Services My Way

Table of Contents

[Welcome 1](#_Toc38446726)

[Course Layout 1](#_Toc38446727)

[Introduction 1](#_Toc38446728)

[Choice of Service Delivery Model 1](#_Toc38446729)

[Level of Self-direction by the Participant 2](#_Toc38446730)

[Agency Model 2](#_Toc38446731)

[Employer Authority 2](#_Toc38446732)

[Budget Authority 2](#_Toc38446733)

[Service Model Activity 2](#_Toc38446734)

[Service Delivery Model Definitions 3](#_Toc38446735)

[Self-direction Definition 3](#_Toc38446736)

[Self-directed Service Definition 3](#_Toc38446737)

[Direct Care Worker Definition 4](#_Toc38446738)

[Service Delivery Model Summary 4](#_Toc38446739)

[Participant Perspective: Holly 4](#_Toc38446740)

[Participant Perspective: Tanya 4](#_Toc38446741)

[Budget Authority Overview 5](#_Toc38446742)

[Service Model Overview 5](#_Toc38446743)

[Budget Authority Service Model 5](#_Toc38446744)

[Budget Authority Supports 5](#_Toc38446745)

[Many Roles in Budget Authority 6](#_Toc38446746)

[Four Roles and Responsibilities 6](#_Toc38446747)

[Participant 6](#_Toc38446748)

[Service Coordinator (SC) 6](#_Toc38446749)

[Fiscal Employer Agent (F/EA) 8](#_Toc38446750)

[Representative 9](#_Toc38446751)

[Roles and Responsibilities Activity 10](#_Toc38446752)

[The Benefits of Services My Way 12](#_Toc38446753)

[Development of the Spending Plan 12](#_Toc38446754)

[Overview of Spending Plan Development 12](#_Toc38446755)

[Spending Plan Definitions 12](#_Toc38446756)

[Process of Developing the Spending Plan 13](#_Toc38446757)

[Develop a Spending Plan 13](#_Toc38446758)

[Fair Hearing 14](#_Toc38446759)

[How Services My Way Helped Tanya 14](#_Toc38446760)

[Case Study: Courtney 15](#_Toc38446761)

[Case Study: PCSP Example 15](#_Toc38446762)

[Participant-directed Community Supports 15](#_Toc38446763)

[Participant-directed Goods and Services 16](#_Toc38446764)

[Allowable/Unallowable Goods and Services 16](#_Toc38446765)

[Allowable and Unallowable Goods and Services Activity 18](#_Toc38446766)

[Case Study: Budget Calculation 20](#_Toc38446767)

[Five Things Needed to Complete the Spending Plan 20](#_Toc38446768)

[Spending Plan Development 20](#_Toc38446769)

[Support Broker Assistance 21](#_Toc38446770)

[Budget and Purchases 21](#_Toc38446771)

[Do NOT Require Contacting the SC 21](#_Toc38446772)

[DO Require Contacting the SC 22](#_Toc38446773)

[When to Contact the SC Activity 22](#_Toc38446774)

[Implementation of the Spending Plan 23](#_Toc38446775)

[Implementing the Spending Plan 23](#_Toc38446776)

[Areas to Review on the Monthly Financial Report 23](#_Toc38446777)

[Disenrollment 24](#_Toc38446778)

[Congratulations! 24](#_Toc38446779)

# Welcome

Welcome to Services My Way Training online. This course helps prepare Service Coordinators (or SCs) to coordinate services for eligible participants who choose the Budget Authority model of service delivery.

## Course Layout

This online course consists of four major lessons.

The “Introduction” includes:

* An overview of the three service delivery models available for waiver participants; and
* A review of several key terms used throughout the course.

The next lesson, “Budget Authority Overview,” covers:

* A description of the Budget Authority service delivery model; and
* The various roles and responsibilities of those individuals involved in the Budget Authority model, including the participant, the SC, and the Fiscal/Employer Agent.

The third lesson, “Development of the Spending Plan,” covers:

* A description of the steps involved in developing a spending plan;
* Allowable and unallowable participant-directed goods and services; and
* Clarification of service plan modifications that require action by the SC.

And the final lesson, “Implementation of the Spending Plan,” covers:

* Things to look for in the Monthly Financial Report; and
* How to disenroll an individual from the Budget Authority service delivery model.

Periodically, you will also hear personal perspectives from two individuals who are enrolled in the Budget Authority service model.

# Introduction

So, let’s get started. In this first lesson, we will review the three service delivery models used by participants who are eligible to receive waiver services, as well as review several key terms used throughout the course.

## Choice of Service Delivery Model

As a person who interacts closely with participants, it is important for you to have a solid understanding of each service delivery model. Simply stated, each service delivery model involves a different level of participant direction. With your help, participants must choose the model that is best for them. That’s why it’s important for you to be thoroughly familiar with the features of each model.

## Level of Self-direction by the Participant

Each service delivery model provides the participant with a varying level of self-direction, with the Agency model providing the least amount of self-direction and the Budget Authority model the most. Please note that Budget Authority is not available in all OLTL home and community-based services (HCBS) waivers. Please refer to the waiver online to determine if Budget Authority is available in a specific waiver. Next, let’s learn about each service delivery model.

