



# FMS SELF-DIRECTION PARTICIPANT AGREEMENT

## Whereas:

- A. The parties in this agreement “Client, Participant Employer, Managing Party , Representative, Legal Representative, Responsible Party, and Participant Representative,” hereinafter are called “Participant Employer”, where the Client is set-up as a domestic or household employer known as the Participant Employer and recognized as a HCSR (Home Care Service Recipient) with the IRS; assuming responsibility to hire and manage their own Employees using a self-directed service model option under a state-funded Consumer Support Grant program, federally approved waiver plan or Alternative Care program; as governed under Minnesota Statute, Community-Based Services Manual (CBSM), CDCS Policy Manual, CFSS Policy Manual, and the following terms and conditions, with or without the assistance of a Managing Party, Responsible Party, Legal Representative or Participant Representative.
- B. CDI (Consumer Directions Inc.) is an enrolled Minnesota Health Care Provider (MHCP), certified by ASD (Applied Self Direction), contracted FMS (Financial Management Services) provider with DHS (Department of Human Services) and IRS Vendor Fiscal/Employer Agent under section 3504 of the Internal Revenue Code hereinafter called “CDI” and agrees to perform certain responsibilities required of Participant Employers; including management and support services related to enrolling and processing Employee time entries, paying Employee wages and vendor payments, invoicing the payer source and providing program and tax reporting under the following terms and conditions.

## Terms and Conditions:

1. Effective Date Upon Intake

This agreement will take effect after successful completion of the intake and orientation process and at the time the Participant Employer is notified by CDI that your Federal Employer Identification Number (FEIN), funding authorization, and the Community Support Plan or Service Delivery Plan, hereinafter called “Plan”, are approved and activated by CDI and will go through the date span of your plan.

2. Effective Date Upon Renewal

Per DHS Policy, this agreement will need to be completed with each plan renewal. In addition, this agreement needs to be signed and received prior to payment of approved services in your Plan.

To avoid a gap in services, the Plan should be submitted to Lead Agency at least 30 days prior to the expiration of your current plan and will take effect on either the renewing plan start date or date of Lead Agency signature, whichever is later. CDI needs to receive an approved plan and a service authorization from the Lead Agency to continue services.

3. Collaboration

Participant Employers are expected to maintain a professional, collaborative, and respectful working relationship with CDI staff.

Ongoing collaboration, updated contact information and prompt response to communication in a collaborative manner are all expectations of a working relationship under this agreement.

CDI will withdraw from serving a Participant Employer if treated offensively, disrespectfully or exhibits a lack of communication and/or collaboration.

4. Responsibilities

- a. Per Department of Human Services (DHS) policy language and best practice, it is the responsibility of the Participant Employer to ensure that they are using a single FMS agency when a single or multiple people are being served within the household, are sharing staff, shared services or in a shared Managing Party, Responsible Party, Participant Representative, or Participant Employer relationship.
- b. A table of responsibilities is published in **Exhibit A**.

5. Establishing the Participant as an Employer under the F/EA or Budget Model

- a. CDI will establish the service recipient or designee as the Participant Employer set up as a HCSR (Home Care Service Recipient) and obtain a FEIN (Federal Employer Identification Number) with the IRS (Internal Revenue Service) under an agent designation executed under Form 2678, which authorizes CDI to file and manage the Participant Employer's federal payroll tax returns.
- b. CDI will register the Participant Employer with the Minnesota Department of Employment and Economic Development (DEEDS) for State

Unemployment Insurance, but only after the Participant Employer has been determined liable for State Unemployment Insurance.

- c. Tasks performed by CDI as a Vendor Fiscal Employer Agent (F/EA) under this agreement are in compliance with Revenue Procedure 2013-39 *Designation of Agent by Application*, as updated under section 3504 of the Internal Revenue Code and establishes general policies for Participant Employers in Participant-directed programs served by a Fiscal/Employer Agent.

6. New Hire Employment Verification and Determination of Employee Eligibility

- a. CDI will provide, process, and maintain all necessary new hire and payroll forms for Employees that are recruited by the Participant Employer.
- b. CDI will perform the applicable background check, photographing and fingerprinting on all Employees. Minnesota statutes, Chapter 245C, section 15 (Disqualifying crimes or conduct) directs the disqualification criteria of applicants. If an applicant is disqualified by the State of Minnesota, CDI will notify the Participant Employer and applicant of their disqualification, the Employee may have the right to appeal this determination.
- c. CDI will apply for an Employee's UMPI (Unique Minnesota Provider Identifier) number. MHCP will assign UMPI numbers to eligible Employees after verifying a comprehensive criminal and maltreatment background study and the federal and state excluded provider lists.
- d. CDI will report all New Hires to the State of MN for the purposes of determining child support obligations.
- e. CDI will verify each Employee's social security number against employment eligibility using **E-Verify** with the Department of Homeland Security.
- f. CDI will verify that Employee's name and social security number match the Social Security Administration's records using the Social Security Number Verification Service (SSNVS).
- g. As required by program rules, CDI will provide mandated training materials and information to the Employee regarding, but not limited to: Vulnerable Adults Reporting Act or Maltreatment of Minors Reporting Act, Minnesota Government Data Practices, Anti-Fraud Requirements, and HIPAA.
  - a. Additionally, CFSS Employees must pass a standardized certification test prior to employment.

