



ADMINISTRATIVE MEMORANDUM - #2015-04

TO: Executive Directors of Voluntary Provider Agencies
Executive Directors of Agencies Authorized to Provide Fiscal Intermediary Services
Developmental Disabilities Regional Office and State Operations Office Directors
Medicaid Service Coordinators and MSC Supervisors

From: Katherine Marlay, Acting Deputy Commissioner
Division of Person-Centered Supports

Megan O'Connor-Hebert, Deputy Commissioner
Division of Quality Improvement

Kevin Valenchis, Deputy Commissioner
Division of Enterprise Solutions

Helene DeSanto, Deputy Commissioner
Service Delivery and Integrative Solutions

DATE: April 10, 2015

SERVICE EFFECTIVE DATE: October 1, 2014

SUBJECT: Service Documentation for Fiscal Intermediary Services

SUGGESTED DISTRIBUTION:

Administrative Staff of Fiscal Intermediary Services Providers
Support Brokers
Quality Improvement Staff
Medicaid Service Coordinators (MSCs) and Supervisors who serve individuals receiving IDGS
Regional Office Front Door Staff

Purpose:

This Administrative Memorandum describes the payment standards and service documentation requirements to support a provider's claim for reimbursement for Fiscal Intermediary services. Fiscal Intermediary services are available for Home and Community Based Services (HCBS) Waiver authorized participants who self-direct their services. A participant self-directing his or her services receives an individualized budget that he or she directs pursuant to an approved plan.

NOTE: In addition to the requirements specified in this Administrative Memorandum, Fiscal Intermediary providers must continue to comply with Administrative Memorandums for Supported Employment (SEMP), Community Habilitation, Support Brokerage, Community Transitions Services, Individual Directed Goods and Services, and Respite when the Fiscal Intermediary is the provider that is billing for such services.

New York State regulations require each Medicaid provider to prepare records to demonstrate its right to receive Medicaid payment for a service. These records must be “contemporaneous” and kept for six years from the date the service was provided. 18 NYCRR section 504.3(a).

Fiscal Intermediary:

Fiscal Intermediary services (FI Services) are HCBS Waiver services that include tasks performed by a Fiscal Intermediary (FI) which support a participant who self directs an individualized budget. Such tasks include billing and payment of approved goods and services, fiscal accounting and reporting, Medicaid and corporate compliance, and general administrative supports. The FI is the employer of record for staff hired by the participant. These staff are referred to as “self-hired staff.”

A participant must choose an FI to handle billing if any of the following services is included in his or her budget:

- Individual Directed Goods and Services;
- Live-in Caregiver;
- Brokerage Services;
- Community Transition Services;
- Any type of 100% state-funded service(s) that is listed in the participant’s individualized budget; or
- Any self-hired staff for Community Habilitation, Supported Employment (SEMP), and/or Respite.

FI Levels of Support:

There are different payment amounts for each level of FI service. The three levels of FI services are:

- Level One – This level applies if there are no self-hired staff in the participant’s budget and the FI does not pay for any staff. The FI supports the participant with billing and payment of approved goods and services.
- Level Two – This level is pending implementation and is not available as of the date of this ADM.
- Level Three – This level applies if there are self-hired staff in the budget but the FI is the employer of record. The FI assists the participant with self-hiring staff, providing hiring and discharge practices for these staff, verifying staff citizenship status, completing required background checks, arranging for back-up staffing, and other related tasks.

Fiscal Intermediary Level One

Level one must be chosen when there is no self-hired staff in the budget and the self-directed budget includes IDGS, Live-in Caregiver, 100% state-funded services, Support Broker, and/or Community Transition Services. Please note, for an individual who is only receiving Community Transition Services and is not self-directing any other services, the FI may bill one month fee in order to be reimbursed for the administration of the CTS service on the individual's behalf.

In order to bill for a Level One payment, the FI must perform the following duties:

1. Billing and payment of approved goods and services on behalf of the participant
 - a. Receive, verify and process requests for payment for all goods and services shown in the approved budget. Examples include mileage reimbursement, invoices, and service records.
 - b. Promptly notify participant or designee of any requests for payment for services that have not been identified in the participant's approved service plan and budget
 - c. Confirm credentialing of contractors and vendors
 - d. Bill Medicaid (eMedNY) and/or OPWDD for services, supports, and goods on behalf of the individual who has a self-direction budget
2. Fiscal accounting and reporting
 - a. Establish and maintain a separate account for each participant
 - b. Track disbursements and balances of participant funds for those services that are included in the self-directed budget
 - c. Send monthly expenditure reports to the participant by the end of the following month
 - d. Report inconsistencies between the approved service plan and the budget to OPWDD
3. Ensure Medicaid and corporate compliance
 - a. Review all service documentation that supports billing to eMedNY and OPWDD for accuracy, completeness, and compliance with applicable requirements.
 - b. Maintain current copies of the ISP and self-directed service plans and budgets, and hold for a period of six years from the date the care, services or supplies were furnished or billed, whichever is later
 - c. Maintain all components of the individual service record and documents supporting billing for a period of six years from the date the care, services or supplies were furnished or billed, whichever is later
 - d. Provide expenditure reports and service documentation to OPWDD and other authorized state agencies as required and as requested
4. General administrative supports
 - a. Conduct any necessary meetings regarding the budget and FI duties
 - b. Report and investigate incidents related to IDGS, Community Transition Services, Live-in Caregiver, Support Broker, and Housing Subsidies/100% state-funded services, as required
 - c. Not bill the participant for expenses associated with the FI agency administrative overhead
 - d. Teach the participant the importance of proper documentation of staff work hours, expenditures, and provision of services, including how to review a service record,

- mileage reimbursement form, monthly summary note, invoice, and any other claim for payment to ensure that documentation is complete and accurate
- e. Inform the participant of situations (such a hospitalization) which will cause the participant to lose eligibility) for FI services or other Medicaid funded services that are in budget

Fiscal Intermediary Level Two

(Pending Implementation)

Fiscal Intermediary Level Three

Level Three applies when the FI is the employer of record for self-hired staff.