### Agency Model

In the Agency model of service delivery, the SC and participant develop the service plan and arrange appropriate services. With the Agency model, all Direct Care Workers are hired by the agency and their work hours are scheduled by the agency. The participant is not responsible for recruiting, hiring, or training the Direct Care Workers.

### Employer Authority

Under Employer Authority, the participant recruits, hires, supervises, and directs the Direct Care Workers who furnish supports. The participant (or his or her authorized representative) functions as the common law employer, or CLE. When Employer Authority is utilized, the participant, rather than the waiver provider agency, carries out employer responsibilities for Direct Care Workers. Please note that whenever we refer to the “participant” in this course, we are referring to the participant or their CLE representative.

### Budget Authority

Under Budget Authority, the participant has the authority and accepts the responsibility to manage a participant-directed budget. This authority allows the participant to make decisions about acquisition of waiver goods and services that are authorized in the waiver service plan and to manage the dollars included in a participant-directed budget. This model promotes true participant control by offering alternatives to current services. Budget Authority allows participants to choose the goods and services that best meet their needs, to direct as many of those services as they want, and to be the driving decision maker in ways that maximize their quality of life.

## Service Model Activity

Please take a few moments to answer these review questions.

Each service delivery model provides the participant a varying amount of self-direction. Which service delivery model does each of the following statements describe?

1. Direct Care Workers are hired by the agency and their work hours are scheduled by the agency.

Agency model

Employer Authority model

Budget Authority model

Please pause.

The correct answer is Agency model. In the Agency model, the workers are hired by the agency and their work hours are scheduled by the agency. This is the model with the least amount of self-direction.

2. The participant recruits, hires, supervises, and directs the workers who furnish supports. The participant functions as the common law employer.

Agency model

Employer Authority model

Budget Authority model

Please pause.

The correct answer is Employer Authority model. In the Employer Authority model, the participant recruits, hires, supervises, and directs workers.

3. The participant has the authority and accepts the responsibility to manage a participant-directed budget.

Agency model

Employer Authority model

Budget Authority model

Please pause.

The correct answer is Budget Authority model. The model with the greatest self-direction is the Budget Authority model. In this model, participants have the authority and responsibility to manage their budget.

## Service Delivery Model Definitions

In reviewing the service delivery models, we used several terms that warrant a closer look. First, let’s define the term “participant” as it relates to waivers. A participant is an individual who has met waiver eligibility requirements, chooses to receive waiver services, enters the waiver, and subsequently receives waiver services authorized in a service plan.

### Self-direction Definition

The term “self-direction” (also referred to as “participant-direction”) as defined by the Centers for Medicare and Medicaid Services (CMS), is when a waiver participant exercises choice and control in identifying, accessing, and managing waiver services and other supports. The participant makes appropriate decisions according to his or her individual needs and personal preferences.

### Self-directed Service Definition

A “self-directed service” (which is also referred to as a “participant-directed service”) is a home and community-based service that the state specifies may be directed by the participant using Employer Authority or Budget Authority. Self-directed services emphasize that it is the participant – as opposed to medical and social work professionals – who knows best about his or her needs and how to address them. Self-directed services do not reflect one strategy; rather, they reflect a continuum of approaches based on participants’ abilities and the level of autonomy and control they wish to exercise.

### Direct Care Worker Definition

Finally, a “Direct Care Worker” is an individual who meets the requirements as described in waiver or program standards. Direct Care Workers are employed by the participant to provide assistance and support to the participant.

## Service Delivery Model Summary

Each of the service delivery models benefits participants according to their own unique needs and preferences. No single model is the best choice for all participants. The models are best viewed as a continuum of self-direction with regard to service delivery. The Agency model requires the least amount of self-direction and the Budget Authority model permits the highest amount of self-direction. Remember, the participant always has the right to choose the best model for his or her care.

## Participant Perspective: Holly

Before we move on to review the details of the Budget Authority model, let’s take a moment to hear from two participants who have selected Budget Authority as their service delivery model.

My name is Holly. I’m 35 years old. I have spastic quadriplegic cerebral palsy. I’m originally from the Philadelphia region of Pennsylvania. When I decided to come up to Edinboro for college, I realized after college I would need some help to live an independent life in the Erie area. So when it came time to graduate college, I got in touch with the local Agency in the Erie region, and they got me in touch with the Office of Long-Term Living.

## Participant Perspective: Tanya

Now let’s hear what Tanya has to say about using the Budget Authority service delivery model.

I have cerebral palsy, so I’ve always needed assistance in some form for doing basic daily living tasks all my life. So, after I was done with my Bachelor’s degrees at Edinboro, I wanted to still go to school and get my Master’s, but the program I was in didn’t provide the care for Master students, so that’s when I switched over to needing Home and Community-Based and Waiver Services. And about four or five years ago, I started to use Services My Way because I wanted to be able to grow with what my care was able to do to better meet the challenges that cerebral palsy presented to me.

# Budget Authority Overview

In this next lesson, we will take a closer look at the Budget Authority model of service delivery. Then, we’ll examine how participants can use their individual budgets to purchase goods and services to meet their identified needs. Finally, we will review the roles and responsibilities of various individuals involved in the Budget Authority model.

## Service Model Overview

As we mentioned in the previous lesson, the Budget Authority model provides the greatest level of participant-direction. It promotes participant control by offering alternatives to current services in which participants can manage their own flexible allowances to design and purchase disability-related goods and services.

