

STATE OF MARYLAND  
Department of Health and Mental Hygiene  
**Developmental Disabilities Administration**

**INVITATION FOR PROPOSAL**

**Fiscal Management Services  
for  
Self-Directed Services  
For Individuals Participating in the New Directions Waiver**

**I. INTRODUCTION**

On February 1, 2001 President Bush announced the New Freedom Initiative, a nationwide effort to remove barriers to community living for individuals of all ages with disabilities and long-term illnesses to ensure that all Americans have the opportunity to learn and develop skills, engage in productive work, choose where to live and participate in community life.

Recognition of the strengths, preferences and desired outcomes of individuals with disabilities and their families is essential in the development and delivery of effective and meaningful service. By allowing individuals with disabilities, or their families, to direct the design and delivery of their own support services, they will experience higher levels of satisfaction, avoid unnecessary institutionalization and use resources more effectively.

As a result of the New Freedom Initiative, the Developmental Disabilities Administration developed a 1915(c) Home and Community-Based Services waiver using the Independence Plus template. The waiver, titled New Directions, will provide long-term supports and services to individuals and their families, so that the individual may remain in their own home.

New Directions has been approved by the Centers for Medicaid and Medicare Services (CMS) effective July 1, 2005. The initial approval is for a three (3) year period. Upon renewal, it will be extended to a five (5) year period. Services can be provided to 100 new individuals each year during this period.

The waiver will serve individuals that elect to self-direct their services and meet the criteria for a developmental disability per Annotated Code of Maryland Health General -- Title 7 as well as specific medical, financial and technical criteria. A Resource Coordinator is assigned to each individual to assist with the coordination of services. The Resource Coordinator, individual and anyone invited by the individual, will work together to develop a person-centered plan. This person-centered plan will be the basis

for the Individual Plan (plan of care), which will drive the development of the individual budget. Under New Directions, an individual may choose to hire their own staff or purchase services from other qualified sources. The FMS will act as the employer agent in the instances where the individual hires and manages their own staff, and remit payment for other services purchased. Self-directed services include Supports Brokerage, Respite, Supported Employment, Personal Support, Transportation, Accessibility Adaptation, Family and Individual Support Services, Assistive Technology and Adaptive Equipment.

Additional funding may be provided for services through the traditional payment systems that are not included under the waiver as self-directed services. These traditionally implemented services include traditional Day Services, Resource Coordination and Behavioral Supports.

## **II. PURPOSE**

The purpose of this solicitation is to invite proposals from interested Family and Individual Support Services (FISS) providers who wish to provide Fiscal Management Services (FMS) for participants in the New Directions waiver. FMS is a cornerstone of the New Directions waiver. This service is essential to the successful implementation of the waiver, as the FMS will manage the fiduciary and employer-agent responsibilities for enrolled individuals.

DDA seeks providers who have a current FISS license and who are eligible to be designated as an Organized Health Care Delivery System (OHCDS) per COMAR 10.22.20<sup>1</sup>.

## **III. MINIMUM REQUIREMENTS**

Prospective providers must be:

- Licensed (in good standing) to provide Family and Individual Support Services (per COMAR 10.22.02 and 10.22.06);
- Designated as an OHCDS (or willing to become designated as an OHCDS);
- Equipped to provide services in accordance with the requirements set forth in this document beginning July 2005; and,
- Able to provide services in accordance with generally accepted accounting principles.

## **IV. FMS RESPONSIBILITIES**

The DDA New Directions Regional Coordinator will submit an individual's approved budget and spending plans to the FMS provider. The FMS provider will notify the individual, or appropriate family member that it received the approved documents and

---

<sup>1</sup> Organizations already possessing an OHCDS designation do not need to submit another application under this waiver.

provide instructions on where the individual sends receipts for services and any other information required.

With regard to services, the FMS provider will:

1. Not provide both direct services or resource coordination and FMS to an individual.
2. Function as the Employer Agent for the individual.
3. Assist individual in securing employer identification number, when needed.
4. While acting as employer agent, submit all required reports, withholding and payment actions according to Federal and State tax laws and regulations;
5. Provide payment for the self-directed services authorized in the individual's IP and individual budget;
6. Monitor individual budgets and provide detailed monthly statements of account activity (see requirements in report section);
7. Process and issue payment for self-directed services within ten (10) days of receipt of invoice;
8. Verify expenditures are authorized in the individual's budget and providers are qualified.
9. Assist the individual in securing criminal background checks for prospective employees.
10. Assist individuals in obtaining and maintaining workers compensation and unemployment insurance and other necessary employer-related insurance coverage, as needed.
11. Establish and maintain a toll-free number.

