



Program Manual

ARKANSAS MEDICAID SELF-DIRECTED WITH SERVICE BUDGET PROGRAM

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Section One- Introduction

Self-Determination

Over the past 20 years, individuals with physical and intellectual and developmental disabilities and their families have been encouraged to take control of their lives and their care using a range of goal-setting, choices and decision-making opportunities under the philosophies of self-determination and self-direction. Through self-determination, individuals with disabilities are able to live at home and participate in their communities.

Self-determination is based on four basic principles:

1. Exercising the same rights as other citizens
2. Having the authority to control the funding needed for services and supports
3. Receiving support through an organization of resources, as determined by the person with the disability
4. Taking responsibility to use public dollars wisely

Self-Direction

In Arkansas, self-direction helps people—18 years or older with different disabilities— exercise more choice and control over their supports, live independently, and engage in their community. They choose the services and supports that they need most and receive them at home. People know their own needs better than anyone, so they can best decide how they would like to receive services. For decades, people all over the country have thrived with self-direction.

The two hallmarks of true self-direction are employer authority and budget authority, as described below.

Hallmarks of Self-Direction

Employer Authority	<ul style="list-style-type: none"> • Individuals choose their own workers • People have the right to hire, fire, schedule and supervise their workers • Services are not arranged by an agency
Budget Authority	<ul style="list-style-type: none"> • Individuals manage a specific allowance • Allowance can be used to employ workers or purchase approved goods (transportation, rehabilitation, assistive technology, ramps and other)

Self-direction provides many benefits to individuals, their families, and communities:

- Research shows that people who direct their own services report higher instances of having their needs met, higher satisfaction, and higher quality of services.

- Self-direction can support people to work and volunteer, leading to additional benefits for the individual and the community.
- Self-direction can minimize worker burnout
- Self-direction creates new opportunities within local communities to employ people who may otherwise not be employed.
- When people have the opportunity to direct their own budget, they can use that money to purchase goods and services within the local community.
- Self-direction can help ease financial burdens individuals face as workers.

Self-direction has other names: participant direction and consumer direction.

Financial Management Services (FMS)

Financial Management Services (FMS) helps families and program participants manage and distribute the funds of a participant-directed budget. The FMS agency pays participant workers by calculating and processing payroll, purchasing approved goods and services, and withholding, filing, and paying federal, state, and local taxes. The agency also tracks participant budgets and identifies instances where participants go over or under the budget.

Vendor Fiscal/Employer Agent (VF/EA) is a type of FMS. Under this model, companies like Palco become the accounting agent for the employer of record. This means that Palco assists with paying taxes, setting up workers' compensation insurance, and generating payroll, as required by Federal law (26 U.S.C. §3504 (Internal Revenue Code) and IRS Rev. Proc. 2013-39). For more information on the program setup, visit [Medicaid.gov](https://www.Medicaid.gov) and search for "Self-Directed Services."

Section Two- The Program

Program Overview

In Arkansas, the self-direction option is called the Independent Choices (IC), also known as the Self-Directed with Service Budget, or SDSB program. IC gives you flexibility in your daily routine, giving you the opportunity to take greater control of your life. The goal of IC is to:

- Increase your independence and self-sufficiency
- Improve the quality of attendant support you receive
- Enable you to have a more healthy and productive life
- Allow you greater flexibility and control in managing your support needs
- Places you in the role of making decisions about attendant support

On the IC program, you are the boss. As the boss, you have control of how your personal assistance services needs are met. When you choose to self-direct these supports, you are your worker's employer. You make the decisions of how things are done and who does them. You can recruit, hire, train, manage, supervise, and fire workers.

You receive a cash allowance for your personal assistance services and decide how it will be spent.

You may want to use your entire allowance to pay for a worker, or you may choose to use part of your allowance to purchase other items that support your care and independence.

Having more choice and control brings with it more responsibility. Having the choice to make decisions about your care and how services are provided is almost like running your own small business.

Program Eligibility

IndependentChoices(IC) is a service offered to adults 18 years or older who meet all the eligibility requirements for participation. One of the main responsibilities of participating in IC is complying with all program requirements, including maintaining your Medicaid eligibility.

IC is a Medicaid-funded program, so if you lose Medicaid funding, you will automatically be removed from the program.

Additionally, make sure you complete your annual re-assessment through DHS or its contractor. Always make sure that your representative is present when DHS or its contractor visits. If your authorized hours change after the assessment, please notify your worker immediately. The person you intend to hire as your worker cannot sign the assessment. **Unfortunately, Palco cannot help you receive additional hours during your assessment.**

Along with being removed for losing Medicaid eligibility or missing an assessment, it's also possible to be involuntarily removed for not complying with other program requirements, including the following examples:

1. **Not having a worker.** You must employ an active worker at all times in IC. It may be assumed that participants without a worker don't really need services and should subsequently be removed.
2. **Underutilizing your budget.** This happens when you are not using all of the funds that Medicaid has provided for you to pay your worker, such as your worker quits and you don't replace them. You receive additional hours as the result of a new assessment, but your worker doesn't turn in that additional time on the timesheet. Or, your worker works but for some reason no timesheets are sent in to Palco.
3. **Not meeting with the Palco Support Coordinator.** It's required that you be present for each scheduled counseling visit. If you miss two visits in 6 months, you could be removed. Sometimes, employers miss appointments because their contact information has changed. Remember, it is your responsibility to notify Palco with any changes to your phone number, mailing address, and physical address.
4. **Committing fraud.** Those who intentionally or unintentionally commit Medicaid fraud will be removed and will be turned over to the Office of Medicaid Inspector General for investigation.

5. **Extended placement in facility care.** The purpose of IC is to provide services inside your home and community. Extended stays in facilities (i.e., hospitalization, rehabilitation, nursing home, etc.) will result in removal from the program.
6. **Failure or inability to follow program guidelines.** Participation in this program means that you must be compliant with all program requirements, such as properly using your budget, notifying Palco of critical events and changes in your contact information, and other compliance issues.
7. **Situations in which your health, safety, and well-being are compromised by participation in the program.** If the program is a threat to your health, safety, or wellbeing, Palco will refer you to other services in order to ensure that your needs are being met safely.

To voluntarily stop receiving services, you will first need to contact Palco Customer Support. Your Palco Support Coordinator may then schedule a home visit to assist you with transitioning off of the program and to other services. If you are a waiver client, changes will not become effective until the following month. Before terminating self-directed supports, your Palco Support Coordinator will first assist you in understanding any issues and offering a corrective action or other supports, if needed.

DHS will send you a letter informing you of your loss of program services. It is important that you read the letter because it lists the date when your case becomes inactive and when your use of the budget must cease. If your worker continues to work after termination of services, you are responsible for paying your worker's wages from your own funds.

You have the right to appeal a decision regarding your removal from the program. Filing an appeal gives you the opportunity to have a decision reviewed. Follow the instructions in the letter received from DHS on how to file an appeal. Additionally, appeal forms are available in your local DHS county office. The date on the letter sent to you regarding disenrollment is the beginning date of the time during which you can file an appeal.

Enrolling on the Program

Palco will assist you with enrollment on the program. The following tasks must be completed before you will be provided with a program start date:

- ✓ The employer completes initial program training and orientation, as required by DHS, with a Palco Support Coordinator.
- ✓ The employer has completed an enrollment packet to enroll as an employer.
- ✓ The worker has completed an enrollment packet meant to establish their payroll information.
- ✓ The worker has submitted to and cleared a series of criminal and related background clearances.

