


<b>CHAPTER</b> Fiscal Management	<b>CHAPTER</b> 06	<b>SECTION</b> 003	<b>SUBJECT</b> 75
<b>SECTION</b> Reimbursement		<b>DESCRIPTION</b> Self-Determination/Choice Voucher	
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**APPLICATION:**

<input checked="" type="checkbox"/> CMH Staff	<input type="checkbox"/> Board Members	<input checked="" type="checkbox"/> Provider Network	<input checked="" type="checkbox"/> Employment Services Providers
<input type="checkbox"/> Employment Services Provider Agencies	<input type="checkbox"/> Independent Contractors	<input type="checkbox"/> Students	<input type="checkbox"/> Interns
<input type="checkbox"/> Volunteers	<input checked="" type="checkbox"/> Persons Served		

**POLICY:**

Lapeer County Community Mental Health (LCCMH) will assure self-determination arrangements are available to all persons served.

**STANDARDS:**

- A. Self-determination follows the Michigan Department of Health and Human Services (MDHHS) Self-Determination Policy and Practice Guideline and is based on four principles. These principles are:
1. **Freedom:** The ability for persons served and families, with assistance from significant others (e.g. chosen family and/or friends), to plan a life based on acquiring necessary services and supports in desirable ways, rather than purchasing a program. This includes the freedom to choose where and with whom one lives, who and how to connect in one's community, the opportunity to contribute in one's own way, and the development of a personal lifestyle.

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2. Authority: The assurance for a person served or family with a disability to control a certain sum of dollars in order to purchase these supports, with the backing of their significant others, as needed. It is the authority to control resources available for supports and services.
  3. Support: The arranging of resources and personnel, both formal and informal, to assist the persons served or family in living their desired life in the community, rich in community associations and contributions. It is the support to develop a life dream or ambition and reach toward that dream.
  4. Responsibility: The acceptance of a valued role by the person served in the community through employment, affiliations, spiritual development, and caring for others, as well as accountability for spending public dollars in life enhancing ways. This includes the responsibility to use public funds efficiently and to contribute to the community through the expression of responsible citizenship.
- B. Participation in the self-determination payment system will be a voluntary option made available to all families and adult persons served, unless the cost ratio of paying a fiscal intermediary to the actual cost of services makes it too costly and inefficient.
- C. A person served or family is assured the opportunity to direct a fixed amount of resources, derived from the Person Centered Planning (PCP) process and called an individual budget.
1. The person served or family controls the use of the resources in their individual budget, determining, with the assistance of chosen support team, which services and supports they will purchase, from whom, and under what circumstances.
  2. Persons served or family will responsibly control the resources allotted in an individual budget toward accomplishing the goals/objectives in the Individual Plan of Service (IPOS).
- D. An agreement will be made in writing between LCCMH and the person served or family describing the responsibility and the authority of both parties in the use of the individual budget.
1. The agreement will describe the arrangements that will, or may, be applied by the individual to select, control, and direct the provision of those services/supports.

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2. Development of an individual budget, including the directions and assistance necessary for application, will be done as part of the agreement.
- E. Child Waiver Program (CWP) persons who want self-directed care will use Choice Voucher.
- F. Once authorized, an individual budget will accompany the IPOS.
1. The individual budget will be in effect for a defined period of time, typically one year.
  2. When the IPOS needs to be changed, the budget must be reconsidered as well. The plan may be reopened and reconsidered whenever the person served or agency feels it needs to be reconsidered.
  3. An individual budget will be flexible in its use. Adjustments in the application of the individual budget will occur within the framework agreed to by the person receiving services and LCCMH and described in an attachment to the self-determination agreement.
- G. Mental health funds comprising an individual budget are the property and responsibility of LCCMH.
1. Authority over the direction of these funds is delegated to the individual for the purpose of achieving the goals and outcomes in the IPOS. Limitations associated with this delegation will be determined in the process of developing the IPOS.
  2. The funds aggregated and used to finance an individual budget may be controlled by more than one funding source. Flexibility in the use of these funds is therefore constrained by the specific limitation of funding sources (e.g. Home Help, VA, Vocational Rehabilitation, etc.).
  3. Funds allotted for specialty mental health services may only be used to purchase specialty mental health services. Contracts with providers of specialty mental health services will not be entered into if they are not fiscally prudent.
- H. A person served or family will be able to use any available qualified provider to provide the needed treatment, services and supports. Approaches may include

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LCCMH Direct Operated or contractual services, or through a direct purchase of service agreement with the person served.

