



**Wisconsin  
Self-Directed Home  
and  
Community Based  
Waiver Program**

**IRIS Fiscal Employer Agent (FEA)  
Provider Certification Criteria**

# Fiscal Employer Agent Certification Criteria

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## INTRODUCTION

### **I. IRIS Program and Self-Direction**

The Wisconsin Department of Health Services the Department has released these certification criteria for the purpose of identifying providers interested in providing Fiscal employer agent (FEA) services for the IRIS (Include, Respect, I Self-Direct) Program operated under section 1915(c) of the Social Security Act - Medicaid Home and Community-Based Services (HCBS) waiver program. A link to the Wisconsin HCBS waivers which are the governing authority for the IRIS program are found at <http://www.dhs.wisconsin.gov/iris/resources.htm>.

The IRIS program long-term support option began in Wisconsin on July 1, 2008. The Wisconsin Department of Health Services, Division of Long Term Care (DLTC) is the agency responsible for IRIS program operations under the authorization of the Centers for Medicaid and Medicare Services (CMS). The Department oversees the provision of several long-term support options for frail elders and people with disabilities; as well as other programs for elders and persons with disabilities. This includes the Family Care Program, Family Care Partnership and Family Care PACE (Program of All-Inclusive Care for the Elderly). The Department also ensures unbiased options counseling for people determined to be in need of long-term care supports and services through the Aging and Disability Resource Centers (ADRCs). Each county in Wisconsin has an ADRC. This link provides the reference map for ADRCs: <https://www.dhs.wisconsin.gov/adrc/consumer/index.htm>.

The IRIS program is available to Wisconsin residents who meet all functional and financial eligibility criteria, including, but not limited to: the person is at least 18 years of age, meet Wisconsin residency definitions, meet program functional eligibility requirements, meet financial eligibility requirements and live in a county where reformed long-term care is available. Please reference the following website regarding eligibility requirements <http://www.dhs.wisconsin.gov/iris/eligibility.htm>.

People who meet all eligibility requirements for publicly-funded long-term supports are offered the choice of IRIS or managed care through the local Aging and Disability Resource Center. As of April 30, 2015, there were 11,935 individuals enrolled in IRIS, with a growth trend of approximately 1-2% per month. The map of current counties that include the IRIS program as a long-term care options is found at the following website: <http://www.dhs.wisconsin.gov/LTCare/Generalinfo/Where.htm>.

The goals related to the IRIS program are as follows:

**INCLUDE** – Wisconsin frail elders, adults with physical or developmental disabilities with long-term care needs who are Medicaid eligible are included in communities across Wisconsin. IRIS program supports and services address a person’s long-term support needs and are designed by the participant and/or the participant’s guardian to meet these long-term care needs in community settings.

**RESPECT** – Participants choose where they live, the relationships they build, the work they perform, and the manner in which they participate in the community.

**I SELF-DIRECT** – IRIS is a self-directed option in which the participant manages a service plan within an individual budget to help meet his or her long-term care needs. All services and supports on the plan must meet the guidelines for allowable supports and services. The participant has the flexibility to design a cost-effective and personal plan to meet long-term care needs.

Individuals who choose to participate in IRIS have choice, control, and freedom to design their own waiver eligible support and service plans to meet their functional, vocational, medical and social needs.

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The 1915(c) HCBS waiver approved by CMS defines the types of services and goods allowable in the IRIS program. The allowable supports and services can also be found at:

<http://www.dhs.wisconsin.gov/iris/resources.htm>

Participants enrolled in IRIS self-manage their goods and services. The providers of approved supports and services are then paid through a Third Party Claims Administrator (TPA). The IRIS-funded, waiver-eligible supports and services assist the person to remain in the community and avoid nursing home or other institutional care.

The IRIS program participants are supported in reaching these goals by use of an IRIS consultant agency (ICA) provider and a fiscal employer agent (FEA) provider. IRIS participants select between multiple providers for this function. IRIS participants choose an IRIS consultant (IC) and work with the IC to create an individual support and service plan (ISSP) within an individually assigned budget amount. The IC assists the participant to monitor and modify the plan over time to meet his or her long-term care needs.

Together, the participant and the IC identify the participant's long-term support needs; the participant's desired outcomes; possible community resources; natural unpaid supports; non-Medicaid services for which the participant is eligible; and the goods and services the participant will purchase with IRIS long-term support funding. Medicaid State Plan services, including primary and acute care services, are not included within the IRIS budget. Federal CMS regulations require that participants access services through ForwardHealth prior to utilization of IRIS funds.

The IC also supports the participant to understand IRIS program requirements, complete required documentation, and comply with the unique processes related to a self-directed Medicaid program and the requirements of being the employer of direct care, participant-hired workers. The ICA provider is responsible for enrollment and orientation, initial plan development, and ongoing consultant services.

People are able to hire workers directly, either as an employer; or through an agency provider. The involvement of the IC and FEA provider varies based upon the needs of the participant. A key IRIS feature is the emphasis on the role of the participants, or their family members or representatives, to effectively manage their long-term supports.

If the IRIS participant decides to hire participant-hired workers to provide support services, the participants also have a choice of an FEA. The FEA is responsible for processing payroll; managing tax withholdings; reporting obligations for participant-hired workers; and, assisting with other employer responsibilities. This is required to be a separate function from the ICA.

The Department will also contract with a Third Party Claims Administrator (TPA) to adjudicate and process claims and report Medicaid encounter data.

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## II. Certification Process

### A. Purpose of Certification

The Department is using a provider certification process to increase the choice of qualified ICA and FEA providers whose values, standards and principles align with the IRIS program. Any agencies applying for certification agree to the standards under which the Department conducts this certification process.

The DHS review of all FEA certification applications are conducted under the same guidelines. However, the Department has sole discretion to assess the completeness and thoroughness of the application and to determine whether the applicant meets the criteria within this certification process.

### B. Prequalification Criteria

#### 1. Prequalification application submittal process

Each application will have a prequalification review to determine if the applicant meets threshold criteria. There are two components needed for complete submission of the prequalification application: Paper (Hard Copies) and Electronic materials. Both components must be submitted to the address identified under section II(D)(1). The following submission requirements must be followed for each of the components:

##### a. Paper (Hard Copy) Components

This component must contain the **original** and three paper copies of the entire application and be labeled as follows:

1. FEA Prequalification Application as applicable
2. FEA Name

##### b. Digital Components

In addition to the paper documents described above, the application must be submitted in a non-password protected PDF format on reproducible CDs or an external flash drive recorded and labeled as follows:

1. FEA Pre-Qualification Application
2. FEA Applicant Name

#### 2. Prequalification Review Process

Each prequalification application is reviewed by a committee of the manager of the Office of IRIS Management (OIM) staff, OIM staff, and staff in the Bureau of Long Term Care Financing.

- a. The initial review is scheduled approximately 30 days after the receipt of the prequalification application.

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- b. After the initial committee review a decision will be issued as outlined in Section II(B)(3) within 14 calendar days.
3. A summary of the requirements that the applicant must meet and maintain is described under II(B)(3). The applicant must submit required information to demonstrate the capacity to address each area. Department staff will review the prequalification documentation submitted by the applicant for compliance with the criteria. The Department of Health Services will then issue a written decision to the applicant, indicating one of the following:
  - a. Approval of prequalification criteria, applicant may proceed with the application process.
  - b. Intent to Deny the application:
    1. The Department will provide the applicant with a written statement identifying the area(s) of prequalification that did not meet the criteria.
    2. Applicants receiving an Intent to Deny will be provided an opportunity to meet with the committee to review the identified deficiencies.
      - a. The information regarding scheduling a deficiency review meeting will be included in the written decision.
    3. Applicants will be permitted to submit additional information addressing the identified deficiencies.
      - a. If the applicant intends on submitting additional / supplemental information regarding the identified deficiencies the applicant must submit them in advance of the scheduled review meeting with enough time to permit the committee to review them prior to the meeting.
      - b. The review committee and applicant will discuss the committee's preliminary decision and any additional/supplemental information. The committee will issue a final decision after the meeting.
  - c. A request, by the IRIS Section to the applicant, for clarifying information regarding compliance with the prequalification criteria.
4. Applicants currently certified as a FEA provider does not need to submit a prequalification during the recertification process.