Once these tasks are completed, Palco will request a program start date on your behalf. You can begin paying your worker once you receive a start date. DHS sets the start date, and it will be sent to you via e-mail. Always notify Palco of any changes in your address. In addition, always keep an email and a working telephone number, preferably with an answering machine or voicemail, so that we can contact you.

Section Three- Resources

Working with Palco

Palco, an Arkansas company, partners with the Department of Human Services to guide you through the details of directing your own care through IC.

Palco is an agent for the employer for participants who receive services through self- direction programs. This gives us authority to perform activities like calculating and processing payroll checks for the employer (or participant), and withholding, reporting, and paying of federal, state, and local taxes.

Palco provides you with a Support Coordinator, who helps you understand the program, stay compliant with program guidelines, and monitors your success as an employer.

<i>Support Coordinator Name</i>	<i>Phone Number</i>	<i>Email</i>

Palco Customer Support is available 8:00 a.m. to 4:30 p.m., CST, Monday through Friday, except on state holidays, to answer any questions you have about program requirements, timesheets, payroll, etc. To reach this staff, please call (501) 604-9936 or toll-free at 1- 866-710-0456 (TDD or TTY users, please dial 711 for Arkansas Relay Service). Please have your Palco ID available when you call. Any voicemails received after hours will be returned during business hours within 48 hours.

<i>Participant Name</i>	<i>Participant Palco ID</i>	<i>Employer Name</i>	<i>Employer Palco ID</i>

You may also email Palco at customerservice@palcofirst.com. We respond to all inquiries within 36 hours.

Authorized Representatives

An authorized representative is person who is your substitute decision maker, family member, or any other identified individual who willingly accepts responsibility for performing employer and budget management tasks that you may be unable or unwilling to perform yourself. Your authorized representative must show a strong personal commitment to you and be willing to follow your wishes and respect your preferences, while using sound judgment to act in your best interest. They must be:

- At least 18 years of age.
- Present and willing to participate in initial training and orientation by Palco Support Coordinators between regular business hours.
- Not convicted of Medicaid fraud or any crime involving abuse or exploitation.
- Understand that they cannot be compensated for serving in this role.

Your representative cannot also be your paid worker. If your authorized representative signed your DHS assessment, he or she cannot become the worker for one year following the date of the assessment. This is a State rule.

Your authorized representative must serve as your common law employer. If you choose for them not to fulfill this role, they must serve as an authorized user by completing an Authorized User Designation form. Sometimes, DHS will mandate an authorized representative for you. In those cases, you must comply until a reassessment is done.

To establish or change an authorized representative:

- Meet with your Palco Support Coordinator to ensure that an authorized representative is a good idea for you.
- Determine a good candidate for this role. Your Palco Support Coordinator can assist you.
- Complete and submit the Designation of Surrogate Employer form in your packet.
- Ensure that the authorized representative completes the required program orientation and training with the Palco Support Coordinator.

You are limited to **two** changes in authorized representative per year. Before changing an authorized representative, always discuss with your Palco Support Coordinator.

The Employer Guide

This guide includes a lot of useful information and helpful tips and advice for you to refer to in one user-friendly place. Your Palco Support Coordinator will review the information included in this guide when he/she conducts your orientation and training when you enroll in the program and also will refer to it when issues arise. Please review the information included carefully.

When information in the Employer Guide is revised due to changes in state and federal requirements, your Support Coordinator will provide you with the updated information in a format that can be inserted into your copy of the Guide. In addition, a copy of the most updated Employer Guide will be available at palcofirst.com.

Feel free to share this manual with family and friends interested in learning more about IC. We encourage you to make the most of your choice and resources. If we can make your enrollment more satisfactory, please let us know. We look forward to serving you!

Receiving Additional Information

Self-direction does not mean doing things all by yourself. Palco Customer Support staff and your Palco Support Coordinator and written materials such as this Employer Guide are available to support you along the way. They can be obtained from your Palco Support Coordinator or at palcofirst.com. Contact us if you need this Employer Guide in an alternate format, such as large print or in another language.

Your Support Coordinator is your first stop to answer any additional questions you may have. They will meet with you on a regular basis to discuss questions. If you are enrolled in the ARChoices waiver, depending on the issue, your Support Coordinator may refer you to your case manager, DHS, or others.

Your Palco Support Coordinator will conduct in-person orientation and training with you prior to enrollment. Your Palco Support Coordinator is also required by DHS to make regular visits. This is an excellent time to request additional training, orientation, information, or assistance. In between Support Coordinator visits, should you need additional assistance, please contact Palco Customer Support.

Surveys

Palco sends annual surveys to all employers and workers. Please be sure to complete these, as they help us improve our services. You may complete these anonymously online. Palco reviews all survey results, and management determines ways to improve our services based on your responses. Please note that if you report specific issues anonymously, we may be unable to resolve them.

Complaints

If you have a complaint, there are a variety of options available to you to try to resolve it:

- Contact Palco Customer Support and report your complaint.
- Email info@palcofirst.com and explain your complaint.
- Mail or fax a description of the issue to Palco.
- Speak to your Palco Support Coordinator.

Palco will contact you within five (5) business days of receiving the complaint.

Terms and Definitions

While reading through this guide, you may come across some terms that you are not familiar with. In addition, contact your Palco Support Coordinator if you have any questions about the information included in this material.

Assessment — An assessment determines a participant's needs and functional requirements.

Authorized User — An individual designated by you or your legal guardian to receive your Protected Health Information and communicate with Palco on your behalf.

Budget — Medicaid funds set aside for your biweekly (14 days) attendant support and other goods and services.

Employer — The individual responsible for hiring, training, supervising, and terminating the worker.

Participant — The individual receiving self-directed supports.

Representative — An individual designated by you, your legal guardian or, if required by your doctor, if appropriate, who helps administer and manage the program. Your authorized representative must serve as your common law employer.

Support Coordinator — Individual employed by Palco who assists the participant and employer with understanding and fulfilling some of the requirements of program participation, helps the employer complete paperwork, and assists with establishing a self-directed budget.

Surrogate Employer — An individual designated by you or your legal guardian to act as the employer of your worker. This individual is responsible for performing all state, federal, and program requirements associated with employment of workers.

Taxes — Required deductions from your allocation that must be paid on behalf of employees include FICA (Federal Insurance Contribution Act), FUTA (Federal Unemployment Tax Act), and SUTA (State Unemployment Tax Act).

Worker — A person who provides attendant support services to you and serves as your employee. This person is also referred to as your employee.

Section Four- Roles, Rights, & Responsibilities

Participant Rights

As a participant on a self-directed program, you have the right to make decisions about your care. We are here to help support your rights to:

- Live independently in your home.
- Make your own decisions regarding how your personal care needs are met.
- Have flexibility of when and how services are provided.
- Hire, train, and supervise your worker.
- Administer your finances and how you spend your funds.
- Choose the person you want to hire to provide your attendant support.
- Decide what special knowledge and skills, the person has,
- Train attendants to meet your needs.
- Designate an "authorized representative" to help you.
- Dismiss workers who do not meet your needs.
- Request a budget adjustment if your needs have changed.

