Participant Direction Option Manual

Developed for the Statewide Medicaid Managed Care-Long Term Care Plans

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# Overview

Participant Direction Option (PDO) Manual

The Agency for Health Care Administration developed this Participant Direction Option (PDO) Manual to assist each Managed Care Plan with implementing and managing the PDO. For purposes of this manual, “the Agency”, means the Agency for Health Care Administration, or its designee and “Managed Care Plan”, means the Managed Care Plan or its subcontractor.

PDO Overview

The PDO is a service delivery model that empowers Medicaid recipients enrolled in a Managed Care Plan by allowing them to hire, train, supervise, and dismiss their direct service worker(s) providing certain long-term care services. The PDO is available to all long-term care enrollees who have any PDO service on their authorized care plan and who live in their own home or family home. In accordance with state and federal regulations, PDO services must be medically necessary and cost-effective. Participant independence and personal choice is the primary focus of the PDO. Enrollees choosing to participate in this option must be interested in actively managing their own health care and be willing to take responsibility for hiring and managing their direct service worker(s).

A PDO participant may choose a representative to assist with the employer responsibilities of the PDO. The representative cannot be either compensated for their services as a representative or be a direct service worker. For purposes of this manual, “participant”, means the PDO participant or the participant’s representative.

Participants may hire any individual of their choosing to provide their PDO services, including neighbors, family members, or friends. The Managed Care Plan or delegated Fiscal/Employer Agent (F/EA) is responsible for ensuring each direct service worker only receives payment for the hours and approved PDO services that are listed in the participant’s authorized care plan and listed on the Participant/Direct Service Worker Agreement. A participant’s direct service worker(s) does not have to be in the Managed Care Plan’s provider network.

Definitions

Listed below are the definitions of the words and phrases used throughout this manual that are specific to the PDO and are key components of this service delivery model:

Case Manager – In addition to the duties outlined in the Managed Care Plan contract, the case manager is responsible for providing ongoing PDO-related technical assistance to the participant as needed and requested. This includes providing initial PDO training to the participant upon choosing to participate in the PDO.

**Direct Service Worker (DSW)** – An employee that is directly-hired by a participant to provide PDO services as authorized on the participant’s care plan. The direct service worker(s) may be any qualified individual chosen by the participant including a neighbor, family member, or friend. The direct service worker is paid by the Managed Care Plan based on a set rate. The direct service worker(s) may not also serve as the PDO representative.

**Electronic Visit Verification (EVV)** – Technology that verifies and documents PDO services provided including the type of service performed, the participant, the date of the service, the location of service delivery, the direct service worker, and the time the service begins and ends. Section 12006 of the 21st Century Cures Act requires electronic visit verification for all personal care services and home health services in Medicaid.

**Employer Authority** – This authority enables participants to hire, train, schedule, dismiss, and supervise their direct service workers.

**Fiscal/Employer Agent (F/EA)** – Each Managed Care Plan must provide for F/EA services. These services consist of receiving, disbursing, and tracking public funds based on a participant’s approved care plan. The F/EA services support all programmatic, policy, and financial aspects of the PDO, including, but not limited to, enrollment functions, processing payroll, and paying federal and state taxes on behalf of participants and their direct service worker(s).

**Participant** - A Medicaid recipient enrolled in a Managed Care Plan who has chosen to participate in the PDO, and who serves as the employer.

**Participant Agreement** – This agreement outlines the roles and responsibilities of the Managed Care Plan and the participant.

**Participant Direction Option (PDO)** – A service delivery Managed Care Plan enrollee option that enables participants to exercise decision-making authority and control over allowable services and how those services are delivered, including the ability to hire, supervise, and fire service providers. Under the PDO, the participant accepts responsibility for taking a direct role in managing his or her care.

**Participant/Direct Service Worker Agreement** – This agreement outlines the responsibilities of the Managed Care Plan, the participant, and the direct service worker(s), includes the service duties that will be provided by the direct service worker(s), scheduled work hours and days, and rate of pay.

**Payment** – A direct deposit, i.e., electronic funds transfer (EFT). The Managed Care Plan may allow the direct service workers to have funds deposited on a pre-paid card.

**Pay Period** – The established time-frame covered by each regular payroll.

**Payroll** – The act of processing payments for the participant’s direct service worker(s). Processing entails identifying each payee; encumbering all federal and state taxes, and other legal withholdings from a payee’s wages; transmitting payments and issuing a statement of wages and deductions to each payee.