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## C. Prequalification Criteria

### Executive Summary

- a. The applicant should explain its business philosophy, goals and model of providing self-directed ICA services and how it aligns with the particular core principles of the IRIS program, including the six domains of self-direction:
  1. Health and Safety
  2. Having a Place of One's Own
  3. Community Membership
  4. Relationships
  5. Employment
  6. Control Over Transportation
- b. For more information regarding the core principles of self-direction within the IRIS program, reference the following link: <http://www.dhs.wisconsin.gov/IRIS/index.htm>
- c. The Review committee will receive the executive summary for informational purposes only.

The review committee will determine an applicant's prequalification based on the following criteria:

- a. The applicant must be a legally recognized entity within the State of Wisconsin, and maintain compliance with all applicable state and federal laws and regulations under which they maintain the entity's status.
- b. The applicant must have a physical presence in each region they will operate FEA Services. The location must be available for participants and participant-hired workers to drop off timesheets, employer, employee paperwork, and have any other employer, employee, and provider questions answered.
  1. The applicant must include the region(s) being applied for.
  2. The FEA must have the capacity to serve the population in the region(s) the FEA is applying to serve.
  3. The applicant must include the physical address of all staffed offices located in the region(s) the FEA is applying to serve.
- c. The FEA Service delivery and systems, including, but not limited to, associated entities, third party contracts and software, business partners, subcontractors, etc., must comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) including all pertinent regulations (45 CFR Parts 160 and 164) issued by the U.S. Department of Health and Human Services.
- d. FEA's are prohibited from providing any paid WI Medicaid supports or services to the participants they provide fiscal employer services for. This prohibition includes agencies that the FEA has any direct or indirect financial or fiduciary relationship with ('related agencies'). The participant will be required to make a choice of receiving fiscal employer

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services from the FEA or the paid Medicaid supports or services that the FEA or its related agencies offer. This excludes administrative contracts that do not provide direct service or eligibility and enrollment for services. Explicitly including, but not limited to Self-Directed Personal Care Oversight, home or vehicle modification assessments, and 1-2 Bedroom Adult Family Home certification.

Therefore, the applicant must maintain business separation from any agency involved with enrollment counseling and/or Aging and Disability Resource Centers, functional and/or financial eligibility determination, including Income Maintenance consortia, administration of any other Wisconsin long-term care programs, and any paid supports or services it provides for any Wisconsin Medicaid programs or recipients. The applicant must demonstrate, to the satisfaction of the Department that the applicant entity is able to maintain complete separation and must not influence a person's choice of Wisconsin long-term care programs and/or influence of a person's choice of service and support providers within area of the business, if applicable. The applicant must demonstrate the mitigation of any real or perceived conflicts of interest. This includes, but is not limited to, board or executive oversight, management and field supervision of staff operating under the ICA or FEA contract, management and non-management overlapping roles and responsibilities, Conflict of interest policies, paper and electronic systems security and segregation of administration functions

1. Company Structure
  - a. Articles of Incorporation; articles of organization; partnership agreement; or other comparable documents.
2. IRIS Provider Board Member Disclosure Form ([DHS F-01275](#)), if applicable.
  - a. Selection Process
    1. Who is responsible to select board members?
    2. What criteria are used to select board members?
    3. What is the term of board membership?
  - b. By-Laws
  - c. Board of Directors Conflict of Interest Policy
    1. The Board's Conflict of Interest Policy;
    2. A copy of each board member's Conflict of Interest form ([F-01310](#)) with the member's signature; and
    3. Internal controls in place to enforce the conflict of interest policy to include, but not limited to, background checks, and/or other employment verification.

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## 3. Executive Staff

All applicants must submit an IRIS Provider Executive Staff Disclosure from ([F-01275A](#)) regarding their executive staff, including but not limited to;

- a. Principals and Owners
- b. Chief Executive Office (President, Vice President)
- c. Chief Operating Office
- d. Chief Financial Officer
- e. Chief Security / Information Technology Officer

## 4. Management Structure

- a. Roles and responsibilities of central office and field managers, to include:
  1. Segregation of staff duties and oversight responsibilities;
  2. Identification of overlapping responsibilities and authorities - provide organizational chart for all operations/entities;
  3. Shared staff, to include:
    - a. Identification of positions, responsibilities and description of how internal controls for separation of duties between entities/other unrelated operations is established, maintained and verified.
    - b. Percentage of allocation to IRIS and other lines of business and method used to establish and validate identified percentage.
- b. Policy and Procedure Manual and/or Standard Operating Procedure

## 5. Administrative Services Agreement (ASA), if applicable to related entities, to include:

- a. Actual Agreement;
- b. Services purchased; and
- c. Anticipated percentage of allocation to the IRIS program versus other lines of business description and as defined in the ASA.

## 6. Employee Conflict of interest mitigation protocols:

- a. Provide a copy of the Conflict of interest Policy;
- b. Provide a copy of each employee's signed Conflict of interest form; and
- c. Describe the Internal controls used to monitor and enforce the Conflict of interest policy to include, but not limited to, background checks, and/or other employment verification.

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- d. Describe and provide examples of analytics used to evaluate and assure accuracy of cost allocations and program charges related to the IRIS program.
7. Paper and electronic System Security, describe the process to ensure that multiple lines of business are segregated, include:
  - a. Roles assigned and system controls to include but not limited to layered access, system audit, user roles; and
  - b. Functionality-System description, program specific design/functionality, oversight to ensure required segregation from other program operations.
8. Describe and provide examples of analytics used to evaluate and assure accuracy of cost allocations and program charges related to the IRIS program.
9. Copy of most recent audited financial statements for proposed company and related parties (consolidated), and response to audit findings conducted by an independent Certified Public Accounting (CPA) firm. If no prior year audit statements exist, then the applicant must provide an explanation of this status and must provide the name of contracted independent CPA firm that will be used to satisfy the annual independent CPA firm financial audit requirement.
10. The applicant must complete an IRIS Certification Designation of Confidential and Proprietary Information ([F-01549](#)) if any information in the prequalification application is determined to be confidential or proprietary by the applicant.

Certification applications will not be accepted by the Department without written approval of the prequalification criteria.

## **D. Certifying and Contracting Information Section**

1. Contact Information - The Wisconsin Department of Health Services, Division of Long Term Care, Bureau of Long Term Support, which issued these certification criteria, is the sole point of contact for the State of Wisconsin during the certification process. All materials described in this Section must be submitted to the following area:

IRIS Certification  
Department of Health Services  
Division of Long Term Care  
1 W. Wilson Street, Room 418  
Madison, WI 53701-7850  
(608) 261-6749  
[DHSIRISCertification@dhs.wisconsin.gov](mailto:DHSIRISCertification@dhs.wisconsin.gov)

The IRIS Section within the Division of Long Term Care, Bureau of Long Term Support will administer the contracts resulting from this certification process. The contract administrator will be the IRIS Section Chief or a designee.