Participant/Employer Responsibilities

When you enroll in the program, there are various responsibilities associated with participation. Additionally, you or the individual you choose are considered the common law employer of the worker hired to provide your services. As such, you are required to perform the following functions:

Enrollment	<ul style="list-style-type: none"> • Maintain program eligibility through your DHS County Office. • Complete the employer tax and authorization forms and an employee packet that Palco provides to you. • Complete new employer training and orientation with your Palco Support Coordination scheduled Monday-Friday 8am-5pm
Training	<ul style="list-style-type: none"> • Be at home for scheduled visits with your Palco Support Coordinator. • Answer all of your Palco Support Coordinator's questions accurately. • Submit to proper orientation and training. • Prepare and test an emergency backup plan.
Being an Employer	<ul style="list-style-type: none"> • Hire and manage workers to provide your services and supports. • Comply with federal and state labor laws regarding domestic employment, including setting appropriate wage ranges. • Submit accurate timesheets for the work your worker performs. • Establish a backup worker for times your worker is not available.

Managing a Budget	<ul style="list-style-type: none"> • Purchase/Schedule only the goods and services listed in your budget. • Be accountable for your spending. • Keeping accurate records of program activity.
Compliance	<ul style="list-style-type: none"> • Report to Palco all the following: <ul style="list-style-type: none"> ○ Change of address or phone number ○ Change in worker ○ Change in worker overtime exemption status ○ Change in representative ○ Critical events or changes in health or service needs ○ Admission to and discharge from a rehabilitation facility, hospital, or nursing home ○ Any threat to your health, safety, or well-being ○ Any events that cause you to be out of the home for more than thirty days ○ Any acts that you intentionally or unintentionally committed that may be in violation of Medicaid law or IC policy.

Remember, we are here to help you. Please let us know if you need assistance.

Palco Privacy Practices and Use of PHI

The Health Insurance Portability and Accountability Act (HIPAA) is a federal law establishing common standards for the privacy and security of health information. Palco ensures the confidentiality of your records in accordance with federal and state laws and regulations. For this reason, Palco cannot discuss your health information with your worker or any other individual who is not your representative.

The only individual who is allowed access to some of your health information is your representative, your Support Coordinator and Palco representatives who are working on your account. No information regarding you will be disclosed, directly or indirectly, except for purposes directly connected with the operation of the IC program.

If you would like Palco to disclose information to a third party, please inform us by completing an Authorized User Designation form. We may need to contact you for more details in such cases.

If you see or know about a possible breach of confidential information, report it as soon as possible. Please call Palco customer service and speak with our Privacy Officer or email privacy@palcofirst.com. Explain the potential breach so that the officer can promptly open an investigation and remediate any breaches.

Section Five- Being a Common Law Employer

Being a Common Law Employer

When you enroll in the IC program, you or the individual you designate (surrogate employer) is the common law employer of the worker you hire to provide your self-directed supports. You are required to perform employer-related tasks for your worker, and you will receive supports, as needed, from Palco. Palco supports your use of self-direction; **however, we are not employers of your worker.**

The common law employer has many responsibilities, including:

- Receiving initial orientation and training from your Support Coordinator on the requirements of the program; using self-direction; being the common law employer of and hiring, training, supervising, evaluating performance and firing your workers); problem solving; and rights and responsibilities.
- Working with your Support Coordinator to develop, implement and monitor your person-centered plan that includes self-directed supports.
- Working with your Support Coordinator to develop, implement and monitor your budget.
- Receiving additional training, requested or required.
- Completing the Employer Packet.
- Arranging to get the self-directed supports you need with assistance from your Support Coordinator.
- Working with your workers to complete the Employment Packet.
- Determining how much your worker will be paid.
- Developing an Emergency Backup Plan for your self-directed supports with your Support Coordinator and monitoring its effectiveness and updating it, as necessary.
- Hiring, training, scheduling, supervising, evaluating performance, and firing, as necessary, your primary and emergency backup worker.
- Activating your Emergency Backup Plan when your regularly scheduled worker does not report for work for any reason.
- Reviewing, signing and submitting the timesheets for your workers.
- Addressing problems or concerns with your worker's performance.
- Identifying and engaging vendors to provide your individual-directed goods and services included in your person-centered plan and budget.
- Following all program requirements.
- Following and monitoring your person-centered budget and being accountable for your use of budget funds.
- Reporting any incidents of abuse, neglect and/or exploitation to Palco.
- Keeping required records in a safe and secure place.
- Letting someone know if you need help. Work with Palco to successfully complete your required tasks.

If you do not feel you can perform the tasks listed above, you may want to consider designating a trusted individual to be your authorized representative and act as a surrogate employer. In this

role, the individual must agree to be the common law employer of your worker and perform the employer-related tasks on your behalf.

Enrollment Orientation and Training

All employers are required to undergo orientation and training with the Palco Support Coordinator. The purpose of the training is to ensure that program responsibilities will be fulfilled, set up a budget, complete required paperwork, establish a backup plan, complete required fraud and compliance training, and more. The worker cannot be paid until this training is complete. Palco will then request a start date from DHS, which will be provided to the employer.

Make sure that you complete this training with the Palco Support Coordinator and that you are able to be contacted to establish all visits. Failure to show up at visits, or frequently cancelling visits, may result in your inability to enroll on the program.

Completing the Employer Enrollment Packet

Your Palco Support Coordinator will assist you with completing all required employer enrollment forms. This begins with an intake process where we obtain important demographic information about you, such as your name, Social Security Number, address, and contact information. Then, the following employer forms must be completed:

- ✓ **Employer Responsibilities & Attestation.** This form describes the role and responsibilities of the employer and includes important information for fulfilling that role.
- ✓ **Employer Authorization Agreement.** This form outlines Palco's responsibilities as the Fiscal/Employer Agent and allows us to provide certain payroll and employment tax reporting on your behalf.
- ✓ **IRS Form SS-4, Application for Employer Identification Number.** This form grants Palco the ability to obtain a federal employer identification number (FEIN) with the Internal Revenue Service (IRS) on your behalf. If you already have a FEIN, please notify your Support Coordinator.
- ✓ **IRS Form 2678, Employer/Payer Appointment of Agent.** This form allows Palco to act as your agent for the limited purposes of paying employment payroll taxes for the worker.
- ✓ **IRS Form 8821, Tax Information Authorization.** This form allows Palco to speak with the IRS on your behalf with regard to issues paying your worker.

Section Six- Developing the Individual Budget

Individual Budget Overview

Medicaid provides a budget that is used to pay your worker and reimburse the purchase of allowable goods and services. The amount of funding available to you is determined by your assessment through DHS or its contractor.

In IC, you have budget authority. That means you decide how your cash allowance is spent on your personal needs. Together, you and your Palco Support Coordinator will develop a budget, also known as a Cash Expenditure Plan (CEP), which is a blueprint for how you would like to spend your allowance. Palco is there to help you understand the components of the budget, what is available to you per the rules of the program / interpreting the Medicaid guidelines, and helping you with the calculations where it involves the tax rates you must pay as an employer. Palco will send you a copy of your budget for you to keep for your records. Palco can only process and pay out items allowed in your budget.

Developing the Budget

Your Palco Support Coordinator will assist you in developing the budget using person- centered planning tools that address your preferences, choices, and abilities. Your circle of support may also be available to assist you in this process.

