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.**

Appendix E: Participant Direction of Services

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.

Iowa offers two self-direction services to members on the elderly waiver: Consumer Choices Option (CCO) and consumer directed attendant care (CDAC) service

Consumer Choices Option:

CCO offers both employer and budget authority to the member in self-directing services.

At the time of the service plan development and/or at the members request, members enrolled in the elderly waiver will have the option of converting the following services into an individualized self-direction budget based on services that are authorized in their service plan:

1. Consumer Directed Attendant Care (unskilled)
2. assistive devices
3. Home and Vehicle Modification
4. Chore services
5. Basic individual respite care
6. Home delivered meals
7. Homemaker services
8. Transportation
9. Senior companion

Iowa's self-direction program is called the Consumer Choices Option (CCO). CCO gives members control over a targeted amount of waiver dollars. Under CCO a member may convert specific waiver services that have been authorized in the member's service plan to create an individual monthly budget. Members that choose to use CCO will use the individual monthly budget to meet their assessed needs by directly hiring employees or purchase other goods and services.

A member may use three types of self-direction services to meet their assessed needs. Optional service components within CCO include the following:
- Self-directed personal care services.

- Self-directed community supports and employment
- Individual-directed goods and services

The member has authority over the individual budget that is authorized by the department to perform the following tasks:
- Contract with entities to provide services and support
- Determine the amount to be paid for services with the exception of the independent support broker and the financial management service whereas reimbursement rates are subject to the limits in 441-sub rule 79.1(2)
- Schedule the provision for services
- Authorize payment for waiver goods and services identified in the individual budget
- Reallocate funds among services included in the budget

Individual monthly budget development includes the following costs:
- The costs of the financial management service
- The costs of the independent support broker
- The costs of any services and support chosen by the consumer as optional service components

All members choosing CCO will work with an Independent Support Broker (ISB) who will help them plan for their individual budget and services. The ISB works at the direction of the member and is a person that assists the member with his/her budget. For example, the ISB may help develop a monthly budget, recruit and interview potential employees, or assist with required paperwork. The ISB is required to attend an ISB training approved by the Department prior working with members. The ISB cannot be the guardian, power of attorney, or a provider of service to the member (this would cause potential conflicts of interest).

Members will also work with a Financial Management Service (FMS) provider which will receive the Medicaid funds on behalf of the members. The FMS provider receives the electronic funds transfer (EFT) from DHS on a monthly basis. The EFT is for the members' monthly budget amount. The FMS pays the payroll taxes, etc. as required because the member is an "employer" of this person and required to pay FICA, etc. Employees of the members are required to submit timecards within 30 days of providing the service for payment The FMS is a Medicaid provider.

The monthly budget includes a monthly per member per month fee for the financial management services (FMS) provider (currently $66.95). Veridian Credit Union is the only enrolled FMS in Iowa. The remainder of the budget is used by the member to purchase goods and services.

A utilization adjustment factor (UAF) is used to adjust the CCO budget to reflect state-wide average cost and usage of waiver services. Annually, the Department determines the average cost for each waiver service. The average service cost is used to determine the "cap amount" of the CCO budget. The cap amount is used to ensure the member stays within the program dollar cap limits within each waiver. The department also determines the percentage of services that are used, compared to what is authorized within a waiver service plan. This percentage is applied to the cap amount to determine the CCO "budget amount". The budget amount is the total funds available to the member in the monthly CCO budget. This UAF includes all HCBS waiver participants in the calculation, not just the individuals participating in CCO.

The member can choose to set aside a certain amount of the budget each month to save towards purchasing additional goods or services he/she cannot buy from the normal monthly budget. A savings plan must be developed by the member and approved by the department prior to saving for a good or service. The good or service being saved for must be an assessed need identified in the member's service plan.

Consumer Directed Attendant Care (CDAC):

The CDAC service began in Iowa in 1996 and was the first attempt by the state to offer self-directed services to members. CDAC is a self-directed service that offers the member employer authority only. There are two CDAC services; skilled and unskilled. See appendix C for service description and provider qualifications.

All CDAC providers are enrolled Medicaid providers. CDAC providers may be an individual employee or an agency. There are no FMS or ISB services to support the CDAC service. All billing is done through the Medicaid MMIS systems by the enrolled CDAC provider.

The member is responsible for completing the CDAC agreement with the CDAC provider. The CDAC agreement identifies the personal care services that will be performed. The member is responsible for hiring, directing and supervising the CDAC provider to assure their identified needs are being met. They are also responsible for signing

the CDAC timecards to allow payment for service rendered.

Members residing in an assisted living setting, just as any other member residing in their own home, can determine which of the above noted services can be included in the self-direction budget. The member would work with the case manager and Independent support broker to identify those needs that can be met through self-direction. The member would then hire providers to meet those needs. The member would then work with the providers hired by that member to self direct those services. The fact that the member resides in an assisted living facility does not dimenish their right to self direct and to select their own providers. There are services availble to the member through self direction that the assisted living facility may not provide (such as vehicle modification) or that the member may choose not to have the assisted living facilty provide (such as homemaker or meals).