- h. CDI serves as a full-service broker connecting Participant Employers to a required Worker's Compensation Group Policy that provides coverage and benefits to all Employees.
7. Recruiting, Hiring, Firing, Supervising, Training, Scheduling and Determination of Wages
- a. The Participant Employer controls all aspects of managing the Employee.
  - b. The Participant Employer is responsible to recruit, hire, fire, supervise, train and schedule Employees.
  - c. In accordance with applicable State and Federal laws against discrimination, the Participant agrees to and will not illegally exclude any person from full employment rights and will not discriminate against any Employee or applicant for employment because of race, color, creed, religion, national origin, sex (including pregnancy, sexual orientation or gender identification), genetic information (including medical or family medical history), mental or physical disability (including an impairment that is episodic or in remission and would materially limit a major life activity when active, veteran status, age, marital status, familial status (also means residing with and caring for one or more individuals who lack the ability to meet essential requirements for physical health, safety, or self-care because the individual or individuals are unable to receive and evaluate information or make or communicate decisions), citizenship, membership or activity in a local human rights commission, or status with regard to public assistance or other status protected by law.
  - d. The Participant Employer determines the wage of Employee, as long as it complies with Federal, State and local ordinances and regulations.
  - e. The Participant Employer is responsible for the provision of services for any child or adult using a self-directed services model; including job description, training, supervision, ensuring health and safety and back-up emergency planning in the event an Employee is late, unable to work, does not show up or resigns.
  - f. The Participant Employer will be responsible for any disciplinary actions and termination of Employee.
  - g. If an Employee is no longer working (quit or terminated), it is the responsibility of the Participant Employer to inform CDI, in a timely manner, using the Employment Separation Form found on our website. If the Participant Employer believes the Employee should not be eligible for unemployment benefits or believes that their unemployment account should not be charged, please indicate that on the form. The Participant Employer will need to provide the details and answer any questions that CDI or the unemployment office may have regarding the Employee separation.

- h. With DHS' assignment of individual UMPI numbers to Employees, DHS is limiting the number of total hours that an individual Employee can work across all clients they work for in MN to 310 hours per month or approximately 71 hours per week for some programs. We acknowledge DHS efforts to monitor and report excessive shifts and hours worked and as a provider, we are proactively adopting this as policy across all programs. Ethically, we support the intent of the policy to limit staff burnout and ensure the Participant is getting the best care.
  - a. If more than 310 hours are clocked in a month, the Participant Employer will be personally responsible to pay CDI back for those hours. If this is not paid within 10 days, services will be suspended.

8. Payment to Employees

- a. The Participant Employer will set the rate of pay of the Employee and will inform CDI of the starting pay rate and all subsequent rate changes using the *Employee Rate Record (ERR)* form per Minnesota Wage Theft Prevention Act. Rate of pay changes cannot exceed the maximum rate approved in the Plan. Wage increases will be applied in the current pay period in which the signed ERR is received.
- b. The Participant Employer will be responsible for evaluation of the Employee's work performance.
- c. Overtime occurs when an Employee works more than 40 hours in a week. If overtime occurs, it is required to be paid at one and a half times the agreed upon rate of pay. If more than one pay rate is worked, overtime hours will be paid as a weighted average premium on any hours over 40 per week. If planning to schedule workers more than 40 hours per week across multiple participants, overtime should be written and approved across all the Plans. If unapproved overtime occurs, CDI is required to report it to your Case Manager and State of Minnesota.
- d. The Employee will be required to sign/approve their time entries, submit to the Participant Employer to confirm the accuracy and completeness of the hours indicated on the time entries.
- e. The Participant Employer agrees to review, approve, and submit accurate time entries to CDI. All time entries must be signed by the Employee and Participant Employer.
- f. In an event of an admission to a hospital, nursing home, mental health facility or incarceration, please report to your FMS Specialist. If an overnight admission occurs ensure that no hours or services are submitted past the time of admission or before the Participant discharge. For Participants on an AC or EW waivers, hours cannot be worked on either date of admission or date of discharge.

g. Time entries, PTO requests, and any changes to direct deposit information must be submitted to CDI in a timely manner according to the Payment Schedule. CDI will issue paychecks to the Employee every other Friday, based on the Payment Schedule.

1. Time entries submitted after the established deadlines will be considered late. Late submissions will not be processed for payment until the following scheduled payday, pending approval and accuracy. Late submissions are required to be reported to the State of Minnesota and could result in a program issuance of Technical Assistance.

2. CDI will not process late time entries submitted three months after the date worked. The Participant Employer may need to make other arrangements for the backpay due to the Employee. The Participant Employer will be required to pay out-of-pocket for this expense.

3. For Plans that are publicly funded, in full or part, any late time entries received after a plan year that does not have adequate remaining funds, Employees will need to be paid by the Participant Employer. The Participant Employer will be required to pay out-of-pocket for this expense.

4. All change in direct deposit information will need to be submitted and verified by phone call, before the changes will take effect.

h. Keeping Employees Active - Employees who work zero hours in a calendar year will become inactive status. To return to an active status, the Employee and/or Managing Party, Responsible Party, or Participant Representative, will need to reach out to their FMS Specialist for assistance. Rehire paperwork will then be sent out to the Employee to complete and for Managing Party, Responsible Party, or Participant Representative, approval.

Additionally, any new Employees who have been hired that do not clock a shift within the 1st four months of hire will become inactive. To be reactivated, they will need to go through the re-hire process again, which consists of completing re-hire paperwork and obtaining a new hire date.

i. CDI will maintain wage information and payroll records and issue Employee Form W-2, Wage and Tax Statement.

j. CDI will calculate and deposit all applicable Employee and Participant Employer payroll taxes.

k. CDI will prepare and report all applicable payroll tax filings.