In order to bill Level Three payment, the FI must perform the duties in Level One and the following additional duties:

1. Provide training to the participant on his/her employer responsibilities
2. Verify staff citizenship status
3. Complete required background checks: CBC, DMV, Central Registry, etc.
4. Help the participant manage staff by:
 - a. Maintaining staff background records
 - b. Processing time sheets and service records
 - c. Processing payroll; withholdings; federal, state, and local taxes; and making tax payments to appropriate tax authorities (such as FICA, Workers Comp, unemployment, etc.)
 - d. Ensuring timely staff payments
5. Participate in annual and/or semi-annual ISP meetings to discuss issues related to self-directed staffing and/or supports and budget expenditures, as required or as requested
6. Participate in Circle of Support (COS)/Planning Team meetings as a budget resource, as needed or as requested
7. Incident Management - reporting/investigating related to self-hired staff, as required
8. Maintain communication with OPWDD regarding participant and services
9. Travel when necessary to address the responsibilities listed
10. Provide training to the participant on his/her employer responsibilities by:
 - a. Providing the participant with orientation and support in hiring staff (including assistance with job descriptions), staff management, performance evaluations, staff conflict resolution
 - b. Reviewing with participant the FI's employment and conduct policies that would apply to self-hired staff
 - c. Addressing relevant co-management practices which relate to agency vs. participant responsibilities
 - d. Discussing use of overtime with participant, e.g., budget consequences
11. Help the participant manage staff by:
 - a. Implementing hiring and discharge decisions for self-directed staff
 - b. Providing enrollment/employment package for all new self-directed staff

- c. Providing to self-hired staff all OPWDD-approved basic agency mandatory trainings (e.g., incident reporting)
- d. Providing other trainings for self-hired staff as agreed upon with participant
- e. Scheduling back up staffing, if agreed upon with participant
- f. Assisting the participant with budget management
- g. Collecting and verifying time sheets/service records

All Fiscal Intermediary services provided on behalf of a participant by an agency must be distinct and separate from Brokerage Services provided on behalf of such participant.

Fiscal Intermediary Documentation Standard

The unit of service for FI is a month.

To bill for a month of FI services at Level One, the FI must have 1) a copy of the monthly expenditure report that was sent to the participant, 2) documentation showing that the FI has verified and processed requests for payments and tracked and disbursed funds, and 3) evidence that another self-directed service listed in the self-direction budget was billed for the participant by the FI during that same month. The documentation showing the verification and processing of requests may be the same as the expenditure report.

To bill for a month of FI services at Level Three, the FI must have the documentation described in Level One. In addition, the participant's individualized budget must include a plan for self-hired staff. The payment level is billed by the FI when the participant and/or family has opted to have the FI act as the employer of record. . If the FI has documentation of expenditures and splits the claiming to cross months, this will be considered fraudulent billing as it is perceived as billing Medicaid for more FI service more months than necessary.

Fiscal Intermediary Service Documentation:

Medicaid rules require that service documentation be contemporaneous with the service provision. For the expenditure report described above, the following elements are required:

1. Individual's name and Medicaid number (CIN).
2. Name of the agency providing FI Services.
3. Identification of the category of waiver service provided (e.g., FI or Fiscal Intermediary).
4. A summary of expenses paid on behalf of the participant. The Expenditure report should include a list of expenses paid on behalf of the participant, the date it was paid, and the amount paid. The report should be accessible, easily understandable and in plain English (or the language that is understood by the participant or family).
5. The time period that the Expenditure Report covers.
6. Date that the expenditure report was created.

For documentation showing that the FI has verified and processed requests for payments and tracked and disbursed funds, the elements include:

1. Individual's name.
2. Name of the agency providing FI Services.
3. The dates that payments were made and when funds were disbursed.
4. Information on which services and supports were paid.

ISP Documentation Requirements

In addition to the documentation described above for FI and IDGS claims, the agency providing these services must maintain a copy of the participant's Individualized Service Plan (ISP), developed by the participant's Medicaid Service Coordinator (MSC).

For FI, the following elements must be included in the ISP:

- Identification of the FI category of Waiver service (i.e., Fiscal Intermediary).
- Identification of the agency providing FI.
- Specification of an effective date for FI that is on or before the date of service for which the agency bills FI for the participant.
- Specification of the frequency for FI is "monthly."
- Specification of the duration for FI is "ongoing."

Documentation Retention

All documentation specified above, including the ISP and service documentation, must be retained for a period of at least six years from the date the service was delivered or when the service was billed, whichever is later.

For additional information on the documentation requirements contact the OPWDD Director of Waiver Management at (518) 474-5647.

cc: Abiba Kindo
Laura Rosenthal
Katherine Bishop
Joanne Howard
Karla Smith
Carlene Coons
Don Moffitt
Anne Swartwout