

# REQUEST FOR INFORMATION FINANCIAL MANAGEMENT AND SUPPORT COUNSELING SERVICES FOR SELF-DIRECTION

STATE OF ARKANSAS

DEPARTMENT OF HUMAN SERVICES,

DIVISION OF PROVIDER SERVICES AND QUALITY ASSURANCE

## 1 Request for Information

The state of Arkansas, Department of Human Services (DHS), Division of Provider Services and Quality Assurance (DPSQA) requests information from vendors regarding the provision of financial management and counseling services to include billing and claims, Electronic Visit Verification (EVV) per the federal Centers for Medicare and Medicaid Services (CMS) requirements for self-directed participants receiving personal care services and/or attendant care services within the 1915(j) and 1915(c) programs, IndependentChoices and ARChoices.

**A Request for Information (RFI) is not a method of procurement. Responses to an RFI are not offers and shall not be accepted by DHS to form a binding contract. This RFI shall not directly result in the execution of a contract with DHS.** DHS reserves the right to utilize the information gathered through the RFI process to develop a scope of services that may be incorporated into a contract using a statutorily approved method of procurement.

## 2 Background / Overview

DHS currently has a single contract providing both financial management services and support counseling services to all service beneficiaries choosing to self-direct their personal care and/or attendant care services through the IndependentChoices program. Financial Management Services (FMS) are provided in a Fiscal Employer Agent model which means the beneficiary of services is the sole employer and holds full employer and budget authority.

The IndependentChoices program provides a state plan services under 1915(j) et al. of the Social Security Act. The program is operated by the Division of Provider Services and Quality Assurance (DPSQA) with support from the Division of Aging, Adult, and Behavioral Health Services (DAABHS). The program offers Medicaid-eligible seniors, aged 65 and older, and disabled adults, aged 18 and older, an opportunity to self-direct their personal and/or attendant care services.

DHS currently identifies approximately 12,500 participants in Home and Community-Based Services (HCBS) in Arkansas with 20% percent enrolled in self-direction and 80% waiver. IndependentChoices seeks to increase the opportunity for consumer direction and control for Medicaid beneficiaries receiving or needing the defined services. These defined services are limited to state plan personal care and attendant care for ARChoices in Homecare (ARChoices) beneficiaries.

IndependentChoices offers beneficiaries an allowance and counseling services to provide the beneficiary with greater control over receipt of the defined services.

IndependentChoices participants, or their designated representative, must be able to assume and display competency in the responsibilities of becoming an employer by hiring, training, supervising, and firing, if necessary, their direct care workers. This also includes being able to independently direct and manage employee's time within the Electronic Visit Verification (EVV) system implemented by the state in accordance with CMS regulations. In doing so, the program participants accept the risks, rights, and responsibilities of directing their own care and ensuring their health care needs are being met. The Financial Management vendor is responsible for ensuring that the program participant is certified to be an independent employer through self-direction by assessing the competency level required for the program and all it entails. The vendor also assists all active participants on the program, serving as the participant's FMS agent for payroll, tax, and other financial needs.

Medicaid funding is dispersed prospectively to the FMS vendor's designated non-interest-bearing account designated solely as a placeholder for participant funding and cannot be utilized for other business-related needs of the vendor. Arkansas self-direction programs do not utilize a Prior Authorization request at this time. Arkansas self-directed budgets are established to pay out through the DHS Medicaid Management System (MMIS) on a monthly basis, based on the number of dates in a month and a participant's budget allowance. A participant's budget allowance is determined by DHS staff or through a separate DHS vendor assessment. This assessment, known as the Task and Hours Standard, is used to determine the total budget amount based on the number of hours needed. Once the Task and Hours has been completed and the budget allowance set, the participant, with assistance from the FMS contractor, creates a Cash Expenditure Plan (CEP) worksheet.

In the State Fiscal Year 2021 (SFY21), spanning from July 1, 2020 to June 30, 2021, the average funds received from Medicaid by the FMS vendor were approximately \$4.1 million dollars per month. The average expenditures paid on a bi-weekly pay schedule on behalf of the program participants was approximately \$3.9 million dollars per month.