**PDO Pre-Screening Tool** – Must be completed by the case manager in conjunction with each prospective participant and prospective representative, if applicable. The PDO Pre-Screening Tool consists of multiple questions, including critical thinking questions, used to provide a basic understanding of the PDO responsibilities. The tool enables prospective participants and prospective representatives to determine whether they are willing and able to participate in the PDO. Although the case manager completes the tool on behalf of the prospective participant and representative, all parties must sign the tool indicating the answers provided are accurate.

**PDO Representative** – This is an assigned individual, designated by the participant who acts on behalf of the participant when the member cannot independently perform all employer duties required to comply with the PDO requirements to self-direct care. This person is not paid for their services as a PDO representative and cannot also be a paid direct service worker. Although the representative acts on behalf of the participant in all PDO matters, the participant remains the employer of record.

**PDO Services** – The five services offered under the PDO include: adult companion care, attendant care, homemaker services, intermittent and skilled nursing, and personal care services. The Managed Care Plan enrollee may choose to direct one or more of the PDO services. Services must first be authorized in the enrollee’s care plan.

**Timesheet** – The document containing the direct service worker(s) name and ID number (if applicable), participant name and ID number (if applicable), hours worked each day, total hours worked within the pay period, service that was provided, and the Agency-developed attestation language. Since the PDO program now uses EVV to appropriately record the direct service worker(s) hours and are approved by the participant electronically, the term “timesheet” is used more generally to refer to the electronic record of the direct service worker(s) hours worked and approved.

Other Resources

1. PDO Participant Guidelines – The PDO Participant Guidelines, developed by the Agency, are intended to assist the participant or representative, if applicable, with understanding and managing the PDO.

2. The Managed Care Plan contract with the Agency.

3. Satisfaction Survey Results – The Agency conducts PDO satisfaction surveys on at least an annual basis and provides results to the Managed Care Plan for use in quality improvement plans. The PDO satisfaction surveys conducted by the Agency asks questions regarding the satisfaction of the PDO service(s) offered by the Managed Care Plan, including specific questions about training, ongoing technical assistance, and availability of resources.

**PDO Services**

PDO Services

At least one of the following services must be listed on the Managed Care Plan enrollee’s authorized care plan in order to participate in the PDO: adult companion care, attendant care, homemaker, intermittent and skilled nursing, and personal care. The case manager is responsible for informing Managed Care Plan enrollees of the option to participate in the PDO when any of the PDO services are listed on the enrollee’s authorized care plan. The Managed Care Plan enrollee may choose to participate in the PDO for one or more of the PDO services, as outlined in their authorized care plan.

Direct Service Worker Qualifications

The Managed Care Plan should suggest to all participants to hire direct service workers who are trained in universal precautions and HIPAA privacy standards, and who are certified in CPR and First Aid.

Direct service workers providing attendant nursing care or intermittent and skilled nursing services must either be a:

* Registered nurse, licensed in accordance with Chapter 464, F.S.; or
* Licensed practical nurse, licensed in accordance with Chapter 464, F.S.

Direct service workers providing adult companion, homemaker, or personal care services are not required to possess a certification or license.

Amount, Duration, Scope, and Reimbursement

Direct service workers must provide services, as outlined in the participant’s authorized care plan. As authorized in the care plan, the direct service worker(s) may accompany the participant as necessary in order to meet his or her needs in a variety of settings. Service tasks and limitations must be outlined in the Participant/Direct Service Worker Agreement.

For live-in direct service workers, societal norms may be considered for determining paid hours of service. For example, it may be considered a societal norm for family members in the same home to shop or prepare dinner for the household. It may be considered outside of the norm for a live-in family member to specially prepare meals or feed another family member e.g., pureed foods. Likewise, it may be a societal norm for a parent to do laundry for the household, but beyond a societal norm to need to bathe an adult child.

Although the participant may schedule the hours and days the direct service worker(s) provides services, the case manager is responsible for ensuring that PDO and non-PDO services do not duplicate.

The Managed Care Plan must inform participants upon choosing the PDO of the set rate of payment for PDO services in order for the participant to inform the prospective direct service worker(s). Also, if the Managed Care Plan changes the set rate of payment for any PDO service, the Managed Care Plan must provide a written notice to the participant and applicable direct service workers at least 30 days prior to the change. The Managed Care Plan must then ensure the participant updates the Participant/Direct Service Worker Agreement to reflect the change in the rate of payment.

The Managed Care Plan must also provide instructions to the participant regarding the approval and submission of timesheets (aka time entries) and how to use the EVV system.