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2. Questions regarding the certification process, certification criteria, and/or financial solvency template must be submitted to the Department via [DHSIRISCertification@dhs.wisconsin.gov](mailto:DHSIRISCertification@dhs.wisconsin.gov)

The subject line for inquiries or applications must be submitted with the following information.

- a. ICA IRIS Certification Questions [Company Name]
- b. FEA IRIS Certification Questions [Company Name]
- c. Financial Solvency Template [Company Name]
- d. Prequalification letter – ICA Certification [Company Name]
- e. Application ICA Certification [Company Name]
- f. Prequalification letter – FEA Certification [Company Name]
- g. Application FEA Certification [Company Name]

The body of the email should also reference the section of the criteria the question is referring to. Reference to the criteria section will help ensure DHS addresses all questions as efficiently as possible.

3. General Instructions – All complete applications for certification will be evaluated by the Department. The Department's intent is to certify multiple agencies whose applications meet the certification criteria and to negotiate contracts under which the agencies will fulfill the role of an FEA. Section V sets the requirements for an operational FEA and will form the contract requirements under which certified FEA's will provide services. The Department will review the certification application to determine whether the applicant is positioned to successfully perform those requirements.

In addition to meeting the requirements outlined in these criteria and the materials requested as supporting documentation, all applications need to be in compliance with requirements in the Centers for Medicare and Medicaid Services (CMS) under section 1915(c) of the Social Security Act – Medicaid Home and Community-Based Services (HCBS) Waivers and the Department's IRIS policy manual. The HCBS Waiver and the IRIS policy manual can be found at: <http://www.dhs.wisconsin.gov/iris/resources.htm>

Please reference <http://www.dhs.wisconsin.gov/publications/P0/P00708.pdf> and <http://www.dhs.wisconsin.gov/publications/P0/P00708a.pdf> for all IRIS polices referenced in this certification criteria.

**Note: Any references to the IRIS program Self-Directed Information Technology (IT) System will be applicable when the ISITS system is in production.**

4. Certification Application Submittal Process

There are two components needed for complete submission of the application: Paper (Hard Copies) and Electronic materials. Both components must be submitted under section II(C)(1). The following submission requirements must be followed for each of the components:

- a. Paper (Hard Copy) Components

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This component must contain the **original** and three paper copies of the entire application and be labeled as follows:

1. FEA Application as applicable
  2. FEA Name
- b. Digital Components

In addition to the paper documents described above, the application must be submitted in a non-password protected PDF format on reproducible CDs or an external flash drive recorded and labeled as follows:

1. FEA Application
  2. FEA Applicant Name
- c. Timeframes: All requested items and information are submitted after the applicant entity receives the pre-qualification approval from the Department of Health Services. All required information must be provided at the time the certification application is submitted. If any item or process does not yet exist, then the applicant's plan for meeting the requirement, including the timeframe, must be provided.
- d. The applicant must complete an IRIS Certification Designation of Confidential and Proprietary Information ([F-01549](#)) if any information in the application is determined to be confidential or proprietary by the applicant.
- e. The Department will provide a written response to all submitted certification application packets within ninety (90) days.
1. The Department response may be: an approval; a conditional approval; an intent to deny; or a request for clarification.
    - a. Approval: An approval is certification without conditions
    - b. Conditional Approval: A conditional approval is certification with deficiencies identified within the application. The deficiencies do not prevent the applicant from providing core FEA services with a high degree of quality. A conditional approval is contingent upon all areas of deficiency related to the Conditional Approval being addressed through a DHS approved Conditional Certification Improvement Plan (CCIP) ([F-01208](#)) or ([F-01207](#)).
      1. A conditional approval requires the applicant to submit a CCIP to the Department which includes detail of each step the applicant entity will take such that the deficiency is addressed per IRIS policy.
      2. The Department will review the CCIP and work with the FEA on any areas identified in the CCIP the Department

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views as unsatisfactory.

3. Any CCIPs that are not completed to the level of detail described in the IRIS Policy may be grounds for decertification.

c. Intent to Deny the application

1. The Department will provide the applicant with a written statement identifying the area(s) of the application that did not meet the criteria.
2. Applicants receiving an Intent to Deny will be provided an opportunity to meet with the committee to review the identified deficiencies.
  - a. The information regarding scheduling a deficiency review meeting will be included in the written decision.
3. Applicants will be permitted to submit additional information addressing the identified deficiencies.
  - a. If the applicant intends on submitting additional / supplemental information regarding the identified deficiencies the applicant must submit them in advance of the scheduled review meeting with enough time to permit the committee to review them prior to the meeting.
  - b. The review committee and applicant will discuss the committee's preliminary decision and any additional/supplemental information. The committee will issue a final decision after the meeting.

- d. Request for Clarification: A request for clarification is a request to the applicant to clarify certain areas of its application, in order to provide the Department with adequate information to make a determination of whether the applicant meets the certification criteria.

5. Ongoing Certification Requirements:

- a. Recertification for all FEAs will take place on an annual basis. All recertification packets must be submitted to the DHS at least sixty days prior to the end of the contract period. The recertification process will consist of:
  1. FEA submittal and DHS approval of any required CCIPs.

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2. Execution of the Wisconsin Medicaid Program Provider Agreement and Acknowledgement of Terms of Participation for IRIS Fiscal employer agents (FEA) ([F-01438](#)).
- b. Decertification: Any FEA decertified during a certification period for failure to maintain the criteria of certification will not be permitted to submit a new certification application for a minimum of thirty six (36) months after being decertified.
    1. The Department will give written notice of intent to decertification sixty days prior to the decertification taking effect.
      - a. An FEA notified of intent to decertify will have the option to submit a Corrective Action Plan (CAP) to the Department within thirty (30) days from the date of the notice of intent to decertify
      - b. Failure to notify the Department of the CAP within in thirty days will result in decertification.
      - c. The CAP must include detail of how the cause for decertification will be corrected and in what timeframe.
      - d. The Department will review the CAP and work with the FEA on any areas identified in the CAP the Departments views as unsatisfactory. Once the Department approves the CAP, the FEA will receive a conditional approval of certification for the remainder of the contract year.
        1. All conditional approval processes defined under II(C)(4)(d)(1)(b) apply to a conditional approval granted through a CAP approval.
      - e. Any CAP not completed to the level of detail described in the CAP, and within the timeframe identified may be grounds for decertification without an option to submit a new CAP.
        1. Any FEA decertified for, but not limited to, the following reasons may not be eligible for the CAP process or a future certification application:
          - a. Health and Safety of a Participant
          - b. Federal Medicaid Debarment
          - c. Fraud
  - c. Contracting: The final step in the certification process is successful execution of the Wisconsin Medicaid Program Provider Agreement and Acknowledgement of Terms of Participation for IRIS Fiscal employer agents (FEA) ([F-01438](#)). By submitting an application and becoming a certified FEA, the FEA agrees to meet the contractual obligations of this criteria. Sections V and VI set the requirements for an operational FEA and will form the contract requirements under which certified FEAs will provide services. The Department will review the

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certification application to determine if the applicant is positioned to successfully perform those requirements. In addition, a fully executed Business Associate Agreement ([F-00759](#)) must also be in place prior to contract execution.