## 9. Status of Employee

- a. By definition the Participant Employer is the Common Law Employer, per Internal Revenue Service, Publication 15, Circular E, Employer's Tax Guide: "Under common-law rule, anyone who performs services for you is your Employee if you can control what will be done and how it will be done. This is so even when you give the Employee freedom of action. What matters is that you have the right to control the details of how the services are performed."
- b. CDI is required to classify Participant Employer workers as Employees not as independent contractors. All Participant Employer workers cannot be classified as independent contractors.
- c. The Employee is a common law Employee of the Participant Employer, by IRS definition.
- d. In compliance with IRS and DOL, all Participant Employer workers under this agreement will be classified as Employees and they will receive a W-2.
- e. This Agreement between the Participant Employer and CDI is not a contract guarantee of employment for the Employee. The Employee, selected by the Participant Employer, is employed at will by the Participant Employer and is not a common law Employee of CDI.
- f. Live-In Caregiver Status: A live-in caregiver is defined as a caregiver who provides services that resides at the same address as the recipient.
  - 1. Clocking real-time: Live-in caregivers are encouraged to clock real-time shifts however, live-in caregivers must enter all entries and worked shifts into the EVV system daily.
  - 2. Change of address: The live-in caregiver is responsible for notifying CDI immediately if their live-in caregiver status or address changes where the caregiver no longer lives with the client.
  - 3. IRS Notice 2014-7: If you live with the participant, you are getting paid to care for under a qualifying program, you will not be subject to Federal Income (FIT) and State Income Tax (SIT) on qualifying wages, if you choose to apply this notice on your personal tax return. Any additional questions can be directed to a tax professional.
- g. Any theft or damages that result from the Employee's presence in the Participant's or Participant Employer's home or when providing assistance to the Participant is the liability of the Participant Employer.
- h. The Participant Employer understands that the Employee is a mandated reporter under the Vulnerable Adults Reporting Act and Maltreatment of

Minors Reporting Act. CDI is also a mandated reporter, and all parties must report known or suspected incidents of maltreatment immediately.

- i. It is the Participant Employers responsibility to check with their insurance agent regarding any additional liability, property or umbrella insurance that may be recommended in the role as a Participant Employer or HCSR of domestic/household Employees.

10. Payment to Vendors or Independent Contractors

- a. The Participant Employer will enter into an agreement with the vendor or independent contractor.
- b. Participant Employer will be responsible for evaluation of vendor or independent contractor's performance.
- c. Participant Employer will be invoiced for all goods and services. Invoices must be in the Participant's name and not invoiced in CDI's name.
- d. Invoices must be submitted to CDI in a timely manner, either at the time of delivery or on a monthly basis. Invoices must be submitted within 90 days of service to ensure payment. CDI will issue payments to the vendor or independent contractor, per the Payment Schedule, if invoices were received by CDI within the due date cut off and are approved in the Plan. Late invoices will be subject to the following:
  1. Any invoices submitted after three (3) months of service date will not be paid by CDI. The vendor or independent contractor will be directed to the Participant Employer for collection of payment.
  2. If any late invoices are received after a plan year that does not have adequate remaining funds, vendors or independent contractors will be directed to the Participant Employer for collection of payment.
- e. CDI will maintain payment information and issue reportable payments under IRS Form 1099 MISC, Miscellaneous Income to qualifying vendors and independent contractors.

11. Purchase and Reimbursements

- a. CDI will make online purchases of approved goods, upon request, by having the Participant provide a link to the item to be purchased on reputable website. We do not recommend using websites such as Shein, Temu, or any other sites determined unsecure by CDI. If a request is received within the last 30 days of your current plan, CDI cannot guarantee purchase of your item.
- b. Reimbursement forms are paid out every Friday, per the payment schedule, if the request is received by the deadline stated on the payment schedule and item(s) are approved in the plan.



- c. When purchases and returns exceed what is reasonable in CDI's role as an FMS agency, CDI may request the Participant make their own purchases and request reimbursement for those purchases on a weekly basis.
- d. If an International good and service is approved by the Lead Agency, the purchase will need to be completed by the Participant Employer and reimbursed by CDI.

12. Managing Spending

- a. As a Participant Employer it is your responsibility to review and manage your budget. It is best practice to review spending monthly, via the Cashè App, to ensure you are on track with your budget usage.
- b. CDI will notify the Managing Party, Responsible Party, or Participant Representative, Case Manager/Care Coordinator if your overall budget usage exceeds 15% or more or overall budget usage is under by 50% or more.

13. Payment of Services

- a. For the services provided under this agreement, the assigned payer source will be billed or invoiced.
- b. Participants charged a patient responsibility must pay their spenddown or patient responsibility within 10 days of invoice. If payment in full is not received by the due date, Employees and services will be temporarily suspended.
- c. Fees are charged according to the fees approved in the plan and within the established program rates and state set maximums.

14. Grievance Procedure

- a. A grievance is a complaint about something you do not like about the customer service you are receiving from CDI.
- b. You should feel free to bring any complaints or grievances to CDI without being afraid of losing any services or having anything bad happen to you.
- c. A copy of the Grievance Procedure can be found on the CDI website or at the end of this agreement.
- d. CDI wants you to be more than just satisfied with our services, we want you to be extremely happy! We encourage you to provide feedback at any time. You will be given the opportunity to fill out an online service satisfaction survey annually. We want you to take advantage of this opportunity to share your ideas and thoughts about how we can better serve you and meet your needs.