In order to formulate your budget and create a schedule for your worker, you first need to identify your needs and goals and decide how you want those needs and goals to be met. First, consider your general life and health goals. Secondly, document your plan for reaching these goals. Finally, determine how the services available under the program can help reach these goals.

A helpful tool is a task grid. This helps you notate the tasks that need to be performed, how long they may take to perform, and frequently they should be completed. Use the sample below to help you complete your task grid. Please note there are several ways to complete this. Choose the method that works best for you.

Task	Sun.	Mon.	Tues.	Weds.	Thurs.	Fri.	Sat.
<i>Example Task 1</i>	1.5 hours	0.5 hours	None	2.5 hours	None	1.0 hours	0.75 hours
<i>Example Task 2</i>	Twice	Morning	Night	None	3 times	Night	Morning
<i>Example Task 3</i>	7 am – 9 am	None	6 pm – 11 pm	Noon – 1 pm	6 am – 8:30 am	None	3 pm – 5 pm
Bathing							
Skin/hair care							
Toileting							
Other hygiene							
Dressing							
Feeding							
Ambulation							

Transfers							
Positioning							
Medication assistance							
Meal preparation							
Light housework							
Other: _____							

As you create your task grid, make sure that the activities include all necessary safeguards to protect your health and welfare, including planning for emergencies.

When you are developing your person-centered budget, you also will prepare a Risk Mitigation Plan. Your Palco Support Coordinator will assist you in monitoring the effectiveness of your Risk Mitigation Plan, identifying any new potential risks and strategies to address them, and modifying the plan accordingly.

Allowable Services

Each budget allows three available services: direct services, other goods and services, and savings.

Direct Care

Direct services are tasks performed by your directly hired worker. There are two kinds of direct service offered under IC: personal care and attendant care. The services available to you are determined by your eligibility and the assessment done by DHS.

- **Personal Care** is a direct service available to assist you with activities of daily living (ADLs), routine self-care activities, such as the following:
 - Eating
 - Bathing
 - Dressing
 - Personal hygiene, including oral, hair, nail, and skin care.
 - Toileting, including care for enema and/or catheter receptacles, application of diapers, cleaning, and related activities.
 - Mobility, ambulation, and mastering adaptive aids and equipment.
 - Certain other care, such as assistance with prosthetic devices and vision/hearing aids, promoting circulation, repositioning, range of motion exercises, administering oxygen, setting up respiration machines.

- **Attendant Care** is a direct service intended to reduce or prevent inappropriate institutionalization by maintaining, strengthening or restoring functioning in the home or community. Attendant care allows assistance with ADLs, instrumental activities of daily living (IADLs) and health-related tasks through hands-on assistance, supervision and/or cueing.
 - IADLs enhance the quality of life but are not necessary self-care activities. They

include:

- Meal planning and preparation
- Managing finances
- Laundry
- Shopping and errands
- Communication
- Traveling and participation in the community
- Housekeeping
- Assistance with medications to the extent permitted by nursing scope of practice laws.
- Hands-on assistance, supervision and/or cueing includes:
 - A worker physically performing all or part of an activity because the individual is unable to do so.
 - Getting personal effects, supplies, or equipment ready so that an individual can perform an activity.
 - Observing and redirection, including giving verbal or visual clues and encouragement, standby, and support.
 - Memory care support.

See below for a summary of each service. If you are unsure of whether a service qualifies as personal or attendant care, talk to your Palco Support Coordinator.

	TASK	PERSONAL CARE	ATTENDANT CARE
ADL ACTIVITIES	Eating	.	.
	Bathing	.	.
	Dressing	.	.
	Personal hygiene	.	.
	Toileting	.	.
	Mobility and ambulation	.	.
	Certain other care	.	.
IADL ACTIVITIES	Meal planning and preparation		.
	Managing finances		.
	Laundry		.
	Shopping and errands		.
	Communication		.
	Traveling and participation in the community		.
	Housekeeping		.
	Assistance with medications		.
HANDS-ON ASSISTANCE, SUPERVISION AND/OR CUEING			.

Other Goods and Services

You have the option to use your funds to purchase other goods and services, which allow you to decrease your need for human assistance and increase your independence. Typically, these items are set up on a recurring basis and must be used in the period for which they are allocated.

Some examples of other goods and services you can purchase include medically related transportation not provided through the Non-Emergency Transportation (NET) Waiver; over-the-counter or prescription medications not covered by insurance, Medicaid, or Medicare Part D; purchase or rental of adaptive equipment; communication devices; home modifications; emergency food, clothing, pest control, housing, or utilities; safety devices; technology; environmental equipment; education; and, service animal purchase and maintenance. Palco will pay the vendor of these items directly.

You may also use discretionary cash to purchase personal hygiene items. These items must be paid out of pocket first. Receipts are then submitted to Palco, who will reimburse qualifying items. All reimbursements are paid via Direct Deposit so you must ensure you have that set up. To submit your request, you can email the forms and supporting documents to accounting@palcofirst.com. Other items may be approved at the approval of DHS. Palco will obtain approval from DHS on your behalf.

Savings

You have the option to set aside some of your funds to save up for a more expensive good or service. Such items are listed above. Your Palco Support Coordinator will assist you in setting up your budget to allow savings for these items and will coordinate the approval of these purchases with DHS on your behalf.

Amount Available

DHS sends Palco a total amount for your budget. This amount is derived from your assessment and is the total amount that is available for you to spend each biweekly period. Your Palco Support Coordinator will assist you with turning this amount into a budget.

The IC program is supported by state and federal funds. These funds are used to pay for specific services. The IC program cannot pay for all things that are necessary for someone to live independently in his/her home; **it can only pay for the amounts approved in your budget.** Palco cannot pay for hours that exceed the DHS approved budget as that would be considered Medicaid fraud.

Certain circumstances may impact how much is available in your budget for a particular period. If you enter a facility or lose eligibility, your budget will be adjusted pro rata for that period. For example, if you lose eligibility for 7 days in a biweekly (14 day) period, then your budget will be 50% for that period, as 7 of the 14 days will be adjusted off. The only exception is that for hospital admissions, both the date of admission and the date of discharge are payable to your worker.

Wages

Once you determine how many hours you need your worker per week, you can determine how much to pay them per hour. The U.S. Department of Labor (DOL) and the IRS both require that workers on self-directed programs be treated as employees and not independent contractors. This means that you have to adhere to the following:

1. All workers must be paid minimum wage.
2. Workers must generally be paid overtime (time and a half) for all services provided over 40 per week, except when the worker lives in their employer’s home, per the Department of Labor Home Care Rule. Live-in means permanently or for an extended period of time (or five days per week). Per DHS, if your assessment determines you need more than 40 hours per week, you must have at least two workers.

Taxes

As an employer on a self-directed program, you are required to pay employment taxes on your worker. Taxes are computed as a percentage of your worker’s hourly rate, multiplied by the number of hours they worked. These taxes are:

- **FICA.** FICA includes both Social Security (6.2%) and Medicare (1.45%) taxes. This rate is set by the federal government for all employers and cannot be changed.
- **FUTA.** The federal unemployment tax rate is 0.6% for employers. This rate is set by the federal government for all Arkansas employers and cannot be changed.
- **SUTA.** The state unemployment tax rate is set by the Arkansas Department of Workforce Service (DWS) and is unique to all employers. Typically, new employers are set up with a SUTA rate of 3.20%. However, the rate can increase or decrease depending on how many unemployment claims are made on your account, how much turnover you have in workers, and the dollar amount of wages you pay. High claims, turnover, and wages can result in high rates. DWS updates this rate annually. As a result, your budget must change annually.

