to state and federal agencies on self-direction and NFMS. I'm really excited about our audience today, excited to have the presenters so thanks to you all for logging on.   
With that I'll go to slide two and turn it over to Molly to get us started. Molly?   
>> MOLLY: Thank you so much, Tim, really a pleasure and honor to work with National Council on Independent Living and ILRU to put this together. I hope we have been able to put something together today folks will find useful and certainly look forward to questions. At the end I'll also provide contact information in case as folks ponder the information provided today they have follow-up questions later they would like to get to Lucia and me.   
As you may know we are providing this Webinar in two parts. One today, and one next week at the same time. Today, we'll be providing an overview of financial management services which I will brief yacht and often say as FMS but that's Financial Management Services. I will provide some information on what opportunities may exist for Centers for Independent Living to provide Financial Management Services.   
In next week's Webinar we'll get more into some of the technical aspects of FMS and what you should consider if you might be providing FMS, things like what your costs may be and what expected revenue may be.   
Today, we'll cover why Financial Management Services in self-direction or in participant direction exists. I'll talk about employer authority and budget authority. Once you get into self-direction and you start getting into the details of Financial Management Services, some of the terms you'll hear again and again are does that program have employer authority? Budget authority? I'll talk about what that means? I'CIL might want to be a provider and if you decide you want to pursue providing FMS who might be your competition in getting opportunities to provide it. Finally we'll finish with what states have opportunities in which CILs may pursue providing Financial Management Services?   
Next week we'll get more into if you have decided to pursue it what else do you need to consider and how you might find more opportunities.   
Next slide, Tim, please.   
So I want to talk a little bit about self-direction programs, Financial Management Services exist in self-direction programs or participant direction programs or consumer direction programs. I'm sure there are individual direction programs and other terms, too, and in a couple slides I'll talk more about what I mean when I'm talking about a self-direction program. Most often we see self-direction programs in Medicaid-funded programs. We also see self-direction when managed care is used in Medicaid. We also see self-direction programs in programs for veterans, programs funded by the veterans health administration. We see them funded by the older Americans Act and there is currently some pilot programs about to start which will be using self-direction for a Behavioral Health population.   
Finally self-direction is inherent perhaps when you are privately paying for long-term services and support. When you are privately paying for long-term services and support, you certainly can have control over who you employ and how you use your funds which is really what self direction is about. Next slide, please.   
So in terms of Financial Management Services we think about these sources; Medicaid, veterans health, older Americans act, behavior ral health and private pay being sources but which of these actually require the programs to have financial Financial Management Services?   
Medicaid programs always require there is a solution in place for Financial Management Services. That is, Medicaid self-direction programs always require that the participants, consumers, have access to Financial Management Services. The self-direction programs for veterans, known as veteran directed home and community based services programs also require there always be a solution that veterans have access to for Financial Management Services in their self direction program.   
Self-direction programs funded under the older Americans Act usually require Financial Management Services, almost always, but there are somewhere there will be a self-direction program that does not require there be an FMS solution in place. . Self-direction programs for Behavioral Health are in a pilot phase now but we expect FMS to be required as we get beyond the pilot phase. Directing your own services, you can decide whether or not you might like to have an outsourced Financial Management Services solution, but because of the compliance issues, and the administrative complexity of paying in compliance with state and federal law an outsourced solution, that is, family not doing the FMS themselves, can be very useful for families I will get now into what is Financial Management Services and what are the hallmarks and war we talking about when we say FMS? That can be so broad. What does that term really mean in the context of self-direction.   
Next slide, please.   
In self-direction programs, FMS is common. It's just about always used in the self-direction or consumer-directed to support consumers. As you see here, about 97% of consumer direction programs we know about at the national resource officer has self-directed services, about 97% of the consumer direction programs that the national resource center conducted services knows about, use a third-party Financial Management Services provider and that provider is handling payroll, taxes, insurance and budget management on consumer -- on the consumer's behalf. I'll talk more on that in just a bit.   
Within that, we have 97% of these programs using FMS. Within that about 75% of those use a model called fiscal employer agent. Next week's Webinar we will really get into the nitty-gritty of the differences between fiscal employer act and the other models of Financial Management Services. But certainly fiscal employer agent is by and large the most common. 75% of the program are using it. In fiscal/employer agent consumer is the common-law employer, some call it employer of record. All workers that they choose to have provide services to them. And the fiscal employer act, the hired entity, third part fiscal employer agent performs payroll, tax and insurance responsibilities on the consumer's behalf.   
Next slide, please. Let's talk a little bit about self-direction and what are we talking about when we say self-direction? As I said before it has many names, it's also called participant direction, consumer direction, individual direction. There are probably other terms out there, too, that I'm forgetting now or don't even know about. But self-direction can come in a variety of forms with plenty of technical variation. Before we get into all the technical variation I want to think about all the a pretty high-level way and I'll do that by talking through some hallmarks of self-direction. In self-direction we expect to see that the participant or consumer directly hires, traibs, supervises and discharges workers who would be providing some kind of direct service to the consumer. Now here when we say participant or consumer directly hires, many programs allow for the consumer to have a representative or sometimes called a surrogate actually help them seven-direct their program so that could be that it's the representative of the surrogate who is directly hiring, training, supervising and discharging workers in the self-direction program. Throughout this Webinar, I will refer to the consumer or participant but depending how the program works, the program may support the consumer to have someone else do some of these tasks like a representative or surrogate or someone else from the consumer's circle of support.   
