

Appendix E: Participant Direction of Services

Applicability (from Application Section 3, Components of the Waiver Request):

Yes. This waiver provides participant direction opportunities. Complete the remainder of the Appendix.

No. This waiver does not provide participant direction opportunities. Do not complete the remainder of the Appendix.

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

Indicate whether Independence Plus designation is requested (select one):

Yes. The State requests that this waiver be considered for Independence Plus designation.

No. Independence Plus designation is not requested.

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E-1: Overview (1 of 13)

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

At the time of the service plan development and/or at the members request, members enrolled in this waiver will have the option of converting the following services dollars into an individualized budget based on their service plan:

1. Consumer Directed Attendant Care (unskilled)
2. Adult Day Care
3. Home and Vehicle Modification
4. Prevocational services
5. Basic individual respite care
6. Specialized Medical Equipment
7. Supported community living
8. Supported employment
9. Transportation

With their individual budget amount, members will be given the additional option to elect one of three consumer-directed options (self-directed personal care, individual-directed goods and services, and self-directed community supports and employment). Members may elect one or any combination of these services. If any of the consumer-directed options are elected, an Independent Support Broker and Financial Management Service, by administrative rule, must be involved. Two budgets will be developed as a result of the service plan development – traditional services budget (which will include their traditional services that the member does not have budget or employer authority) and the individual budget (which will include the services and supports that the member does have budget and employer authority). Self-directed personal care services are services and/or goods that provide a range of assistance in the member's home or community; activities of daily living and incidental activities of daily living that help the person remain in their home and in their community. Self-directed Community Supports and Employment are services that support the member in developing and maintaining life and community integration. Individual-directed goods and services are services, equipment or supplies not otherwise provided through the Medicaid state plan that address an identified need in the service plan. The item or services would decrease the need for other Medicaid services; and/or promote inclusion in the community; and/or increase the member's safety in the community or home.

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

Participant: Employer Authority. As specified in *Appendix E-2, Item a*, the participant (or the participant's representative) has decision-making authority over workers who provide waiver services. The participant may function as the common law employer or the co-employer of workers. Supports and protections are available for participants who exercise this authority.

Participant: Budget Authority. As specified in *Appendix E-2, Item b*, the participant (or the participant's representative) has decision-making authority over a budget for waiver services. Supports and protections are available for participants who have authority over a budget.

Both Authorities. The waiver provides for both participant direction opportunities as specified in *Appendix E-2*. Supports and protections are available for participants who exercise these authorities.

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

Participant direction opportunities are available to participants who live in their own private residence or the home of a family member.

Participant direction opportunities are available to individuals who reside in other living arrangements where services (regardless of funding source) are furnished to fewer than four persons unrelated to the proprietor.

The participant direction opportunities are available to persons in the following other living arrangements

Specify these living arrangements:

The Code of Iowa and the Iowa Administrative Rules for the HCBS BI waiver program allows for up to four individual receiving HCBS to reside together in one living unit; five individuals may live together in one living unit with department approval for the location. The five person homes are required to be licensed or require approval by the Department. CCO is allowed in these units of five persons.

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

Waiver is designed to support only individuals who want to direct their services.

The waiver is designed to afford every participant (or the participant's representative) the opportunity to elect to direct waiver services. Alternate service delivery methods are available for participants who decide not to direct their services.

The waiver is designed to offer participants (or their representatives) the opportunity to direct some or all of their services, subject to the following criteria specified by the State. Alternate service delivery methods are available for participants who decide not to direct their services or do not meet the criteria.

Specify the criteria

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

Self-direction training and outreach is available through information posted to the IME website. The training materials include the benefits, responsibilities and liabilities of selecting the self-direction option. A brochure about this option has been developed and includes information about the benefits, responsibilities, and liabilities. This brochure is available at all the local Department of Human Services offices, the Department of Human Services website, and has been distributed to other community agencies.

The case manager is also required to discuss this option along with the benefits, responsibilities and liabilities at the time of the service plan development and/or any time the member's needs change. This option is intended to be very flexible, members can choose this option at any time. Once given information about this option, the member can immediately elect this option, or can elect to continue or start with traditional services initially and then change to self-direction at a later date.

