



**COLORADO**

Department of Health Care  
Policy & Financing

# CDASS FINANCIAL MANAGEMENT SERVICES

*Frequently Asked Questions December 2014*

## **Financial Management Services Transition Background**

Effective January 1, 2015, there will be changes to the CDASS delivery option. One change will provide greater choice to CDASS clients who can choose which FMS vendor they want to work with and the employer model they want to use.

Some of the other changes are a result of federal rule changes. These include the implementation of the Affordable Care Act requirement to offer employer sponsored health insurance under certain criteria and changes to the US Department of Labor's Fair Labor Standards Act (FLSA).

### **FMS Vendor Selection**

1. Who are the new FMS vendors and which FMS employer model do they provide?

Effective January 1, 2015, CDASS clients can choose between three FMS vendors:

- Aces\$
- Morning Star Financial
- Public Partnerships

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Each vendor will offer both the Agency with Choice and the Fiscal/Employer Models. Please visit the Department's website for more information about the vendors and the models: [www.colorado.gov/hcpf](http://www.colorado.gov/hcpf).

2. As a client, do I get to change FMS Vendors? If so, how often?

You should make an initial selection of an FMS vendor by December 1, 2014. This allows the vendors time to enroll new clients prior to January 1<sup>st</sup>. There is an open enrollment period beginning January 1, 2015 - June 30, 2015, during which time you can change FMS vendors or employer models (Agency with Choice or Fiscal Employer Agent). Beginning in 2016 there will be an annual open enrollment period from January through February.

3. What are the pros and cons of each vendor and what separates them from one another?

Each FMS vendor will provide you with information about the services they offer. They are available to answer any questions you have about their organizations. Their contact information is available on the Department's website: [www.colorado.gov/hcpf](http://www.colorado.gov/hcpf)

4. If I choose a new vendor or a new model, when is the change effective?

If you select a new vendor or model, the effective date of the change will depend on several factors:

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1. When you make the selection
2. Which model you currently have and the new model you're choosing
3. The completeness and accuracy of any necessary paperwork

<b>Model I currently use</b>	<b>Model I want to use</b>	<b>When the change is effective</b>
Agency with Choice	Agency With Choice	1 <sup>st</sup> of the month if complete information is submitted prior to the 15 <sup>th</sup> of the month. If the information is submitted after the 15 <sup>th</sup> of the month the change is effective the 1 <sup>st</sup> of the following month.
Agency with Choice	Fiscal Employer Agent	1 <sup>st</sup> of the month if complete information is submitted prior to the 15 <sup>th</sup> of the month. If the information is submitted after the 15 <sup>th</sup> of the month the change is effective the 1 <sup>st</sup> of the following month.
Fiscal Employer Agent	Agency with Choice	1 <sup>st</sup> of the month if complete information is submitted prior to the 15 <sup>th</sup> of the month. If the information is submitted after the 15 <sup>th</sup> of the month the change is effective the 1 <sup>st</sup> of the following month.
Fiscal Employer Agent	Fiscal Employer Agent	Timelines pending

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## **FMS Employer Model Section**

5. Can an FMS vendor refuse to work with or terminate a client? If so, under what circumstances?

No, the Financial Management Services (FMS) vendor cannot refuse to work with a client. The only circumstances under which the FMS can terminate the client is if the client is terminated from CDASS by the case management agency in accordance with 10 CCR 2505-10 Sections 8.510.12 and 8.510.13.

6. Will the FMS vendors get paid the same and what impact will it have on the portion of my allocation available to buy services?

The FMS vendors will be paid a Per Member Per Month (PMPM) rate similar to how the current FMS is paid. The PMPM is separate from the client's allocation and does not affect the available funds for services. Below are the rates:

	<b>Aces\$</b>	<b>Morning Star Financial</b>	<b>Public Partnerships</b>
Agency with Choice	\$100/PMPM	\$111.11/PMPM	\$111.11/PMPM
Fiscal Employer Agent	\$85.00/PMPM	\$103.21/PMPM	\$103.21/PMPM

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7. Can the FMS offer “ala carte” services so I only pay for the actual services I need/use, and can the FMS rates be negotiated?

The PMPM is set for each vendor and each model and cannot be negotiated between the client and the FMS vendor.

8. If I choose Fiscal Employer Agent (FE/A, and something happens after the 6-month period (Jan-June 2015), such as an illness, what does the FMS consider a substantial period of time for hospitalization (for example) after which they will consider the member a financial risk and say to the member that they will not carry them as a client? In such cases, would a CDASS member be dropped from CDASS?

A.8. There is no financial risk to the FMS if the client becomes ill. The FMS vendor cannot terminate services to a CDASS client. Additionally, a CDASS client can only be terminated in accordance with 10 CCR 2505-10 Sections 8.510.12 and 8.510.13.

9. In the FE/A model, as far as attendants are concerned, if a CDASS member ended up in the hospital for an extended period of time, and the CDASS member loses their employees, could the CDASS member go to Consumer Direct for help finding new employees when they get back home, or is the CDASS member on their own in such cases? In other words, what support is available?

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Consumer Direct is the training and operations vendor for CDASS and is not responsible to provide assistance finding attendants. CDASS clients can contact their FMS for assistance.

10. What liability does a client have when being an employer?

A: Clients face the same liabilities that any other employer will face. Details can be found on the IRS website at [www.irs.gov](http://www.irs.gov).

11. If I choose the F/EA model, how do I get a Tax/Employer ID Number (EIN)?

The FMS vendor will assist clients/ARs in obtaining the EIN.

