

Appendix E: Participant Direction of Services

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

- Yes. This waiver provides participant direction opportunities.** Complete the remainder of the Appendix.
- No. This waiver does not provide participant direction opportunities.** Do not complete the remainder of the Appendix.

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

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

- Yes. The State requests that this waiver be considered for Independence Plus designation.**
- No. Independence Plus designation is not requested.**

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E-1: Overview (1 of 13)

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

The Children's Support Waiver affords Waiver participants the opportunity to direct their services through employer authority and budget authority. The participant exercises choice and control over the workers who provide services. Participants also exercise decision-making authority and management responsibility for their budgets. Within the overall cost limit, the participants determine the type and amount of services to be purchased and establish rates for Personal Support Workers.

Participants are supported to direct their own services by the following entities:

Individual Service and Support Advocates (ISSAs) working through Independent Service Coordination Agencies who conduct case management services as an administrative activity under the Waiver, including service plan development and monitoring;

A fiscal employer agency that provides Financial Management Services as an administrative activity under the Waiver, including making payments on behalf of the employer, completing required tax and other withholding and documentation; and

An Information and Assistance in Support of Participant Direction Agency, if selected through an optional direct service under the Waiver, who assists the participant (or the participant's family or representative, as appropriate) in arranging for, directing and managing services.

The participant receives information about participant-directed services and supports during the service planning process. Information is presented in both written and verbal formats to ensure the family understand the participant-directed option and can make an informed choice. Information is provided about decision-making budget authority up to the approved level of support. Specific information is provided about the roles and responsibilities of the parent or legal representative and the financial management services.

The participant does have the option of receiving agency-based services if desired.

The participant's choice of the type of supports is documented as part of the service plan. Service Agreements are

completed for each provider selected to work with the Waiver participant.

If at any time the participant voluntarily decides he or she no longer wants to receive participant-directed services, the service plan will be revised to document the choice of agency-based services.

If an investigation determines that the family committed fraud regarding participant-directed program funds, the family may be involuntarily restricted from participant-directed services. This determination by the State is subject to appeal to the Medicaid Agency. The outcome of the appeal process is final. In this event, agency-based services would be made available and documented in the support plan.

If there is an indicated finding of abuse, neglect, or exploitation by the Child Protective Service agency (the IL Department of Children and Family Services), the family will be involuntarily restricted from participant-direct services.

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

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

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

- Participant direction opportunities are available to participants who live in their own private residence or the home of a family member.
- Participant direction opportunities are available to individuals who reside in other living arrangements where services (regardless of funding source) are furnished to fewer than four persons unrelated to the proprietor.
- The participant direction opportunities are available to persons in the following other living arrangements

Specify these living arrangements:

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

- Waiver is designed to support only individuals who want to direct their services.
- The waiver is designed to afford every participant (or the participant's representative) the opportunity to elect to direct waiver services. Alternate service delivery methods are available for participants who decide not to direct their services.
- The waiver is designed to offer participants (or their representatives) the opportunity to direct some or all of their services, subject to the following criteria specified by the State. Alternate service

delivery methods are available for participants who decide not to direct their services or do not meet the criteria.

Specify the criteria

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

Information is available for families that include guidelines for selecting personal support workers, information on financial management services, rights and responsibilities, and other requirements of the Waiver. The Individual Service and Support Advocate (ISSA) assist the participant and family to understand the service options available under the Waiver. The information is reviewed with participants at least annually as part of the individual service planning process.

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

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

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

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

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

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

Waiver Service	Employer Authority	Budget Authority
Temporary Assistance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Vehicle Modifications	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Behavior Intervention and Treatment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Waiver Service	Employer Authority	Budget Authority
Training and Counseling Services for Unpaid Caregivers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Adaptive Equipment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Home Accessibility Modifications	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Personal Support	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assistive Technology	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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

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

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

Governmental entities

Private entities

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

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

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

The waiver service entitled:

FMS are provided as an administrative activity.

Provide the following information

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

One or more Financial Management Service vendors (FMS) is selected through a competitive Request for Proposal (RFP) process. If there is more than one FMS, individuals will be provided a choice of FMS entities. The criteria used in selecting the vendor included:

- Financial stability, with at least one year of experience in providing employer agent services to participants in similar participant-directed options.
- Ability to perform all functions in accordance with Federal, State and Department regulations and requirements.
- Ability to perform all functions directly without the use of a sub-agent.
- Ability to verify, process and pay invoices for goods and services approved in the participant's support plan in accordance with Operating Agency requirements.
- Ability to prepare and maintain an FMS policy and procedure manual that reflects all tasks performed, Illinois-specific labor, tax and workers' compensation insurance requirements, as well as requirements of the Waiver.