Emergency Back-Up Plan

An Emergency Back-up Plan is developed by the participant with the assistance of the case manager upon choosing the PDO. The Emergency Back-up Plan details service delivery for the participant, in the event that the direct service worker(s) does not show up or is unable to provide services. The Emergency Back-up Plan is updated at least annually, or when the participant’s care plan is updated. The case manager assists the participant with choosing providers within the Managed Care Plan provider network to be the Emergency Back-up Plan provider(s) or assists the member in identifying other previously approved direct service workers or natural supports that can serve as an emergency back-up plan.

**Roles and Responsibilities**

The participant, case manager, and the direct service worker(s) are critical to the effective implementation of the PDO. Each of these individuals has tasks and responsibilities which must be met in order for the PDO to be successful.

Participant Roles and Responsibilities

Participants have employer authority which allows them to make decisions about how to best have their needs met, including who will provide their services and when they will be provided, as authorized in their care plan.

**Participant Responsibilities:**

* Notifying the case manager if they wish to choose a representative;
* Recruiting, interviewing, and hiring the direct service worker(s);
* Training the direct service worker(s) in the manner in which services will be performed and/or requesting assistance from the case manager, if necessary;
* Supervising the care received from the direct service worker(s), including terminating the direct service worker(s) from employment, if necessary;
* Preparing a description of duties for the direct service worker(s), which is listed on the Participant/Direct Service Worker Agreement;
* Scheduling the direct service worker(s) work hours;
* Monitoring the number of hours of service(s) provided by the direct service worker(s) to ensure that the hours worked do not exceed those in the authorized care plan. If the participant requires more hours than are listed on the authorized care plan, the participant is responsible for contacting the case manager to request a reassessment and/or adjustment to the care plan;
* Ensuring that all required paperwork is accurately completed and submitted to the Managed Care Plan as directed. Failure of the participant to accurately represent actual hours of service received, is subject to a Medicaid fraud investigation and ends participation in the PDO;
* •Ensuring that all time submitted by the Direct Service Worker meets the requirements for electronic visit verification (EVV)
* Reporting problems with direct service workers not receiving payroll to the Managed Care Plan;
* Contacting the case manager to report an intended termination of a direct service worker(s);
* Developing an Emergency Back-up Plan with assistance from the case manager;
* Activating the Emergency Back-up Plan, when necessary;
* Monitoring the quality of care provided, including fraud, abuse, and neglect by the direct service worker(s) and reporting any problems or concerns to the case manager;
* Reporting any unresolved dissatisfaction with the PDO or the direct service worker(s) to the case manager. The case manager will assist the participant to determine if issues can be resolved or if the preferable alternative is termination of the direct service worker(s) from employment;
* Notifying the case manager of the participant’s admission or discharge to a hospital or other care facility; and
* Notifying the case manager of the participant’s desire to no longer participate in the PDO.

Case Manager Roles and Responsibilities

In addition to the case manager requirements in the Managed Care Plan contract, all case managers are responsible for:

* Ensuring that Managed Care Plan enrollees who have an authorized care plan listing at least one of the five eligible PDO services, are offered the PDO initially, annually upon reassessment, and when requested. The case manager must document that the PDO was offered to the enrollee, initially and annually, upon reassessment. This documentation must be signed by the participant and included in the case file.
* Referring Managed Care Plan enrollees, who have expressed an interest in choosing the PDO, to available case managers who have received specialized PDO training.

In addition to the case manager requirements in the Managed Care Plan contract, case managers who have received extensive PDO training are responsible for:

* Ensuring participants choosing the PDO understand their roles and responsibilities. The Participant Agreement must be signed by the participant and included in the case files.
* Completing the PDO Pre-Screening Tool with each prospective participant and prospective representative, expressing an interest in participating in the PDO, to assess their willingness and ability to manage the PDO responsibilities.
* Facilitating the initiation of the required F/EA documentation.
* Training participants, initially when choosing the PDO, and as needed, on employer responsibilities such as: creating job descriptions, interviewing, hiring, training, supervising, evaluating job performance, and terminating employment of the direct service worker(s). This includes advising participants to hire direct service workers that have received recommended training.
* Ensuring that direct service workers meet licensure and certification requirements prior to providing services to participants.
* Assisting and training participants as requested.
* Assisting participants as needed with finding and hiring direct service workers.
* Assisting participants with developing Emergency Back-up Plans. This includes identifying Managed Care Plan network providers and explaining the process for accessing the providers in the event that a direct service worker does not show up for or is unable to provide a scheduled service.
* Ensuring Emergency Back-up Plans are signed by participants and updated when care plans are updated, at least annually.
* Maintaining regular contact with the participant as required in the Managed Care Plan contract with the Agency.
* Facilitating the transition for participants and enrollees to and from the PDO service delivery system.