1. If a selected provider has a direct contract with LCCMH, the provider may be paid by LCCMH, not the fiscal intermediary. In that case, the portion of funds in the individual budget would remain with LCCMH as a matter of fiscal efficiency.
2. Direct purchase of service agreement fees and rates will be negotiated by the individual.
  - a. The person served or family must stay within the boundaries of the authorized individual budget.
  - b. LCCMH will provide guidance for the range of applicable rates and may set maximum amounts a person served may spend to pay specific providers.
- I. A person served or family will be able to access alternative methods to choose, control and direct personnel necessary to provide direct support including:
  1. Acting as the employer of record for personnel.
  2. Access to a provider entity to serve as employer of record for personnel.
  3. Selection of personnel and removal or reassignment of personnel who fail to meet individual preferences.
  4. Use of LCCMH employed direct support personnel.
- J. Fiscal intermediaries will be under contract with LCCMH or a designated sub-contracting entity. Contracted functions may include:
  1. Payroll agent for direct support personnel employed by the person served or family, including acting as an employer agent for Internal Revenue Service (IRS) and other public authorities requiring payroll withholding and employee insurances payments.
  2. Payment agent for purchase of services and consultant agreements with providers of services and supports.

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3. Providing monthly individual budget financial status reports to LCCMH and the person served or family. Person served or family reports will be in a format useful for tracking and managing the individual budget funds.
  4. Provision of an accounting to LCCMH for the funds transferred to it and used to finance the costs of authorized individual budgets under its management.
  5. Assuring timely invoicing, service activity and cost reporting of services and supports to LCCMH.
  6. Other supportive services, as denoted in the contract with LCCMH, to strengthen the role of the person served or family as an employer or assist with the use of other agreements directly involving the person served in the process of securing needed services. This includes facilitating background checks on potential employees.
- K. A fiscal intermediary will be free from any conflicts of interest and may not be a direct service provider to the person served.
- L. LCCMH or the person served or family may terminate a self-determination agreement at any time.
1. Prior to terminating an agreement, unless it is not feasible, LCCMH will inform the individual of the issues leading to the consideration of a discontinuation in writing and provide an opportunity for problem resolution using the PCP process.
  2. Termination of a self-determination agreement by LCCMH is not a Medicaid Fair Hearings Issue. Only a change, reduction, or termination of Medicaid services can be appealed through the Medicaid Fair Hearings Process, not the use of arrangements supporting self-determination to obtain those services.
  3. Discontinuation of a self-determination agreement will not change the individual's IPOS nor eliminate LCCMH's obligation to assure specialty mental health services and supports required in the IPOS are provided.
  4. In any instance of LCCMH discontinuation or alteration, the person must be provided an explanation of applicable appeal, grievance and dispute resolution processes and (when required) appropriate notice.

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**PROCEDURES:**

**A. When a Person Served Requests Self-Determination at Beginning of Treatment:**

**Primary Case Holder**

1. Identifies a person served who has expressed an interest in participating in self-determination.
2. Runs "Consumer Budget Report" from Oasis for total cost of services to use as a benchmark.
3. Schedules and coordinates a planning meeting regarding the self-determination arrangement.
4. Develops an individual budget in conjunction with the IPOS using the PCP process.
5. Fees and rates paid to providers are negotiated by the person served within the boundaries of the individual budget, based on MDHHS's Self Determination Policy and Practice Guidelines
6. Forwards the IPOS and budget to the program designee.

**Program Supervisor**

7. Reviews the IPOS and individual budget based on reasonableness, consistency with the philosophy of self-determination, and compliance to Medicaid Standards.
8. Forwards approved plan/budget to primary case holder, if revisions to the budget are necessary, forwards recommendations to the primary case holder.

**Primary Case Holder**

9. Meets with the person served, family and others as appropriate and renegotiates the individual budget until consensus is reached.
10. Provides the person served or family with a list of available fiscal intermediaries, once budget is agreed upon.
11. Forwards a copy of the individual budget to the fiscal department designee to develop a Summary of Annual Budget.

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12. A copy of the completed plan and budget must be provided to the individual prior to the start of the self-determination arrangement and within 15 days of the meeting date. Completes additional tasks as outlined in Attachment A to the fiscal intermediary contract.

**Fiscal Department Designee**

13. Creates Summary of Annual Budget and submits to primary case holder for final review.

**Program Supervisor**

14. Upon receipt of approved budget, requests contract / location code for self-determination arrangement.

15. Once contract / location code is assigned, forwards individual budget to Contract Office to process Self-Determination Contracts for all parties involved; person receiving services, guardian, fiscal intermediary, primary case holder, etc. and send out for signature.

**Contract Management**

16. Contract Management will contact Fiscal Intermediary with the approved type of service(s) and the rate(s) for the service.

**Primary Case Holder**

17. Amends the IPOS, as appropriate, and authorizes services. Notifies person served, family, provider agencies and fiscal intermediary of implementation start date.

18. Planning team (consumer/family/guardian, supports coordinator, fiscal intermediary and support staff) meets to review IPOS, individual budget, and implementation procedures.

**B. When a Person Served Requests Self-Determination Mid-Treatment:**

**Primary Case Holder**

1. If a person served or family discusses interest or has questions about self-determination, contact designated staff for an information meeting prior to making self-determination arrangements. Ensure person served or family is aware of benefits and responsibilities accompanying a self-determination arrangement. Benefits include: increased flexibility, freedom to decide how one wants to live his or her life and support to organize resources in life enhancing and meaningful ways to the individual.