In self-direction program, another important hallmark is that the workers who are providing this direct service to the consumer is someone that the consumer has selected, so it could be a consumer's friend, neighbor, family members or someone identified from some other source like placing an ad in the newspaper. Specifically we are not talking about the consumer calls an agency and says I would like to have a worker and they send out four workers to choose from. Usually we're talking about self-direction talking about the consumer has really identified someone on their own or maybe with some help from an agency but really on their own that they want to hire to provide this direct service to them.   
Another critical hallmark of self-direction are that the participant as or representative has a major role in managing the allocation of his or her program resources.   
Now, the variation that can occur there is great. Exactly how much control the participant has, it is certainly varied in different programs but what we like to see is that the participant has some control in how their units are utilized and allocated across their program services or how their budgeted funds are used across program services. Also in an ideal self-direction situation we like to see the participant is determining, perhaps with support of a case manager or social worker or someone else potentially the mix of goods and services that meet his or her individual needs. Next slide, please.   
At this point we will pause for questions. We have ample time for questions so I'll pause now and take your questions and then I think you can either chat your questions in to the bottom right corner of the screen. Or I think I forgot, -- can you take yourself off mute, Tim?   
>> TIM: All your lines are muted as participants but you can press "star pound"to indicate you have a question.   
(Pause)   
Again, we'll give you guys some time to type those questions out on the chat or indicate that you have a question on the phone.   
(Pause)   
So again, like Molly said, we have plenty of time for questions today and we've got a relatively small audience so no need to be shy. If you have a question, let us know. We'll give about 20 more seconds just to make sure no one is thinking about a question. If not we will be breaking two more times during the presentation and then again at the very end of the call to take your questions. So if not, no problem, we'll move on. I don't see any questions. I'll go ahead to slide eight and turn it back over to you and I trust we'll see more when we break again next time.   
>> MOLLY: Thanks so much. As I said earlier, next week we'll talk about the -- discuss different models of financial management services or FMS. This week, we'll spend some time on how regardless of the model of FMS when a corker provides direct care the worker is almost always the employee of someone. That is, the worker, if they are providing direct service and they are providing direct service to a participant or consumer, that the worker is an employee u not an independent contractor of someone. So when a worker is an employee, and not an independent contractor of someone, this means that someone has duties as an employer. In the most common model of FMS, that's fiscal employer agenda the consumer or his or her representative or surrogate is the employer of those workers   
(Agent)   
So once there is an employer/employee relationship in place, once the consumer or representative has decided on a worker they want to provide direct care to them, thrice an employer/employee relationship in place then the employer has some important duties.   
Directly hiring non-agency workers means serving as an player of those workers. So some duties an player will have are hiring, managing, scheduling, training, and discharging workers, withholding, calculating, depositing and filing required taxes; managing required insurance, paying workers in accordance with federal, state, and local laws. Next slide, please.   
So paying workers is highly regulated. Paying workers with public funds is even more regulated. So this is another slide on kind of the same topic but we got the I.R.S. logo here to drive home the point once you become an employer and you become an employer by directly hiring a direct service provider, like we talked about in self-direction, you start having agencies like the irz I.R.S. what you are doing and what those payments are like   
(Caring about)   
So you have to have the appropriate taxes, you have to have the appropriate taxes kl klaited, deposited, filed, as an employer, if the consumer or their representative is the one directly hiring the worker, as is the case in about 75% of self-direction programs, the consumer legally has the same administrative duties as any other employer. The consumer employer must manage federal, state and local, workers' compensation and sometimes will have garnishments and other union dues involvement.   
Next slide, please.   
All of this administrative that we have talked about has to be done by someone. When employers pay employees, they generally withhold federal income tax, withhold Social Security and Medicare tax for employee pay, file and deposit with the I.R.S. the withheld income and Medicare taxes and the employer taxes, file and deposit federal unemployment taxes, file and deposit state unemployment taxes. Maintain compliance with any mre state or local income disability tax rules including withholding from mre pay as well as filing and depositing with state and local tax agency.   
Next slide, please.   
They must provide employees with year-end forms such as W-2, maintain compliance with state statutes, verify please are authorized to work in the United States, so this is something like having the employee's complete the I-9, making sure it's a completed I-9 is appropriate based on the documents provided by the employee, employee is authorized to work in the U.S., maintain compliance with other state rules like state pay day requirements so states have rules around how often employees must be paid and how quickly after providing service an employee must be paid and they must maintain compliance with the federal fair labor standards act. Bottom line, there is a lot that has to be done when an employer pays an employee and when a consumer in a self-direction program directly hires an employee, a worker, rather, that worker is the employee of someone and in 75% of the seven direction programs there are structured sets that that worker is the employee of the consumer or his or her representative.   
