

LAKESHORE REGIONAL ENTITY
Fiscal Intermediary Services and
Financial Management Services/Fiscal Intermediary Services (CWP)

This service must be provided consistent with requirements outlined in the MDHHS Medicaid Provider Manual as updated. The manual is available at:

<http://www.mdch.state.mi.us/dch-medicaid/manuals/MedicaidProviderManual.pdf>

1. Definition or Description of Service

- a. Fiscal Intermediary Services is defined as services that assist the adult Individual, or a representative identified in the Individual's individual plan of services (IPOS), to meet the Individual's goals of community participation and integration, independence or productivity while controlling his individual budget and choosing staff who will provide the services and supports identified in the IPOS and authorized by the PIHP. The fiscal intermediary helps the Individual manage and distribute funds contained in the individual budget. Fiscal intermediary services include, but are not limited to:
 - i. Facilitation of the employment of service workers by the Individual, including federal, state and local tax withholding/payments, unemployment compensation fees, wage settlements, and fiscal accounting;
 - ii. Tracking and monitoring participant-directed budget expenditures and identifying potential over- and under-expenditures;
 - iii. Assuring adherence to federal and state laws and regulations; and
 - iv. Ensuring compliance with documentation requirements related to management of public funds
- b. The fiscal intermediary may also perform other supportive functions that enable the Individual to self-direct needed services and supports. These functions may include selecting, contracting with or employing and directing providers of services, verification of provider qualifications (including reference and background checks), and assisting the Individual to understand billing and documentation requirements
 - i. Fiscal Intermediary services may not be authorized for use by an Individual's representative where that representative is not conducting tasks in ways that fit the Individual's preferences, and/or do not promote achievement of the goals contained in the Individual's plan of service so as to promote independence and inclusive community living for the Individual, or when they are acting in a manner that is in conflict with the interests of the Individual
 - ii. Fiscal Intermediary services must be performed by entities with demonstrated competence in managing budgets and performing other functions and responsibilities of a fiscal intermediary. Neither providers of other covered services to the Individual, family members, or guardians of the Individual may provide fiscal intermediary services to the Individual
- c. For the Children's Home and Community-Based Services Waiver (CWP), Financial Management Services/Fiscal Intermediary Services include, but are not limited to:
 - i. Facilitation of the employment of service workers by the child's parent or guardian acting as the child's representative, including federal, state and local tax withholding/payments, unemployment compensation fees, wage settlements, and fiscal accounting;
 - ii. Assuring adherence to federal and state laws and regulations; and
 - iii. Ensuring compliance with documentation requirements related to management of public funds.
 - iv. The fiscal intermediary may also perform other supportive functions that enable the child – through his/her parent or guardian - to self-direct needed services.

These functions may include helping the child’s representative recruit staff (e.g., developing job descriptions, placing ads, assisting with interviewing); contracting with or employing providers of services; verification of provider qualifications (including reference and background checks); and assisting the child and his/her representative to understand billing and documentation requirements.

- v. This is a service that handles the financial flow-through of Medicaid dollars for children enrolled in the CWP who are using Choice Voucher arrangements. This CWP waiver service is available only to CWP children whose parent or guardian, serving as the child’s representative, chooses to self-direct selected services through Choice Voucher arrangements. A CMHSP may terminate self-direction of services (and therefore Financial Management Services) when the health and welfare of the child is in jeopardy due to the failure of the child's representative to direct services and supports or when the child's representative consistently fails to comply with contractual requirements.
 - vi. A fiscal intermediary is an independent legal entity – organization or individual - that acts as the fiscal agent of the CMHSP for the purpose of assuring fiduciary accountability for the funds authorized to purchase specific services identified in the child's individual plan of service (IPOS). The fiscal intermediary receives funds from the CMHSP and makes payments authorized by the child's parent or guardian, as the child’s representative. The fiscal intermediary acts as an employer agent when the child's representative directly employs staff or other service providers.
 - vii. The fiscal intermediary can be an agency or organization (e.g., financial management services agency, accounting firm, local ARC or other advocacy organization) or individual (e.g., accountant, financial advisor/manager, attorney). The fiscal intermediary must meet requirements as identified in the MDHHS/CMHSP Managed Mental Health Supports and Services Contract – Attachment C3.4.4 Medicaid Managed Specialty Supports and Services Concurrent 1915(b)(c) Waiver Program FY12 (and subsequent years) – Attachment P3 4.4.
- d. Fiscal Intermediary services are to meet the Individual’s goals of community participation and integration, independence or productivity while controlling his/her individual budget and choosing staff who will provide the services and supports identified in the authorized IPOS. The fiscal intermediary helps the Individual manage and distribute funds contained in the individual budget.
 - e. The Fiscal Intermediary may also perform other supportive functions that enable the Individual to self-direct needed services and supports. These functions may include assistance in selecting and, contracting with providers of services, assistance with verification of provider qualifications (including reference and background checks), and assisting the Individual to understand billing and documentation requirements.
 - f. The role of the Fiscal Intermediary is that of an agent of the PIHP/CMHSP for the purpose of assuring for each assigned Individual’s maximum control over services and supports, within the framework of the Individual’s IPOS and his or her individual budget