Appendix E: Participant Direction of Services

E-1: Overview (2 of 13)

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:

Assisted Living Facilities certified by the Department of Inspections and Appeals.
The Department does not allow the use of self-direction services to members living in residential care facilities.

Appendix E: Participant Direction of Services

E-1: Overview (3 of 13)

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

Appendix E: Participant Direction of Services

E-1: Overview (4 of 13)

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 availble though a webinar posted to the IME website. The training includes 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 chose this option at anytime. 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 anytime. 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.

Appendix E: Participant Direction of Services

E-1: Overview (5 of 13)

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:

A member may choose to delegate the budget authority to another person. The representative may be either a legal representative or a non-legal representative chosen by the member. The representative cannot be a paid provider of services and must be 18 years of age or older. The member and the representative must sign

a consent form designating who they have chosen as their representative and what responsibilities that representative will have. At a minimum, the representative's responsibilities include ensuring that the decisions made do not jeopardize the health and welfare of the member and ensuring decisions made do not financially exploit the member.

The IME uses a quality assurance process to interview members in order to determine whether or not the representative has been working in the best interest of the members. The interviews are completed primarily by telephone and may be completed in-person if requested. The interviews are conducted as an ongoing QA activity for the ID waiver program. The interviews are used to ensure that member needs are met and services are provided. ID waiver QA interviews are completed monthly with a randomly selected representative sample of members on the ID waiver. The interview sample selection size assures a 95% confidence level in the results of the interviews.

In addition, the Independent Support Broker provides monitoring of health and safety. The member's case manager is responsible to assess individual needs and monitor service delivery to assure that the member's health and safety are being addressed. Case managers routinely review how services are being provided and monitor services to assure the member's assessed needs are being met. This assessment would include how the representative delegated to direct the services is performing in that role.

Appendix E: Participant Direction of Services

E-1: Overview (6 of 13)

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 - Skilled	☑	☐
Respite	☑	☑
Self Directed Community Support and Employment	☑	☑
Assistive Devices	☑	☑
Independant Support Brokerage Service	☑	☑
Transportation	☑	☑
Senior Companion	☑	☑
Individual Directed Goods and Services	☑	☑
Chore Services	☑	☑
Home Delivered Meals	☑	☑
Homemaker	☑	☑
Self-directed Personal Care	☑	☑
Home and Vehicle Modification	☑	☑
Consumer Directed Attendant Care-unskilled	☑	☑

Appendix E: Participant Direction of Services

E-1: Overview (7 of 13)

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.*

Appendix E: Participant Direction of Services

E-1: Overview (8 of 13)

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 Service

○ **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 Deparment of Commerce. In addition, the FMS must sucessfully pass a readiness review of certification by the Iowa Department of Human Serivces or a financial institution charted 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 recieve Medicaid funds in an electronic transfer and will pay all service providers and employees submitting claims through the self direction option.

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

The FMS is is paid a monthly fee for their services.

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:

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

Specify:

Additional functions/activities:

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

Oversight is done through two processes:
1) an annual self-assessment required by and submitted to the department,
2) a periodic on-site reveiw completed by the department or by an IME unit designated by the department.

Appendix E: Participant Direction of Services

E-1: Overview (9 of 13)

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 - Skilled	☐
Nutritional Counseling	☐
Respite	☐
Nursing Services	☐
Home Health Aide Services	☐
Self Directed Community Support and Employment	☑
Mental Health Outreach	☐
Case Management	☐
Personal Emergency Response or Portable Locator System	☐
Assistive Devices	☐
Adult Day Health	☐
Independant Support Brokerage Service	☑
Transportation	☐
Financial Management Service	☑
Senior Companion	☐
Individual Directed Goods and Services	☑
Chore Services	☐
Home Delivered Meals	☐
Homemaker	☐
Self-directed Personal Care	☑
Home and Vehicle Modification	☐
Assisted Living	☐
Consumer Directed Attendant Care-unskilled	☐

☐ **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:

Appendix E: Participant Direction of Services

E-1: Overview (10 of 13)

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:

Appendix E: Participant Direction of Services

E-1: Overview (11 of 13)

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 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 and service continuity is maintained.

Appendix E: Participant Direction of Services

E-1: Overview (12 of 13)

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. Involuntary termination can also occur if the case manager is not able to verify the types of services provided and the outcome of those services. If the member and their representative are both found to be unable to self-direct, then the member will be transitioned to regular waiver services.

The case manager will develop a new service plan and assure alternative services are in place to maintain service continuity.