Next slide, please.   
FMS exists because being an employer is a lot of work. Just going throughout slides of what an employer has to do kind of exhausts me. There is so much to do. Paying employees with public funds is a lot of work so not only is being an employer and all that administrative complexity a lot of work but then in self-direction you are often having self-direction with publicly funded programs so there's an additional complexity of the compliance that must be maintained when paying employees with public funds.   
The downside is high if compliance in any of these areas is not maintained. Noncompliance with paying employees or noncompliance with paying employees using public funds can very negatively impact consumers, their workers and the funders which are often states. Consumers usually want to focus on managing their service and support and not on the administrative duties of being an employer.   
Therefore we have Financial Management Services and Financial Management Services Providers. These FMS Providers are there to perform administrative responsibilities so that the consumers can focus on managing their services and support. FMS Providers are maintaining the tax employment and insurance regulation compliance. FMS Providers are making payments to consumers' Providers in accordance with the consumer's budget or authorization oral location from the program. Usually additional controls are in place to detect and prevent fraud and abuse. One goal of self-direction programs is to have plexible programs and plexible services for participants but in that flexibility we also want to ensure that woe have control in place to make sure that flexibility is not being abused and the Financial Management Services provider can be a nice check and balance to make sure with that flexibility, we're also trying to detect and prevent fraud and abuse.   
Next slide, please. In addition to the duties on the previous slide, actually, what an FMS provider does can vary depending on the model of FMS and structure of the program. Certainly you see variability in what an individual provider does or what an FMS provider does program to program even within one state. However, in general, you can accept an FMS provider to at least   
(Expect)   
Support the consumer through the administrative process. That is applicable in the model of the miscall employer agent. Like I said in the model, that's the model where the consumer or his or her representative is the employer of the workers, support the consumer to ensure workers are legally hired, we often see programs ask FMS Providers to conduct criminal background checks on workers. So that could be using program funds or some other funding source but sometimes we see the programs want criminal background checks performed on workers before the work can be approved to provide services to consumers so states contract with the FMS provider to do that.   
FMS provider will ensure workers, and even non-workers like vendor Providers are paid in compliance with the applicable rules and regulations. FMS provider will make payments in accordance with spending plans, budgets and other program rules, and so the FMS provider certainly will almost always pay any of the workers or employees in the program, but if the program is structured so participants or consumers can also choose to have non-employee services, that could mean buying goods, buying items, it could also mean buying services from non-employees like independent contractors, agencies or vendors that provide services.   
We certainly can see FMS Providers making those payments, too, especially if the FMS provider is the one managing the payment from the consumers' individual budget or spenting plan having the FMS provider make all payments that are authorized in that budget allocation authorization or spending plan can be good so that we're sure that we're having a balanced budget for the consumer.   
Next slide, please.   
FMS provider also has controls in place to detect and prevend fraud and abuse. They will usually help protect the consumer by getting workers' comp in place, exactly how that's done will differ depending on the model, if they are using fiscal/employer agent, most common model, or another. The FMS will generate reports for consumers and administrative agencies to show expenditures and individual budget information so that consumers and other stakeholders have information on how the consumer allocation is being spent. Then the FMS provider will maintain fiscal accountability and oversight in the nrebingtsible program.   
Next slide, please.   
  
(Flexible)   
I promised I would talk about budget authority and employer authority. You hear a lot about that.   
There are two types of authority in consumer direction program, budget authority and employer authority. At Boston college which houses the national resource center for participant directed services we say having either of these, either budget or authority employer, authority makes it consumer direction. Programs could have one or both of these authorities. How these authorities are implemented and exercised impacts consumer direction a program offers. Of course, therefore, influenced Financial Management Services, too.   
The original cash and counseling program if you have heard of the cash and counseling program that is a model of self-direction, it was a pilot program funded by the Robert Johnson foundation that expanded to 12 states, serving originally 15 states. Original cash and counseling program had both budget authority and employer authority. Cash and counseling policeman has often been referred to as highly flexible self-direction program and one reason it's so highly flexible is participants in that program have the option of both budget authority and employer authority.   
In the veteran directed home and community based service program, again, both budget authority and employer authority are required, like in the cash and counseling program.   
Next lied slide, please.   
Budget authority, what does that mean? Budget authority means the consumer has choice and control over what goods and services to purchase within their spending plan and how to allocate their money within their spending plan. Of course, within parameters. So what that could mean is the consumer is authorized some amount of money based on their plan of care and they are approved for certain services and then they can decide how they want to allocate that money across the services for which they are approved. So this could decide, I don't want to spend so much of my money on personal care, rather, I'd like to spend a portion of this money on an environmental modification that will make it so I don't need as much personal care and then I will use a smaller portion of my budget on personal care and larger on this environmental modification.   