Direct Service Worker Roles and Responsibilities

The direct service worker(s) is an employee of the participant who provides the PDO services needed by the participant, as outlined in the care plan and in the Participant/Direct Service Worker Agreement. The direct service worker(s) must meet certain pre-employment requirements and has certain rights and responsibilities.

**Pre-Employment Requirements:**

Pre-employment requirements for all direct service workers include, but are not limited to the following:

* Demonstrating proof of citizenship or legal residency.
* Presenting two documents that establish identity. At least one of the documents must include a photograph.
* Providing all required state and federal employment documentation as required.
* Submitting to criminal background checks, as required by the Managed Care Plan.
* Submitting references, as requested by the participant.

**Direct Service Worker Responsibilities:**

Responsibilities of direct service workers include the following:

* Treating the participant with dignity and respect. This includes respecting personal beliefs, culture, religion, and privacy as well as respect for the participant’s personal property.
* Keeping personal information about the participant and his or her family confidential.
* Communicating effectively with the participant. If the participant has a preferred communication method, this should be respected and utilized.
* Providing safe care. Universal precautions must always be utilized.
* Documenting hours of service via EVV and as on the timesheet as approved in the Participant/Direct Service Worker Agreement.
* Immediately reporting an emergency situation by calling 911.
* Reporting any suspected abuse, neglect, or exploitation of a participant to the Managed Care Plan and proper authorities. Some occupations, such as nurses, are required in Sections 39.201 and 415.1034, Florida Statutes to be mandatory reporters. Suspected instances of abuse, neglect, or exploitation should be reported to the Florida Abuse Hotline, 800-96-ABUSE (22873).
* Communicating with the Managed Care Plan or the case manager, if the participant is unable to do so, regarding any change in the participant’s condition, including an admission to a health facility.
* Providing adequate notice if the direct service worker will be unable to provide the scheduled service to the participant, as soon as possible. This includes notifying the participant in advance if the direct service worker must be absent for a portion of a scheduled service or will be arriving late.
* Providing a two-week notice to the participant if the direct service worker will be voluntarily terminating employment.

**Rights of the Direct Service Worker:**

The direct service worker has certain rights as an employee of the participant. These include the following:

* To be treated with dignity and respect by the participant and the participant’s family. This includes respect for the direct service worker’s personal beliefs, culture, religion, and privacy.
* To receive payment as recorded on the timesheet and outlined in the Participant/Direct Service Worker Agreement.
* To refuse to perform services and duties not listed in the Participant/Direct Service Worker Agreement.

**Training**

Managed Care Plan Staff and Case Manager Training

The Managed Care Plan staff participates in PDO training conducted by the Agency. The staff trained by the Agency trains all other applicable Managed Care Plan staff and all case managers on general PDO service delivery information on an annual basis.

The Managed Care Plan ensures an adequate number of case managers are trained extensively in the PDO, initially and annually. This extensive training, beyond the general PDO informational training, must be provided to case managers who serve PDO participants. The extensive PDO training must consist of training specific to PDO employer responsibilities, such as: completing federal and state tax documents, interviewing prospective direct service workers, developing PDO Emergency Back-up Plans, training direct service workers, completing the PDO Pre-Screening Tool, evaluating direct service worker job performance, and completing and submitting timesheets through the EVV system.

Training dates, agendas, presentations, handouts, and any other training materials must be approved by the Agency prior to use.

The Managed Care Plan must retain the completed PDO Training Evaluations from all Managed Care Plan staff and case manager trainings. The Managed Care Plan shall use the Agency supplied PDO Training Evaluation template for feedback regarding the PDO training.

Pre-Screening and Participant Training

**Pre-Screening:**

The case manager conducts a pre-screening of each prospective participant and representative using the PDO Pre-Screening Tool. The tool is used to help the prospective participant and representative assess their ability and willingness to participate in the PDO. The tool is developed by the Agency. Once the participant completes the PDO Pre-Screening confirming ability to participate in the PDO, and chooses the PDO, the case manager should provide the participant with an IRS Form SS-4, Application for Employer Identification Number, the case manager initiates a referral to the F/EA..