15. Liability and Indemnification

The Participant, Participant Employer or Managing Party, Responsible Party, or Participant Representative, shall be liable for, indemnify, and hold CDI, Inc., harmless from any and all liabilities which may arise out of or related to the employment relationship. This indemnification shall include any and all liabilities to the Employee for any purpose including, but not limited to, breach of any employment laws in the course of the employment of the Employee. This indemnification shall also include any and all liabilities to any third parties including, but not limited to, any vicarious liability for the actions of the Employee related to the employment relationship. This indemnification shall specifically include, but not be limited to, any attorney's fees incurred by CDI in defending against any such liabilities and/or enforcing this indemnification agreement against the Participant or Representative.

16. Termination

Either party may terminate this agreement pursuant to any one of the following:

a. CDI terminates FMS Services

1. CDI will provide written notice to the Participant at least ten calendar days before the proposed service termination is to become effective, except when there is a basis such as, but is not limited to:
  - i. The Participant Employer or their Representatives engages in conduct that significantly alters the terms of the agreement between CDI and the Participant Employer.
  - ii. The Participant Employer, their Representatives, their Employees, or other persons (such as friends or family members) involved in the Participant's CDCS or CFSS services engage in conduct that creates an abusive or hostile working relationship that hinders CDI's ability to effectively serve the Participant Employer.
  - iii. The Participant Employer or their Employees engages in conduct that results in a report being made by CDI to OIG PIOD.

CDI must send the written notice to the legal representative or the Participant Employer (if the Participant has no legal representative) and Lead Agency. The notice must include the reason for the termination and the effective date of the termination.

When transferring to different FMS provider, CDI must work with the new FMS provider to coordinate necessary information for tax filings and to ensure continuity of care.

2. CDI can terminate services without cause, for any reason or no reason at all, giving the Participant Employer or legal representative written notice

of its intent to terminate services at quarter end and at least thirty (30) days before termination.

b. Participant Employer terminates FMS Services

1. When a Participant initiates a request to terminate services with CDI, CDI must give the Participant a written acknowledgement of the Participant's service termination request within five business days. The written acknowledgement must include:
  - ❖ The date the request was received by CDI
  - ❖ The requested date of termination; or
  - ❖ The date the actual termination of services will occur when the Participant Employer selects a new FMS provider.
  - ❖ \*\*\*CDI will not accept any mid-year or end of year transfers from another FMS provider.\*\*\*
2. CDI will work with the new FMS provider to coordinate necessary information for tax filings, and to ensure continuity of care.
3. CDI will follow IRS filing requirements for changing FMS providers, according to quarterly rules and as outlined in our DHS Contract Addendum number 118266.A.2.d.

CDI recommends as a best practice to switch at year-end to ensure the highest level of integrity in the reporting done on the behalf of the Participant Employer.

\*\*\*If a termination occurs mid-quarter, Participant may be required to go on traditional services until an FMS agency can activate their services at the start of the next quarter or year.

17. Suspension of Services

- a. CDI reserves the right to immediately suspend services to any Participant pursuant to any one of the following:
  1. The Participant or Representative is in default under any provision of this Agreement.
  2. The Participant's service authorization or approval has not been received from the Lead Agency.
  3. The Participant's spending patterns have left insufficient funds or expected deficiency of remaining funds to support continued services.
  4. Participant becomes ineligible for Medical Assistance, grant, or program funding, or medical assistance, grant or program funding ends or closes.
  5. During a State or Federal government shutdown or suspension, if CDI does not obtain funding from the Minnesota Legislature, Medicare, Minnesota or County agencies, or other funding sources.

6. Participant becomes past due on the submission of their patient responsibility or share of the services, spenddown, or waiver obligation.
- b. CDI will notify the Participant Employer or Representative and Lead Agency when services are in jeopardy of service disruption and discuss a plan to remedy the situation. If the situation is not resolved in a timely matter, CDI may proceed to service termination. Once the reason for termination is resolved and the Participant request to restart services, CDI will evaluate and decide if we will restart services with Participant.

17. Miscellaneous

- a. This Agreement may not be modified except in a written document signed by an authorized Representative of CDI and the Participant Employer and shall be construed and interpreted according to the laws of the State of Minnesota.
- b. This Agreement shall be binding upon the parties and their successors.
- c. The Participant or Representative shall not assign this Agreement without the express written consent of CDI, and any attempt to assign this Agreement without the consent of CDI shall be void.
- d. CDI shall receive the service authorization and approved plan, bill the payer(s) source for program expenditures, track accounts receivable and manage/secure adequate cash flow