Or I may decide I'm going to try to bank up money and make this modification which will make me less dependent on the percentage care but then continue to use personal care the rest of the year. Just supplement my personal care needs. Lots of variations on how a consumer might allocate their money across services with budget authorities. pwruingt authority can also be not quite aws flexible. You can also see that a participant is authorized in certain amount of money for a certain service but within that, they are then able to decide how much they want to pay their workers that they hire. So perhaps they are given a certain number of units of service or certain dollar amount and they are allowed in the program to pay their workers you know up to $25 an hour and not less than minimum wage. So the participant consumer can look at their budget and think, I like this worker a whole lot, she's really really good, but in order to have her, it is going to cost me a little bit more so maybe I would be willing to use this as a way to pay her $22 an hour even though that means I get fewer hours of service at that rate because it's in the budget or maybe I'd think, hmm, actually this worker I could get for $12 an hour means I would be able to have more hours of service so I prefer to do that.   
There's lots of variability on budget authority even within that but those are two exam pels.   
When budget authority exists in a self-direction program, the FMS's role is to maintain separate accounting for each consumer-directed budget, process the invoicinvoices come from vendors, time sheets come from workers in accordance with each consumer budget. If I have a budget and I have decided to allocate $2,000 this month to personal care and $1,000 to (?) and $200 to environmental modification and that's within my budget and the FMS provider has my budget when an inscoys comes in for an environmental modification we are expecting the FMS provider to compare that to the budget and makes sure that the funds in the budget are enough to cover that invoice. If we get an invoice in for $250 but in the budget we have a modification line for $200 this makes the FMS provider raise a red flag saying they decided the xwuingt, environmental modification no 200, we are getting an invoice in for 250, this is not in accordance with the budget and now we have to do follow up with the consumer or perhaps other parties should find out whether or not this should be paid.   
Once the FMS provider will usually do in a authority only pay those invoices and time sheets that are approved in the budget and meet other program requirements. In budget authority we'll also see the provider prepare reports showing the budgeted amounts, what's been spent and what remains also and that it's important those reports get out to consumers because in budget authority programs can pay an active role in managing how their funds are spechbt so without having realtime and up-to-date information on how funds are spent it's hard for them to manage budgets so these are really important.   
Next slide, please.   
Employer authority. Employer authority means that a consumer has the power in the vevl self-direction program to directly hire workers of his or her choice. And that the worker will -- sorry, consumer will train, manage, schedule, and dismiss those workers. So there certainly can be parameters around what it means to hire workers of his or her choice, program could have certain qualifications or certifications that the workers need to meet. There may be other parameters. And hire could mean that the consumers directly hiring themselves, it could mean they are using a different model of Financial Management Services which we'll talk about next week, that the consumer is selecting a worker and then referring that worker to an agent for hire.   
Trained, train, manage and schedule. One of the major hallmarks is that if a consumer is having workers, consumer is selecting their own but then also the consumer is the one telling the workers what needs to be done, training the workers on how to do what needs to be done, manage being the workers, scheduling workers and in a bad case scenario the worker is not working out, letting workers go, dismissing, firing them if they are not working out.   
In an employer authority model the FMS role is to facilitate employment of workers by the consumer by performing certain employer responsibilities as an agent of the consumer employer, this is what we talked about before. Employer authority we see a consumer become a consumer or their representative of someone else becomes an employer all the directly hired employee and then we have all these important duties and so we bring in the FMS provider to help with these administrative duties like processing payroll, with holding and depositing applicable income taxes.   
Great.   
In an employer authority model, regardless of the model of FMS used but if the vevl direction has employer authority we'll also see the FMS provider do at least items on this slide. So there could also be additional duties of the FMS provider but if in the program the consumer has the option to directly hire their workers, they will continue to see the FMS provider filing the applicable taxes, file employer tax returns and issue year-end wage and earning statements, support the consumer to maintain compliance with worker's compensation and support the consumer to review authorization to collect applicable forms from workers. That is about making sure the workers are authorized to work in the U.S.   
Next slide, please.   
So we have certainly gotten deeper into FMS, I have shared lots of dense tax information so we'll pause now for questions. Any questions yet?   
(Pause)   
>> TIM: As a reminder, if you have a question on the telephone, press "star pound" to indicate you have a question and we'll take those in order we receive them. If on the Webinar, type your question in the chat screen under the list of participants. And it looks like we'll start on the telephone so let's get your line unmuted and caller, go ahead.   
>> AUDIENCE: Okay. Question is, do all of the funding sources for Financial Management Services such as VA, managed care entities et cetera, do all those require the center to be Medicaid-reimburseable? The reason I ask is because only one center in North Carolina has that, they put a moratorium on it and the rest of us have not been able to do that. So is that a requirement?   
>> MOLLY: Wow. Interesting.   
Is it the Medicaid program or a Medicaid-managed care program then yes, I can't imagine you would be able to do it without being Medicaid reimbursable. If it's a veterans health administration, then, no, there are no Medicaid requirements at all. You would not have to be a Medicaid reimburseable provider if it's older Americans Act program then also most likely you would not need to be a Medicaid reimbursable provider but certainly if it's a Medicaid self-direction program or Medicaid managed care program, I would think you would have to be. Can't imagine it being able to be structured so you would not have to be. That's interesting about North Carolina. I did not being that. Wow.   