1. Failure to achieve successful execution of a contract with the Department will result in a denial as defined II (C)(4)(d)(1)(c).
  2. Contract Termination – A decertification is a per se cause for contract termination. Therefore, there will not be a separate contract termination process if the FEA fails to maintain the criteria for certification. In such case the FEA will not be permitted to submit a new certification application for a minimum of thirty six months after termination. A contract termination will occur if the FEA fails to maintain other contractual requirements.
    - a. The same protocol and terms described in II (C)(4)(d)(1)(f) decertification apply for contract termination.
- d. Change of Certification Requirements
1. The Department may require an FEA to comply with changes in the certification requirements that occur during the contract period. In that event the Department will provide prior notice and opportunity to come into compliance via the CCIP protocol described in section II.(C)(4)(d)(1)(b).
  2. If the FEA does not timely and fully comply with the certification requirements via the CCIP protocol, the protocol described in II(C)(4)(e)(2) will apply except for the opportunity to file a CAP.
- e. Reconsideration: An FEA may request a reconsideration of any decisions around certification and contracting may be appealed to the IRIS Section. An FEA must first exhaust this reconsideration process before resorting to any other legal remedy it may have.
1. The request must be received within 30 days of receiving notice of the decision.
  2. The request must state the reason the FEA believes the decision was made in error.
  3. The IRIS Section Chief will review the information and render a final decision within 30 days of receipt of the request.

Once a reconsideration decision has been reached the decision is considered final.

## III. Aging and Disability Resource Center (ADRC) and Referral Process

### A. Enrollment Counseling

Prior to IRIS enrollment, the participant meets with a local Aging and Disability Resource Center (ADRC) to establish functional eligibility. Functional eligibility is completed through an assessment, the Adult Long-Term Care Functional Screen. Financial eligibility is determined by the county Income Maintenance consortium. Once functional and financial eligibility are established, a representative from the ADRC meets with the participant to provide a neutral explanation of programs for which the participant is eligible, also known as enrollment counseling.

### B. Referral Process

When a participant chooses IRIS, the ADRC representative will then provide the participant with the roles and responsibility documentation per the IRIS policy manual. This material will be provided to the ADRCs by the Department to ensure consistency across all ADRCs. If the participant chooses to be referred to IRIS, the ADRC will provide the participant with impartial information about each IRIS consultant provider available in the participant's region. When the participant chooses their ICA, the ADRC representative facilitates the referral process by submitting a referral packet to the ICA of the participant has chosen. The ADRC will also provide the participant with biographies (paper copies or electronically) of the IRIS Consultants available. The IRIS Consultant agency will provide the ADRCs with the following materials:

1. IRIS consultant agency (ICA) Biography (Template) ([F-01546](#));
2. Department-approved informational materials about their agency; and
3. The ICA options information (DHS completed).

The ICA is responsible for providing ADRC's with up to date and accurate information in the format prescribed by the Department.

## IV. IRIS Participant Budgets

Individual Support and Service Plans (ISSP) will be developed directly on the basis of the needs of participants to ensure health and safety as well as meet the participant's long-term care outcomes. The participant and/or legal representative will be informed of the budget amount by the ADRC during options counseling. The IRIS Consultant will assist the participant to develop their ISSP focusing on meeting the participant's needs rather than focusing on the budget amount. In the event that the cost of a participant's needs exceeds the budget amount, the participant may request a budget amendment. See 5.7A.1: Budget Amendment Process of the IRIS policy manual: Work Instructions ([P-00708A](#)).

Participants will be able to spend flexibly between related service authorizations to meet their needs within the parameters of the IRIS program flexible spending policy. Any allowable IRIS services required to meet the participant long-term care outcomes that exceed the parameters of the IRIS program flexible spending policy will need prior authorization per the IRIS Budget Amendment / One Time Expense Policy (see 5.7A.1: Budget Amendment Process and/or 5.8D.1: One-Time Expense Requests). The IRIS

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consultant agency will be responsible for ensuring that IRIS participants have the tools, resources and information to develop a plan of care within their budget amount to meet their long-term care outcomes and how to request budget amendments if this is an impossibility.

## AGENCY-SPECIFIC STANDARDS

### **V. Fiscal Employer Agent (FEA) Provider Service Requirements**

Agencies applying for certification must submit documentation that supports the agent's ability to meet the requirements of an IRIS FEA as described in this Section. The applicant must determine the level of detail necessary to demonstrate compliance with the certification criteria.

#### **A. General**

1. The FEA must comply with all applicable federal, state, and waiver regulations, all policies and procedures governing FEA services and all terms and conditions of the contract.
2. The FEA must comply with all policies, procedures and requirements as specified in the IRIS policy manual and IRIS Service Code Definition manual.
3. The FEA may not provide any other direct services for participants that have an approved ISSP/budget and are actively receiving services in the IRIS program.
4. The FEA may not employ, in positions dealing with time sheet entry, approval or auditing payments, any immediate family member or guardian of a participant in the IRIS program.
  - a. The FEA must disclose if an employee or a member of an employee's immediate family owns or controls a ten percent (10%) interest or receives payment of more than three thousand dollars (\$3,000) within a twelve (12) month period from any provider of Wisconsin Medicaid services in any Wisconsin Medicaid program. Each FEA employee must complete the IRIS program Conflict of Interest Disclosure ([F-01310](#)). This form must be submitted for all identified FEA employees at the time of the application. Post certification this form must be submitted for all new FEA employees to the contract administrator or designee.
    1. This disclosure must include the following information
      - a. The employee's information;
      - b. The employee's position within the FEA;
      - c. The provider's information;
      - d. The percentage of control and/or payment received within a twelve month period; and
      - e. The FEA protocols that are in place to prevent a conflict of interest

# Fiscal Employer Agent Certification Criteria

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2. The Department will review this information, apply it against the IRIS Conflict of interest policy and make a determination as to whether a conflict exists.
  - a. The FEA will be issued a statement regarding the conflict of interest determination and any action needed in the form of a CCIP.
5. The FEA must submit its insurance declaration page which must include minimum liability insurance amounts.
6. The FEA is required to provide the Department and/or the participant's ICA any documentation requested for the Wisconsin State Fair Hearing process. This requirement is applicable both when the ICA issues the Notice of Action (NOA) on behalf of the Department or when the NOA is issued from the Department as a result of a Budget Amendment, One-Time Expense or other termination, denial, limitation or reduction of service.

## **B. Financial**

To be certified as an FEA the following requirements must be met:

1. FEAs must submit its three-year business plan in the IRIS Financial Projection Template provided.
  - a. The FEA must have positive working capital demonstrated in the IRIS Financial Projection Template.
  - b. The FEA must demonstrate it has liquid reserves in segregated liquid accounts, preferably in a financial institution, equal to December's IRIS projected revenue for each year of operation as an FEA provider.
    1. The title of this account must include the term "IRIS Restricted Reserves."
2. This reserve account may only be accessed for unexpected IRIS program operational needs.
3. Access to this reserve account requires prior written approval from DHS.
4. The Department reserves the right to request an updated submittal of the IRIS Financial Projection Template at any point during the term of the contract resulting from successful certification application. Factors include, but are not limited to:
  - a. Actual enrollment;
  - b. Projected enrollment;
  - c. New or expanded lines of other business undertaken by the FEA; or

# Fiscal Employer Agent Certification Criteria

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- d. Termination or reduced lines of other business by the FEA.

## C. Payments

FEAs receive payment for FEA services through a monthly rate of service (MROS) as disclosed in the IRIS financial projection template.

**The MROS for FEA providers is \$71. The additional MROS for participants enrolled in Self-Directed Personal Care (SDPC) is \$18.**

1. DHS will extract a claim file from the centralized IRIS IT system. The claim file will include the following information for each IRIS participant for whom the FEA provides services:
  - a. Participant's first and last name;
  - b. Participant's Medicaid Identification number (MA ID);
  - c. Participant's Social Security number;
  - d. Participant's date of birth; and
  - e. Participant's gender.
2. The claims file will be adjudicated against the Medicaid Management Information System (MMIS) for Medicaid eligibility and matching MA ID. The adjudication also checks for participants who were enrolled in other long-term care programs.
3. The FEA will be paid the MROS for those participants listed as Medicaid eligible with matching MA IDs who are not shown as enrolled in other long-term care or managed care programs. The Department is required to have the MROS claim processed and payment made within ninety days of the claim submission. However, the typical payment of a claim is less than thirty days.
4. Those participants without MA eligibility, incorrect MA IDs, or shown as enrolled in other long-term care programs will be listed on a report provided to the FEA. This is known as an exception report.
5. The FEA will have the opportunity to correct any errors for those participants appearing on the exception report and may resubmit a claim with the corrected information. The FEA will have 120 days to resubmit a claim appearing on the exception report in error.