It is important to note that several other individuals are involved in helping the participant receive approved goods and services authorized in the Person-Centered Service Plan, or PCSP. When a participant chooses Budget Authority as their service delivery model, they can use money in their individual budget to purchase goods and services that meet the needs identified in the PCSP.

## Budget Authority Service Model

The Budget Authority service model reflects the principles of Cash and Counseling, as this approach was known nationally when it emerged. In Budget Authority, participants enter the system as they always have, through the established process for assessing level of care and developing the PCSP.

With the PCSP in place, the SC determines the value of the individual budget. In addition, the SC must provide unbiased information to participants so they may make an informed decision on how they would like their services delivered. Those selecting the Budget Authority model for service delivery will work with their SC to complete the online referral process through their Fiscal/Employer Agent (or F/EA). Next, the SC and participant will develop the individual spending plan. The flexible spending plan will allow participants to allocate money to hire their Direct Care Workers and to purchase goods and services.

## Budget Authority Supports

In the Budget Authority model, the participants are assured that a system of supports is provided. These supports provide protections and safeguards for participants, the provider network, and the Commonwealth. Two types of support are Information and Assistance (or I&A) in Support of Self-Direction, and Financial Management Services.

I&A includes services to help participants develop and manage self-directed services. This would include, for example, developing and implementing a service plan and budget, or accessing services and Direct Care Workers. Financial Management Services are provided through an F/EA. The F/EA acts as a neutral accountant in the management of participants’ public benefit funds. We’ll explore the roles and responsibilities of the F/EA later in the training.

## Many Roles in Budget Authority

In the Budget Authority model, there are many roles associated with providing participants the necessary and approved goods and services. Each one is essential to successfully meet participants’ identified needs.

## Four Roles and Responsibilities

Let’s take some time to explore responsibilities of four key roles in the Budget Authority model: the participant, the SC, the F/EA, and the representative. We’ll begin with the role of the participant.

### Participant

Earlier in this online training, we defined “participant” as the individual who meets waiver eligibility requirements, chooses to receive waiver services, enters the waiver, and receives authorized services in a service plan. In the Budget Authority model, the participant takes on a self-directed role. In this service model, the participant is the common law employer of his or her Direct Care Workers. Participants perform the following activities in managing their services:

* File all required paperwork in a timely manner with the assistance of the F/EA;
* Recruit, hire, manage, and dismiss Direct Care Workers;
* Direct the services outlined in the PCSP;
* Develop and manage the spending plan with the assistance of the SC and F/EA, as necessary;
* Submit all required Direct Care Worker paperwork in a timely, complete, and accurate manner to the F/EA and/or SC; and
* Report all changes in a timely manner to the F/EA and SC, as appropriate.

Although a participant fulfills just one role in the Budget Authority model, it is the most important one.

### Service Coordinator (SC)

The next key role we’ll explore is that of a Service Coordinator. Depending on the type of care a participant will receive, support from an SC is provided. These support functions do not change when a participant elects the Budget Authority service model. SCs have a direct relationship with participants and provide critical information to them regarding the Budget Authority model. Activities that the SC regularly performs in the Budget Authority model can be categorized into three functional areas:

* Service Coordination;
* Technical Assistance; and
* Oversight.

**Service Coordinator Functions:**

Depending on the type of care a participant will receive, support from an SC is provided. These support functions do not change when a participant elects the Budget Authority service model.

SCs have a direct relationship with participants and provide critical information to them regarding the Budget Authority model. Activities that the SC regularly performs in the Budget Authority model can be categorized into three functional areas.

* Service Coordination;
* Technical Assistance; and
* Oversight.

**Service Coordination:**

Service coordination responsibilities include:

* Provide participants with information regarding the Budget Authority and other models, including information about their responsibilities, rights, and concepts of self-direction;
* Assist participants in developing, managing, and implementing their PCSPs;
* Determine the value of individual budgets;
* Assist participants in developing their spending plan if requested to do so; and
* Advise and assist participants in monitoring expenditures and assist with modifications of individual budgets.

Service coordination responsibilities related to finances include:

* Make the participant’s referral to the F/EA and assist the participant in communicating with the F/EA, as needed;
* Collaborate with the F/EA who has primary responsibility in providing employer skills training to the participant, including (but not limited to) training in recruiting, interviewing, hiring, managing, evaluating, and dismissing Direct Care Workers;
* Work with the F/EA and the participant, as necessary, to ensure all employment paperwork is completed and sent to the F/EA; and
* Notify the F/EA regarding changes to the individual budget and spending plan.

**Technical Assistance:**

Some technical assistance responsibilities include:

* Assist participants in identifying risks and developing an individual back-up plan. This includes arranging for the provision of back-up services;
* Assist participants in developing job descriptions for Direct Care Workers to be employees of the participant. The SC must verify the job descriptions are consistent with the Individual Service Plan; and
* Work with participants to facilitate training of Direct Care Workers who deliver services that require a degree of technical skill and/or the guidance and instruction from a healthcare professional, such as a Registered Nurse.

**Oversight:**

Some oversight responsibilities include:

* Ensure allowable expenditures for goods and services are appropriate and are made using the participant’s individual budget;
* Counsel participants on their budget and other issues, as necessary;
* Assist participants in modifying service plans within the limits of the individual budget; and
* Support participants in problem-solving, decision-making, as well as recognizing and reporting critical events.