>> AUDIENCE: Interesting but unfortunate. So thank you.   
>> MOLLY: Yeah I would be interested in learning more about how that came to be but we don't have to do that now.   
(Pause)   
>> TIM: That's star pound. To ask questions on the telephone or type them in the chat. This is your opportunity to clarify these things so please don't be shy. This is the second of three Q-and-A breaks.   
(Silence)   
No questions on the phone and I don't see anybody typing on the chat so I'll go ahead to slide 20 and turn it back over to you Molly.   
>> MOLLY: What do you take away from this Webinar series? I hope it is if you decide to pursue FMS and providing FMS you have not made the decision lightly. We'll get more into the facts that would go into the decision-making process on the next Webinar.   
Providing FMS has many upsides but it's also a tough business. There is a steep learning curve. The rules and regulations that apply to fiscal employer agents in particular, payroll, Medicaid rooms, the HIPAA rules, although I'm sure all of you are all too familiar with HIPAA rules, the fair labor standards act rule, myriad regulation that is apply when you are providing fiscal employer agent and even other models of Financial Management Services mean there is a steep learning curve to understanding how to provide financial management services.   
There also can be significant investment required. You'll have to invest in the steep learning curve, knowledge for staff who will be doing this, understanding how to do it, you could have significant software investments, especially if you are serving a large program, if you are serving a lot of volume. You'll need software to serve that volume. Financial risk can be involved. Often in these programs the program will require that you pay the participants or consumers, workers and other services and then after making those payments you seek a reimbursement from the program if it's Medicaid, you are seeking Medicaid reimbursement. If non-Medicaid you are seeking reimbursement from that program. So you are expending funds on consumers to pay for their services and then trying to get reimbursed for those expenditures.   
That will involve financial risk because it means you have to have funds on hand to make payments and then get reimbursed which ideally you get reimbursed easily but sometimes there can be difficulty getting reimbursed.   
There are legal risks because so many aspects of services are so regulated. We are talking about employer rules and regulations, talking about I.R.S. rules and regulations, Department of Labor, state tax agencies rules and regulations and then talking about public funds so it could be Medicaid rules, veterans health administration rules, could be other state and federal rules. There are so many with which you must maintain compliance in the provision of financial management services that in providing it you are taking on some legal risks.   
Financial Management Services offers another opportunity for CILs to be involved in self-direction in a deep and meaningful way so FMS is critical to operation, hard to self-direction to really succeed without strong financial management services because without the strong Financial Management Services we don't see workers getting paid on time. We don't see vendors being paid, we don't see participants really taking the role in driving and directing services. We don't see participants really managing their budgets without strong Financial Management Services so it's such a crucial component of self-direction program operations.   
CILs are in a unique position. As you all know, CILs understand the importance of some of the hallmarks of self-direction Bernie other entities that might provide FMS so having participants supported to self-direct their services even from the Financial Management Services provider in the way that CILs can uniquely offer is a major value to participants in self-direction programs. FMS could offer for CILs an opportunity to diversify revenue as well.   
Next slide, please.   
To decide to compete to provide Financial Management Services, who might be your competition? It could be all kinds of organizations but usually providers of FMS are for-profit companies with deep FMS expertise, major Providers of FMS right now across the country, some of the biggest Providers, the most programs with FMS are for-profit companies that have been providing FMS for over a decade at this point. You are competing against companies that have been doing this for a while and have been doing it in a profit-making way so they have funds to invest in getting new business and also in improving the services they can provide.   
Also you see non-profit entities with expertise so we are certainly seeing plenty of non-profit organizations that are providing FMS really successfully across the country.   
Sometimes we see home health agencies who are proybing service providing services in a state and then self-direction emerge and those home health agencies want to stay connected so they develop an FMS expertise so they can continue to serve more programs where those programs are in the state and we see those for-profit and non-profit home health organizations, home health agencies, providing FMS in self-direction programs. There are several success stories of other CILs providing FMS. I'm not sure if any are on today that are providing FMS but certainly two of the best FMS Providers in the country are Centers for Independent Living. So this is not a brand new concept for CILs to provide FMS. In the cases where I've seen this happen, CILs have been really, really excellent at providing the service.   
Next slide, please when we are thinking about how programs choose providers let's talk about Medicaid first and we're starting there because the majority of self-direction programs are in Medicaid, Medicaid requires a self-direction program to have FMS so you see a lot of FMS provided in Medicaid programs. One of the major determinants of how a Medicaid program chooses a provider is whether the prime is providing FMS as a Medicaid service or as a medicated administrative function. If the program provides as a Medicaid service, then the program gets their state's federal matching rate. So for some programs that can be a rate over 50% and up to much higher. However, if the program provides FMS as an administrative program then the maximum federal matching that the program can get for FMS is 50%. The administrative matching rate is 50% regardless of the state that the program is in.   