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- Determine the number of service hours through PCP. Within the IPOS, there will be clear interventions to be completed by staff, the documentation process, how the documentation will be routed to CMH, how the primary case holder will communicate with self-determination staff and the back-up plan in the event the staff is unavailable.

#### **Person Served & Fiscal Intermediary**

- Set the rate of pay and determine who the employer of record will be.

#### **Program Supervisor**

- Contact designated staff to start the contract process. They will need to know the rate of pay and the number of hours approved. They will request a contract / location code from the billing department for the new self-determination / choice voucher arrangement. Designated staff will contact the primary case holder with the location code when it is set.
- Once a contract / location code has been set, submit the budget document (also listed on the Compass) to Finance Department. Finance Department will send a copy of the budget out for review to designated staff and the primary case holder before it goes to the Contract Department.

#### **Contract Management**

- Contract Management will contact Fiscal Intermediary with the approved type of service(s) and the rate(s) for the service.

#### **C. Fiscal Intermediary**

- Fiscal intermediary will set a time with the person served / family and primary case holder to set up the needed information on their end, explain the payroll process, timesheets, worker's compensation insurance, unemployment insurance, etc.
- At this point, staff should be able to start working. They have 90 days to obtain needed training which is outlined on provider contract Attachment E. Fiscal intermediary will review this training with them and the employer is also responsible to make sure staff is receiving the needed training and documentation is turned in to the fiscal intermediary.
- Fiscal intermediary will send monthly printouts to the person served / family of service usage (from LCCMH tracking service). This will allow everyone to monitor the budget. LCCMH designated staff will receive the service usage and will flag the primary case holder with concerns about major overages/under usage. The



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person served /family, who are also the employers, will need to follow up with fiscal intermediary if there are concerns to assure the budget remains on track.

4. If staff quit or are unable to work and the employer does not find a new staff within two to three weeks, the fiscal intermediary will contact primary case holder immediately. The arrangement can be suspended on a short term basis which saves the monthly cost paid to the fiscal intermediary. If a staff cannot be found on the longer term basis, the self-determination arrangement may need to be terminated.
5. If there are concerns related to misuse of approved services or lack of progress on goals within a self-determination arrangement, this would be treated as any other situation regarding misuse of Medicaid funds. Services provided under a self-determination arrangement are Medicaid services and the same follow up and expectations remain.
6. Self-determination arrangements are voluntary for the person served / family and LCCMH. If the arrangement is not meeting the needs of the individual, it can be terminated on either end and at any time.

#### **DEFINITIONS:**

Contract / Location Code: A code assigned by the billing department for the self-determination arrangement.

Choice Voucher: The Choice Voucher System is the designation or set of arrangements that facilitate and support accomplishing self-determination through the use of an individual budget, a fiscal intermediary and direct consumer-provider contracting. This Child Waiver Program (CWP) waiver service is available only to CWP consumers whose parent or guardian, serving as the consumer's representative, chooses to self-direct selected services through Choice Voucher arrangements.

Fiscal Intermediary: An independent legal entity (organization or individual) acting as a fiscal agent for the purpose of assuring fiduciary accountability for the funds comprising a person's individual budget. A fiscal intermediary will perform its duties as specified in a contract with LCCMH or its designated subcontractor. The purpose of the fiscal intermediary is to receive funds making up a person's individual budget and make payments as authorized by the individual to providers and other parties to whom a person using the individual budget may be obligated. A fiscal intermediary may also provide a variety of supportive services to assist the person served in selecting, employing and directing individual and agency providers.

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Individual Budget: An individual budget is a fixed allocation of public mental health resources and may also include other public resources whose access involves the assistance of LCCMH, denoted in dollar terms. These resources are agreed upon as the necessary cost of specialty mental health services and supports needed to accomplish a person’s plan of services/supports. The person served uses the authorized funding to acquire, purchase and pay for specialty mental health services and supports that support accomplishment of the person’s plan. The budget is developed through the PCP process.

Qualified Provider: An individual worker, a specialty practitioner, professional, agency or vendor that is:

- At least 18 years of age.
- Able to prevent transmission of any communicable disease from self to others in the environment in which they are providing supports.
- Able to communicate expressively and receptively in order to follow individual plan requirements and beneficiary-specific emergency procedures and report on activities performed.
- In good standing with the law according to the MDHHS/PIHP contract (i.e., not a fugitive from justice, a convicted felon, or an illegal alien).

Specialty Mental Health Services: Includes any service/support that can legitimately be provided using funds authorized by LCCMH in the individual budget.

**REFERENCES/EXHIBITS:**

MDHHS Medicaid Contract Self–Determination Policy and Practice Guideline  
Provider Contract Attachment E

RR:lr

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This policy supersedes  
#06.003.75 dated 04/13/2012.  
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