#### SC Summary

As you can see, the SC works closely with the participant. With so many responsibilities, it is important for the SC to communicate clearly with the participant regarding these accountabilities.

### Fiscal Employer Agent (F/EA)

Now let’s look at the role of Fiscal/Employer Agent. As mentioned earlier, the F/EA acts as a neutral accountant in the management of participants’ public benefit funds. Waiver participants who select the Budget Authority service model will have an F/EA for representation. The F/EA will provide Financial Management Services to the participant. Depending on the participant’s individual budget, the F/EA pays the bills, withholds the taxes, and pays Direct Care Workers’ compensation. An important point to note is that the F/EA is involved only with activities that relate to the individual budget.

#### F/EA Definition

Although we have previously covered some information related to the F/EA, let’s take a look at the specific definition of a Fiscal/Employer Agent.

Vendor Fiscal/Employer Agent (F/EA)is a private vendor entity that may apply for and be approved by the IRS to act as an employer agent on behalf of participants. A vendor F/EA FMS operates under section 3504 of the IRS code, IRS Revenue Procedure 70-6, IRS Proposed Notice 2003-70 and REG-137036-08 as applicable.

#### The F/EA Provides FMS

The F/EA plays an important role in reducing the participant’s employer-related burden associated with participant-directed services. The F/EA provides Financial Management Services (or FMS) to help participants:

* Manage and direct the disbursement of public funds contained in the individual budget and the spending plan;
* Facilitate the employment of staff by the participant by performing as the participant’s employer agent; and
* Perform fiscal/accounting tasks, such as processing and paying invoices for approved goods and services and generating expenditure reports.

#### Role of the F/EA in Budget Authority

Now let’s review the responsibilities of the F/EA.

* Receive, disburse, and track public funds on behalf of participants; assist with completing participant enrollment and Direct Care Worker employment forms; conduct criminal background checks of prospective Direct Care Workers; and verify Direct Care Workers’ citizenship status.
* Provide employer skills training to participants, including (but not limited to) training in recruiting, interviewing, hiring, managing, evaluating, and dismissing Direct Care Workers; creating job descriptions and interview questions; developing strategies for evaluating candidates; and informing candidates of selection or non-selection.
* Prepare and distribute Direct Care Workers’ payroll according to the individual’s budget and per the participant’s authorization. This includes withholding, filing, and depositing of federal and state income tax withholding, employment taxes, and locality taxes.
* Process and pay vendor invoices for approved goods and services.
* Manage the administrative Financial Management Services (FMS) fee.
* Secure and renew workers’ compensation insurance policies; pay premiums; provide wage information to insurers to determine benefits; facilitate/participate in audits; and collect/maintain data on participants’ policies, wages paid, claims filed, and benefits paid. (Broker workers’ compensation and other insurance, as required.)
* Ensures compliance with state and federal labor requirements.
* Prepare and submit required written reports to participants, SCs, MCOs, and OLTL in an accurate, complete, and timely manner (i.e., monthly and quarterly reports of budget balances).
* Must recognize and report critical incidents, fraud, and abuse (e.g., workplace safety issues, effective management of workplace injuries).
* Implement and maintain an effective customer service system that communicates with participants, Direct Care Workers, SCs, vendors, MCOs, and agencies. In addition, address participant issues and complaints effectively.

### Representative

Finally, let’s take a look at the roles and responsibilities of a Representative. A Representative is a person who may act on behalf of another. Participants’ services may be directed by a non-legal representative freely chosen by the participant. In many circumstances, a representative is not required. A representative may include the following persons:

* A legal guardian or other legally appointed personal representative;
* A representative payee; or
* A family member or friend.

#### Required Personal Representative

The Service Coordinator may require a personal representative for any individual who has impaired judgment as identified on the Functional Eligibility Determination and is unable to:

* Understand his or her own personal care needs;
* Make decisions about his or her own care;
* Understand how to recruit, hire, train, and supervise providers of care; or
* Understand the impact of his or her decisions and assume responsibility for the results.

#### Representative Requirements

A personal representative must be willing and able to fulfill their responsibilities as designated in writing by the F/EA. These requirements ensure the participant is receiving care to meet his or her personal needs identified in the PCSP and outlined in the spending plan.

#### Additional Requirements

Take a moment to review the requirements for a Services My Way Representative.

Representative Will:

* Demonstrate a strong personal commitment to the participant.
* Show knowledge of the participant’s preferences.
* Agree to predetermined frequency of contact with the participant.
* Be willing and capable of complying with all criteria and responsibilities.
* Be at least 18 years of age.
* Be able to be immediately available to provide or obtain back-up services when a Direct Care Worker does not show.

Representative Cannot:

* Be paid for this service nor be a paid Direct Care Worker for the participant.
* Be paid from the participant’s individual budget for any other reason.

### Roles and Responsibilities Activity

Please take a few moments to answer these review questions.

There are four key roles associated with providing participants necessary approved goods and services through the Budget Authority service delivery model. Which role does each of the following statements describe?

1. This role meets waiver eligibility requirements and receives authorized services.

Participant

Service Coordinator (SC)

Fiscal/Employer Agent (F/EA)

Representative

Please pause.

The correct answer is Participant. The participant is the individual receiving the waiver services.