The case manager trains the participant on the PDO before the participant can begin finding and hiring a direct service worker(s). Training is designed to help the participant understand the employer role, therefore, it includes training in subjects such as, how to interview, hire and supervise the direct service worker(s).

**PDO Participant Guidelines:**

The case manager provides a participant choosing the PDO with a copy of the most recent PDO Participant Guidelines. The PDO Participant Guidelines is a tool that assists the participant with PDO information including training and supervising the direct service worker(s). The PDO Participant Guidelines is developed by the Agency. However, the guidelines may be altered by the Managed Care Plan to allow for logos, additional requirements, and instructions, as necessary. All altered guidelines must be approved by the Agency prior to distribution.

**Training:**

Participant training is provided by case managers extensively trained in the PDO. At a minimum, training in the following topics must be available for all participants choosing the PDO:

* Completing federal and state tax documents;
* Interviewing prospective direct service workers;
* Developing Emergency Back-up Plans
* Training direct service workers;
* Evaluating direct service worker job performance;
* Approving submission of direct service worker’s time worked using EVV; and
* Requesting assistance when needed.

Direct Service Worker Training

The direct service worker(s) is trained to provide PDO services to the participant. The participant is responsible for providing the training and receives assistance from the case manager, when requested. The participant must ensure that the direct service worker(s) receives all payroll information as well as ensuring required PDO documentation is completed by the direct service worker(s), prior to service provision. The PDO Case manager and/or F/EA trains the direct service worker on how to document services within the EVV system.

Participants are encouraged to hire direct service workers who are trained in universal precautions and Health Insurance Portability and Accountability Act (HIPAA) privacy standards.

The case manager provides information or resources to the participant, as requested, on other training topics such as: bathing, dressing, home and fire safety, safe transfers, and nutrition.

**Managed Care Plan and F/EA Requirements**

The Managed Care Plan develops PDO-specific policies and procedures. The PDO policies and procedures must be updated at least annually, or more frequently as needed.

Case Manager Services

When the PDO is chosen by an enrollee, the Managed Care Plan assigns a case manager, trained extensively in the PDO, within two business days. The Managed Care Plan must allow the participant to request a change in case manager at any time. If a change in case manager is requested by the participant, the Managed Care Plan must respond and comply as required in the Managed Care Plan contract with the Agency.

PDO Materials

The Managed Care Plan creates the following materials, to include all federal, state, and Agency required documents necessary to administer and provide F/EA services to participants. It is the responsibility of the Managed Care Plan to keep up-to-date with all federal and state F/EA requirements and tax forms as well as ensure all materials distributed to participants, representatives, direct service workers, and case managers are current and in accordance with the appropriate federal and state regulations.

All of the Managed Care Plan policies, manuals, rules, and other materials necessary for the operation of the PDO must be approved by the Agency prior to distributing to participants, representatives, direct service workers, and case managers.

Templates for the following will be provided by the Agency: PDO Consent Form, PDO Representative Agreement, and the PDO Participant Guidelines.

All materials provided must consist of the following:

**Enrollment Packet:**

* PDO Consent Form;
* PDO Representative Agreement;
* Background Screening materials, including an attestation statement listing all disqualifying offenses under Chapter 435 and section 408.809, F.S. and information regarding local live scan vendors;
* IRS Form 2678, Employer Appointment of Agent – this form must contain the following pre-populated fields: Part 1 (Why you are filing this form…) and Part 2, numbers 1-5 (EIN, Employer’s or payer’s name, Trade name, Address, and Forms for which you want to appoint an agent or revoke the agent’s appointment to file);
* IRS Form 8821, Tax Information Authorization – this form must contain the following pre-populated fields: numbers 1-3 and 5 (Taxpayer information, Appointee, Tax Matters, and Disclosure of tax information);
* Participant Agreement; and
* The Managed Care Plan’s customer service hours of operation and PDO-specific contact information.

**Hiring Packet:**

* Payroll schedule outlining pay dates for direct service workers;
* Department of Homeland Security USCIS Form I-9, Employment Eligibility Verification;
* Direct Deposit Form;
* The Managed Care Plan’s customer service hours of operation and PDO-specific contact information;
* Internal Revenue Service Form W-4, Employee’s Withholding Allowance Certificate;
* Background Screening materials which includes an attestation statement listing all disqualifying offenses under Chapter 435 and section 408.809, F.S. and information regarding local live scan vendors; and
* Participant/Direct Service Worker Agreement.