With regard to safeguards required by the State, the FMS will:

1. Fully cooperate with a review by State and/or Federal Auditors.
2. Complete and submit monthly the claim for Federal Financial Participation (FFP) utilizing the form and format approved by the Administration.
3. Obtain a criminal background investigation on all employees of the FMS who handle deposits, disbursements or oversight of these functions.
4. Provide the names of four (4) employees authorized to endorse checks on behalf of the FMS.
5. Establish a payment processing system that includes the endorsement of all checks by two (2) employees of the FMS
6. Establish a payment processing system that assures that the staff member responsible for endorsements does not handle deposits.
7. Transmit data to DDA utilizing, at minimum Microsoft Office Excel 97, utilizing the form and format approved by the Administration.
8. Adhere to COMAR 10.22.20 in the execution of all subcontracts.
9. Develop Account Statements, Educational Materials and a Fiscal Management Satisfaction Survey which explain the responsibilities and risks associated with consumer-directed services. The educational material(s) may be used by the Resource Coordinator, Supports Broker, DDA and any entity authorized by DDA.

10. **Notify DDA of situations identified as potential misuse of authorized funds immediately upon discovery.**

With regard to reports required by the State, the FMS will submit:

1. An audit<sup>2</sup>, by independent CPA, of funds disbursed on behalf of the individual.
2. An Audited financial statement, for the FMS Corporation, for the previous year.
3. A Fiscal Management Satisfaction Survey. The client satisfaction survey shall be provided to individuals to evaluate Fiscal Management services. The surveys will be returned by the individual (at no cost) to DDA for annual compilation.
4. An Account Statement. This report is to monitor service utilization for each individual based on the amount approved for the service compared to the amount billed. The report shall include the name of the individual, Medicaid number, yearly amount approved (by service), expenditures billed (for the current month and year to date total) and projected expenditures for the remainder of the fiscal year. This report shall be submitted monthly with copies forwarded to the individual, the appropriate Resource Coordination agency and Regional Office.
5. Notice of receipt of an IRS notification of late payment, penalty and/or interest within 5 days of receipt.

## V. GEOGRAPHIC AREA

The DDA intends to make a minimum of one (1) award and may make a maximum of four (4) awards as a result of this solicitation. FMS will be provided in DDA's four (4) regions, as follows:

Central Region: Anne Arundel County, Baltimore City, Baltimore County, Harford County and Howard County

Eastern Region: Caroline County, Cecil County, Dorchester County, Kent County, Queen Anne's County, Somerset County, Talbot County, Wicomico County and Worcester County

Southern Region: Calvert County, Charles County, Montgomery County, Prince George's County and St. Mary's County

Western Region: Allegany County, Carroll County, Frederick County, Garrett County and Washington County

Vendors may propose to provide services in one or more Regions, or may propose to provide services to a specific Region. Proposals must clearly specify Region(s) to be served.

Award of this contract does not guarantee the contractor a specific number of individuals to be served.

---

<sup>2</sup> Audits to be paid for by the FMS

## VI. PROPOSAL SUBMISSION INSTRUCTIONS

Interested parties shall submit a proposal clearly specifying Region(s) to be served; proposed methodology; forms and documentation describing how the requirements set forth in this proposal will be met and methods to be utilized; a per person/per month fee clearly stating maximum number of transactions included; additional transaction fee above maximum; demonstration of fiscal integrity and reliability by submitting audited financial statements for the most recent two fiscal years available.

Please submit proposals to:

**Attention:** Denise Sutton  
**Address:** Department of Health and Mental Hygiene  
Developmental Disabilities Administration  
Waiver and Planning Unit  
Room 415  
201 W. Preston Street  
Baltimore, Maryland 21201

**Deadline for receipt of proposals:** Friday, April 29, 2005, 3:30 p.m.

## VII. PRE-PROPOSAL CONFERENCE

Interested organizations are invited to attend a pre-proposal conference.

DATE: Monday, April 4, 2005  
TIME: 10:00 a.m.  
LOCATION: DDA's Southern Maryland Regional Office  
312 Marshall Avenue, 7<sup>th</sup> Floor  
Laurel, Maryland 20707

Please contact Mary Sowers or Denise Sutton at 410-767-5600 if you plan to attend.