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## D. Information Technology

The FEA applicant must have an information technology (IT) system currently in production that can carry out the core functions of an FEA. The Department will require the applicant to demonstrate the IT system in place and that the IT system has capacity to carry out the functions listed in this section. The core IT functions include, but is not limited to the following:

1. Participant / consultant Access requirements described in Section V(H);
2. Employer Setup, Records, and Documentation requirements described in Section V(I);
3. Participant-hHired worker records and documentation requirements described in Section V(J);
4. Fiscal employer agent payroll processing and wage payment requirements described in Section V(K);
5. Provider claims adjudication requirements described in Section V(L);
6. Fiscal employer agent reporting requirements described in Section V(P)
7. Initial plan submittal and updated plan information to the IRIS FEA selected by the participant;
8. Applicants must also disclose any subcontracts involving their IT system and a copy of the subcontract agreement;
9. The process, format and location where the system data is stored which includes, but is not limited to the following requirements:
  - a. All data must be stored in a location controlled by the applicant agency;
  - b. The data storage location must comply with V.(D)(11) of this certification criteria;
  - c. The format in which the data is stored;
  - d. The frequency the data is moved to the storage location; and
  - e. All data must be in a format that can be migrated to the department's centralized IT system upon completion.
10. The FEA's Disaster Recovery Plan and Business Continuity Plan for their IT system;
11. The FEA IT system(s), including, but not limited to, associated entities, third party contracts and software, business partners, subcontractors, etc., must comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) including all pertinent regulations (45 CFR Parts 160 and 164) issued by the U.S. Department of Health and Human Services;
12. The user roles and access rights to the IT system.

**The Department's ISITS system is currently in development. Once this system is in production all ICA's will be required to use the centralized ISITS system and the ICA must comply with the data entry requirements of the system. The anticipated production date is July 1, 2015.**

## E. Geographical Regions

The FEA must identify which IRIS regions for which it is applying to serve in the template provided below. FEAs are permitted to apply for a single IRIS region, or multiple IRIS regions, in a single application submission. The IRIS program is available in those counties identified on the map included below. The IRIS Regions and populations are outlined in the map and charts included in this Section. The FEA is required to have the service delivery capacity to serve a

## Fiscal Employer Agent Certification Criteria

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minimum of 25% of the IRIS Region’s participants by the end of year one of its business projection plan and throughout the following years of its business projection plan.

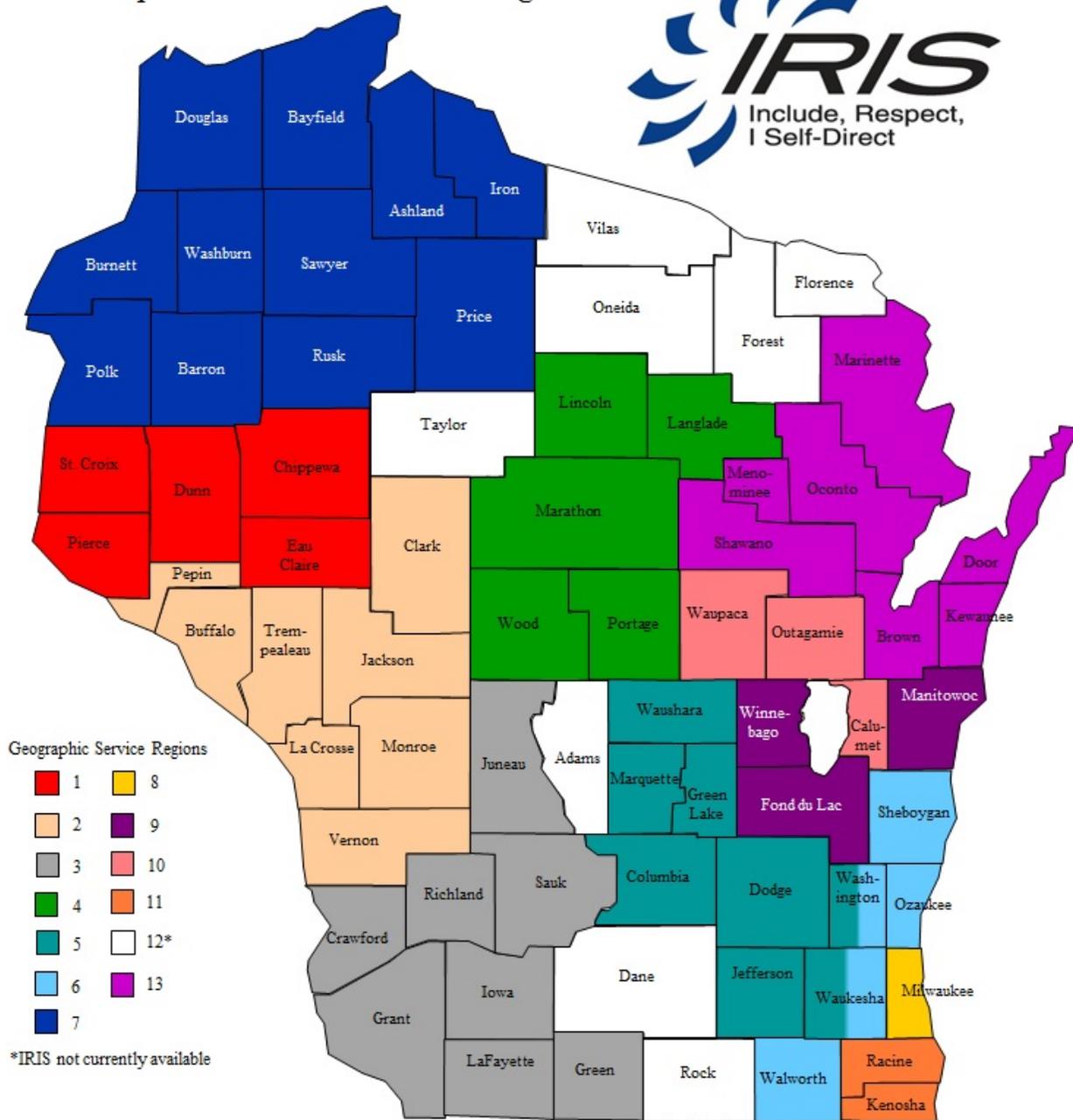
The FEA applicant is permitted to submit an application that has service population projections exceeding the minimum capacity of 25%. However, the FEA must demonstrate, through this application process, which it has the capacity in service delivery and financial solvency to serve the projected population disclosed in this application. The financial capacity portion is demonstrated through the IRIS Financial Projection Template. The service delivery capacity is demonstrated through the requirements of this certification.

PROPOSED IRIS REGION SERVICE AREA TEMPLATE			
FEA Name:			
Address:			
Phone:		Email:	
Contact:			
Region	Proposed Service Population Percentage Year #1 (Minimum 25%)	Proposed Service Population Percentage Year #2 (Minimum 25%)	Proposed Service Population Percentage Year #3 (Minimum 25%)
Region #1			
Region #2			
Region #3			
Region #4			
Region #5			
Region #6			
Region #7			
Region #8			
Region #9			
Region #10			
Region #11			
Region #12			
Region #13			

**The FEA must demonstrate the capacity to provide immediate services to the population proposed in this application. FEAs must serve all target groups of the IRIS program.**

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## Proposed IRIS ICA & FEA Regions



The numbers disclosed below represent the enrollment in the IRIS program as of December 31, 2014.