So if they provide it as a service they get that, though -- if they provide as a administrative function they provide the matching rate of 50%.   
What that means is they're getting federal matching for every dollar they spend on FMS if it's a 50% matching then they're getting 50 cents in federal matching so every dollar the state spends for administrative service, they're getting 50 cents from the fedz. If they are doing it as a service and they have a higher match than 50%, say 70% for every dollar the state spends they get 70 cents from the feds. . So as a Medicaid service, if the state is providing or the program is providing as a Medicaid service, that means that consumers in that self-direction program must have the choice of any qualified provider. The result there is that in the program that provides FMS as a Medicaid service, there are multiple to many FMS Providers and consumers can choose which provider they want. We'll talk more next Wednesday about what exactly happens when you want to be a qualified provider in a state that provides FMS as a Medicaid service.   
If the program provides in an administrative function, then usually the way the program gets an FMS provider or a few is through some kind of program procurement process that's usually guided by the state procurement rules. We might see a request proposal, request for bid, request for qualification and then though Providers selected have a contract or agreement between themselves and the program. When we see FMS provided as an administrative function the result is that there is one to a few FMS Providers for the program. So when FMS is provided as a Medicaid service there are usually multiple to many FMS Providers. When FMS is provided as an administrative function there is one to a few Providers.   
Just one second. Great. Okay. Next slide, please.   
In Medicaid managed care, when self-direction is offered through Medicaid managed care, often though not always but often the managed care organization determines how FMS is delivered and selected. The MCO often purchases FMS from an FMS provider that the MCO selects so the MCO would not have to go through, they are actually selecting they don't have to go through the state procurement rules so they can select an FMS provider using the method of their choice which could be an RFP or RFQ or select multiples if that's what they choose. Working with an MCO can be a good way to get FMS experience without having to go through a state procurement process. As you may know we're seeing an increasing number of states providing Medicaid services using a managed care model.   
Great. Next slide, please. Let's talk about the veterans health administration. Veterans healed administration, funds for veterans. The program is veterans directed home and community-based services program with a VDHDBS program because we all need more acronyms. The agent network entity, ASAPs, decide how FMS will be provided so what happens in these provide he was is a VA medical center will have an agreement with an aging network, A VCR, AAA, ASAP, SUA, to run a veteran-directed community services program. It is then up to the aging network entity to then provide the FMS in-house. They might choose to provide it themselves, purchase it from a provider and they might purchase it from a provider that doesn't have experience explicitly, this happens sometimes or purchase it from an FMS provider that has experience in VDH. This is what we see most often.   
Sometimes state procurement rules will govern the process, especially the state unit on aging that has a contract with the VA medical center to run the program and the VA medical center, sorry, state unit on aging must decide how to procure FMS. Often if the state unit on aging, then it is governed by state procurement rules. But most often, we see in the veteran-directed home and community based services program, that have the agreement with the VA medical center to run the program, and then they're deciding how to purchase and provide FMS and they are making that decision on their own without having to go through a state-governed or guided procurement process.   
Next slide, please.   
Other sources of self-direction we talked about how they choose FMS provider, older Americans Act, there aren't as many of those, aging network tend to decide how it will be provided or purchased and they have their own contracts for that. Not usually a state-governed process, in Behavioral Health we are seeing pilot programs so they will -- it's to be seen how those programs will choose FMS. In private pay, FMS is not required. Family can decide whether or not they want a third party to handle all these employer and administrative duties or certainly do it themselves or have their CPA handle it. But it can be really helpful to families. Oftentimes families want to hire someone directly but they don't want to have to deal with the complexity that is involved in hiring someone directly in terms of the administrative responsibilities. They don't want to have to deal with payroll and tax filings so we certainly see that some families choose to work with an FMS provider, perhaps one that serves public programs may also serve some privately funded families also in their provision of direct services.   
Next slide, please. Most programs, this is because most programs for self-direction are Medicaid-funded and most Medicaid-funded programs choose to do FMS as an administrative function rather than a service so most programs procure FMS with a structured, scored process such as a RF "P". Usually this is what we see. We see programs, Providers issue a request for proposal, request for bid, request for qualifications but most often a RFP and the proposal you write in response to this could be between 50 and 150 plus pages in length so responding to an RFP usually requires great effort and you are responding with detailed technical proposals   
Usually and especially in Medicaid-funded programs and especially in Medicaid-funded programs where FMS is an administrative function, they are only going to be selecting a few Providers, usually the program requires that bidders have experience providing FMS and usually they require that experience be providing FMS on the same size and scope of the opportunity in question. So when responding to an RFP like that you would be competing against established experienced Providers.   