In order to give the member an opportunity to locate providers and supports, the service plan can reflect that traditional services will begin at the start date of the service plan and the self-directed services and supports will begin at a later date. This does not require a change in the service plan. Members can elect self-direction and then elect to go back to traditional services at any time. The Case Manager is responsible for informing the member of their rights and responsibilities for the self-direction option. All members will sign an informed consent contract and a risk agreement that will outline the responsibilities and risks of a self-direction option.

All self-directed services and supports must begin on the first of a month.

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

The State does not provide for the direction of waiver services by a representative.

The State provides for the direction of waiver services by representatives.

Specify the representatives who may direct waiver services: (*check each that applies*):

Waiver services may be directed by a legal representative of the participant.

Waiver services may be directed by a non-legal representative freely chosen by an adult participant.

Specify the policies that apply regarding the direction of waiver services by participant-appointed representatives, including safeguards to ensure that the representative functions in the best interest of the participant:

The non-legal representative cannot be a paid provider of services and must be 18 years and older. The member and the non-legal representative must sign a consent form designating who they have chosen as their non-legal representative and what responsibilities that representative will have. At a minimum the non-legal representative's responsibilities include ensuring decisions made do not jeopardize the health and welfare of the member and ensuring decisions made do not financially exploit the member.

Through the quality assurance process, it is determined that the non-legal representative works in the best interest of the members by interviewing members to ensure their needs are met. In addition the Independent Support Broker provides monitoring as well as a the service worker.

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- g. **Participant-Directed Services.** Specify the participant direction opportunity (or opportunities) available for each waiver service that is specified as participant-directed in Appendix C-1/C-3.

Waiver Service	Employer Authority	Budget Authority
Consumer Directed Attendant Care (CDAC) unskilled		
Respite		
Home and Vehicle Modification		
Prevocational Services		
Supported Employment		
Supported Community Living		
Adult Day Care		
Self Directed Community Support and Employment		
Financial Management Service - Supports the self-direction option		
Self Directed Personal Care - Consumer Choices Option		
Transportation		
Independent Support Broker - Consumer Choices Option		
Self Directed Goods and Services		
Specialized Medical Equipment		

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

Yes. Financial Management Services are furnished through a third party entity. (Complete item E-1-i).

Specify whether governmental and/or private entities furnish these services. *Check each that applies:*

Governmental entities

Private entities

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

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

FMS are covered as the waiver service specified in Appendix C-1/C-3

The waiver service entitled:

Financial Management Services

FMS are provided as an administrative activity.

Provide the following information

- i. Types of Entities:** Specify the types of entities that furnish FMS and the method of procuring these services:

The FMS will enroll as a Medicaid provider. The FMS has to be either a Financial institution that is cooperative, non-for profit member owned and controlled, federally insured and charged by either the National Credit Union Administration or the Credit Union Division of the Iowa Department of Commerce. In addition, the FMS must successfully pass a readiness review of certification by the Iowa Department of Human Services or a financial institution chartered by the Office of the Comptroller of the Currency, a Bureau of the United States Department of the Treasury, is a member of the Federal Reserve; and/or is federally insured by the Federal Deposit Corporation. It too must also pass a readiness review of certification approved by the Department of Human Services.

Once enrolled and approved as a Medicaid provider, the FMS will receive Medicaid funds in an electronic transfer and will pay all service providers and employees electing the self direction option.

- ii. Payment for FMS.** Specify how FMS entities are compensated for the administrative activities that they perform:

Not applicable.