## EXHIBIT A. ROLES AND RESPONSIBILITIES

<b>Self-Directed Services</b>	Goods & Services Only	Responsibility	
		Employer	CDI FMS
<b>Establishing the Participant as an Employer</b>			
CDI will establish the Participant Employer as a HCSR (Home Care Service Recipient) and obtain a FEIN (Federal Employer Identification Number) with the IRS (Internal Revenue Service)			X
<b>Roles</b>			
The Participant Employer is set-up as a domestic or household employer and recognized as a HCSR (Home Care Service Recipient) with the IRS; assuming responsibility to hire and manage their own supports using a self-directed service	X	X	
CDI (Consumer Directions, Inc.) is an enrolled Minnesota Health Care Provider (MHCP), Minnesota DHS (Department of Human Services) contracted FMS (Financial Management Services) agency; certified by ASD (Applied Self Direction)			X
Participant Employers are expected to maintain a professional, collaborative and respectful working relationship with CDI staff. CDI will withdraw from serving a Participant Employer if treated offensively or disrespectfully	X	X	X
Per Department of Human Services (DHS) policy language and industry best practice, it is the responsibility of the Participant Employer to ensure that they are using a single FMS agency when multiple Participants are being served within the household, are using shared services, sharing staff or in a shared Managing Party, Responsible Party, or Participant Representative, relationship	X	X	

Self-Directed Services	Goods & Services Only	Responsibility	
		Participant Employer	CDI FMS
<b>Management of Employees</b>			
Complete necessary employment paperwork with new hires; certifying under the penalty of perjury that the Participant Employer examines the acceptable documents that establish both identity and employment authorization required on the I-9		X	
Process and maintain new hire employment paperwork/files			X
New hire employment verification and determination of eligibility			X
Recruit, interview, check references and hire Employees		X	
Setting Employee pay rates, as long as it complies with Federal, State & local ordinances, regulations and approved in the Plan.		X	
The Participant Employer is responsible for the provision of services; including job description, training, supervision & management, health and safety and back-up emergency planning in the event an Employee is late, unable to work, does not show up or resigns.		X	
The Participant Employer will be responsible for any disciplinary actions and termination of an Employee. When an Employee is terminated, any accrued PTO will automatically be paid out to the Employee. This includes all accrued PTO earned in the final pay period.		X	
When an Employee notifies the Participant Employer of their lactation needs, the Participant Employer will locate an area of their home that is clean, private, and secure, it may not be a bathroom or their vehicle.		X	
Under Minnesota Statutes 181.939, it is against the law for the Participant Employer to retaliate or take negative action against a pregnant or lactating Employee for exercising their rights under this law.		X	

Self-Directed Services	Goods & Services Only	Responsibility	
		Participant Employer	CDI FMS
<b>Management of Employees (Cont.)</b>			
Participant Employers will be responsible for making reasonable accommodations due to religious beliefs and practices, that do not cause undue hardship to the Participant Employer.		X	
Raise an issue/appeal for unemployment claims as requested by Participant Employer			X
It is the responsibility of the Participant Employer to inform CDI, in a timely manner, when the Participant Employer believes the Employee should not be eligible for unemployment benefits or believe that their unemployment account should not be charged.		X	
Scheduling of staff; ensuring the hours worked do not exceed the limits designated by the job description and as approved in the Plan. Additionally, Employees are limited to being paid up to 310 hours per month or approximately 71 hours per week regardless of the number of clients they work for across all agencies.  If more than 310 hours are clocked in a month, the Participant Employer will be personally responsible to pay CDI back for those hours. If this is not paid within 10 days, services will be suspended.		X	
Ensure Employees do not work over 40 hours per week, as overtime is not allowed under this program unless specifically budgeted and approved in your Plan.		X	
Households with multiple Participants, that are being managed by the same person are responsible to ensure that no Employee exceeds 40 hours/week between all Participants; unless overtime is approved in all applicable Plans and paid at time and a half. If more than one pay rate is worked, overtime hours will be paid as a weighted average premium on any hours over 40 per week.		X	
<b>Worker Injury</b>			

<b>Self-Directed Services</b>	Goods & Services Only	Responsibility	
		Participant Employer	CDI FMS
CDI serves as a full-service broker connecting Participant Employers to a required Worker's Compensation Group Policy that provides coverage and benefits to all Employees.			X
<b>Worker Injury (Cont.)</b>			
Verbally report Employee incidents or injuries to CDI immediately. Failure to do so may result in termination of services		X	
<b>Employee Payroll</b>			
Ensure accuracy of hours and expenses, approve, and submit by deadline for on time payment		X	
Administer any legislative or mandated wage or benefit changes			X
Collect, verify compliance with Federal, State and program rules, process and maintain Employee time entries			X
Promptly report any admission to a hospital, nursing home, mental health facility or incarceration to your FMS Specialist. In the event of an overnight admission, noted above, ensure no hours or services are submitted during that timeframe		X	
Prepare paychecks, including a payroll statement, as required by the MN Fair Labor Standards Act and the MN Department of Labor and Industry			X
Withhold all appropriate taxes from Employees' pay; report and submit those withheld amounts to the federal and state governments, including Medicare, Social Security, Federal and State Unemployment, and Federal Income Tax (FICA, FUTA, SUTA).			X
Disburse payroll, based on submitted time entries, on the posted payroll schedule			X



<b>Self-Directed Services</b>	Goods & Services Only	Responsibility	
		Participant Employer	CDI FMS
Complete authorized, requested employment and wage verification forms			X
Prepare and issue annual W-2, Wage and Tax Statements			X
<b>Vendor Payments</b>			
Responsibility to request and obtain copies of invoices from vendors to ensure that correct payments are being made on their behalf	X	X	
All licensed vendors will be provided an acknowledgement of approved services and service rates upon plan renewal and revision			X
Enter into a formal agreement (ideally written) with vendors or independent contractors	X	X	
Invoices must be submitted to CDI in a timely manner, either at the time of delivery or monthly. Invoices must be submitted within 90 days of service to ensure payment	X	X	
If using an independent contractor and paying for that service directly and requesting reimbursement from CDI; responsible to ensure correct independent contractor status, obtain applicable W-9 and issue any required 1099 Forms at year-end.	X	X	
When using an independent contractor and CDI is making payment to the independent contractor; responsible to ensure correct independent contractor status, obtain applicable W-9 and issue any required 1099 Forms at year-end.			X
<b>Other Self-Direction Responsibilities</b>			