2. This role acts as a neutral accountant in the management of public benefit funds.

Participant

Service Coordinator (SC)

Fiscal/Employer Agent (F/EA)

Representative

Please pause.

The correct answer is Fiscal/Employer Agent, or F/EA. The F/EA acts as a neutral accountant to manage the participant's benefit funds.

3. This role has a relationship with participant and provides information about service model.

Participant

Service Coordinator (SC)

Fiscal/Employer Agent (F/EA)

Representative

Please pause.

The correct answer is Service Coordinator, or SC. The role that has the most direct relationship with the participant is the SC.

4. This role is the chosen person who acts on behalf of the waiver participant if they cannot.

Participant

Service Coordinator (SC)

Fiscal/Employer Agent (F/EA)

Representative

Please pause.

The correct answer is Representative. The person who may act on behalf of the participant is called a representative.

All of these roles are essential to successfully meet the participant's needs.

## The Benefits of Services My Way

So, what do participants enrolled in Services My Way have to say about the benefits of using this service delivery model? Let’s hear from Holly again.

There are several benefits, in my opinion, to using the Services My Way model of care. The first being the fact that I have the ability to set my DCW’s wages and second most important benefit is the fact that I can purchase goods and services with money I have built up in my savings from the fiscal year. Also, Services My Way enables me to live an independent life that I never thought possible before hearing about the Services My Way.

# Development of the Spending Plan

In this third lesson, we will review the steps involved in developing a spending plan and examine participant-directed goods and services eligibility under the Budget Authority service model.

## Overview of Spending Plan Development

So far in this training, we have reviewed the various service models available to participants of waiver services, examined the Budget Authority model in detail, and clarified the four key roles involved with the Budget Authority service model. Now it’s time to create a spending plan!

Prior to receiving services in the Budget Authority model, the participant must develop a spending plan in collaboration with his or her SC. The spending plan allows for customization of the delivery of specified services contained in the PCSP as long as health and welfare are maintained. Let’s begin our discussion of the spending plan process by first reviewing some important terms.

## Spending Plan Definitions

Take a moment to review terms related to the spending plan process.

* Person-Centered Service Plan (PCSP): The PCSP is the plan that details the services a participant needs and how to provide these services. The PCSP is developed by the SC and the participant.
* Individual Budget: The individual budget is the calculated value of the PCSP stated as a monthly allocation. The budget is the amount the participant may spend on goods and services to meet identified needs and enhance the ability to live in the community. The participant must use the individual budget to hire Direct Care Workers to provide the services. If there are unused dollars in the budget after paying the Direct Care Workers, the participant may use the leftover dollars to purchase allowable goods and services to meet identified needs. A flexible individual budget gives the participant significant choice in the allocation of funds between hiring Direct Care Workers and making other purchases.
* Spending Plan: The spending plan is the detailed budget that describes what, how much, and from whom the participant will obtain goods and services that meet his or her needs as identified in the PCSP. Spending plan savings must be spent by the end of the budget period. The participant – in collaboration with the Service Coordinator – is responsible for developing a monthly spending plan. Costs of unused planned services may be added to the participant’s funds to purchase allowable goods and services. Monitoring oversight of the spending plan is the dual responsibility of the SC and the F/EA.
* Support Broker: The F/EA can also provide Support Broker services. Support Broker services are designed to provide assistance (as needed) with employer-related functions and maintenance in order to support the participant’s ability to self-direct their services. Support Broker services are optional services and may supplement, but do not replace other supports provided by either the F/EA or Service Coordinator. Part of their services include assisting with developing, modifying, and negotiating an individualized spending plan.

## Process of Developing the Spending Plan

At this point in the waiver process, the participant has been assessed by the MCO, received authorization to receive services, developed a PCSP with their SC, and chosen Budget Authority as their service delivery model. The next step in the process is to develop a spending plan. Here are the steps of spending plan development.

1. Calculate the budget amount.

2. Develop the spending plan.

3. Receive approval and submit the plan to F/EA.

4. Monitor expenditures.

5. Manage the individual budget and spending plan.

6. Make necessary changes.

## Develop a Spending Plan

Prior to receiving services in the Budget Authority service model, the participant must develop a spending plan in consultation with his or her SC. The spending plan allows for customization of the delivery of specified services contained in the PCSP.

Now learn more about each step of the spending plan development process.

* Step one is to calculate the budget amount. Once the participant accepts the Budget Authority service model for service delivery, the SC will calculate the individual budget amount. To do so, the SC takes the number of units of personal assistance and respite services, and then multiplies that by a pre-determined rate for personal assistance services. This calculation determines the starting budget amount.
* Step two is to develop the spending plan. The spending plan will be developed by the participant in consultation with the SC.
* Step three is to receive approval and submit the plan to the F/EA. The spending plan will be reviewed and approved by the MCO and submitted to the F/EA.
* Step four is to monitor expenditures. The F/EA will monitor expenditures, highlight significant budget variances, and ensure that purchased goods and services, and the time worked by the Direct Care Workers, match the participant’s spending plan. The F/EA will not release payment for a good or service not documented or authorized in the spending plan.
* Step five is to manage the individual budget and spending plan. The SC will track underutilization/overutilization and contact the participant to resolve potential service delivery problems. The SC must review the spending plan to assure that expenditures remain consistent with the individual budget and should ask the participant questions to clarify any concerns with his or her plans.
* Step six is to make any necessary changes. If a participant’s needs or goals change, the participant must meet with the SC to complete an assessment and adjust his or her PCSP and/or spending plan. In addition, the participant may request a review of the individual budget or check the status of the budget at any time.