- iii. Scope of FMS.** Specify the scope of the supports that FMS entities provide (*check each that applies*):

Supports furnished when the participant is the employer of direct support workers:

- Assist participant in verifying support worker citizenship status**
- Collect and process timesheets of support workers**
- Process payroll, withholding, filing and payment of applicable federal, state and local employment-related taxes and insurance**
- Other**

Specify:

Supports furnished when the participant exercises budget authority:

- Maintain a separate account for each participant's participant-directed budget**
- Track and report participant funds, disbursements and the balance of participant funds**
- Process and pay invoices for goods and services approved in the service plan**
- Provide participant with periodic reports of expenditures and the status of the participant-directed budget**
- Other services and supports**

Specify:

Additional functions/activities:

- Execute and hold Medicaid provider agreements as authorized under a written agreement with the Medicaid agency**
- Receive and disburse funds for the payment of participant-directed services under an agreement with the Medicaid agency or operating agency**

Provide other entities specified by the State with periodic reports of expenditures and the status of the participant-directed budget
Other

Specify:

- iv. **Oversight of FMS Entities.** Specify the methods that are employed to: (a) monitor and assess the performance of FMS entities, including ensuring the integrity of the financial transactions that they perform; (b) the entity (or entities) responsible for this monitoring; and, (c) how frequently performance is assessed.

The Department of Human Services, IME provides oversight of the FMS entities and monitors their performance yearly.

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- j. **Information and Assistance in Support of Participant Direction.** In addition to financial management services, participant direction is facilitated when information and assistance are available to support participants in managing their services. These supports may be furnished by one or more entities, provided that there is no duplication. Specify the payment authority (or authorities) under which these supports are furnished and, where required, provide the additional information requested (*check each that applies*):

Case Management Activity. Information and assistance in support of participant direction are furnished as an element of Medicaid case management services.

Specify in detail the information and assistance that are furnished through case management for each participant direction opportunity under the waiver:

Waiver Service Coverage. Information and assistance in support of participant direction are provided through the following waiver service coverage(s) specified in Appendix C-1/C-3 (check each that applies):

Participant-Directed Waiver Service	Information and Assistance Provided through this Waiver Service Coverage
Consumer Directed Attendant Care (CDAC) unskilled	
Respite	
Home and Vehicle Modification	
Prevocational Services	
Supported Employment	
Consumer Directed Attendant Care - Skilled	
Supported Community Living	
Interim Medical Monitoring and Treatment (IMMT)	
Adult Day Care	
Personal Emergency Response System or Portable Locator System	
Self-Directed Community Support and Employment	
Financial Management Service - Supports the self-direction option	

Participant-Directed Waiver Service	Information and Assistance Provided through this Waiver Service Coverage
Self Directed Personal Care - Consumer Choices Option	
Transportation	
Independent Support Broker - Consumer Choices Option	
Behavioral Programming	
Self Directed Goods and Services	
Specialized Medical Equipment	
Family Counseling and Training Services	
Case Management	

Administrative Activity. Information and assistance in support of participant direction are furnished as an administrative activity.

Specify (a) the types of entities that furnish these supports; (b) how the supports are procured and compensated; (c) describe in detail the supports that are furnished for each participant direction opportunity under the waiver; (d) the methods and frequency of assessing the performance of the entities that furnish these supports; and, (e) the entity or entities responsible for assessing performance:

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k. Independent Advocacy *(select one).*

No. Arrangements have not been made for independent advocacy.

Yes. Independent advocacy is available to participants who direct their services.

Describe the nature of this independent advocacy and how participants may access this advocacy:

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

Based on the member's person centered service plan, a member may be receiving both traditional waiver services as well as services and supports under an individual budget for self-direction. A member may voluntarily discontinue the self-direction option at anytime. The individual will continue to be eligible for services as specified in the service plan regardless if they choose the self-direction option or choose the traditional method. A new service plan will be developed if the member's needs change or if they voluntary discontinue the self-direction option. The case manager will work with the member to assure that services are in place.

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

The Iowa Department of Human Services/ Case Managers will terminate a member's use of the self-direction option any time there is substantial evidence of Medicaid fraud or obvious misuse of funds. The case manager will develop a new service plan and assure alternative services are in place. There are no other circumstances when the state will involuntarily terminate a participant's use of the self direction option.