During the last four (4) State Fiscal years from 2017 through 2020, the average number of participants self-directing their services through the IndependentChoices program was 3,442. The program has seen a significant decrease in active participants within the 2020-2021 timeframe, resulting in an approximate 29% decrease. Factors, including but not limited to the following, can affect enrollment and active participant totals over a period of time:

- the participant deciding to transition to the traditional agency model
- the participant requiring a higher level of care than the self-direction program
- the development of new programs and program requirements/criteria

On April 1, 2021, the Electronic Visit Verification (EVV) system was implemented into the IndependentChoices program. The contractor for the IndependentChoices program is required to integrate with the State of Arkansas EVV system to meet the Section 12006(a) of the 21<sup>st</sup> Century Cares Act mandate that states implement EVV for all Medicaid personal care services (PCS) and home health services (HHCS) that require an in-home visitor by a provider. Arkansas currently offers an Open Vendor Model to accommodate service provider business decisions and preserve existing investment in

systems. However, the Independent Choices “beneficiary” does not have the ability to hire an EVV vendor to meet CMS’ requirements and, thus, the “FMS” contractor is responsible for securing a proper EVV system on the Beneficiaries’ behalf.

DHS has a need to perform services (utilizing the current system or an external system) in support of the Independent Choices program to ensure appropriate and allowable services are provided to our self-directed services population. The services needed include, at a minimum:

## 2.1 Financial Management Services

CMS defines Financial Management Services (FMS) as a “service/function that assists the family or participant to: (a) manage and direct the distribution of funds contained in the participant directed budget; (b) facilitate the employment of staff by the family or participant by performing as the participant’s agent in performing such employer responsibilities as processing payroll, withholding and filing federal, state and local taxes, and making tax payments to appropriate authorities; and (c) performing fiscal accounting and making expenditure reports to the participant and/or family and state authorities.”<sup>vi</sup> Self-directed services in Arkansas, within the Independent Choices program, use Financial Management Services (FMS) to support regulation, tax and budget compliance. The focus of FMS is to ensure tax compliance and upholding program rules so program participants can spend their time managing their care.

## 2.2 Support Counseling Services

According to CMS, all self-directed participants should receive conflict-free support coordination, or known as support counseling, services. Support Counseling Services should provide the participant with employer orientation and skills training, initial and as needed, rooted in fundamental self-direction norms and in a manner consistent with the participant’s decision-making and managerial authority. Support Counseling Services also provides a mechanism to assist the program and state agency to ensure the health and safety of the participant.

# 3 Anticipated Services to be Provided

## 3.1 Provide Financial Management/Payroll Services

Provide information on available methods/processes, as well as estimated personnel and resources necessary to perform an array of fiscal intermediary services including, but not limited to:

- 3.1.1 Manage employment taxes and insurance
- 3.1.2 Manage payroll processing
- 3.1.3 Track and report Individual/Participant budget balances and expenditures
- 3.1.4 Process invoices for goods and services
- 3.1.5 Pre-authorization of services
- 3.1.6 Manage and direct disbursement of funds contained in the participant-directed budget

3.1.7 Facilitate employment of staff by the participant, or authorized representative, by performing as the participant's agency such as employer responsibilities as verifying provider qualifications, processing payroll, withholding Federal, State and local tax, and making tax payments to appropriate authorities

3.1.8 Perform fiscal accounting and make expenditure reports to the participant, or authorized representative, and state authorities

### 3.2 Provide Support Counseling Services

Provide information on available methods/processes, as well as estimated personnel and resources necessary to perform an array of support services and information and assistance services including, but not limited to:

3.2.1 Assist prospective and enrolled participants in developing a personalized budget

3.2.2 Assist with recruiting, hiring, managing, and dismissing employees

3.2.3 Train participants, representatives, and direct service workers

### 3.3 Integrate State of Arkansas EVV System

Provide information on available methods/processes, as well as estimated personnel and resources necessary to perform EVV functions and activities, including:

3.4.1 Present a solution utilizing the state's EVV solution or present a cost-effective solution utilizing a third-party vendor that integrates with Arkansas' EVV system. The solution must be compliant with the following:

- CMS EVV
- CMS KPI Reporting
- Laws, regulations, and policies at the federal and state levels

3.4.3 Integrate with the state DSS system for all EVV visits and claims data for auditing and program oversight

3.4.4 Integrate a solution to be minimally burdensome to the self-directed program, its participants, and its caregivers

### 3.4 Related Functions

Provide information on available methods/processes, as well as estimated personnel and resources necessary to perform related functions and processes including, but not limited to:

3.5.1 Conduct pre-screening intake activities for participants inquiring about self-direction through the IndependentChoices program. Pre-screen intake is utilized to determine if there is potentially a medical need of assistance, and only determines if the participant needs assistance with at least one ADL

3.5.2 Verify participant or interested individual is in appropriate Medicaid category

3.5.3 Provide a toll-free customer service telephone number for participant inquiries, complaints, assistance, and pre-screening, including call tracking and statistics

- 3.5.4 Receiving, tracking and resolution of complaints made by program participants, the designated representative, or employees
- 3.5.5 Participation in all activities related to administrative appeals of adverse actions and litigation based in whole or in part on Vendor's acts or omissions
- 3.5.6 Required and ad hoc reporting
- 3.5.7 Development and provision of all forms and documents related to the financial management and support counseling services and processes
- 3.5.8 Development and implementation of various Quality Assurance and Performance Improvement projects
- 3.5.9 Conduct all communications in a secure and HIPAA-compliant manner
- 3.5.10 Secure repository and maintenance of all data related to the prior authorization and retrospective review processes
- 3.5.11 Participation and coordination of a Self-Directed Advisory Panel, consisting of beneficiaries/participants, designated representatives, employees, DHS representatives and any additional stakeholders with a vested interest or advocacy in self-direction
- 3.5.12 Educational and outreach materials, including participant orientation packets, self-direction informational/outreach materials, informational memorandums and other notices to participants and employees regarding program related issues and activities

## 4 RFI Response Requirements

### 4.1 Response Requirements

Respondents to this RFI are asked to be thorough, but concise. Responses must address each of the following RFI questions point by point. Where functionality currently exists within the State MMIS system, respondents must also address available methods/processes, as well as estimated personnel and resources necessary to utilize the existing system. The RFI response must include the following information:

#### 4.1.1 Address and Contact Information

The respondent's name; business address(es); contact information, including representative name and alternative, if available; telephone number(s); and e-mail address(es)

#### 4.1.2 Statement of Interest

A statement of interest in the services outlined in this RFI, including an outline of a specific product, concept, technology, or approach that would meet the goals and requirements described in this RFI

#### 4.1.3 Experience

A description of the business, program, and contract experience necessary to implement the services outlined in the respondent's proposals

#### 4.1.4 Company Profile

The respondent's company profile with program specifications, including information on the respondent's approach, plan, and design for each service described in this RFI. If available, a description of program outcomes, and methods used for data collection and reporting

#### 4.1.5 Ability to Perform

A description of the certifications, accreditations, and abilities necessary or helpful to implement the services outlined in the respondent's proposals

#### 4.1.6 Reporting Capabilities

A description of the proposed reporting capabilities utilized to report over/under utilization of services and inappropriate referral patterns

#### 4.1.7 Improvements

Identify and describe how the respondent's approach will offer advantages and/or improvements over existing processes. Identify and describe known or potential concerns with the approach. This includes potential reforms or additions DHS can take to accelerate the progress of access to self-directed services and achieve an appropriate balance between self-direction and traditional agency services to meet the needs and preferences of the participant.

#### 4.1.8 Structure Analysis

An analysis of the current structure providing both Financial Management Services and Support Counseling under a single contract. The analysis should also identify advantages and/or disadvantages in this model and the respondent's proposed recommendations to provide an overall sufficient and streamlined business model

#### 4.1.9 Staffing Levels

A description of the staffing levels the respondent anticipates will be needed to carry out its proposed approach. The description should include, at a minimum, the estimated number/type/level of expertise of staff that the respondent would assign to an initiative such as the one described in this RFI. In addition, a description of the methodology used to develop the staffing levels

#### 4.1.10 Technology

A description of the respondent's recommended information system capabilities, including prior authorization and case management system capabilities, security features, including the ability to protect information in compliance with Health Insurance Portability and Accountability Act of 1996 (HIPAA) requirements, and ability to maintain and interface in an electronic health record environment

A description of the available methods/processes, as well as estimated personnel and resources necessary to meet applicable Center for Medicare and Medicaid Services (CMS) seven (7) standards and conditions, such as:

- Accommodating customer preferences for communications by email, text, mobile devices, or phones.
- Complying with standards and protocols adopted by the Secretary under sections 1104 and 1561 of the Affordable Care Act.

