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**From:** e-clips@hcbs.org  
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**To:** Brenda Vitale  
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Infrastructure development resources for people with disabilities and older adults  
**HCBS** Clearinghouse for the Community Living Exchange Collaborative  
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Our "News CLIPS" is mailed to you a few times each year, highlighting the important work related to Real Choice Systems Change Grantees. In each issue, we examine a topic related to home and community-based care by providing an overview of recent papers and publications. Each issue concludes with a list of pertinent articles inside the hcbs.org Clearinghouse.

## Spring 2007

### *In this Issue:*

Review:  
*The DRA Section 6087*

Clearinghouse Resources Listing



## The DRA Section 6087: Self-Directed Personal Assistance Services State Plan Option

A decade after Cash & Counseling was first launched in three states, the federal Deficit Reduction Act (DRA) makes it easier for all states to introduce an option for offering self-directed personal assistance services in the Medicaid State Plan. Under the DRA Section 6087, Optional Choice of Self-Directed Personal Assistance Services, now incorporated as 1915(j) of the Social Security Act, state Medicaid programs may offer a self-direction model to frail elders and adults and children with developmental and physical disabilities without first obtaining a federal waiver. The Centers for Medicare & Medicaid Services (CMS) is actively developing guidance and application materials to assist states interested in this option. CMS is available to provide technical assistance to any state interested in implementing this DRA provision.

Prior to January 1, 2007, any state interested in introducing a self-direction option was required to seek and receive an 1115 or 1915c waiver from CMS. While states may still choose to apply for a 1915 (c) waiver, Section 6087 of the DRA, amends the Social Security Act allowing states to offer a self-direction option within their regular Medicaid state plans without first obtaining a waiver.

Models of self-directed personal assistance services such as Cash & Counseling have been researched, reviewed and evaluated by many sources. Time and again, the results have shown that consumers were overwhelmingly satisfied and that states

Cash & Counseling gives frail elderly people and adults and children with disabilities who are eligible for Medicaid personal care services the option to manage a flexible budget and decide for themselves what mix of goods and services will best meet their personal care needs. View a [short video](#) on the Cash & Counseling Model.

can control costs. This issue of NewsCLIPS features a sample of reports on the benefits of consumer direction and highlights other implementation resources.

## Defining Consumer Direction

**Q. What are some of the common characteristics of consumer-directed programs?**

**A.** Consumer-directed HCBS represents a philosophical approach to service delivery that maximizes consumers' ability to assess their own needs, determine how and by whom they are met, and define what constitutes quality. Depending on the program, consumers may be able to

- choose which services to receive;
- select the days and times for service delivery;
- hire, manage, and terminate the workers of their choice, including family members; and
- manage their budgets by setting wages and/or purchasing items that enhance their independence (such as home modifications or assistive devices).

AARP has developed a two page Fact Sheet that offers a short overview of consumer preferences, program characteristics, the role of fiscal agents, and the ways consumer direction is expanding. [Consumer-Directed Home and Community-Based Services](#)

## Choosing Independence

**Q. For states that might be considering the state plan option, is there one resource that offers an in-depth description of Cash & Counseling?**

**A.** A new publication called *Choosing Independence* offers a comprehensive description of the option, a discussion of key findings from the three-state demonstration, and preliminary information regarding the program's expansion. The guide offers detailed tables and charts about the vision statement, key program elements and features, plus data and evaluation results. In addition, stories about consumers who have first-hand experience with the program appear throughout this publication.

Review the profiles of the people whose lives are being changed by the opportunity to direct their own personal assistance services. [Choosing Independence: An Overview of the Cash & Counseling Model of Self-Directed Personal Assistance Services.](#)

## Tasks of the F/EA

**Q. Most people who participate in consumer-directed programs and are the common law employer of their workers prefer to delegate the responsibility for payroll and tax withholding to a Fiscal/Employer Agent (F/EA). What are the tasks typically performed by an (F/EA)?**

**A.** There are two types of Fiscal/Employer Agents (F/EA) that operate under Section 3504 of the IRS code, Government F/EAs and Vendor F/EAs. Although the IRS requirements differ, both types of F/EAs manage a variety of fiscal and payroll related tasks on behalf of the consumers and representatives they represent as agent. These include, but are not limited to: managing consumers' budget funds, processing and paying workers' payroll checks, including the withholding, filing and payment of federal, state and local employment-related taxes, processing and paying invoices for approved goods and services related to consumers' care needs, and generating financial reports for consumers/representatives and state and local program agencies. F/EA tasks can

vary by state and local program agency's consumer-directed program.

Given the complexities of F/EA operations, it is important to refer to reliable sources information such as the lists of Government F/EA and Vendor F/EA Tasks prepared and updated by Susan A. Flanagan, Ph.D. This information will assist state and local program agency staff in understanding the requirements and key elements of Government and Vendor F/EA operations and developing a Government F/EA Policies and Procedures Manual, when applicable. It also will assist state and local program agencies in effectively certifying as Medicaid providers or selecting through competitive bidding F/EAs or subagents/reporting agents (for the Government F/EA model), assessing their readiness to operate as F/EAs or subagents/reporting agents, and monitoring the on-going performance of F/EAs or subagents/reporting agents. Finally, the task lists are helpful resources to Vendor F/EAs and subagents/reporting agents for Government F/EAs when developing Vendor F/EA or Subagent/Reporting Agent Policies and Procedures Manuals.