**Participant/Direct Service Worker Agreement:**

The Managed Care Plan develops the Participant/Direct Service Worker Agreement. The agreement must, at a minimum, include the following:

* Service(s) to be provided;
* Hourly rate;
* Direct service worker work schedule;
* Relationship of the direct service worker to the participant;
* Job description and duties;
* Agreement statement; and
* Dated signatures of the case manager, participant, and direct service worker.

**Time Entries:** Time Entries are captured using EVV. The direct service workers must clock in and clock out using EVV, and the participant must approve the entries. The participant’s approval confirms that services were provided in accordance with the information contained on the Plan of Care and described in the Participant/Direct service worker agreement. The attestation language is provided by the Agency and is incorporated in the EVV technology used to submit time entries.

**Pay Schedule:**

The Managed Care Plan develops a pay schedule and distributes it to all participants at least annually. The pay schedule includes the dates on which all direct service workers will be paid, once accurate, complete time entries are submitted by the date as outlined. If times entries are not submitted by the dates required in the pay schedule, the participants will be notified that payments will be delayed to the direct service worker.

Fiscal/Employer Agent (F/EA) Services

The PDO requires the services of a qualified Fiscal/Employer Agent (F/EA). The Managed Care Plan provides F/EA services, as described in this manual, for participants choosing the PDO.

The Managed Care Plan must have a separate Federal Employer Identification Number (FEIN) that is used only for purposes of representing participants as employers. This FEIN should not be used to file or pay taxes for the Managed Care Plan’s staff. This separate FEIN supports the establishment of the Managed Care Plan acting as the F/EA of the participants and that the participant’s direct service workers are not employees of the Managed Care Plan.

The PDO is operated in accordance with Section 3504 of the Internal Revenue Code, per Revenue Procedure 70-6 and Section 3504 Agent Employment Tax Liability proposed regulations (REG-137036-08) issued by the IRS on January 13, 2010. The Managed Care Plan may subcontract any of the F/EA functions. The subcontract must be approved by the Agency as outlined in the contract executed by the Managed Care Plan and the Agency. The Managed Care Plan must meet all applicable PDO-related Federal and State requirements.

Should the Managed Care Plan subcontract any of the F/EA duties, the following must be performed:

* The Managed Care Plan and subcontractor must execute an IRS Form 8655, Reporting Agent Authorization;
* The Managed Care Plan must obtain informed consent from the participant that the Managed Care Plan will utilize a subcontractor to perform certain F/EA duties; and

The state and federal tax forms used by the Managed Care Plan for its F/EA transactions with participants, direct service workers, and tax authorities must be the most current documents as required by the appropriate federal and state agencies. In addition, to assure compliance with state and federal regulations and laws, the Managed Care Plan must have on file, accurate and appropriate required federal and state forms for all participants and direct service workers.

Initiation of F/EA Services for the Participant

Within the PDO, the participant is the employer of the direct service worker(s). The participant must meet certain federal and state requirements to be an employer. The role of the F/EA is to assist the participant to complete all required documentation, review the documentation, and file the appropriate documentation with the proper federal and state authorities.

To initiate F/EA services for a participant, the Managed Care Plan must complete at least the following tasks:

* Send a Participant Packet to the participant within three business days of choosing the PDO;
* Send the Enrollment Packet to the participant within three business days of the request;
* Provide technical assistance to the participant with completing enrollment, as necessary and requested;
* Process the complete and accurate Enrollment Packet within three business days of receipt;
* Obtain an individual FEIN for each participant solely for the PDO. Should the participant already have an FEIN or an expired FEIN, the Managed Care Plan must ensure the FEIN is re-activated by the participant for the sole purpose of the PDO;
* Submit IRS Form 8821 and Florida Forms DR-1 and DR-835 on behalf of each participant, to the appropriate tax agencies and obtain and manage individual tax numbers and accounts for each participant; and
* Inform the participant of set pay rates for the direct service worker(s).

Initiation of F/EA Services for the Direct Service Worker

Within the PDO, the direct service worker(s) is the employee of the participant. One of the roles of the F/EA is to assist the potential direct service worker(s) to become an employee. After the participant has identified the individual who will be employed as a direct service worker(s), the participant must notify the Managed Care Plan. The Managed Care Plan must work with the direct service worker(s) and the participant to facilitate the process allowing the direct service worker(s) to become an employee.