## Fair Hearing

Now let’s see how the Budget Authority service model handles a fair hearing. The participant has the opportunity to request a fair hearing at the time of the enrollment, after enrollment, annually (during the Person-Centered Service Plan review meeting), and any time the participant requests to change services or add new services.

## How Services My Way Helped Tanya

Let’s consider how Budget Authority works for participants as Tanya explains how Services My Way helped her reach her independent living goals.

I think that varies depending on the individual and how you define independent living. Because I think when a lot of people look at that word, they think of, like, the very basic things that someone has to do to get up in the morning and be functional. I think with Services My Way, it enhances that definition because if you manage the different aspects of the program correctly and responsibly, the door for what you want to do is wide open. You can be and do basically anything that you want. And if Services My Way is managed correctly, it helps give you the stability to be able to do that because your workers are also more likely to stay with you and that has helped me tremendously because one of the barriers that was always in the back of my mind before is I can’t accomplish life goals and dreams that I have if my staff is always changing. And because of the way Services My Way is set up, it has helped to eliminate that fear.

## Case Study: Courtney

Now we’ll look at how Budget Authority works for Courtney, an 84-year old female who receives services through a waiver. Courtney needs assistance with bathing, dressing, grooming, ambulating, range of motion exercises, and transfers. Courtney lives with her daughter who works full-time but assists with other needs in the evenings and on weekends.

### Case Study: PCSP Example

Here is an example of what Courtney’s PCSP would look like. Courtney is eligible for four hours of personal assistance services per day, and four hours of respite per month. Courtney selects the Services My Way service model and decides to self-direct her personal assistance services and respite services. Later, we will review how Courtney’s individual spending plan is developed.

| PCSP | Unit Cost | Number of Proposed Units per Month | Cost per Month |
| --- | --- | --- | --- |
| Participant Directed Community Supports or PAS (W1900) | $3.41 | 400 | $1364.00 |
| Respite | $3.44 | 16 | $53.44 |
| One Month Cost Total | | | $1581.12 |

## Participant-directed Community Supports

Among the participant-directed supports is Procedure Code W1900, Participant-directed Community Supports. Participant-directed Community Supports will be offered to participants choosing Budget Authority to meet the identified personal assistance needs. The participant or his or her authorized representative is the common law employer of the individual Direct Care Workers providing services. Direct Care Workers are recruited, selected, hired, and managed by the common law employer. Services include assisting the participant with the following:

* Basic living skills, such as eating, drinking, toileting, personal hygiene, dressing, transferring, and other activities of daily living;
* Health maintenance activities, such as bowel and bladder routines, assistance with medication, ostomy care, catheter care, wound care, and range of motion activities;
* Improving and maintaining mobility and physical functioning, and maintaining health and personal safety;
* Carrying out household chores, such as shopping, laundry, cleaning, and seasonal chores;
* Preparation of meals and snacks;
* Accessing and using transportation (If providing transportation, the Direct Care Worker must have a valid driver’s license and liability coverage as verified by the F/EA);
* Participating in community experiences and activities; and
* Relieving unpaid caregivers and providing supervision of participants at times which are in the best interest of the participant or caregiver.

Supports will be available to assist the common law employer in performing employer-related duties and responsibilities, including onboarding activities, through the F/EA and SC.

## Participant-directed Goods and Services

Also available to Budget Authority participants is Procedure Code W1901, Participant-directed Goods and Services. Participant-directed goods and services are purchased from the participant’s spending plan. They include services, equipment, supplies, or goods not otherwise provided through a waiver or through Medicaid State Plan, or other third-party payers. These items must address an identified need in the participant’s PCSP (including improving and maintaining the individual’s opportunities for full participation in the community) and meet at least one of the specified participant outcomes.

### Allowable/Unallowable Goods and Services

Now, take a moment to read about the goods, services, and supports a participant may or may not be allowed to use his or her individual budget for.

Allowable Goods and Services cover equipment or supplies not otherwise provided through other sources or through the Medicaid State Plan. These items must address an identified need in the participant’s traditional service plan, including improving and maintaining the individual’s opportunities for full participation in the community.

The item or service should meet one or more of the following requirements:

* Decrease the need for other Medicaid services;
* Promote or maintain inclusion in the community;
* Promote the independence of the participant;
* Increase the individual’s health and safety in the home environment;
* Develop or maintain personal, social, physical or work-related skills;
* Increase the ability of unpaid family members and friends to receive training and education needed to provide support; or
* Fulfill a medical, social or functional need as identified in the participant’s Person-Centered Service Plan.

Participant-directed Goods and Services are purchased from the participant’s individual spending plan.

Participant-directed Goods and Services may only be funded through the waiver when the services are not covered by the State Plan or a responsible third-party, such as Medicare or private insurance. SCs must assure that coverage of services provided under the State Plan or a responsible third-party continues until the plan limitations have been reached or a determination of non-coverage has been established prior to this service’s inclusion in the service plan. Documentation in accordance with Department requirements must be maintained in the participant’s file by the Service Coordinator and updated with each reauthorization, as applicable.