Self-Directed Services	Goods & Services Only	Responsibility	
		Participant Employer	CDI FMS
When purchases and returns exceed what is reasonable in CDI's role as an FMS agency, CDI may request the Participant make their own purchases and request reimbursement for those purchases or provide a link to reputable site for the approved merchandise.	X	X	
Responsibility to pay any financial obligations which may include spenddowns and/or waiver obligations assessed by the State of Minnesota within 10 days of invoice. If payment in full is not received by the due date, Employees and services will be suspended	X	X	
Responsibility to complete, get approved, and make any required revisions to your Plan and spending budget in a timely manner	X	X	
Responsibility to review and manage the Plan regularly		X	
Responsibility to check with your insurance agent regarding any additional liability, property or umbrella insurance that may be recommended in role as a common-law employer of domestic/household Employees	X	X	
Responsible for care, supervision, health and safety of child or adult using Self-Directed Services	X	X	
Receive service authorization, bill the payer(s) source for program expenditures, track accounts receivable and manage/secure adequate cash flow			X

## EXHIBIT B. GRIEVANCE PROCEDURE

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### What is a Grievance?

A grievance is a complaint about something that you do not like about the customer service or processes involving the services within the scope of CDI's services that has been communicated but has not been resolved.

You should feel free to bring any complaints to CDI without being afraid of losing any services or having anything bad happen to you. If you have a complaint or problem, you should follow these steps:

- ❖ **Step One:** Gather and document the facts of the issue at hand.
- ❖ **Step Two:** Talk to your assigned Primary Contact at CDI right away. They will discuss your concern with you and work to resolve the matter with you within 48 hours. CDI will document your complaint in a complaint log, along with how the issue was resolved.
- ❖ **Step Three:** If you do not feel like the issue was resolved to your satisfaction, contact the FMS Coaching Manager. The FMS Coaching Manager will contact you within five (5) days to hear your complaint and work to resolve the matter with you.
- ❖ **Step Four:** If you believe that the matter is still not resolved to your satisfaction, you may bring the complaint to the highest level of authority in this program. That person is Sara Draxler-Gainsforth, Chief Operating Officer. The Chief Operating Officer may be reached by Direct Dial at 320-257-8344, email: saradg@yourfse.com, Consumer Directions, 1140 Elm Street East, St Joesph, MN 56374. Your grievance will be presented to the Board of Directors, and you will receive a formal response in writing within ten (10) days.

You may choose to represent yourself during a grievance or you may have someone else do it, such as a family member, case manager, an advocate, or legal representative.

CDI wants you to be more than just satisfied with our services, we want you to be extremely happy! We encourage you to provide feedback at any time.

You will be given the opportunity to fill out an online service satisfaction survey annually. We want you to take advantage of this opportunity to share your ideas and thoughts about how we can better serve you and meet your needs.

# EXHIBIT C. NOTICE OF PRIVACY PRACTICES

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## **Your Information. Your Rights. Our Responsibilities.**

This notice describes how information about you may be used and disclosed and how you can get access to this information. **Please review it carefully.**

### **Summary of Your Rights:**

- ❖ Get a copy of your paper or electronic service record
- ❖ Correct your paper or electronic service record
- ❖ Request confidential communication
- ❖ Ask us to limit the information we share
- ❖ Get a list of those with whom we've shared your information
- ❖ Get a copy of this privacy notice
- ❖ Choose someone to act for you
- ❖ File a complaint if you believe your privacy rights have been violated

### **Summary of Your Choices**

You have some choices in the way that we use and share information as we:

- ❖ Discuss your services with family, friends and caregivers
- ❖ Provide disaster relief
- ❖ Provide services
- ❖ Market our services

### **Summary of Our Uses and Disclosures**

We may use and share your information as we:

- ❖ Serve you
- ❖ Run our organization
- ❖ Bill for your services
- ❖ Help with public health and safety issues
- ❖ Comply with the law
- ❖ Respond to required county, state and federal program requests
- ❖ Address workers' compensation, law enforcement, and other government requests
- ❖ Respond to lawsuits and legal actions

### **Your Rights Detailed:**

When it comes to your health information, you have certain rights. This section explains your rights and some of our responsibilities to help you.

- ❖ Get an electronic or paper copy of your service record
  - You can ask to see or get an electronic or paper copy of your medical record and other health information we have about you. Ask us how to do this.