To initiate F/EA services for the direct service worker(s), the Managed Care Plan must complete at least the following tasks:

* Send the Hiring Packet to the participant within three business days of the participant’s request and notification of selected direct service worker(s)..
* Provide technical assistance to the participant and/or prospective direct service worker(s) with completing the forms contained in the Hiring Packet, as necessary and requested.
* Process the complete and accurate Hiring Packet within three business days of receipt, including:
	+ Ensuring Level 2 background screening has been performed for the direct service worker(s) pursuant to chapter 435 and section 408.809, F.S, prior to authorizing the direct service worker(s) to provide services to the participant.
	+ Verifying the direct service worker(s) information (i.e., Social Security numbers, citizenship, or legal alien verification documentation). Social Security numbers can be verified with the Social Security Administration’s Social Security Verification Service.
	+ Verifying the direct service worker(s) qualifications as specified in this manual.
	+ Reporting the direct service worker(s) to the Agency for Workforce Innovation per Florida’s New Hire Reporting requirements.

Payroll Responsibilities

The following payroll and F/EA tasks must be completed by the Managed Care Plan:

* Collect and process time entries submitted by the participant.
* Disburse payroll (no less than twice per month) by direct deposit or pre-paid card to each direct service worker who has a complete and current Hiring Packet on file with the Managed Care Plan and has provided services to a participant as authorized in the Participant/Direct Service Worker Agreement. These payments must be made by the published pay date. The Managed Care Plan must maintain documentation of payments to all direct service worker(s).
* Compute, maintain, and appropriately withhold all employer and direct service worker(s) taxes pursuant to federal and state law. All payments that are not in compliance with federal and state tax withholding, reporting, and payment requirements must be corrected within two business days of identifying an error.
* Process applicable direct service worker garnishments, liens, and levies in accordance with state and federal garnishment rules. Submit payments and reports to applicable agencies per garnishment instructions.
* Deposit direct service worker aggregate payroll deductions per federal and state tax deposit requirements. Federal Income Tax, Social Security and Medicare and participant Federal Social Security and Medicare (FICA) taxes in the aggregate per deposit frequency required of an F/EA (see [http://www.irs.gov/businesses/small/article/0,,id=98818,00.html](http://www.irs.gov/businesses/small/article/0%2C%2Cid%3D98818%2C00.html)).
* Deposit employer aggregate tax deductions per federal and state tax deposit requirements. Federal Unemployment Tax (FUTA) must be deposited in the aggregate per F/EA deposit frequency (see [http://www.irs.gov/businesses/small/article/0,,id=98818,00.html](http://www.irs.gov/businesses/small/article/0%2C%2Cid%3D98818%2C00.html)).
* Refund over-collected FICA for direct service worker(s) who earn less than the Federal FICA threshold for the calendar year (See IRS Publication 15, Circular E for threshold information).
* File a single IRS Form 941, Employer’s Quarterly Tax Return in the aggregate on behalf of all participants represented by the Managed Care Plan. Form 941 is completed using the Managed Care Plan’s separate F/EA, FEIN. Wages and taxes reported represent total, aggregate wages and taxes for all participants represented by the Managed Care Plan. Schedule B should be completed per rules. The Managed Care Plan must also complete and submit Schedule R with the Form 941. Schedule R disaggregates each participant’s employer wages and federal tax liability.
* Adjust Forms 941 as applicable by completing and filing IRS Form 941-X.
* File a single IRS Form 940, Employer’s Annual Federal Unemployment Tax Return in the aggregate on behalf of all participants represented by the Plan. Form 940 is completed using the Managed Care Plan’s separate FEIN. Wages and FUTA tax reported represent total, aggregate wages and taxes for all participants represented by the Managed Care Plan. Note: Even if the Managed Care Plan is incorporated with a nonprofit 501c3 status, the Managed Care Plan MUST file and pay FUTA on behalf of participants.
* Process and distribute IRS Forms W-2 to the direct service worker(s) and submit them electronically according to IRS Form W-2 instructions, per IRS rules and regulations.
* Maintain documentation of payments to all federal and state entities.
* Track payroll disbursed to all direct service workers and provide reports as may be required by the Agency in accordance with the Managed Care contract.
* Provide written notification to the case manager and participant if utilization is below 10% of the monthly hours as approved on the authorized care plan for more than one month.
* Follow-up with the participant, direct service worker(s), or case manager to resolve any time entry issues.
* Obtain workers’ compensation coverage for the participant’s direct service workers, if there are four or more direct service workers, which must be funded by the Managed Care Plan.
* Comply and support participant compliance with state workers’ compensation audits as applicable.
* Prepare for and support participant preparation for unemployment claim proceedings, as applicable.
* Maintain records in compliance with Fair Labor Standards Act requirements for employers.
* Ensure a payroll system with maximum data integrity in which direct service worker(s) are not paid above hours authorized in the Participant/Direct Service Worker Agreement.
* Maintain documentation of all voided and reissued payroll.
* Respond to requests for direct service worker(s) employment verification.
* Perform all duties regarding disenrollment of a participant from the PDO, including final federal and state tax filings, payments, and revocation of accounts, numbers, and authorizations previously obtained by the Managed Care Plan. This includes retiring the FEIN and deactivating the State Unemployment Tax Account (SUTA) Number.
* Stay current with all federal and state requirements, rules and regulations. All payments that are not in compliance with federal and state labor laws must be corrected within two business days of identifying an error.