In those programs, Medicaid programs that don't choose 0 have FMS as an administrative function but rather choose to have FMS as Medicaid service, to again, if you are choosing an in the program to have it as a Medicaid service, then you can get a break up to, sorry, federal matching rate up to that state matching rate so it could be greater than 50%, when that happens, the rule is that the program has to take any qualified provider. It's not an RFP. It's a rule they must take any qualified provider and then consumers must have the option of any of nose qualified Providers and they can choose which one they want. So to qualify to provide FMS as a Medicaid service, you would generally have to exhibit proof of meeting the program's qualification for FMS. Once you have met the qualifications and you have shown proof that you can meet the qualification of providing FMS you are then made available to consumers to choose you. That does not necessarily mean consumers will choose you but you are made available to choose you and most states do allow those Providers providing it as a Medicaid service to reach out to consumers and market them and make themselves widely available to consumers to be chosen in the program as the consumer's FMS provider.   
  
Say you have won some work. Congratulations! How long could you expect the FMS work with that program to last? It depends. FMS provider contracts secured by a procurement process, again, that's the most common way we see FMS procured, especially in Medicaid programs, so those contracts procured by a process like an RFP usually last for around three years and often there are options for extension. So you'll often see that there's a contract that lasts for three years but the State could extend it for one year three times after that if the State wants to. Maybe a total of six years that you can be a provider, providing FMS for a program before they have to go back out to RFP   
Switching costs in these programs, switching costs, cost to go from one FMS provider who is serving to getting a new FMS provider those switching costs are high making participants move between FMS Providers can be onerous on the participants. It can be a lot of work for them to have to have a change. Lot of hiccups when there is a change and a lot of work for the State to change so because these switching costs are so high programs generally want to make a good selection so they can keep the same provider for as long as the procurement rules allow them. That's one reason, too, in these you see really detailed RFPs requiring really detailed proposals so States can be very thoughtful about who they are choosing because they expect to work with that provider for a long period of time and they hope that the quality is so good they don't have to switch to another provider because it's hard on them to switch and hard on consumers to switch.   
Next slide, please. Work secured by qualified providers, so in Medicaid that's where the program is offering -- offering FMS as a Medicaid service and therefore they will take any qualified provider and make you on a list to be selected by consumers, when it is secured in that way, it lasts as long as the provider is selected and continues to meet qualifications.   
Those without a formal RFP budget, those we see coming out of the veteran-directed home and community based service programs or older Americans act when the aging network entities can select an FMS provider, those contracts will usually last as long as specified by the contract. So sometimes we'll see that being a year-long contract that can then be extended but that would be how long the initial contract lasts, usually handled in negotiations between you as the FMS provider and whomever is procuring those services from you.   
Next slide, please. You are probably thinking, hmm, sounds like for those of these programs, it is a Medicaid program and for most of nose Medicaid programs they're securing FMS Providers with an FRP and then proposal and they're having a contract and for most of those we're looking at a three-year contract with options to renew and states are certainly -- states and programs are Insen ti advised to have long-term relationships so you are thinking hmm if all these are locked up and we are seeing so much of this, where are the opportunities to get into FMS? It's true. It's not the kind of business where every week there's a new opportunity that you might be able to pursue. Truly, they are few and far between and once you get the work you ideally have the work for a long time but the new opportunities for work are not plentiful.   
Many programs currently have FMS Providers and are not expected to switch or issue RFPs very soon. However, on the next few slides I'll share with you something of a brain dump for me, where there may be opportunities to pursue providing FMS   
Something to keep in mind. Just because you don't see the state where you live is on this list doesn't mean you scant provide FMS. Often contracts do not require the FMS provider to have a face-to-face interaction with consumers. Many Providers are located in different states than those in which they provide service. The 800-numbers, direct deposit and more have made it so that being located in the state where you provide service is not always a requirement.   
Next couple slides I'll go through those states where there may be an opportunity and there may be an opportunity that is a good fit for a CIL that doesn't necessarily have ample experience providing FMS, new to providing, even though certainly you would not be new to providing lots of other services related to consumers. If the state is not listed here, if a state you are interested in is not listed it's because at this point I consider the state a tough place to get work in the near future. However, in next week's session I'll talk about what you can do to keep your eye on work opportunities in all states even those not listed here.   
California, California has a regional center model of self-direction for their ID and DD populations and they have a history of the regional centers considering less established Providers so not always in the California regional center for providing FMS do you have to have had experience providing it in the past through regional centers are the ones procuring the FMS Providers and they will have their own rules for how to do it and certainly I have seen a few cases where they did not require that the FMS writer already had experience providing FMS   
Washington, D.C. is expected to pursue self-direction. Right now besides the veteran directed home and community based services program which only serves one veteran in DC there are no options in Washington, D.C. but they are working hard on creating some. FMS will need to be provided as part of the self-direction program but it's likely there will be a Medicaid program that DC will require the FMS provider they select or provides they select have experience. Kansas has programs that will take any qualified provider, any provider that meets qualifications for one of their programs. Missouri PCA consumer directed services program will take any qualified provider. North Carolina just delayed an RFP for a Medicaid program where they are looking for a single provider that has experience providing FMS in self-direction. Next slide, please. Texas has a program that serves a variety of different populations or different subprograms in their, basically they have a number of programs and then they have a CDSA option within those programs and for those programs they take any qualified provider for FMS and then consumers can choose Providers from that list.   
I understand there are currently about 400 FHS providers that have met qualifications in Texas and are available to consumers to choose.   