- We will provide a copy or a summary of your service information, usually within 30 days of your request. We may charge a reasonable, cost-based fee.
- ❖ Ask us to correct your service record
  - You can ask us to correct any information about you that you think is incorrect or incomplete. Ask us how to do this.
  - We may say “no” to your request, but we’ll tell you why in writing within 60 days.
- ❖ Request confidential communications
  - You can ask us to contact you in a specific way (for example, home or office phone) or to send mail to a different address.
  - We will say “yes” to all reasonable requests.
- ❖ Ask us to limit what we use or share
  - You can ask us not to use or share certain information for services, payment, or our operations. We are not required to agree to your request, and we may say “no” if it would affect your services or our legal obligation.
  - If you pay for a service or care item out-of-pocket in full, you can ask us not to share that information for the purpose of payment or our operations with your health insurer. We will say “yes” unless a law requires us to share that information.
- ❖ Get a list of those with whom we’ve shared information
  - You can ask for a list (accounting) of the times we’ve shared your service information for six years prior to the date you ask, who we shared it with, and why.
  - We will include all the disclosures except for those about services, payment, and health care operations, and certain other disclosures (such as any you asked us to make). We’ll provide one accounting a year for free but will charge a reasonable, cost-based fee if you ask for another one within 12 months.
- ❖ Get a copy of this privacy notice
  - You can ask for a paper copy of this notice at any time, even if you have agreed to receive the notice electronically. We will provide you with a paper copy promptly.
- ❖ Choose someone to act for you
  - If you have given someone power of attorney or if someone is your legal guardian, that person can exercise your rights and make choices about your service information.
  - We will make sure the person has this authority and can act for you before we take any action.

### Your Choices Detailed:

For certain service information, you can tell us your choices about what we share. If you have a clear preference for how we share your information in the situations described below, talk to us. Tell us what you want us to do, and we will follow your instructions.

In these cases, you have both the right and choice to tell us to:

- ❖ Share information with your family, close friends, or others involved in your care
- ❖ Share information in a disaster relief situation
- ❖ Provide services
- ❖ Market our services
- ❖ ***We may also share your information when needed to lessen a serious and imminent threat to health or safety.***

In these cases, we never share your information unless you give us written permission:

- ❖ Marketing purposes
- ❖ Sale of your information
- ❖ Our Uses and Disclosures

### Our Uses and Disclosures Detailed:

We reserve the right to share information about you in the following circumstances but not limited to as long as they comply with HIPAA and legal requirements:

- ❖ Serve you
  - We are allowed or required to share your information in other ways – usually in ways that coordinate your services with the contracted or governing government agencies.
- ❖ Run our organization
  - We are allowed or required to share some Participant Employer data, billing and accounts receivable information with our bank, government tax auditors, and CPA auditors. We must meet many conditions in the law before we can share your service information for other purposes. For more information see:  
[www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/index.html](http://www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/index.html).
- ❖ Bill for your services
  - We can use and share your health information to bill and get payment from health plans or other entities.
- ❖ Help with public health and safety issues
  - We can share health information about you for certain situations such as:
    - Reporting suspected abuse, neglect, or domestic violence

- Preventing or reducing a serious threat to anyone’s health or safety
- ❖ Comply with the law
  - We will share information about you if state or federal laws require it, including with the Department of Health and Human Services if it wants to see that we’re complying with federal privacy law.
- ❖ Address workers’ compensation, law enforcement, and other government requests
  - We can use or share health information about you:
    - For workers’ compensation claims
    - For law enforcement purposes or with a law enforcement official
    - With oversight agencies for activities authorized by law
- ❖ Respond to covered County, State or Federal program requests
  - We can share service information about you in response to a covered request by the county, state or federal program requests.
- ❖ Respond to lawsuits and legal actions
  - We can share service information about you in response to a court or administrative order, or in response to a subpoena.

**Our Responsibilities:**

- ❖ We are required by law to maintain the privacy and security of your protected health information.
- ❖ We will let you know promptly if a breach occurs that may have compromised the privacy or security of your information.
- ❖ We must follow the duties and privacy practices described in this notice and give you a copy of it.
- ❖ We will not use or share your information other than as described here unless you tell us we can in writing. If you tell us we can, you may change your mind at any time. Let us know in writing if you change your mind.

For more information see:

[www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/noticepp.html](http://www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/noticepp.html).

**Changes to the Terms of this Notice**

*We can change the terms of this notice, and the changes will apply to all information we have about you. The new notice will be available upon request, in our office, and on our website.*

### Other Instructions for Notice

- Effective Date of this Notice: 12/22/2020
- Privacy official:  
Lisa Kampfer, CEO  
1140 Elm St E, St. Joseph, Minnesota 56374  
[lisa@yourfse.com](mailto:lisa@yourfse.com)  
(320) 420-1017
- We never market or sell personal information.
- We will never share any service records without your written permission; excluding government entities entitled to the information.

### File a complaint if you feel your rights are violated

- You can file a complaint if you feel we have violated your rights by contacting the privacy official listed above.
- You can file a complaint with the U.S. Department of Health and Human Services Office for Civil Rights by sending a letter to 200 Independence Avenue, S.W., Washington, D.C. 20201, calling 1-877-696-6775, or visiting [www.hhs.gov/ocr/privacy/hipaa/complaints/](http://www.hhs.gov/ocr/privacy/hipaa/complaints/).
- We will not retaliate against you for filing a complaint.