\*includes counties in the 2014 - 2015 Northeast expansion. The number of participants is a DHS projection of enrollment by 12/1/2015.

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<b>REGION 1 - GSR</b>	
<b>COUNTY</b>	<b>PARTICIPANTS</b>
Chippewa	140
Dunn	92
Eau Claire	279
Pierce	87
Saint Croix	241
<b>SUBTOTAL</b>	<b>839</b>

## Fiscal Employer Agent Certification Criteria

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<b>REGION 2 - GSR</b>	
<b>COUNTY</b>	<b>PARTICIPANTS</b>
Buffalo	60
Clark	105
Jackson	19
La Crosse	145
Monroe	97
Pepin	73
Trempealeau	43
Vernon	61
<b>SUBTOTAL</b>	<b>603</b>

## Fiscal Employer Agent Certification Criteria

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<b>REGION 3 - GSR</b>	
<b>COUNTY</b>	<b>PARTICIPANTS</b>
Crawford	22
Grant	82
Green	24
Iowa	34
Juneau	61
Lafayette	17
Richland	47
Sauk	71
<b>SUBTOTAL</b>	<b>358</b>

## Fiscal Employer Agent Certification Criteria

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<b>REGION 4 - GSR</b>	
<b>COUNTY</b>	<b>PARTICIPANTS</b>
Langlade	37
Lincoln	49
Marathon	229
Portage	66
Wood	81
<b>SUBTOTAL</b>	<b>462</b>

## Fiscal Employer Agent Certification Criteria

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<b>REGION 5 - GSR</b>	
<b>COUNTY</b>	<b>PARTICIPANTS</b>
Columbia	76
Dodge	105
Green Lake	18
Jefferson	132
Marquette	18
Washington	161
Waukesha	419
Waushara	59
<b>SUBTOTAL</b>	<b>988</b>

## Fiscal Employer Agent Certification Criteria

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<b>REGION 6 - GSR</b>	
<b>COUNTY</b>	<b>PARTICIPANTS</b>
Ozaukee	161
Sheboygan	155
Washington	161
Waukesha	419
Walworth	191
<b>SUBTOTAL</b>	<b>1087</b>

## Fiscal Employer Agent Certification Criteria

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<b>REGION 7- GSR</b>	
<b>COUNTY</b>	<b>PARTICIPANTS</b>
Ashland	76
Barron	186
Bayfield	47
Burnett	49
Douglas	112
Iron	35
Polk	138
Price	43
Rusk	56
Sawyer	67
Washburn	73
<b>SUBTOTAL</b>	<b>882</b>

## Fiscal Employer Agent Certification Criteria

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<b>REGION 8 - GSR</b>	
<b>COUNTY</b>	<b>PARTICIPANTS</b>
Milwaukee	5067

## Fiscal Employer Agent Certification Criteria

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<b>REGION 9 - GSR</b>	
<b>COUNTY</b>	<b>PARTICIPANTS</b>
Fond du Lac	88
Manitowoc	205
Winnebago	353
<b>SUBTOTAL</b>	<b>646</b>

## Fiscal Employer Agent Certification Criteria

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<b>REGION 10 - GSR</b>	
<b>COUNTY</b>	<b>PARTICIPANTS</b>
Calumet	64
Outagamie	219
Waupaca	78
<b>SUBTOTAL</b>	<b>361</b>

## Fiscal Employer Agent Certification Criteria

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<b>REGION 11 - GSR</b>	
<b>COUNTY</b>	<b>PARTICIPANTS</b>
Kenosha	424
Racine	406
<b>SUBTOTAL</b>	<b>830</b>

## Fiscal Employer Agent Certification Criteria

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<b>*Region 13 - GSR</b>	
<b>COUNTY</b>	<b>PARTICIPANTS</b>
Brown	566
Door	64
Kewaunee	64
Marinette	98
Menominee	38
Oconto	43
Shawano	125
<b>SUBTOTAL</b>	<b>998</b>

# Fiscal Employer Agent Certification Criteria

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## F. Personnel

1. All Personnel must:
  - a. Demonstrate understanding of the IRIS program including:
    1. The IRIS Philosophy;
    2. Self-Direction Principles;
    3. Financial Management;
    4. Person Centered-Planning;
    5. Read and acknowledge receipt of and read the following documents:
      - a. IRIS 1915(c) Medicaid Home and Community-Based Services Waiver;
      - b. IRIS Policy and Procedure Manual;
      - c. IRIS Service Code Definition Manual ([P-00708B](#)); and
      - d. Submittal of IRIS Certification Acknowledgement ([F-01209](#)) for each employee.
  - b. Attend all Department-required orientation and trainings;
  - c. Be trained and competent in applicable areas of the Centralized IT System; and
  - d. Be trained and competent in applicable DHS SharePoint sites.

## G. Operations

1. Internal Revenue Service Registration  
The FEA must obtain and maintain registration in good standing with the United States Treasury, Internal Revenue Service Revenue, Proc. 70-06. The agent must forward to the Internal Revenue Service Director indicated on the form 2678.
2. Certified Public Accountant Requirement  
The FEA must maintain a certified public accountant on staff, or have direct access to a certified public accountant.
3. Bank Account  
The FEA must establish and maintain a bank account from which all IRIS payroll transactions will occur. The account must be dedicated to IRIS participant-hired worker wages and related expenditures only.

## H. Participant/Consultant Access

1. Participant  
The FEA must maintain at a minimum participant access to the following:

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- a. A toll free phone number for the participant to contact the FEA during typical business hours 8:00 a.m. to 5:00 p.m., Monday through Friday.
- b. The FEA must maintain a consistent way for example, phone or email, for the participant to contact the FEA during non-business hours – prior to 8:00 a.m. and after 5:00 p.m. on weekdays, weekends, and holidays.
- c. The FEA is required to maintain documented contact or attempted contact in response to concerns received during non-business hours, within 24 hours of request of the Department.
- d. A toll free operational fax machine 24/7/365.
- e. An operational email address dedicated to participant and participant-hired worker time sheet and expense reimbursement submissions.

## 2. IRIS FEA

### a. Employee Packet

The FEA must be able to receive, verify, and archive the IRIS participant-hired worker employee packet (EP) from all ICAs. The capabilities must include, but is not limited to, the following:

1. Electronic acceptance of all relevant participant-hired worker paperwork;
2. Verification of accuracy and completeness of the EP, consistent with the IRIS policy manual; including:
  - a. Ability to track incomplete and/or inaccurate EPs and return to ICA for remediation; and
  - b. Submit quarterly reports to the Department regarding completeness and accuracy of ICA- submitted EPs.

## I. Employer Setup, Records, and Documentation

### 1. Employer Setup, Records and Documentation

The FEA must be able to receive, verify and archive the IRIS participant employer packet from all ICAs. The FEA must complete a diligent review of all information completed by the ICA and submit all necessary documentation to the appropriate taxing or government authority in a manner that is accurate and timely. The FEA will document any deficiencies discovered during review of the employer set up forms for each ICA and will report the information to the Department on a quarterly basis.

The ICA is responsible to ensure that all forms needed for the FEA to act as employer agent under Section 3504 of the Department of Treasury Internal Revenue Service Code are submitted and complete and accurate.