Managed Care Plan Responsibilities

The Managed Care Plan must provide PDO-trained staff as part of the enrollee and provider call centers to be available during the business hours, as specified in the Managed Care Plan contract with the Agency, to assist participants and their direct service workers regarding PDO related activities.

E-mails, faxes, and letters from participants and direct service workers must be responded to as required in the Managed Care Plan contract with the Agency.

When requests are made by the Agency, the Managed Care Plan must provide requested information within the required timelines.

The Managed Care Plan must maintain books, records, documents, and other evidence of PDO-related expenditures using Generally Accepted Accounting Principles (GAAP).

All duties regarding disenrollment of a participant from the PDO, including transitioning the participant to traditional LTC services, is performed by the Managed Care Plan. The Managed Care Plan must disenroll participants that do not adhere to the requirements of the PDO, as outlined in the PDO Consent Form.

Should the participant transfer to a different Managed Care Plan, it is the duty of the current Managed Care Plan to provide the newly chosen Managed Care Plan with the participant’s FEIN and SUTA information.

A PDO Report should be provided to the Agency on a monthly basis within 15 days from the end of the reporting month as specified in the Report Guide.

The Managed Care Plan must also provide ad-hoc PDO related information, records, and statistics, at the request of the Agency, within ten business days of the request, unless otherwise specified.

Background Screening

It is required that background screening be completed on all direct service workers and all representatives. The Managed Care Plan must pay for Level 2 background screening for at least one representative per participant and at least one direct service worker for each service per participant, per Contract year. The Managed Care Plan must receive the results of the background screening and confirm clearance, adhering to all requirements in Chapters 435 and 408.809 F.S. Direct Service Workers are not eligible to provide or be paid for services under the PDO program until receiving clearance through the background screening process.

Disenrollment

A participant may be disenrolled from participation in the PDO if the participant:

* Requests to discontinue participation in the PDO;
* Is at risk for health or safety reasons;
* Is unable to employ/manage direct service worker(s);
* Is admitted into a facility (nursing home, group home, ALF, etc.);
* Moves out of the state of Florida;
* Is no longer eligible for Medicaid;
* Is no longer eligible for the Long-Term Care Waiver;
* Refuses to choose a representative, if required; or
* Approves inaccurate times entries by the Direct Service Worker in the EVV system.

Should the Managed Care Plan involuntarily disenroll the participant for one of the above reasons, the disenrollment does not constitute a right to a fair hearing per the 1915(c) Waiver: “A determination not to afford a participant the opportunity to direct waiver services is not subject to the Fair Hearing process since participant direction is a method of service delivery and the services that the participant may receive are unaffected when the opportunity to direct the services is denied.”

Quality Improvement and Monitoring

The Managed Care Plan must participate in ongoing evaluations and focus groups conducted by the Agency to evaluate the quality of the PDO. This includes cooperating with, and participating in, case file reviews conducted by the Agency. In the event that a corrective action plan is required to address any issues pertaining to case file reviews conducted, the Managed Care Plan must prepare a corrective action plan and submit it to the Agency for approval.

The Managed Care Plan must monitor compliance with PDO requirements including the following:

* Monitoring the appropriate use of the EVV system by the participant and direct service worker including direct service worker submission of correct hours and participant's authorization of hours. Monitoring under use of services based on payroll and a participant’s approved care plan and providing reports to the Agency.
* Ensuring that the services, duties, and hours listed on the Participant/Direct Service Worker Agreement are in compliance with the authorized care plan.
* Ensuring participants are receiving PDO services as specified in their authorized care plans.
* Ensuring direct service worker(s) are qualified pursuant to this manual and the Participant Guidelines, prior to providing services to a participant.
* Ensuring that PDO and non-PDO services do not duplicate.