Author Susan A. Flanagan, Ph.D. outlined the tasks associated with Government and Vendor F/EAs in: *Tasks to Be Performed By a Government and Vendor Fiscal/Employer Agent (F/EA) Operating Under Section 3504 of the IRS Code and Revenue Procedure 80-4 and Proposed Notice 2003-70 (1/15/07) F/EA Task Overview(s)*.

## Facilitating a Paradigm Shift

**Q. How can program developers help case managers make the shift to consumer-directed consultants?**

**A.** A newly designed training curriculum addresses two primary training needs for consultants/support brokers working with participants who are self directing their services. The first training module titled *Facilitating the Paradigm Shift for Consultants* focuses on negotiating the shift from traditional case management roles and responsibilities to the substantially revised roles and responsibilities of both the professional and participant under self-directed care. The second training module titled *The Dynamics of Choice and Decision-Making for Participants* focuses on the importance of choice and decision-making facing the participant for whom self direction is a new experience.

These identified training needs address the philosophical framework necessary for successful implementation of a participant-directed services program for older adults, persons with physical and developmental disabilities and their families, or representatives under a variety of self-directed program options. The training curriculum addresses the training needs specifically in two half-day sessions.

Download handouts, presentations, and suggestions for hands-on exercises as part of the [Consultant Training Program](#)

## Developing Quality

**Q. In the case of consumer-directed services, how can states and programs develop continuous quality monitoring and improvement feedback mechanisms for their quality systems?**

**A.** The Scripps Gerontology Center developed a *Guide to Quality in Consumer Directed Services*, a practical handbook on ensuring and improving the quality of services. The guide is divided into five major sections, plus three Appendices.

The first section – Blueprint and Steps for Quality -- provides background materials for the quality model developed and tested in the Cash & Counseling demonstration. The next section -- Planning Phase -- includes a set of activities

that are designed to build quality into the program from inception. The Consumer Support Activities provide the resources and information necessary for consumers to be active participants in quality improvement. The final sections -- Monitoring and Quality Improvement -- present specific approaches for assuring and improving the quality of consumer directed services.

The Appendices are designed to provide practical reference materials for consumer-directed programs. The Appendix makes available examples of management tools including a representative screening questionnaire, participant rights and responsibilities agreements, purchasing plans, consumer complaint forms, and tax guides.

Quality is an ongoing and complex process, review the [Guide to Quality in Consumer Directed Services](#) to design or re-evaluation of existing structures.

## Clearinghouse Resources

A Sample of Documents on Consumer Direction:

### **Research Results:**

*New HSR Journal Dedicated Issue, 15 articles on Cash & Counseling*

Putting Consumers First in Long-Term Care: Findings from the Cash & Counseling Demonstration and Evaluation

<http://www.hcbs.org/moreInfo.php/nb/doc/1882>

Lessons from the Implementation of Cash and Counseling in Arkansas, Florida, and New Jersey

<http://www.hcbs.org/moreInfo.php/nb/doc/743>

The Effect of Cash & Counseling on Medicaid and Medicare Costs: Findings for Adults in Three States

<http://www.hcbs.org/moreInfo.php/nb/doc/1881>

### **Further Readings on Consumer-Direction:**

The Myths and Realities of Consumer-Directed Services for Older Persons

<http://www.hcbs.org/moreInfo.php/nb/doc/1629>

Seniors in Vermont Are Finding They Can Go Home Again

<http://www.hcbs.org/moreInfo.php/nb/doc/1734>

Cash & Counseling Moves Into The Main Stream

<http://www.hcbs.org/moreInfo.php/nb/doc/1883>

*A Series from the Kaiser Commission on Medicaid and the Uninsured*  
Beyond Cash and Counseling:

-An Inventory of Individual Budget-based Community Long Term Care Programs for the Elderly

<http://www.hcbs.org/moreInfo.php/nb/doc/1568>

-The Second Generation of Individual Budget-Based Community Long-Term Care Programs for the Elderly

<http://www.hcbs.org/moreInfo.php/nb/doc/1884>

### **Further Readings on the DRA:**

Side-by-Side Comparison of Medicare, Medicaid, and SCHIP Provisions in the Deficit Reduction Act of 2005

<http://www.hcbs.org/moreInfo.php/nb/doc/1530>

Deficit Reduction Act of 2005

<http://www.hcbs.org/moreInfo.php/nb/doc/1523>

*Additional resources can be found when browsing the Clearinghouse. From the left*

Findings from the original Cash & Counseling Demonstration and

*hand side menu bar choose topic, then select Consumer Direction. Next, if you would like to narrow your browse results, you can click on additional category value - - either state, source or type/tool.*

interactive data tool, videos featuring consumer success stories and state-by-state program information can be found on the [C&C website](#).

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