### The Office of Ombudsperson for Public Managed Health Care program

- Should you have questions about your access, service, billing, or need information on managed health care grievances and appeals, the ombudsperson can assist.
- Contact Information:

<https://mn.gov/dhs/people-we-serve/adults/health-care/health-care-programs/programs-and-services/ombudsperson-for-managed-care.jsp>

Call: 651-431-2660 or 800-657-3729 or use your preferred relay service

Fax: 651-431-7472

[dhsombudsman.smhcp@state.mn.us](mailto:dhsombudsman.smhcp@state.mn.us)

The Office Ombudsperson for Public Managed Health Care Programs  
P.O. Box 64249  
St. Paul, MN 55164-0249



## EXHIBIT D. SUMMARY OF KEY SUCCESS INDICATORS AS A PARTICIPANT EMPLOYER

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We have identified the key success indicators that we are summarizing below:

1. **Your role as a Participant Employer:** You agree to be set up as a HCSR (Home Care Service Recipient) with a Federal Employer Identification Number (FEIN).
2. **Service Start and Renewal Dates:** You agree to proactively work with your Support Planner or Consultation Services Provider, Case Manager and Lead Agency, to get your Plan signed and approved. Services will only begin once CDI receives a copy of the approved Plan and Service Authorization. Employees and invoices are not able to be paid prior to this date.
  - a. DHS policy does not support backdating of services. In the event your Plan is signed after the start date of the plan, your service start date will be the date in which the Case Manager approved and signed the Plan.
  - b. DHS requires eligible Participants to complete Medical Assistance (MA) paperwork each year to remain eligible for services. Failure to do so will result in a suspension of services.
3. **Employee Start Date:** You agree to help your Employees complete their new hire packet and ensure they complete the required trainings and the background check/fingerprinting process. Employees will be qualified to start working after you're notified by CDI and not before the service start date.
4. **Deadlines:** You agree to submit accurate invoices, reimbursements, and approve EVV time entries by 12:00 pm noon on Mondays following the pay day as referenced by on the CDI payroll schedule.
5. **Pay Rate Changes:** You agree that Employee payrate changes will only occur by complying with Minnesota Wage & Theft Law; this law requires you to complete an Employee Rate Record (ERR) for the change to become effective.
6. **Clocking Hours:** You agree to electronically clock your hours and approve all staff hours accurately on the Cashe EVV app. Clocked hours are based on the assessed need and actual hours you are with the Participant as outlined in the Plan. Failure to clock true and accurate hours is considered fraud.

- a. **Clocking Hours as a Family Member:** Regardless of family relationship, you will need to balance your role as a family member versus your role as a paid caregiver identified in your Plan.
  
- 7. **Overtime Hours:** You agree to monitor your Employees' hours worked. Per Department of Labor, any hours worked over 40 hours per week is considered overtime and must be paid at time and a half. In the event an Employee has more than one rate of pay, the overtime rate will be calculated on a weighted average. If the Employee works for more than one Participant under the same Participant Employer, the resulting overtime will be distributed across all Plans.
  
- 8. **Financial Responsibility:** You agree to pay any outstanding spenddowns and repay any overspending or misuse of funds. Payment is due to CDI upon receipt. Nonpayment will result in suspension or termination.
  - a. **Budget Tracking:** You agree to monitor and track your spending on the Cashe EVV app regularly. Any overpayment or misuse of funds will need to be repaid.
  
  - b. **Hospital or Facility Admission:** You agree to report all client hospitalizations or any other overnight admission immediately to CDI. You agree that no hours can be clocked during this time. Clocking hours during this time will result in an intended or unintended fraud investigation and repayment of those wages to the State of Minnesota.
  
- 9. **Worker Comp/Workers Injury:** You agree to verbally report Employee injuries and incidents immediately, no later than 23 hours to CDI. Failure to do so may result in termination of services.
  
- 10. **Commitment Statement:** You agree to a positive partnership with CDI staff, update contact information, and promptly respond to communication in a collaborative manner. These are all expectations of a working relationship under this agreement. If treated offensively, disrespectfully, exhibits a lack of communication and/or collaboration CDI will withdraw from serving a Participant Employer.

I hereby confirm my understanding and agreement with the contents of this document:

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(Participant Employer Managing Party, Responsible Party, or Participant Representative Name)

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(Date)

# SELF-DIRECTED SERVICES PARTICIPANT AGREEMENT

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THIS AGREEMENT is made effective on \_\_\_\_\_, by and between **CDI as the Financial Management Services (FMS) Entity** and \_\_\_\_\_,  
(Participant Employer/Managing Party Name or Responsible Party/Participant Representative Name)

Participant Employer or Managing Party, Responsible Party, or Participant Representative,

**WITNESSETH:** That in consideration of the mutual agreements to be kept and performed on the part of both parties as identified, respectively as stated:

- I. The Participant Employer Managing Party, Responsible Party, or Participant Representative, is choosing to and has the responsibility of self-directing or managing their own support for: \_\_\_\_\_  
(Participant Name)
- II. As a Minnesota Health Care Provider (MHCP) and contracted FMS Provider, CDI, Inc. agrees to perform certain fiscal employer agent management and support services related to Employee enrollment, time entry processing, paying service providers or vendors, invoicing the payer source, and completing all program and payroll tax reporting.
- III. This agreement will be completed, annually, upon plan renewal.
- IV. Both parties agree to the terms set forth in the current and future updates to the **FMS Self-Direction Participant Agreement** and the table of the Roles and Responsibilities of each party, incorporated herein, referenced as **Exhibit A**. In addition, agreeing to the key takeaways listed on **Exhibit D**.

This Statement of Review and Receipt is to verify that CDI has provided copies of our Grievance Policy included as **Exhibit B** and Notice of Privacy Practices (known as HIPAA), included as **Exhibit C**. I have read and understand my rights and know that I can also view my rights on [www.consumerdirections.info](http://www.consumerdirections.info)

**IN WITNESS WHEREOF**, the parties execute this Agreement this day and year above written.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Participant Employer or Managing Party, Responsible Party,  
or Participant Representative, Signature)