In Wisconsin there are some counties that have contracts with FMS Providers for the provision of family care, family care program is what they call it. FMS Providers, I'm sorry, these counties sometimes work with FMS Providers that have less experience providing FMS. The nice thing about these Wisconsin county programs is that they're relatively small in volume, maybe serving 100 to 500 consumers and so it's the kind of program where you could start providing services and not get overrun with the numbers you have to serve while learning how to do it.   
Keep your eye on states that are moving toward Medicaid managed care. Often in those states it's the managed care organizations that are determining who their FMS provide are, so developing relationships with managed care organizations can be useful in ultimately becoming a prior for managed care organization if that's something in which you are interested.   
Next slide, please. So we'll finish a little bit early because we haven't had a lot of questions but we may get a lot now. My contact information is on this slide. There are excellent resources at www.participantsdirection.org and I'm also happy to help. E-mail me. My information is on the screen. Then I have also given you my cell phone. I have this with me all the time. The cell phone number is on the screen. We'll pause now to take questions. Thank you so much.   
(Pause)   
>> TIM: Again, that's star pound to ask questions on the phone or type your question in the chat. While we wait to see if any of you have additional questions I'll start with one that came in from Shawn from Missouri while you were talking. Molly, Shawn asked if you would give more details about Missouri, if you have them. He's wondering if FMS is available through the state plan or waiver.   
>> MOLLY: Sure. Missouri's state plan as I understand it offers FMS as a service meaning they would take any qualified provider to provide FMS in the state plan program. In the waiver program for the developmentally disaibilityd program they have a single FMS provider. He have done a procurement and gone with a single provider so that is not expected to be rebid I don't think for maybe three more years and that's when I think, this is from memory that's when it goes for rebid but it's in the state plan that FMS is offered as a service for any Medicaid, any qualified provider. Let me know if that didn't answer it.   
>> TIM: Thanks.   
>> MOLLY: Or if you have follow-up.   
>> TIM: We'll keep an eye on that. I don't see any questions on the phone. That's star pound if you have a question on the phone.   
(Silence)   
Again, we have got 15 minutes for questions here. We don't have to use that time but don't let the opportunity slip by.   
(Pause)   
Okay. Still no questions on the phone, still no questions on the Web. I know there is part 2. Maybe people are waiting for us to get into a little more depth. Regardless I enjoy you remaining engaged. If you don't need the time, that's fine, Molly, great job of explaining things, we are not quite done yet. I'll go ahead to slide 33 here and as I said this is the evaluation form. A couple things. I know that several of you are participating in small groups today and that's great. We encourage that. But please do fill out the eval yourself. So if you're participating in someone else's office or conference room if you could go back and grab the link from the confirmation e-mail that would be great. You'll also get a short note tomorrow just thanking you for participate ling with the link in it as well. Just three or four questions but very are very important. Do let us know what you thought. There will be a separate evaluation for next week's call.   
Of course if you are registered today, this is a series, so if you are registered today you are also registered for Part 2 as I'm sure you are aware. That's next Wednesday, 18th, at 3:00 Eastern Time and again we'll be back with Molly and Lucia. If you all think of any questions, whether it be later today or any time before next week's call, don't hesitate to send them to Molly, Molly, thank you so much for offering your contact information. You are also welcome to send them to me. I gave my e-mail at the beginning of the call. Just Tim@ ncil.org and I'll be happy to forward it along. With that, oh, here we grow, just before we close, another question that came in, Molly. I was hoping that might happen. Again, Shaun from Missouri asks: What CILs are very good at providing FMS? You mentioned that you knew of at least two. Give those examples.   
>> MOLLY: I don't usually like to name names but in this case where they're both just so exemplary I don't think they would mind. One is southwest Center for Independent Living in Amherst mass khu societies and they serve the Amherst care program, they serve ASAP programs in Massachusetts and also a veteran directed service in Massachusetts. They may also serve and do providing. They are exemplary in providing Financial Management Services and they have been doing it now (?), I want to say 12 years. It could be more than that. They are really superb.   
Another CIL that provides excellent Financial Management Services is the northeast Pennsylvania Center for Independent Living, they go by the name ACCESS as well. They provide services, used to provide it in two states, now provide it, actually they do still provide in two states, they are providing less in one state but they also bid on work out of northeastern Pennsylvania and go after work in other states, too, and they are also really exemplary in their services. One thing I have found from both is that they provide superb customer service to the consumers that are choosing to be in this self-directional program. They provide hands-on support and help with the Financial Management Services. They seem to really understand what is important to participants in their self-directed service and do I really really great job.   
>> TIM: Thanks, Molly. This time I do think it's the end. I will close the call. Thank you all for participating today and look forward to having you with us again next Wednesday. Molly, fantastic job, thank you so much. Really great information. And we look forward of course to having you back with us as well. And again, folks, meantime, if you have questions, don't hesitate. Thanks so much. Have a wonderful afternoon, everybody. Bye-bye   
(Webinar concluded)

Copyright © 2014