You need to leave some room in your budget to pay these taxes. For example, if your worker makes \$10 per hour and works 12 hours this week, taxes would be figured on \$120. If your total tax rate is 10%, this means that the actual cost to you is \$132 ($\$120 + (10\% \times \$120)$). Use the template below to compute what your tax rate is and how this changes the cost per hour of your service.

Step One: Tax Rate	
<i>Add together FICA, FUTA and SUTA to determine your total tax rate.</i>	
FICA	7.65%
FUTA	0.60%
SUTA	 %

Your Total Tax Rate (A) _____%

Step Two: Employer Cost Per Hour				
Attendant Hourly Rate	<i>Multiply</i>	Your Total Tax Rate (A)	Equals	Your Cost Per Hour
	X		=	

Step Three: Budget Cost				
Your Cost Per Hour	<i>Multiply</i>	Number of Hours Worked (two weeks)	Equals	Your Cost Per Hour
	X		=	

Remainder

After determining the amount needed to pay your worker, the remainder can be allocated for other goods and services or savings. Palco is legally required to refund any remaining, unspent balances to Medicaid after one year (or 45 days past your program closure date), unless the amount is allocated for savings. Please note that you cannot save to avoid returning funds to Medicaid; an identified item must be established at the time the savings is set up in order to accrue funds for savings.

Modifying the Budget

You may need to modify your budget due to a change in your worker, needs, goals, or health status. Anytime you would like to modify your budget, contact Palco Customer Support to arrange a visit with your Palco Support Coordinator or, you can discuss with your Palco Support Coordinator at your next scheduled visit. Please note that we can only change the allocation within the same amount of funds you already receive. If you need a change in your total funds, you will need a new assessment from DHS or its contractor.

At minimum, you will receive a reassessment annually. If your budget changes, your Palco Support Coordinator will assist you with changing your budget. All budget modifications must be approved. Please allow three (3) days for modifications to be approved. After this date, the budget change will become effective on the following service period.

Monitoring Spending

You must monitor your spending based on your budget. Your Palco Support Coordinator will review spending information with you during monitoring visits. In addition, you may call Palco Customer Support and request spending information anytime. It is your responsibility to track your expenditures. Continued over- or under-spending may result in termination from the program, and in some cases, referral to the Office of Medicaid Inspector General.

Section Seven- Hiring and Managing Workers

As the common law employer of your workers, you or your authorized representative are responsible for recruiting, hiring, supervising, evaluating and firing, when necessary, the workers that provide your self-directed support services.

Roles and Responsibilities of the Workers

As your employee, your worker is required to do the following:

- Complete new hire paperwork and submit to background screening.
- Perform the tasks asked of him or her, including tasks outside of the home when approved by DHS.
- Adhere to the schedule you set.
- Notify you when he or she is unable to be present for the shift scheduled.
- Submit timesheets and payment requests accurately and on time.
- Follow all program rules.

Worker Qualifications

To deliver services under IC, DHS requires that all workers meet the following qualifications:

- Be age 18 years or older.
- Be US citizen or legal alien with approval to work in the U.S.
- Have a valid Social Security number.
- Pass a criminal background check (including identity verification and fingerprinting, when required) prior to employment and every three years thereafter.
- Not appear on the Medicaid Excluded Providers Registry.
- Not appear on the Arkansas Child Maltreatment Registry.
- Not appear on the Arkansas Adult Maltreatment Registry.
- Must be able to perform the essential job functions required.

The following individuals cannot be a worker for the participant, per DHS:

- An individual who is considered legally responsible for the client, such as a guardian, power of attorney or payee for Social Security disability check.
- A spouse of the participant.
- A worker, who is not related by blood or marriage to the participant, and who owns the home that the participant lives in.
- Individual who signs the DHS assessment.
- Emergency contact person.

You may hire friends and family members or someone you don't know as your worker— however, everyone must meet the requirements described above.

Recruiting and Hiring Workers

Decide how many workers you need. One worker doing all the work will likely lead to burnout. With several workers, you have more choices in scheduling, and you have more options for backup and emergencies.

Determining Needs

Before you can hire a worker, first identify your needs and how you want your worker to meet those needs. Here are some questions to ask yourself:

- What do I need my worker to do?
- How and on what day and time do I want my services provided?
- Do I need more than one person to help me?
- Do I need different people to help me with different things?
- Do I want to hire a full-time or part-time worker?
- Does the person who helps me need to have his/her own car?
- What do I want the people who help me know about me?
- Do I want the people who help me to be friends, neighbors, family members or a person who I do not know and that I recruit and hire?
- What special skills are required for this job?
- How much am I willing to pay for the help I need?

Once you know what type(s) of person(s) you want to hire to help you, you have to start the worker recruitment and hiring process.

Job Descriptions

Before you start looking for a worker, write a job description—even if you are planning to hire a friend or family member. This will help the applicant know what is expected of him or her and will help you monitor their performance.

A job description should include a summary of the job, required qualifications and criteria the person must meet, specific information on how you want the job done, and the number of hours and days and times you need help. You may want to have the worker you hire sign a copy of the job description and store it in a safe place.

Recruiting, Screening, and Interviewing Workers

If you don't know who to hire, you can post to boards at community organizations, your place of worship, employment agencies, or local colleges or universities. You can also place ads in local newspapers. Your Palco Support Coordinator can assist you with writing and posting any ads. For your safety, be careful not to include any overly identifying information in any ads.

Once you find a candidate, it may be beneficial to conduct a phone screening before setting up an in-person interview. Make sure to prepare your interview questions ahead of time.

During the interview:

- Ensure that all candidates can meet the requirements and qualifications of IC workers.
- Ask only job-related questions.

- Review the job description with the candidate and ensure that it is something they are interested in and can perform.
- Find out about the candidate's skills and abilities.
- Ensure that the candidate is reliable and will be able to make his or her shifts.
- Try to find out if the candidate's communication style will work for you.
- Look for any red flags that might cause an issue if employed.

As an employer, you must be fair to each applicant. So, there are certain questions you should not ask during a screening or interview, nor use as reasons to hire or not to hire someone. It is against the law to not hire a person for any of the following reasons:

- Marital or Parental Status
- National Origin or Native Language
- Age
- Religion, Schools, and Organizations
- Criminal Record
- Discharge from Military Service
- Race
- Disabilities and Health Problems
- Gender

After the interview, evaluate the applicant's answers to the questions and check references on applicants you might like to hire. Reference checks can provide useful information about the candidate. Use the same questions for each reference so you can have a basis for comparison. Trust your own initial instincts in making decisions about candidates.

Once you've interviewed and evaluated your applicants and checked references, it is time to offer them the job at the rate you established in your budget. If they accept, they must complete a packet to obtain the requisite payroll information.