- Preserving the ability of the architecture to efficiently, effectively, and appropriately exchange data with other participants in the health and human services enterprise.
- Utilizing a widely supported modeling language (e.g., UML, BPMN) in the proposed system design documents.
- Considering and choosing open standards between key interfaces, where feasible.
- Integrity safeguards placed to ensure participants' safety, reduce fraud, waste, and abuse in self-direction services
- Identifying and resolving lack of technology by participants in order to properly comply with EVV regulations and standards (e.g. lack of skill, lack of equipment, lack of access/internet connection)

#### 4.1.11 Internal Procedures

A description of the available methods/processes, as well as estimated personnel and resources necessary for ensuring system security and the confidentiality of personally identifiable data, as well as its disaster recovery plan ability and business continuity plan to resume services with minimal disruption. In addition, a description of available methods/processes, as well as estimated personnel and resources necessary to support auditing requirements such as Sarbanes-Oxley Act requirements

#### 4.1.12 Quality Assurance

A description of the available methods/processes, as well as estimated personnel and resources necessary to implement and support a quality assurance system, including a description of how the respondent could monitor the appropriateness and effectiveness of the case management and prior authorization services provided

#### 4.1.13 Provider Participation

A description of strategies to ensure provider participation and education of the financial management, EVV and support counseling services described in this RFI, to include strategies for provider communication and provider outreach

## 5 Proprietary Information

Any portion of the submitted response which is asserted to be exempt from disclosure shall be clearly marked "exempt" or "confidential" or "trade secret," as applicable and shall also contain the statutory basis for such claim on every page. Submission documents pertaining to this RFI become the property of the State and are subject to the Arkansas Freedom of Information Act (FOIA). In accordance with FOIA, the State may maintain the confidentiality of certain types of information described in FOIA. Such information may include trade secrets defined by FOIA and other information exempted from the Public Records Act pursuant to FOIA.

## 6 Response Submission

Respondents to this RFI shall submit two (2) hard copies and two (2) electronic copies of its response. The electronic format shall be submitted on CD-ROM or flash drive. The software used to produce the electronic files must be Microsoft Word 97 and/or Excel 97 or newer. These electronic files must be logically named and easily mapped to the hard copy submittal. The electronic media must be clearly labeled in the same manner as the hard copy.

The respondent shall also submit an electronic redacted copy of the response suitable for release to the public. Any confidential or trade secret information covered under the AR FOIA statutes should be either redacted or completely removed. The redacted response shall be marked as “redacted” copy and contain a transmittal letter authorizing release of the redacted version of the response in the event DHS receives a public records request. The vendor should keep in mind the following:

- One (1) complete copy of the submission documents from which any proprietary information has been redacted should be submitted on a flash drive in the Response Packet. A CD is also acceptable. Do not submit documents via email or fax.
- Except for the redacted information, the redacted copy must be identical to the original hard copy, reflecting the same pagination as the original and showing the space from which information was redacted.
- The respondent is responsible for identifying all proprietary information and for ensuring the electronic copy is protected against restoration of redacted data.
- The redacted copy will be open to public inspection under the Freedom of Information Act (FOIA) without further notice to the respondent.
- If a redacted copy of the submission documents is not provided with the respondent’s Response Packet, a copy of the non-redacted documents, with the exception of financial data, will be released in response to any request made under the Arkansas Freedom of Information Act (FOIA).
- If the State deems redacted information to be subject to FOIA, the respondent will be contacted prior to release of the documents.
- The State has no liability to a respondent with respect to the disclosure of the respondent’s confidential information ordered by a court of competent jurisdiction pursuant to FOIA or other applicable law.

Responses to this RFI shall be provided no later than **5:00 PM, Central Standard Time, Wednesday, January 5, 2022**. Responses shall be submitted to:

**Arkansas Department of Human Services  
Office of Procurement  
Attn: Margurite Al-Uqdah  
P.O. Box 1437, Slot W345  
Little Rock, AR 72203-1437**

## 7 Respondents Costs

Respondents are responsible for all costs associated with preparing a response to this RFI. The state of Arkansas, Department of Human Services, will not be responsible for any costs associated with preparing a response to this RFI.

## 8 DMS Website

Additional information about the Arkansas Department of Human services can be found on the DHS website at: <https://humanservices.arkansas.gov/>

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<sup>1</sup> Ibid., Section 1915(c) HCBS Waiver Technical Guide, p. 188