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

Table E-1-n

	Employer Authority Only	Budget Authority Only or Budget Authority in Combination with Employer Authority
Waiver Year	Number of Participants	Number of Participants
Year 1		277
Year 2		317
Year 3		357
Year 4		397
Year 5		477

Appendix E: Participant Direction of Services**E-2: Opportunities for Participant Direction (1 of 6)**

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

- i. Participant Employer Status.** Specify the participant's employer status under the waiver. *Select one or both:*

Participant/Co-Employer. The participant (or the participant's representative) functions as the co-employer (managing employer) of workers who provide waiver services. An agency is the common law employer of participant-selected/recruited staff and performs necessary payroll and human resources functions. Supports are available to assist the participant in conducting employer-related functions.

Specify the types of agencies (a.k.a., agencies with choice) that serve as co-employers of participant-selected staff:

Participant/Common Law Employer. The participant (or the participant's representative) is the common law employer of workers who provide waiver services. An IRS-approved Fiscal/Employer Agent functions as the participant's agent in performing payroll and other employer responsibilities that are required by federal and state law. Supports are available to assist the participant in conducting employer-related functions.

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

Recruit staff
Refer staff to agency for hiring (co-employer)
Select staff from worker registry
Hire staff common law employer
Verify staff qualifications
Obtain criminal history and/or background investigation of staff

Specify how the costs of such investigations are compensated:

The Financial Management Service will obtain a criminal history background check and child and dependent abuse background investigation checks at no additional cost to the member.
Specify additional staff qualifications based on participant needs and preferences so long as such qualifications are consistent with the qualifications specified in Appendix C-1/C-3.
Determine staff duties consistent with the service specifications in Appendix C-1/C-3.
Determine staff wages and benefits subject to State limits
Schedule staff
Orient and instruct staff in duties
Supervise staff
Evaluate staff performance
Verify time worked by staff and approve time sheets
Discharge staff (common law employer)
Discharge staff from providing services (co-employer)
Other

Specify:

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E-2: Opportunities for Participant-Direction (2 of 6)

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

- i. **Participant Decision Making Authority.** When the participant has budget authority, indicate the decision-making authority that the participant may exercise over the budget. *Select one or more:*

Reallocate funds among services included in the budget
Determine the amount paid for services within the State's established limits
Substitute service providers
Schedule the provision of services
Specify additional service provider qualifications consistent with the qualifications specified in Appendix C-1/C-3
Specify how services are provided, consistent with the service specifications contained in Appendix C-1/C-3
Identify service providers and refer for provider enrollment
Authorize payment for waiver goods and services
Review and approve provider invoices for services rendered

Other

Specify:

Appendix E: Participant Direction of Services**E-2: Opportunities for Participant-Direction (3 of 6)****b. Participant - Budget Authority**

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

Under the traditional service model for the BI waiver, the member chooses a service provider from a list of providers who are enrolled with Iowa Medicaid. The case manager and member work together to detail the tasks and goals for the provider. After service provision the provider submits a claim to the IME where the claim is adjudicated in accordance with IME protocols.

Under the self-direction option, a member is not limited to the providers who have enrolled with Iowa Medicaid. The member is considered the employer of record and can choose any individual that they feel is qualified to provide the needed service. Members create support plans, make provider and service choices, select and employ staff, and monitor the quality of support services. Members determine the wages to be paid to the provider and the units of service (limited by the self-direction budget). Interviewing, hiring, scheduling, and firing are done by the member. Claims are approved by the member and are submitted to the Financial Management Service for processing for payment.

Each member who chooses to self-direct their services will continue to have a traditional service plan developed that is based on the level of care assessment and need of the member. If a member has a need for the services that can be included in the individual budget and they choose to self-direct one or all of those services, then the individual budget amount is determined by the amount of service that was authorized for those services under the traditional service plan. The level of need is determined by the level of care determination made by IME Medical Services Unit; the supports needed and the amount of supports needed are determined through an assessment made by the case manager prior to the member selecting the self-direction option.

Historically, members do not use 100% of their authorized waiver services. To ensure that the state does not spend more than what is historically spent for traditional waiver services, each service authorized under self-direction will have a utilization adjustment factor applied to it. This utilization adjustment factor is determined by an analysis of what percentage of authorized services has historically been used for each service on an aggregate by all members enrolled in that particular waiver who have accessed that particular service. The utilization factor is not based upon individual member usage, but on historical percentage usage of authorized services by all members enrolled in the BI waiver who have accessed that particular service. A member new to the BI waiver or new to self-direction would have the same utilization factor applied as all other BI waiver members who are self-directing services. The utilization adjustment factor will be analyzed, at a minimum, every 12 months and adjusted as needed based historical use. This method will be used for all waiver members choosing the self-direction option.