New Hire Packet

Palco has certain paperwork we are required to collect for every worker you choose to hire. You Palco Enrollment Coordinator can provide you the necessary State and Federal forms and answer any questions, it is ultimately your responsibility as the legal employer of record to review the forms and ensure they are accurate and true to the best of your knowledge. The packet provided on behalf of the employer by Palco begins with an intake process where we obtain important demographic information about the worker, such as your name, Social Security Number, address, and contact information. Then, the following worker forms must be completed:

- ✓ **Worker Information and Qualification.** This form describes the roles and responsibilities of the worker as it pertains to the self-directed program.
- ✓ **U.S. CIS Form I-9.** This form is required of all workers in the United States in order to verify that the applicant worker can be legally employed. Forms are required to be submitted with the appropriate documentation.
- ✓ **Payroll Information Worksheet.** This form is used to determine any payroll tax or

overtime exemptions the worker qualifies for in order for Palco to calculate the proper payroll amounts for the worker.

- ✓ **IRS Form W-4.** This form tells Palco how the worker would like federal income tax withheld from his or her paycheck.
- ✓ **Arkansas Form AR4EC.** This form tells Palco how the worker would like state income tax withheld from his or her paycheck.
- ✓ **Direct Deposit Authorization Agreement.** This form allows Palco to deposit the worker's payroll funds to a bank account.

Do not forget to submit the appropriate documentation with your packet, such as direct deposit attachments, copy of the Social Security Card, and I-9 required documentation.

In addition, DHS requires that the worker complete a separate packet containing forms for criminal background checks and checks with the Adult and Child Maltreatment Registries. Follow the instructions in that packet to submit the documents to the appropriate parties. The worker is required to pay for the cost of the checks out of his or her own funds.

If the worker clears the background check, he or she will be notified by Palco. If the worker does not clear the check, a notice from DHS will be provided in the mail. Your Support Coordinator can assist you with any questions about the new hire packet or criminal background check process.

Training the Worker

It is important that you train your attendants properly. Proper training allows attendants to provide you with quality support.

You or your authorized representative must develop your worker's schedule based on the number of hours of hours authorized in your budget. It is your responsibility to make sure your hours are received. Workers work for you. Workers who do not have a good understanding of the IC program may think that the authorized hours "belong" to them. If this is the case, you should explain that the worker is your employee and that all service hours belong to you to make sure your needs are met.

Base your worker's work schedule on when your care must be provided. A monthly calendar in a place visible to both you and the worker is an excellent way to document your worker's schedule.

To make sure that your worker provides your care in a way that meets your wants and needs, you need to provide a training and orientation. You are the boss; you direct how services are performed. The training must be delivered in a way that fulfills both your and the worker's personal, cultural, and/or religious preferences.

During training, be patient, communicate clearly, encourage questions, and be assertive about exactly what you want and when. Describe acceptable and unacceptable performance. Explain any medical conditions you have, and provide specific training on any equipment, as well as how

to maintain it. Consider any specific information that should be communicated to your worker, such as:

- Allergies or special dietary concerns and how you would like these handled.
- Procedures for using special medical equipment.
- A list of medications, dosages, and a schedule for administering the medicine.
- Infections or contagious diseases that you or the worker has and how you intend to limit exposure to such diseases.
- Where you keep information needed to protect you in case of emergency (e.g., medical and emergency contacts, how to get out of the house in an emergency)

Finally, the training should include how to submit time to be paid, how you approve the time that is submitted, how they are paid, universal precautions (e.g., handwashing), and the importance of reporting suspected fraud, waste, abuse, and any critical incidents to Palco.

Lastly, before they begin working, make sure they review their tasks and understand their job duties and how they relate to your needs and goals described in your budget.

Supervising the Worker

An important task as the common law employer is to supervise your workers. Being a good supervisor will help your workers do their best, maintain a good attitude, retain employment with you, and continue to be satisfied with their job. When supervising your workers:

- ✓ Be clear and respectful—remember that workers are people.
- ✓ Be patient—everyone learns at their own speed.
- ✓ Be quick to praise for a job well done or correct when a mistake is made—remember to correct the mistake not the person.

Having good communication between you and your worker is very important. Effectively communicating with your worker will help reduce the number of conflicts or issues that may arise. Effective communication involves listening, giving your full attention to the other party, reiterating what was said, and noticing nonverbal communication, such as body language.

As a common law employer, you or your authorized representative are the leaders in creating a positive work environment in your home and for managing workplace conflicts and related issues. Positive working relationships don't happen by chance. It takes a lot of work and effort on the part of everyone to make a work environment peaceful and pleasant.

It is important that you and your worker establish trust. Trust between an employer and an employee develops gradually in any setting. In your home, you can develop trust and help your worker respect your privacy and your belongings by clearly defining boundaries for acceptable behavior and by limiting the worker's access to private papers and storage areas within your home.

While supervising your worker, it is important to give positive and constructive feedback, so they know how

well they are performing their job. Remember, you are responsible for managing the tasks performed by your worker. If something goes wrong or you are not happy with the way things are being done, it is up to you or your authorized representative to fix it or change it.

Although you supervise your attendants daily, you should still schedule regular evaluations. You can set aside some time every so often to review their performance, hear their feedback and suggestions and confirm the schedule. This allows both you and your attendants to maintain clear lines of communication.

Using a formal evaluation also allows you to reinforce the attendant's hiring agreement and your expectations. Keep copies of all evaluations. If the evaluation includes unsatisfactory performance, put in place a corrective action plan. If you are having problems with an attendant, it can be helpful to review past evaluations as you consider whether to keep them.

Conflicts are a natural part of establishing and building a relationship. Be prepared to deal with problems as they come up. Remember to manage your emotions so things do not get worse than they should be. If a conflict arises, be prepared to problem-solve by:

- Identifying and defining the problem
- Identifying and selecting a solution
- Discussing the problem and solution with your worker
- Planning and evaluating follow-up activities.

You can always talk things over and get advice from your Palco Support Coordinator on how to resolve a situation or if you think you need to dismiss a worker.

Dismissing Workers

As the common law employer, you or your authorized representative may dismiss your worker directly. The decision to replace a worker should be considered carefully. It can be difficult and often unpleasant to dismiss a worker and often hard work to find and train a new worker.

Be sure to follow the steps below when terminating a worker:

- Complete a Change/Termination Form and submit it Palco within 24 hours of the termination. This is solely so that we can ensure no payroll is issued post-termination. Your Palco Support Coordinator will assist you with determining how you will meet your services needs in the short term (i.e., emergency back-up plan) and methods for replacing the worker.
- Discuss the final timesheet and payment.
- Respectfully terminate the worker. Do not argue with them. Have others present at the termination, as appropriate.
- Initiate your backup plan.

Section Eight- Payroll

Timesheets

To be paid, you must submit timesheets to Palco by the deadline. Payroll is biweekly, with timesheets due by noon every other Thursday, and payroll falling the following Wednesday after timesheets are due. Timesheets submitted after the deadline will not be paid until the following payroll. A copy of the schedule is at www.palcofirst.com

As an employer, you are responsible for the following:

- Ensuring the work performed is only the amount allocated in the budget.
- Ensuring your workers comply with and use Electronic Visit Verification (EVV).
- The hours reported were actually worked by the worker.
- All timesheets are completed accurately and submitted on time.
- As the supervisor, you approve your worker's time on the timesheet.
- Ensure that two workers do not overlap time worked for you.
- Ensure that a worker performing two different service hours do not overlap time workers on each service type.
- Not duplicating timesheets (e.g., making copies of pre-filled paper timesheets).
- Ensuring both you and your workers review and approve your time in the Connect portal at the end of the pay period, by the deadline.