The following list includes unallowable goods and services:

Services covered by the State Plan, Medicare, other third parties, including education, home-based schooling, and vocational services;

* Services, goods, or supports provided to or benefiting persons other than the individual participant;
* Personal items and services not related to the disability;
* Experimental treatments;
* Vacation expenses;
* Gifts or loans;
* Rent or mortgage payments;
* Utility payments (e.g., electric, gas, sewer, garbage services);
* Payments for someone to be a representative;
* Entertainment activities;
* Clothing;
* Groceries (with the exception of special foods required to maintain nutritional status);
* Lottery tickets;
* Alcoholic beverages;
* Televisions, stereos, radios, or DVD players;
* Tobacco products;
* Pets and their related costs;
* Home delivered meals;
* Normal home maintenance (central air conditioning system, heating and ventilation systems); and
* Experimental Goods and Services - A drug or product currently being investigated under licensure by the FDA to determine its safety and effectiveness, or a medical procedure, including an investigational procedure that deviates from customary standards of medical practice, not routinely used in the medical or surgical treatment of a specific illness or condition or is not of proven medical value.

Participant-directed Goods and Services do not include personal items and services not related to the disability, groceries, rent or mortgage payments, entertainment activities, or utility payments. They may not be provided at the same time as Home Health Aide Services, Personal Assistance Services, and Participant-directed Community Supports.

They are limited to instances when the participant does not have personal funds to purchase the item or service and the item or service is not available through another source. Services are limited to participants that are utilizing Budget Authority for participant-directed services.

Experimental or prohibited treatments are excluded.

### Allowable and Unallowable Goods and Services Activity

A participant may use his or her individual budget for certain goods, services, and supports. Please take a few moments to determine if an individual budget can be used for the following items.

1. Employment of a family member as a Direct Care Worker

Allowable

Unallowable

Please pause.

The correct answer is allowable. Participants may employ a family member as a Direct Care Worker.

2. Groceries and home delivered meals

Allowable

Unallowable

Please pause.

The correct answer is unallowable. Groceries and home delivered meals are unallowable.

3. Utility payments

Allowable

Unallowable

Please pause.

The correct answer is unallowable. Utility payments, such as electric, gas, sewer, garbage services, etc., are unallowable.

4. Chores services

Allowable

Unallowable

Please pause.

The correct answer is allowable. Participants may receive chores services that promote a safe environment.

5. Assistance with personal care, such as bathing, hair washing, and bladder and bowel care

Allowable

Unallowable

Please pause.

The correct answer is allowable. Participants may receive these and other personal care services, such as care for participant's teeth.

6. Normal home maintenance

Allowable

Unallowable

Please pause.

The correct answer is unallowable. Normal home maintenance, such as central air conditioning, heating and ventilation systems, etc., are unallowable.

7. An item from the approved list of goods and services that a participant cannot afford, is not payable by other avenues, and the participant is able to spend that amount from their budget

Allowable

Unallowable

Please pause.

The correct answer is allowable. Savings for a special purchase is allowable. Participants cannot always afford to buy necessary items from one monthly budget.

8. Personal care items and services not related to the participant’s disability

Allowable

Unallowable

Please pause.

The correct answer is unallowable. Personal care items and services that are not related to the participant's disability are unallowable.

9. Pets and their related costs

Allowable

Unallowable

Please pause.

The correct answer is unallowable. Pets and associated costs are unallowable.

## Case Study: Budget Calculation

Now let’s return to Courtney. As you will recall, she has selected the Budget Authority model. Courtney participates in in-home physical therapy three times per week. This service is paid for through Medicare. Her physical therapist has recommended that an exercise bike would be beneficial to her health and progress as it relates to her therapy. Her income through Social Security is not enough for her to purchase the bike independently and this equipment is not covered under Medicare or another third party; therefore, she has opted to use a portion of her individual budget to purchase the exercise bike. Here is an example of what Courtney’s PCSP would look like.

| PCSP | Unit Cost | Number of Proposed Units per Month | Cost per Month |
| --- | --- | --- | --- |
| Participant Directed Community Supports or PAS (W1900) | $3.41 | 400 | $1364.00 |
| Participant Directed Goods and Services (W1901) | $285.44 | 1 | $285.44 |
| One Month Cost Total | | | $1649.44 |

## Five Things Needed to Complete the Spending Plan

Now let’s take a closer look at how to complete the spending plan. Before you can fill in the Spending Plan, you will need to have five pieces of information:

* The first thing you will need is the determination of the participant’s needs from the needs assessment.
* You will need to calculate the total number of annual hours required to support the participant’s needs.
* You will also need to calculate the number of units of personal assistance for a year.
* You will need to contact the MCO for the participant-directed services rate established by the MCO to use for this participant.
* And finally, you will need to identify the budget period start and end dates.

Now we’ll review in a little more detail what you would do with these five things***.***

## Spending Plan Development

The participant-directed budget is developed based on the Person-Centered Service Plan. The amount of the individual budget is based on the amount of service that is authorized in the PCSP and reflected in a participant’s spending plan. The process for PCSP development is the same for all participants in the CHC Waiver, regardless of service model.

The Service Coordinator reviews the participant’s needs with the participant and ensures that the PCSP includes sufficient and appropriate services and provides the support that an individual needs or is likely to need in the home and community and to avoid institutionalization.