Appendix E: Participant Direction of Services

E-1: Overview (13 of 13)

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		248
Year 2		250
Year 3		252
Year 4		254
Year 5		256

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:

All individuals under consideration for hire under the self-direction option must agree to a criminal history check and abuse registry checks. In addition, each individual must be checked against the OIG Exlusion List. Only those individuals who pass these checks are allowed to be hired.

The state of Iowa pays for the first background check of all CCO and individual employees. If a second background check is completed, it is the responsibility of the employee to pay for the background check.

- [x] **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.**
- [x] **Determine staff duties consistent with the service specifications in Appendix C-1/C-3.**
- [x] **Determine staff wages and benefits subject to State limits**
- [x] **Schedule staff**
- [x] **Orient and instruct staff in duties**
- [x] **Supervise staff**
- [x] **Evaluate staff performance**
- [x] **Verify time worked by staff and approve time sheets**
- [x] **Discharge staff (common law employer)**
- [ ] **Discharge staff from providing services (co-employer)**
- [ ] **Other**

Specify:

Appendix E: Participant Direction of Services

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*:

- [x] **Reallocate funds among services included in the budget**
- [x] **Determine the amount paid for services within the State's established limits**
- [x] **Substitute service providers**
- [x] **Schedule the provision of services**
- [x] **Specify additional service provider qualifications consistent with the qualifications specified in Appendix C-1/C-3**
- [x] **Specify how services are provided, consistent with the service specifications contained in Appendix C-1/C-3**
- [x] **Identify service providers and refer for provider enrollment**
- [x] **Authorize payment for waiver goods and services**
- [x] **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 tratiional service model for the waiver, the member chooses a service provider from a list of proviers 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 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 teh wages to be paid to the provider and the units of service (limited by the self-direction budget). Interviewing, hiring, scheduling, and firing is done by the member. Claims 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 needed are 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 historial percentage usage of authrozed services by all members enrolled in the Elderly waiver who have accessed that particular service. A member new to the Elderly waiver or new to self direction would have the same utilization factor applied as all other Elderly 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 following is an example of how an individual budget is determined:

A member has a need for respite. On their traditional service plan they are authorized 10 units of respite at $20 a unit. That member decides that they would like to self-direct their respite services. The amount authorized is $200 in the traditional service plan. Historically only 80% of authorized respite units are accessed by the member. The utilization adjustment factor of 80% is applied. The member's individual budget amount then becomes $160 ($200 X 80%). The 20% cut (100% authorization minus 80% actual utilization for a service) is applied to allow for cost neutrality between the service under the traditional waiver plan and self-direction.

If the average service utilization is only 80% of an authorized service under the traditional waiver, then a self-directed member is limited to that same 80%; again to preserve cost neutrality.

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 will be stated in the Iowa Department of Human Services Administrative rules. In addition this information will be shared during all outreach and training meets held throughout the state for members, families, and other advocates that will be held on going.

Members who reside in an assisted living facility can also choose to self-direct some of their services, just as a member residing outside an assisted living facility can. The member can choose to self-direct services not provided by the facility (such as vehicle modification) or can choose another provider for services that are

optional from the faciltiy (such as meals or housekeeping).

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 evaluate 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 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 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.

Appendix E: Participant Direction of Services

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 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 evaluate 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 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 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.

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

Appendix E: Participant Direction of Services

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:

Under the Elderly waiver, there is one monthly maximum budget for each member. This budget amount is the same amount whether the member utilizes only traditional waiver services, utilizes only self-directed services, or uses a combination of traditional and self-directed services. All services under the waiver add into the one budget and that budget maximum is determined by the member's LOC and not by the type of services accessed by the member.

The member's one budget is tracked in Individual Service Information System (ISIS). The individual self direction budget is a subset from the traditional service plan and therefore appears as part of the overall monthly budget.

Under self-direction, 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. ISIS will allow the changes and revisions as long as the revised plan does not cause the monthly budget to exceed the monthly budget maximum. If the monthly maximum budget is exceeded, ISIS does not allow the revised plan to be saved or authorized until it is brought back within the monthly maximum.

The Financial Management Service must receive all modifications to the individual budget and will monitor to assure the changes do not exceed the authorized budget amount. The Individual Support Broker and the Financial Management Service will both monitor to assure expenses are allowable expenses.

Appendix E: Participant Direction of Services

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:

The member's authorized amount for the self-direction budget will be a monthly calculation. Members can adjust this at anytime within the authorized amount if the services are not meeting their needs. The Independent Support Broker (ISB) will assist the member with developing their individual budget to assure that it meets the member's needs for the month. The ISB also will routinely monitor expenses. The Financial Management Service will also monitor the budget and will notify the ISB and the member immediately if claims are inconsistent with the budgeted amount or if the budget is consistently underutilized. When members chose self-direction they sign a consent form that explains their rights and responsibilities, including consequences for authorizing payments over the authorized budget amount.