Electronic Visit Verification (EVV)

Electronic Visit Verification (EVV) is a system which electronically verifies that home or community-based service visits occur by capturing and documenting six points of data:

- Type of service performed
- Individual receiving services
- Individual providing services
- Date of the service
- Location of the service
- Time services begins and ends

EVV is a federal mandate under the 21st Century Cures Act that requires compliance by Medicaid agencies by January 1st 2020. Your workers have two options for using EVV. They may clock in and out using the AuthentiCare mobile app via their smart phone/device or they can clock in and out using Telephony by calling a toll-free number and following the prompts. You will indicate your preference during the enrollment process with your Palco Enrollment Coordinator.

Information on each method including user guides with images can be found on the Palco website. www.palcofirst.com/arkansas Once time is captured using EVV, both the Worker and Employer must approve the time at the end of the pay period to submit it to Palco. All approvals take place in the Palco Connect portal which is an online website which can be access from any computer or smart phone browser. Connect is also the place where edits and manual entries can be made. For example, if a worker forgot to

clock in and needed to correct the time entry to reflect the correct time they started their shift, they can do this in Connect.

All time entries go through an approval process to ensure everyone is in agreement and ensure the legal employer of record (the Participant/representative) has approved it.

Here is how the time flows:

1. Worker clocks in/out using EVV
2. Time is transferred into Palco Connect in an "Open" status under the Worker
3. Worker logs in to review the time, makes any necessary edits/additions and submits the time to the Employer
4. Employer logs in to review the time sheet and either approves or rejects the time
 - a. Rejections are returned to the worker to correct and resubmit
5. Employer approved timesheets are submitted to Palco for processing
6. Palco runs validations and completes budget checks to determine payments based on program rules
 - a. Palco may need to reject a shift/timesheet that is not payable and requires corrections by the worker/employer.
7. Payment is issued on pay day following the published payroll schedule

More details on this process can be found in the Connect for EVV User Guide located on the Palco website.

Connect Registration

To complete timesheets online, login to <https://connect.palcofirst.com> using your unique username and password. You can register for Connect by using the unique link provided to you in your "good-to-go" email from Palco at the completion of enrollment or by visiting the registration page at, https://connect.palcofirst.com/#/registration/data_verification. You will need to know your Palco ID number and the last 4 of your social security number to register. All employers and workers must have their own Connect account for the review and approval of timesheets.

Rejections and Resubmissions

If one of the parties (either worker or employer) rejects the timesheet, or the timesheet does not pass a critical check, Palco is unable to process it for payment, per the guidelines we are required to operate under. Timesheets are checked against budgets, active statuses, service type and other information to ensure that they are payable. Paper timesheets undergo additional scrutiny for errors and to ensure there is no fraudulent submissions.

If a timesheet has been rejected, review the submission for errors and resubmit timely. If the timesheet is resubmitted before the timesheet deadline, it will be processed with the current payroll. For assistance, call Palco Customer Support or discuss the issues with your Palco Support Coordinator. Repeated failure to submit accurate timesheets will result in additional training.

The IC program will not pay for time your worker works that exceeds time authorized in your budget. If the worker works more than the hours on your budget, Palco will pay up to the budget limit, and you are responsible for paying the extra hours out of your private funds. Per DHS, if your assessment determines you need more than 40 hours per week, you must have at least two workers. Your budget will not allow for overtime wages and any overtime wages owed must come out of your private funds.

Paychecks

Palco processes payroll. All payments to workers are sent by direct deposit. Payday is the following Wednesday after timesheets are due and any time not approved by the deadline will be processed and paid on the next following pay day. In order for your worker to receive funds on time, make sure that Palco has up-to-date direct deposit information on file for your worker. Depending on your bank, allow 48 hours for the funds to show up in your account.

If your worker switches banks without notifying Palco, payroll can be significantly delayed because our staff is required to wait for funds to return to our account before resending to the worker's new bank account. This can take up to two weeks for the pay to be re-deposited into the correct account.

Payments deposited into worker accounts are net wages, which means that payroll taxes and other deductions, such as garnishments, are withheld first. The following is a list of payroll deductions:

- Social Security is deducted from all U.S. employees' payroll at 6.2% of gross pay.
- Medicare Tax is the U.S. health and medical benefits tax that all workers pay at 1.45% of gross pay.
- Federal Income Tax Withholding (FIT) is voluntary, depending on how your worker completed IRS Form W-4.
- State Income Tax (SIT) Withholding is voluntary, depending on how your worker completed Arkansas Department of Finance and Administration Form AR4EC.
- Garnishments are a legal process where an individual repays a debt directly from a paycheck withholding and are deducted as Palco receives court orders.

Special Tax Rules

If your worker meets the criteria below, the worker could be exempt from FICA:

- Child under 21 employed by parent.
- Parent employed by child, and the child-employer has an underage dependent living in their home who requires continual care, and the child-employer is the sole provider, but unable to care for the underage dependent full time.

Complete the Payroll Information Worksheet if you believe your worker is exempt from taxes. It is your responsibility to update Palco if any of your information changes that could impact your worker's tax exemption status, such as a change in relationship, change in employer, change in age,

or change in address. Failure to update Palco of this information could result in a financial burden at tax-filing time.

If your employer changes, you are required to complete the Payroll Information Worksheet again with the new employer. Payroll cannot be issued until this form is completed and sent back to Palco.

W-2s are available January 31. If receiving the W-2 by mail, please allow one week for delivery. All workers receive a W-2. Workers who earn less than the annual domestic service threshold, per IRS Pub. 15 (Circular E), receive a refund of over-collected FICA. You need to encourage your workers to make sure that the correct address and direct deposit information is current with Palco prior to January 31, even if the worker is no longer working, so that the W-2 and refund, if applicable, can be sent to the proper location.

Section Nine- Purchasing Goods and Services

If funds are available in your budget for a purchase, you can either make the purchase and seek a reimbursement from Palco, or you may obtain a quote or invoice and send to Palco for direct payment to the vendor.

For savings purchases, Palco can either reimburse you, so long as valid and descriptive receipts are provided, or pay the vendor directly. For savings paid directly to you, your worker or unpaid back-up worker cannot share a bank account with you. Make sure that the item you want to purchase was identified in your plan when you initially set up the savings account. Items that cost over \$50 will need to be approved by DHS, your Palco Support Coordinator will obtain this on your behalf. Identify potential vendors that may provide the allowable good or service, and contact them to obtain quotes. It is advisable, but not necessary, to obtain bids from multiple vendors to ensure you are receiving the best price.

Your Palco Support Coordinator can assist you with identifying and engaging vendors to provide the good or service.

Before any payments are issued from Palco, the vendor must be set up in our system. We must obtain a signed IRS Form W-9 and Provider Agreement from the vendor. Other forms may be required as well, depending on the good or service purchased.

Once the vendor is set up in our system, complete Palco's Reimbursement Request form and attach a receipt or invoice from the vendor describing the good or service in detail. Palco may only pay for items that have been pre-approved and for which sufficient funds are available in the budget. Palco will pay to the limit allowed in the budget; any amounts exceeding that must be paid out of your pocket.

Payments for goods and services are made on the same schedule as payroll. Vendors will receive a 1099 from Palco at year-end.