An internal quality management plan that demonstrates sufficient internal controls to monitor FMS performance.

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

The fee for each vendor is established through a competitive bid process.

The FMS vendor(s) will be compensated based on a per member per month (PMPM) negotiated fee for each participant who uses FMS services.

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

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

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

Specify:

Assist with performing required background and registry checks and verify personal support worker qualifications.
Collect and process payroll for domestic employees.

Supports furnished when the participant exercises budget authority:

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

Specify:

Additional functions/activities:

- Execute and hold Medicaid provider agreements as authorized under a written agreement with the Medicaid agency
- Receive and disburse funds for the payment of participant-directed services under an agreement with the Medicaid agency or operating agency
- Provide other entities specified by the State with periodic reports of expenditures and the status of the participant-directed budget
- Other

Specify:

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

The FMS vendor(s) must have internal monitoring procedures and processes to ensure contract performance compliance. The State reserves the right to monitor and track vendor(s) performance over the course of the contract. The vendor(s) agrees to provide all of the data specified by the State for service payment and claiming purposes. The vendor(s) agrees to cooperate with the State on monitoring and tracking activities which may require the vendor(s) to submit requested progress reports, allow unannounced inspections of its facilities, participate in scheduled meetings and provide management reports as requested by the State. The Operating Agency will review performance on an annual basis, at a minimum, and share the results of these reviews with the Quality Management Committee.

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

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

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

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

Participant-Directed Waiver Service	Information and Assistance Provided through this Waiver Service Coverage
Temporary Assistance	<input type="checkbox"/>
Information and Assistance in Support of Participant Direction	<input checked="" type="checkbox"/>
Vehicle Modifications	<input type="checkbox"/>
Behavior Intervention and Treatment	<input type="checkbox"/>
Training and Counseling Services for Unpaid Caregivers	<input type="checkbox"/>
Adaptive Equipment	<input type="checkbox"/>
Home Accessibility Modifications	<input type="checkbox"/>
Personal Support	<input type="checkbox"/>
Assistive Technology	<input type="checkbox"/>

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

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

Individual Service and Support Advocates (ISSA) employed by ISC entities, under contract with the Operating Agency, are compensated on a fee-for-service basis at a statewide hourly rate. ISSA entities were selected through a request-for-proposal (RFP) process. ISSA staff develop the service plan as well as monitor its implementation and the general health and well-being of the participant. ISSA entities are surveyed annually by

the Operating Agency.

One or more Financial Management Service (FMS) entity/entities, under contract with the Operating Agency and selected through a request for proposal process, provides fiscal agent and employer agency services. The FMS entity is compensated on a per member per month basis. The Operating Agency reviews the performance of the FMS entity on an annual basis.

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k. Independent Advocacy *(select one)*.

- No. Arrangements have not been made for independent advocacy.
- Yes. Independent advocacy is available to participants who direct their services.

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

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i. Voluntary Termination of Participant Direction.

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

At any time upon request by the participant, agency-directed services can be initiated and the participant-directed option can be terminated. Typically 30-day advance written notice is given to the employee, however, this is not mandatory. The participant would select a community agency to provide and direct Waiver services. Any changes are discussed among those responsible for support planning and are documented in the plan. All agreed changes are noted in the participant's support plan, as necessary. The ISSA works with service providers and the Operating Agency as necessary to ensure service continuity and health and welfare during the transition.

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m. Involuntary Termination of Participant Direction.

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

A participant may be involuntarily restricted from participant-directed services due to any of the following circumstances:

- The MA or the OA determines that the participant and/or his or her representative have committed fraud regarding participant-directed program funds;
- The participant is living with a family member or other individual who has been determined by Adult Protective Services or the Child Protective Services Agency (IL Dept of Children and Family Services) or other authorized entity (e.g., law enforcement) to have abused or neglected the participant or other individuals; or
- The ISC agency and FEA have determined and documented that the participant and/or his or her employer of record are not able to direct their own services, either with or without the assistance of a Service Facilitation agency.

This restriction of participant-directed services by the State is subject to appeal to the MA. The outcome of the

appeal process is final. In this event, agency-directed services would be made available and documented in the service plan. The ISSA works with the service providers, the Information and Assistance in Support of Participant Direction provider (if applicable) and the OA as necessary to ensure service continuity and health and welfare during the transition.