Once the participant determines that they wish to self-direct, multiply the number of units of personal assistance and respite services by the rate for personal assistance services that has been established by the CHC-MCO. This resulting amount represents the participant’s individual budget amount and represents the amount that would have been paid on the participant’s behalf if they used provider-managed services.

At this point, fill in the spending plan template with the information from steps one and two. The template contains instructions on how to input the numbers into the appropriate places. However, if the Service Coordinator needs assistance regarding how to fill in the spending plan template, they can contact the F/EA for additional support***.***

## Support Broker Assistance

The SC is responsible for explaining the benefits of the Services My Way program. The SC also assists the participant with developing the individual budget and shares the budget amount with the participant while developing the PCSP.

The participant works with the SC to determine how the budget can be utilized to best serve their needs while maintaining their health and welfare and ensures that the Direct Care Worker wage is reasonable, customary, and within the established guidelines of the budget.

If the participant requires or requests assistance with developing the spending plan, the SC will recommend that the participant utilize the services of a Support Broker. Support Broker services are designed to provide assistance (as needed) with employer-related functions and maintenance in order to support the participant’s ability to self-direct their services. Support Broker services are optional services and may supplement, but do not replace, the supports provided by either the F/EA or SC. Part of their services includes assisting with developing, modifying, and negotiating an individualized spending plan***.***

## Budget and Purchases

The participant can only make a goods and services purchase if they have that amount available in their budget, and the good or service is appropriate and applicable to their needs. A budget should not be set up to cover the purchases the participant wants to make; the budget is based on personal assistance needs. Dollars left over can be used to purchase goods and services, if desired.

### Do NOT Require Contacting the SC

After the spending plan is developed, changes to the plan may occur. These changes in the spending plan do not require the SC’s approval:

* Changing an employee’s start time
* Rescheduling an employee from one day to another

### DO Require Contacting the SC

Some modifications, however, do require contacting the SC.

* A change in the participant’s personal circumstances that require a reassessment
* Hospitalization of the participant or representative
* Modification of the individual budget
* A change in purpose for savings
* The absence of the representative
* A change in the Person-Centered Service Plan, budget, or spending plan
* Paying a Direct Care Worker more
* Saving for another item after initial savings are spent

### When to Contact the SC Activity

Please take a few moments to answer these review questions. For each activity presented, identify which requires contacting the SC and which does not.

1. The participant wants to change a Direct Care Worker's start time.

Requires contacting the SC

Does not require contacting the SC

Please pause.

The correct answer is that changing a Direct Care Worker's start time does not require contacting the SC.

2. The participant has changed the purpose for their savings.

Requires contacting the SC

Does not require contacting the SC

Please pause.

The correct answer is that If a participant changes the purpose for their savings, they should contact the SC.

3. The participant or the participant’s representative has been hospitalized.

Requires contacting the SC

Does not require contacting the SC

Please pause.

The correct answer is that if either a participant or their representative becomes hospitalized, the SC should be contacted.

4. The participant has decided to begin paying one of their Direct Care Workers more money per hour.

Requires contacting the SC

Does not require contacting the SC

Please pause.

The correct answer is that changing the rate a Direct Care Worker is being paid does require contacting the SC.

5. Direct Care Worker A works 20 hours/week. Direct Care Worker B works 20 hours/week at the same pay rate as Direct Care Worker A. Direct Care Worker A wants to go on vacation and Direct Care Worker B offers to cover those hours during that time.

Requires contacting the SC

Does not require contacting the SC

Please pause.

The correct answer is that as long as the total cost does not exceed the budget (e.g., overtime or higher wages), the SC does not need to be contacted.

# Implementation of the Spending Plan

In our final lesson, we will review the role of the SC during the implementation of the spending plan by the participant***.***

## Implementing the Spending Plan

The role of the SC during this phase is primarily to monitor the reports available from the F/EA, and – as always – to remain in contact with the participant or representative, the F/EA, and service providers, as appropriate.

## Areas to Review on the Monthly Financial Report

The SC will want to monitor the implementation of the spending plan by maintaining contact with the participant and reviewing the monthly financial report. Take a moment to read potential issues to look for on the financial report.

* Under Spending: Participant spends less than half of what was authorized for the month (unless there was hospitalization or another reason for low spending).
* Uneven Spending: Participant’s employee hours are disproportionately being used, e.g., the first two weeks at 75% and the last two weeks at 25%.
* Turnover: High turnover of Direct Care Workers – this may need to be checked over a series of months.

Keep in mind that if there is anything significant that changes, the SC will need to do an updated needs assessment.

## Disenrollment

As with many programs, participants can be disenrolled from Budget Authority either voluntarily or involuntarily.

Voluntary: A waiver participant may discontinue participation in the Budget Authority service model at any time and choose another model of service without an interruption of services. If the participant decides he or she wants to return to the Budget Authority model, he or she may contact his or her SC to discuss.

Involuntary: Involuntary termination may result due to the following:

* Serious health and welfare issues are identified and cannot be resolved
* Participant not managing the individual budget according to his or her PCSP
* Participant utilizes funds inappropriately
* Consistent non-adherence to program policy

# Congratulations!

Congratulations! You have completed the Services My Way training. Your understanding of Budget Authority will help you provide the guidance and support necessary to prospective participants in this model of service.

To register completion of this module, go to this [webpage](https://oltl.deringconsulting.com/smw_completion/).