Section Ten- Emergency Backup Plan

Unexpected situations occur. It's important to be prepared in the event of an emergency by having an Emergency Backup Plan that designates one or more emergency backup staff for unforeseen issues or other times when your regularly scheduled worker does not report for work for any reason. The backup plan must be individualized to address the participant's critical contingencies or incidents that would pose a risk of harm to the health, safety, and well-being. Your Plan should include, but not be limited to:

- The name and contact information (phone number(s) and email address) of the individuals who have agreed to be your emergency backup staff.
- The types of support they will provide.
- When they can help you.
- Whether or not they will be paid.
- The order in which your emergency backup staff should be contacted.

Work with your Palco Support Coordinator to identify and designate the individuals who will be your natural support and paid emergency backup staff. Your emergency backup staff can be family members, friends, and neighbors who will help you or a worker you recruit specifically to provide emergency backup care. Make sure that each person named in your backup plan fully understands their role.

Paid emergency backup workers should complete all the steps required to become a worker as soon as possible so that when an emergency arises, they can instantly begin performing work and be paid for those services.

You can change your Emergency Backup Plan and designated emergency backup and natural support staff at any time. Your Support Coordinator will work with you on monitoring and testing your backup plan and making any changes to improve the plan. **It is required that the plan is tested twice per year.** Please inform your Support Coordinator when you need to a change in the backup plan or if a new worker packet is needed for a paid emergency support worker.

Remember, as soon as you encounter an emergency or unforeseen event, begin implementing your backup plan. Going without services or calling 911 are not sufficient. Going too long without services may also cause your case to be closed.

Section Eleven- Home and Personal Safety

Maintaining a safe work environment, knowing how to recognize and report fraud, abuse, neglect, exploitation, sexual abuse and harassment, and maintaining proper boundaries with your workers are essential to the effective receipt of participant-directed services.

Home and Personal Safety

Being safe and secure while receiving self-directed supports is essential for successfully living in your own home and community. To ensure personal safety, make sure you and the worker always disclose contagious medical conditions to each other and always engage in universal precautions, such as hand washing.

No one expects you or your worker to be injured while receiving or providing services; however, the possibility exists. You should conduct a safety assessment of your home and fix any issues that could cause injury or welfare issues to you or your worker, such as frayed carpets, pest control issues, sharp surface edges on furniture, pets that are not free of parasites and containing an aggressive pet while the worker or Palco Support Coordinator is in the home.

Consider having a First Aid kit in the home. Post all emergency information, including phone numbers, in a place visible to the worker. Ensure that you have emergency contact for your worker as well. Develop a safety and home evacuation plan for emergency situations, and share this document with your worker. Smart911 is a free service that allows you to create a Safety Profile that includes information about your household to facilitate the proper response to you in case of an emergency. Your Support Coordinator can assist you with developing this plan and enrolling in Smart911.

Please note that domestic employers are exempt from Workers' Compensation in Arkansas, and Medicaid funds will not be used to pay for Workers' Compensation premiums.

Fraud

Medicaid fraud occurs when you provide false or untruthful information to claim medical reimbursements, such as false timesheets or timesheets that exceed authorized amounts on the budget. Some examples of fraudulent timesheets include requesting payment for time not worked, forging another's signature to the timesheet, or coercing another into giving them part of the payment from Palco even though that person did not work the hours.

Arkansas law (Ark. Code Ann. §20-77-2505), the federal False Claims Act, and the Social Security Act Anti-Kickback Provision (42 U.S.C. 1320a-7b(b)) all have separate reporting requirements when you suspect fraud, waste, and abuse of public funds. Each of these laws impose penalties for committing the act and for failing to report the act, even if you did not commit it. Penalties range from \$10,000 per incident to 5 years in prison, or both. In addition, the following can occur:

- Disqualification from receiving Medicaid benefit
- Civil judgments and liens on property, including garnishments
- Suspension or loss of professional licenses
- Exclusion from participating in Medicaid as a provider
- Deportation

Palco reports all instances of possible fraud to the Office of Medicaid Inspector General (OMIG). Make sure you comply with OMIG investigations. Once a case is reported to OMIG, your account is suspended, and Palco is unable to pay your worker until we are granted permission by OMIG to re-activate your account.

Take extra precautions to avoid committing Medicaid fraud. If you are unsure of how to complete a document, Palco staff can help you. Always report any instances of suspected fraud to Palco immediately.

Participants that have been removed for fraud will need to be evaluated by Palco and DPSQA to determine if self-direction is an appropriate option. When it's determined a Participant is not a good fit for self-direction and appealing isn't an option, agency services can still be utilized.

Abuse

Sometimes a worker, family member, or friend may step over the line and become disrespectful or even abusive to you. If you feel uncomfortable around a worker, family member, or friend because of disrespectful treatment, or if you observe someone taking advantage of you or mistreating you, let someone know about the situation immediately.

In Arkansas, abusing a dependent adult, an elderly person, or a child is a crime punishable by law. Criminal abuse of individuals includes physical or sexual abuse, financial abuse, neglect, and psychological abuse or intimidation. If you are being subjected to any form of abuse, report the situation immediately:

- Adult Protective Services at 1-800-482-8049
- Child Abuse Hotline at 1-800-484-5964
- Emergency Responders at 911
- Palco at 877-753-0999 or 501-604-9936

If your worker or Palco Support Coordinator suspect or observe abuse, they are required by law to report their concerns to law enforcement immediately.

You have every right to terminate workers engaging in abuse immediately. At the same time, make sure that you are not abusive or harassing to workers.

Theft

Preventing theft is an important thing to consider when you have workers and/or vendors in your home. Below are some tips to help you prevent theft:

- ✓ Screen individuals thoroughly by calling references and paying attention to background check information.
- ✓ Never leave valuables lying around. Store important or expensive items, like jewelry, cash, credit cards, and identification cards, in locked or otherwise safe locations.
- ✓ Always keep track of your medications. Know how much of each medication you have on hand always.
- ✓ Avoid letting your worker write checks or withdraw money from your bank account for you. Never give them access to your bank account, nor provide a PIN number for credit or debit cards.
- ✓ If a worker is purchasing something for you with cash, always get a receipt.
- ✓ Never loan money to the worker or add his or her name to your bank account.
- ✓ Avoid loaning personal items, including vehicles and keys to your home, to your worker. If a worker does have a key to your home and quits working, change your locks immediately.
- ✓ Keep an up-to-date list of all your valuables such as TVs, stereos, computers, antiques, and jewelry. Should something turn up missing, this list will be helpful to police and to your insurance company.

The above tips will help prevent theft. Letting the attendant know you are paying attention can prevent more theft. Sometimes, no matter what you do, a worker will steal from you. If that happens, you are responsible for addressing and resolving the issue.

If you are the victim of theft, confront the worker or vendor to get their side of the story (unless it would be unsafe to do so). If it is clear that they took something, call the police immediately and inform Palco.

Reporting Critical Incidents

On IC, you are responsible for “self-reporting” any critical incidents, such as unexpected death, suspected abuse of any kind, theft, financial exploitation, severe injury, medication error, suspected fraud, neglect, and any other threat to your health, safety, and wellbeing. In addition, you must make Palco aware of any changes in you or your employer’s contact information, your worker and their contact information, change in health information, hospitalization, or other admission to a facility. **Critical incidents must be reported to Palco within 24 hours.** Reporting on these key items is critical to your ongoing enrollment. Failure to report on these items could mean that you are involuntarily removed from the program.