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The FEA is permitted to pay a participant-hired worker for services performed when there is not yet a Federal Employee Identification Number (FEIN) only after the FEA has verified the accuracy of the information to obtain a FEIN which will be submitted to the Internal Revenue Service and also only when the FEA has a protocol in place to retroactively correct all tax issues that may occur as a result of payroll being issued to participant-hired caregivers prior to the FEA receiving the participant's FEIN from the Internal Revenue Service.

The participant employer packet (EP) includes, but is not limited to, the following:

- a. The FEA Welcome Packet: The FEA shall provide, to each ICA operating in its service area, printed materials describing the details of the FEA services offerings. The ICA will provide this information to participants during the FEA selection process;
- b. Internal Revenue Form SS-4: Application for new or activation of existing Federal Employer Identification Number (FEIN). The FEA verifies that an FEIN is not already assigned and submits the application to the Internal Revenue Service when the participant employer needs to obtain a FEIN;
- c. Internal Revenue Form 2678: Employer Appointment of Agent (executed by both employer and FEA);
- d. Internal Revenue Form 8821: Tax Information Authorization. Authorizes information exchanges between the FEA and Internal Revenue Service;
- e. Application for Wisconsin State Income Tax Withholding Account Number. The FEA submits necessary forms and obtains an individual state tax account for each participant employer;
- f. Wisconsin State Unemployment Tax: The FEA obtains the account number and manages the participant State Unemployment experience rate;
- g. Wisconsin State Unemployment Compensation related documents;
- h. Wisconsin State Income Tax related documents;
- i. Workers Compensation Insurance: The FEA must arrange for worker's compensation insurance according to state rules and for each participant employer requesting coverage and must maintain and manage a policy for each employer selecting coverage;
- j. IRIS program Required Employer Agreement Form;
- k. Other FEA forms as required (all such require the Department's prior approval).

## 2. Cost and Spend Down Collection and Monitoring

The FEA is responsible for the collection and monitoring of cost share or spend down per IRIS program policy. The collection and monitoring includes:

# Fiscal Employer Agent Certification Criteria

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- a. Tracking the required amount of cost share or spend down for each participant as applicable;
- b. Collecting the monthly cost share or spend down amount from the participant; and
- c. Notifying the participant and IRIS consultant of delinquent cost share or spend down amounts per IRIS program policy.

## **J. Participant-Hired Worker Records and Documentation**

### 1. Participant-Hired Worker

The FEA must maintain, at a minimum, participant-hired worker records that meet or exceed the following criteria:

- a. All storage and disposal of paper and electronic participant-hired worker employee packets must meet or exceed HIPAA compliance;
- b. All paper and electronic documentation must be maintained for a minimum of seven (7) years; and
- c. Storage of all relevant participant-hired workers - employee packets electronically within their current system and/or the ISITS system.

### 2. Participant-Hired Worker – Employee Packet (EP)

Upon acceptance of the completed and accurate EP, the FEA is required, as necessary, to submit the documentation to the proper federal or state authority. The employee packet includes the following:

- a. Form W-9 Determination of Independent Provider Status. The FEA verifies the accuracy of the ICA determination that the worker is not a provider. If inaccurate, then the FEA refers the worker back to the ICA for setup as an independent provider;
- b. Internal revenue Form I-9: Employment Eligibility Verification;
- c. Internal revenue Form W-4: Employee's Federal Tax Withholding Certificate;
- d. Internal Revenue Notice 797: Possible Federal Tax Refund Due to the Earned Income Credit (EIC);
- e. Internal Revenue Form W-5: Earned Income Credit Advance Payment Certificate (upon request);
- f. Wisconsin Income Tax Withholding Allowance Certificate;
- g. Wisconsin New Hire Report;
- h. Local Tax Employee Forms as applicable;

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- i. Document Family Relationship of Employee to Employer: Needed to correctly manage Federal Insurance Contributions Act (FICA), Federal Unemployment Tax Act (FUTA) and State Unemployment Tax Exemptions (see Internal Revenue Publication 15, Circular E, Section on Family Employees);
  - j. Document All Under age 18 Workers (minors): Ensure State rules regarding employed minor workers are followed;
  - k. Worker Benefit Accounting: Establish a tracking system for all workers earning vacation or other time off benefits as part of employment;
  - l. Background Check: Evidence the worker applicant has successfully passed all IRIS program background check policy requirements; and
  - m. Social Security Number Verification: Completed using the SSA number verification service.
3. The FEA must notify the participant, participant-hired worker and the IRIS Consultant when all of the applicable paperwork is completed and filed authorizing the participant-hired worker to provider services. This notification must include the following:
- a. The date the participant-hired worker is authorized to provide services.
  - b. The service(s) the participant-hired worker is authorized to provide.
  - c. The unit of measure for each authorized service.
  - d. The cost of each unit of measure for each authorized service.

Note: this notification will also be provided to the TPA via prior authorization from the ISITS system when the ISITS system is in production and the TPA is implemented.

## **K. Fiscal Employer Agent Payroll Processing and Wage Payment**

### 1. Current Payroll Processing Requirements

The FEA must operate a payroll system whereby participant-hired workers receive accurate and timely payment, not less than twice each month. The payroll system must have capacity for online (web-based) time reporting and employer approval and must be sufficiently detailed to track each individual participant employer and participant-hired worker.

Specific duties related to payroll processing and participant-hired worker wage payment include, but are not limited to:

- a. Validation of the following participant-hired worker payroll claim
  1. Eligible IRIS participant;
  2. Participant-hired worker name;
  3. Authorized participant-hired worker;
  4. IRIS Service Code Information;

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5. Authorized IRIS service;
  6. Including time frame of service authorization;
  7. Unit of service provided; and
  8. Cost per unit.
- b. Worker hourly wage amounts: Verify that worker pay rates match the information documented in FEA Payroll System;
  - c. Collect time reports: Provide paper, electronic and online time reporting system;
  - d. Adjudicate time reports: Compare time report to plan authorization and document all inconsistencies for ICA follow-up and resolution;
  - e. Process and pay Participant-Hired worker expenses: Pay, in accordance with program policy and participant-approved plans. Expenses paid must be documented on the employee's paystub;
  - f. Document all timesheet issues and concerns in FEA IT system;
  - g. Notify ICA for follow up with participant or worker as needed. The FEA must track issues through resolution;
  - h. Garnishments, levies and liens: Process according to state and federal garnishment, levy and lien rules;
  - i. Disburse participant-hired worker payment for hours worked in accordance with the Department's policy and in electronic/direct deposit or credit to a debit card format except in rare situations when a paper payroll check may be needed;
  - j. Payout worker benefits: issue payment using established paid time off categories;
  - k. Process Federal Insurance Contributions Act (FICA) Refunds: Repay FICA withheld to all workers whose employment has not met the FICA payment requirements threshold; and
  - l. Process all returned payments in accordance with Wisconsin state rules on property abandonment.

## 2. Fiscal employer agent tax and other withholdings

The FEA must properly account for and complete all needed payroll tax and other required withholding on wages paid to participant-hired workers. Requirements described in local, state and federal rules must be adhered to at all times. This includes but is not limited to the following:

- a. Compute, Withhold and File Federal Taxes: Quarterly, in aggregate, using FEA's separate FEIN and Internal Revenue Form 941 in accordance with Internal Revenue Proc. 70-06 and proposed notice 2003;

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- b. Develop and follow systems to ensure compliance with special rules for family members on Social Security, Medicare, and unemployment tax withholding;
- c. Verify that worker hourly wage for regular and overtime pay as necessary, is compliant with state, federal, and local wage and hour rules. Note: many home care workers meet the Department of Labor Fair Labor Standards Act (DOL FLSA exemption criteria);
- d. Compute, withhold and file Social Security and Medicare taxes quarterly, in aggregate, consistent with Internal Revenue instructions;
- e. Deposit Federal Income, FICA and Medicare Tax, in aggregate, in accordance with Internal Revenue depositing rules;
- f. Track out-of-state workers who reside in another state and follow that state's rules and regulations regarding wage payment and other participant-hired employee FEA tasks;
- g. Compute, withhold, and file Wisconsin or other State Taxes including income and State Unemployment taxes following each state's rules and instructions;
- h. Advanced Earned Income Credit: process payments per worker forms W-5 as applicable; and
- i. Encounter Reporting: FEA reports by individual on all paid claims. The FEA must be approved to report to the encounter system prior to submission of the first report.