12. Who can hold the EIN, the client or the AR?

The EIN should be held by whoever is directing and managing the services. In most cases this will be the client. In cases where an AR is directing and managing the services, the AR should hold the EIN.

13. If I change vendors do my attendants need to complete new employment applications?

This depends on the FMS employer model. If you use the Agency with Choice (AWC) model and move from one vendor to another it is a change in employer for your attendants and therefore would require a new employment application.



If you use F/EA, you are considered the Employer of Record and therefore your attendants work directly for you regardless of which vendor you use as your fiscal agent. There might be additional paperwork to enroll with the new vendor, but a new employment application is not required.

14. For each model, who is responsible for hiring, dismissing, supervising, and training attendants?

Please see the *FMS Employer Models in CDASS* for information about differences of each model. This document is located at [www.colorado.gov/hcpf](http://www.colorado.gov/hcpf).

15. In either model will the client need to purchase employer liability insurance?  
No. The FMS will carry the liability insurance.

## **Health Insurance Requirements**

16. In AwC how will Health insurance be paid? Does it come out of my allocation, the employee's paycheck, or the FMS' liability?

The cost of health insurance under the Agency with Choice model is a payroll expense. Attendants can contribute up to \$90 per month toward the cost of the individual plan premium. The remaining cost of the premium is a payroll expense through the client's allocation. For example,

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if the total premium cost is \$300 per month, the attendant is responsible up to \$90 and the remaining \$210 is a payroll expense.

17. If my attendant already has health insurance, but I want to use AwC, does my attendant have to accept the insurance offered by the FMS?

No. The attendant can opt to keep their current insurance rather than accept the insurance offered by the FMS vendor. However, if the attendant is receiving insurance coverage through the marketplace and receiving a subsidy, the attendant will lose the subsidy if the employer sponsored health insurance is available.

18. How much is the insurance and does it cover the entire family or just my attendant?

For information about insurance costs and insurance plans, please contact the specific FMS vendors. A link to the website containing this information is forthcoming.

19. Where can I get general information about the Affordable Care Act and what is required?

For general information about the Affordable Care Act contact Connect for Health Colorado at [www.connectforhealthco.com](http://www.connectforhealthco.com) or 855-PLANS-4-YOU (855-752-6749).

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**PLEASE NOTE ITEMS 20-25 ARE NOT IMPLEMENTED AT THIS TIME DUE TO DELAY OF FLSA IMPLEMENTATION.**

**Fair Labor Standards Act (FLSA) Changes:**

20. What are the specific changes under the FLSA and how are CDASS clients affected?

The US Department of Labor is making two major changes to the Fair Labor Standards Act. The first is changing who is eligible for the companionship exemption and the second is requiring reimbursement of travel time between home visits.

The outcome of the companionship exemption change is that CDASS attendants must be paid overtime (time and a half) if they work more than 40 hours in a week. Under the F/EA model, this requires clients to pay overtime to any attendant who works more than 40 hours in a week. Under the AwC model, the FMS is the employer of record, therefore the attendant's hours are accumulative. In other words, if an attendant works for multiple clients under the same model and same FMS vendor, then the 40 hours is calculated across all clients.

The travel time requirement only affects those attendants who work for multiple clients with the same FMS vendor under AwC. More information about the FLSA changes can be found at:

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[www.dol.gov/whd/homecare](http://www.dol.gov/whd/homecare)

[www.bc.edu/schools/gssw/nrcpds/tools/flsahomecaretoolkit.html](http://www.bc.edu/schools/gssw/nrcpds/tools/flsahomecaretoolkit.html)

[www.dol.gov/whd/flsa/whdfs-NPRM-companionship.htm](http://www.dol.gov/whd/flsa/whdfs-NPRM-companionship.htm)

21. If an employee had an accident and is injured traveling between clients (covered by worker's compensation) which client would it be charged to? If 2 FMS' are involved, which FMS?

The requirement to pay for travel time only applies for attendants with the same employer. In other words, the compensation for travel time only occurs when the attendant is traveling between client visits when the clients are using the same FMS vendor under Agency with Choice. The client would not be financially liable nor would the allocation be affected if a worker's compensation claim is submitted.

22. How will mileage be apportioned if aide is traveling between clients who are both with the same FMS and in AwC?

The travel time cost will be shared between the clients using those attendants. Each FMS vendor will establish a procedure on how the costs will be shared.

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23. Does everyone have to pay overtime and how does it work if an attendant works more than 40 hours for more than one client?

The following table shows when overtime compensation (i.e., time and a half) is required.

	<b>AwC</b>	<b>F/EA</b>
Attendant works for one client for more than 40 hours in a week	Yes	Yes
Attendant works for more than one client totaling more than 40 hours and both clients use the same FMS vendor	Yes	No
Attendant works for more than one client totaling more than 40 hours and the clients use different FMS vendors	No	No

24. My current attendants work more than 40 hours each week, but I'm concerned how I can afford overtime with my current allocation. What options are available to me?

The requirement to pay overtime is a federal requirement and cannot be waived. There are two options available to clients in this situation:

1. Clients and AR should consider the option of hiring additional attendants to reduce the hours worked by attendants to fewer than 40 hours.

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2. Clients can evaluate the wage paid for services to determine if a lower hourly wage is necessary to account for the overtime payment.

25. The current wage limit is \$39.30 per hour. Can the compensation for overtime exceed this amount?

No. The wage limit cannot be exceeded for overtime compensation.

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