2. Practice Principles

- a. Provider agrees to the principles of Choice and Self-Determination as part of its mission. Provider further assures the CMHSP that Individual choice will be primary in their service provision and Individual choice in Provider selection will be respected.
- b. Provider is encouraged to offer evidence-based and promising practices as part of the Medicaid covered specialty services where applicable. Providers shall assure that these practices are

provided by staff who have been appropriately trained in the model(s) and are provided to the population for which the model was intended.

- c. Healthcare Common Procedure Coding System (HCPCS) code "T2025" should be used to bill for this service. This is a "per month" service with a maximum unit of one per month.
- d. Provider will comply with the principles of person-centered planning as outlined in the MDHHS BHDDA Person-Centered Planning Policy.

3. Credentialing Requirements *Refer to current Medicaid Provider Manual for updated requirements*

- a. Provider must be able to fulfill the Fiscal Intermediary Functions as identified in the Michigan Department of Health and Human Services Fiscal Intermediary Technical Requirement and the current Self-Determination Implementation Technical Advisory, which is part of the PIHP/CMHSP contract. Functions include, but are not limited to Financial Accountability, Employer Agent, Employee Verification, and Information/Guidance functions.
- b. Provider cannot be a provider of services to Individuals to whom it also provides Fiscal Intermediary services. Provider cannot be a guardian or trust holder of any child-participant or have any other fiduciary relationship with a child-participant. Provider must be independent and free from conflicts of interest.
- c. Provider shall maintain a copy of training records for each staff person for review if requested by the CMHSP, the LRE, or an external review team.
- d. Providers of services must:
 - i. Be at least 18 years of age.
 - ii. Have a documented understanding and skill in implementing the individual plan of services and report on activities performed.
 - iii. Be in good standing with the law as outlined in the MDHHS/PIHP contract.

4. Service Requirements

- a. Provider's supports and services will be based upon the authorized services of the Individual, and in coordination with any additional applicable plans of the Individual. Said documents are to be present (hard copy or electronically) at the service site, and accessible to Provider's staff responsible for delivering the supports and services.
- b. Provider shall complete service documentation and records that meet the PIHP/CMHSP's requirements for reimbursement. Provider's services and documentation/records shall comply with the standards of the PIHP, CMHSP, accreditation bodies, MDHHS, any applicable licensing Department or Agency of the State of Michigan, Medicaid and Medicare regulations and/or any third-party payers.
- c. The CMHSP shall assign the role of Provider to be an agent, via contract with the CMHSP, for the purpose of assuring each Individual maximum control over the selection of providers of goods and services within the framework of the Individual's Individual Plan of Services and Supports and the designated portion of the budget.
- d. Provider shall designate a liaison person, who shall be the primary contact person with the responsibility for monitoring and ensuring that the terms of the Agreement are fulfilled.
- e. Provider shall assist each Individual with assuring all necessary employment readiness documentation is in place including, but not limited to, application for employer identification number (Federal and State EIN), workers' compensation insurance as required, I-9 for each employee and employer tax forms for each employee. Holder of record must maintain copies of all of these documents,
- f. Provider shall disburse funds to vendors and providers after verifying provider contracts and employment agreements. Provider shall not disburse funds to any vendors or providers who are not compliant with training requirements.

5. Training Requirements

- a. See Attachment I: Training Requirements for specific training requirements and frequency of trainings

6. Criteria/Access Requirements/Authorization Procedures

- a. Individual and/or his/her allies must understand and agree to abide by a signed Self-Determination Agreement with the CMHSP.
- b. The [Lakeshore Region Guide to Services](#) provides a summary of service eligibility, access to services, and service authorization. This document is located on the Lakeshore Regional Entity website at www.lsre.org. Additional information related to policies, procedures and Provider Manuals may be found by accessing the specific CMHSP websites.