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E-1: Overview (13 of 13)

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

Table E-1-n

	Employer Authority Only	Budget Authority Only or Budget Authority in Combination with Employer Authority
Waiver Year	Number of Participants	Number of Participants
Year 1	<input type="text"/>	<input type="text" value="1440"/>
Year 2	<input type="text"/>	<input type="text" value="1440"/>
Year 3	<input type="text"/>	<input type="text" value="1440"/>
Year 4	<input type="text"/>	<input type="text" value="1440"/>
Year 5	<input type="text"/>	<input type="text" value="1440"/>

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

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

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

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

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

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

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

- Recruit staff**
- Refer staff to agency for hiring (co-employer)**

- Select staff from worker registry
- Hire staff common law employer
- Verify staff qualifications
- Obtain criminal history and/or background investigation of staff

Specify how the costs of such investigations are compensated:

Cost of required background checks are paid through the Financial Management Service entity.

- Specify additional staff qualifications based on participant needs and preferences so long as such qualifications are consistent with the qualifications specified in Appendix C-1/C-3.
- Determine staff duties consistent with the service specifications in Appendix C-1/C-3.
- Determine staff wages and benefits subject to State limits
- Schedule staff
- Orient and instruct staff in duties
- Supervise staff
- Evaluate staff performance
- Verify time worked by staff and approve time sheets
- Discharge staff (common law employer)
- Discharge staff from providing services (co-employer)
- Other

Specify:

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

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

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

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

Specify:

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E-2: Opportunities for Participant-Direction (3 of 6)

b. Participant - Budget Authority

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

With the overall Children's Support Waiver cost limit, the participant-centered support plan specifies the types of and amounts of covered services needed by the participant. The maximum annual allocation is set by State law. At the time the law was passed, public hearings were held regarding its implementation. The annual allocation is indexed to the cost of living.

Participants and the general public are made aware of the program budget amount in a variety of ways. For example, the Provider Manual is available at the Operating Agency's web site and contains this information. A Rate Table is also posted on the OA's website (see below). In addition, ISSAs and Information and Assistance in Support of Participant Direction providers (if applicable) assist individuals in understanding and working within the annual and monthly allocations.

Individuals may request a fair hearing of any denial or reduction in services. The manual and ISSAs inform them of their rights to appeal.

For some services, statewide rates apply, such as Behavior Intervention and Treatment. For other services, the participant is given the authority, with help from the local Information and Assistance in Support of Participant Direction provider, to negotiate individual rates. A written Service Agreement is executed between each service provider, the participant and the Information and Assistance in Support of Participant Direction provider (if applicable). The Service Agreement defines the terms of the services to be provided including the effective date, the rate of payment, the maximum units of service to be provided each month and the maximum monthly charge. A copy of the Service Agreement for domestic employees is on file with the Financial Management Service entity. Bills submitted in excess of the monthly and annual allocations are rejected for payment. This ensures that the combination of services received does not exceed the annual service cost limit.

The Rate Table is updated when rate adjustments are implemented, based on State appropriations.

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

b. Participant - Budget Authority

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

Upon being authorized for Waiver services, the participant and family or legal representative are informed in writing by the Operating Agency and in person by the ISSA, that budgets are determined by the service plan but may not exceed about the overall cost limit established in State statute. Once a budget is then established through the initial service plan, it may be adjusted as the participant's needs and preferences change or on an annual basis through the planning process. The participant may request an adjustment by contacting the ISSA. Should the participant be denied the adjustment through the service plan, or should a budget be reduced, the participant is informed by the ISSA of the right to request a Fair Hearing.

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

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

- Modifications to the participant directed budget must be preceded by a change in the service plan.
- The participant has the authority to modify the services included in the participant directed budget without prior approval.

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

Participants and families may adjust utilization within the annual and monthly allocation without prior approval by the State. Adjustments are made via the use of Service Agreements with providers and by updating the service plan. Changes in Services Agreements for domestic employees must be shared with the Financial Management Service (FMS) entity and ISSA for payment and monitoring purposes.

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

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

Participants are encouraged by members of the support planning team to allocate authorized services throughout the year to avoid premature depletion of program funds. Service Facilitators closely monitor expenditures for services consistent with the support plan on a monthly basis. Edits in the electronic billing system prevent over expenditures.

Quarterly visits by the ISSAs, made to monitor support plan implementation and the participant's general health, safety and well being, are in place to identify and address issues of concern, including the timely prevention of the premature depletion of the participant-directed budget or potential service delivery problems.