The total monthly cost of all services (traditional and self-directed services) cannot exceed the established aggregate monthly cost of the traditional services authorized.

The member is notified of the limits at the time their service plan is developed. The individual budget methodology is stated in the Iowa Department of Human Services Administrative rules. In addition this information will be shared during all outreach and training meetings held throughout the state for members, families, and other advocates.

If there is a need that goes beyond the budget amount and/or the waiver service limit, the member has the

right to request an exception to policy. Exceptions to policy may be granted to the requestor when the member has needs beyond the limits expressed in rule. The decision is made by the Director of the Iowa Department of Human Services. When making a decision on a request for an exception to policy, the DHS Director and policy staff evaluates the member's needs in relation to the state's necessity to remain within the waiver's parameters of cost neutrality. The process to request an exception is identified on the DHS website. In addition, any member has the right to appeal any decision made by the Department of Human Services and to request an appeal hearing by an administrative law judge.

The participant is afforded the opportunity to request a fair hearing when the budget adjustment is denied or the amount of budget is reduced as described in F-1.

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E-2: Opportunities for Participant-Direction (4 of 6)

b. Participant - Budget Authority

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

The member will be informed of their budget amount during the development of the service plan. The member can then make a final decision as to whether they want the self-direction option. If a member needs an adjustment to the budget, the member can request a review of the service plan. If there is a need that goes beyond the budget amount and/or the waiver service limit, the member has the right to request an exception. Exceptions to policy may be granted to the DHS rules. The decision is made by the Director of the Iowa Department of Human Services. This process to request an exception is shared on the DHS website as well as with the member when they apply for waiver services. In addition, any member has the right to appeal any decision made by the Department of Human Services and request an appeal hearing by an administrative law judge.

The participant is afforded the opportunity to request a fair hearing when the budget adjustment is denied or the amount of budget is reduced as described in F-1.

It is the responsibility of the case manager/service worker to inform the member of the budget amount allowed for services before the service plan is completed.

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E-2: Opportunities for Participant-Direction (5 of 6)

b. Participant - Budget Authority

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

Modifications to the participant directed budget must be preceded by a change in the service plan.

The participant has the authority to modify the services included in the participant directed budget without prior approval.

Specify how changes in the participant-directed budget are documented, including updating the service plan. When prior review of changes is required in certain circumstances, describe the circumstances and specify the entity that reviews the proposed change:

Once the monthly budget amount has been established, the member will develop a detailed monthly budget that identifies the goods and services that will be purchased and the employees that will be hired to meet the assessed needs of the member. The budget is sent to the FMS to identify what goods and services are approved for purchase and the employees that will be submitting timecards to the FMS for payment. The member can modify services and adjust dollar amounts among line items in the individual budget without changing the service plan as long as it does not exceed the authorized budget amount. They must submit a new budget to the FMS that identifies the changes. The FMS must receive

all modifications to the individual budget within the month when the changes occur and will monitor the new budget to assure the changes do not exceed the authorized budget amount. The Individual Support Broker and the FMS will both monitor to assure expenses are allowable expenses.

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E-2: Opportunities for Participant-Direction (6 of 6)

b. Participant - Budget Authority

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

A member's authorized amount for the individual budget will be a monthly calculation. The member's individualized budget will be planned by the month. A member can adjust this at any time within the authorized amount if it is not meeting their needs. The Independent Support Broker will also assist the member with developing their individual budget to assure that it meets their needs for the month. The ISB will monitor expenses. The Financial Management Service will also monitor the budget and will notify the Independent Support Broker and the member immediately if claims are inconsistent with the budgeted amount or if they are consistently underutilized. When members choose this option they will sign a consent form that will explain their rights and responsibilities, including consequences for authorizing payments over the authorized budget amount.