### 3. Future Payroll Processing Requirements

Upon the Department's implementation of the ISITS System and the Third Party Administrator (TPA) (Claims Processor), time tracking and prior authorization functionality will be maintained and recorded in the ISITS system. The FEA will enter the participant-approved timesheet information submitted from participant-hired workers into the ISITS System. The ISITS system will produce a payroll report either paper or electronically, that the FEA will upload, or enter, into the FEA payroll processing system. The FEA will be required to develop the following processes and functionality:

- a. Protocol to house all relevant tax and withholding information for each Participant-hired worker within its payroll processing system;
- b. Ability for the FEA Payroll processing system to receive the electronic payroll report from ISITS;
- c. Protocol for entering the ISITS payroll report manually into the FEA's payroll processing system. The electronic upload of the payroll report described in V.(K)

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is preferred;

- d. Protocol for pending, tracking and resolving timesheet submissions that exceed the prior authorization amount;
- e. FEA production of participant-hired worker payroll check, direct deposit or debit card credit, with all relevant tax and withholdings applied;
- f. Submission of TPA system-compatible claim of participant-hired worker service claim to the TPA for reimbursement; and
- g. Reimbursement to the FEA from the TPA will be calculated based on the prior authorization identified on the participant plan. Collection of payroll disbursements made by the FEA to participant-hired workers that exceed the prior authorization amount is the sole responsibility of the FEA.

## L. Provider Claims Adjudication

The FEA must be able to adjudicate claims from non-Participant-Hired Workers. These requirements include but are not limited to the following.

### 1. Provider Setup

Collect and validate provide information from new providers currently not established in the FEA IT System. This includes but is not limited to:

- a. The information on the IRIS Provider Application ([F-01312](#))
  1. The FEA must validate and maintain documentation that the proper licensures and/or certifications are in place for all providers per federal and state statute, DHS administrative code, and the 1915(c) Medicaid HCBS waiver.
- b. The FEA must notify the participant, provider, and the IRIS Consultant when all of the applicable paperwork is completed and filed authorizing the provider to provide services. This notification must include the following:
  1. The date the provider is authorized to provide services;
  2. The service(s) the provider is authorized to provide;
  3. The unit of measure of authorized service; and
  4. The cost of each unit of measure for each authorized service.

Note: this notification will also be provided to the TPA via prior authorization from the ISITS system when the ISITS system is in production and the TPA is implemented.

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## 2. Claims adjudication

- a. The FEA must have the capacity to collect provider claims; verify accuracy of the claim, verify prior authorization on the participant's plan, submit payment to the provider, and pend any inaccurate or incomplete claims. This adjudication, based on the prior authorization on the participant's approved plan, includes, but is not limited to:
  1. Eligible IRIS Participant;
  2. Provider Name;
  3. Authorized Provider;
  4. IRIS Service Code Information;
  5. Authorized IRIS Service;
  6. The Service authorization time frame;
  7. Unit of service provided; and
  8. Cost per unit.

Note: These functions are only required of the FEA for non-participant-hired workers until the TPA is fully implemented.

### b. Pended Claims

1. Any claim submitted from a provider, in which all areas described above are not 100% validated as true and accurate, must not be paid and must be pended until the error is corrected. The FEA must have a protocol in place for all pended claims that includes the following:
  - a. A tracking protocol of all pended claims from pending to resolution;
  - b. Notification to the provider of a pended claim within five business days;
  - c. Detail report to the provider related to the error, inaccuracy or incompleteness of the claims;
  - d. Process for provider to resubmit claim;
  - e. Process for closing pended claims; and
  - f. Process for monthly reporting of claims pended which includes:
    1. Provider;
    2. County;
    3. Service;
    4. Reason for pended claim;
    5. Claims deleted;
    6. Claims Resubmitted; and
    7. Pended claims resolved.

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## c. Encounter Reporting

The FEA must be able to submit encounter reporting to the DHS encounter reporting warehouse for all paid claims. Claims must be separated by target group and service code and in the DHS prescribed encounter reporting format. The Department will work with the potential provider to inform providers of the submittal and format process. For more information regarding encounter reporting reference: <http://www.dhs.wisconsin.gov/lcicare/ies/>

## M. Department of Workforce Development (DWD) and Workers Compensation Insurance (WCI)

Participant-hired workers wage history may be the subject of a variety of information requests or employment and other program reviews. Wage information is also often requested for a participant-employed worker to obtain credit. Acting as employer agent, the FEA must respond to all requests for information on behalf of the participant employer in an accurate and timely manner:

1. The FEA will promptly handle all Department of Workforce Development (DWD) requests for information requests concerning participant-hired worker wages and Workers Compensation Insurance (WCI). The IC will explain the impact of WCI coverage as a part of the new participant-hired worker orientation.
2. The FEA will assist the participant with WCI appeals and also unemployment compensation-related requests and inquiries as requested by the participant employer, the participant-hired worker or by the state.

## N. Policy and Procedure Manual

The FEA must maintain an internal FEA policy and procedure manual consistent with Department communicated policy, procedures, and work rules. The manual must include sufficient detail and include policies, procedures, and internal monitoring controls related to each FEA duty performed. Regular and backup staff that will perform each duty should be identified. Specific topics that must be addressed in the FEA Policy and Procedures Manual include:

1. New FEA staff orientation and training requirements.
2. The FEA protocol followed when a time report exceeds authorization, as documented in IRIS program policy.
3. Description of the FEA process and procedure for processing FICA overpayments and refunds.
4. The FEA accounting procedures related to Medicaid cost share and spend-down payment and collection, including the procedures to follow when payment involves checks returned for insufficient funds.

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5. Detailed procedures related to worker wage payment exceptions, denial or adjustment. Denials, adjustments, and exceptions must be sufficiently documented and the information communicated to the ICA for follow up must be tracked to ensure follow-up.
6. Detailed communications plans describing how and when the FEA will inform the ICA of the need to follow up with participant employers and participant-hired workers/employees.
7. A description of the approaches the FEA will use to adhere to all Department FEA related duties and obligations. The description must indicate how the FEA will remain current on all Federal, State, and Local requirements.
8. A description of the approaches the FEA will use to adhere to all federal FEA related duties and obligations. The description must indicate how the FEA will remain current on all Federal requirements.
9. Description of how the FEA will measure participant-employer and also participant-hired worker satisfaction with FEA services.
10. A detailed description of the FEA internal monitoring controls in place.
11. A policy for maintaining, archiving, and destroying files for program participants and participant-hired workers.
12. Written policy and procedures identifying the processes by which the FEA will advise the participant about his or her obligation to compensating workers in the event of worker injury.
13. Written policies and procedures indicating the process the FEA will use to continuously comply with all federal and state rules regarding confidentiality and security of Medicaid data.
14. A policy describing the procedures to ensure only participants and participant-hired workers meeting all minimum qualifications are represented by and paid by the FEA.
15. A policy and procedure describing all tasks needed to effect transfer between FEAs when the participant-employer decides to make the change to a different FEA.
16. A policy and procedure review schedule showing the process the FEA will use to update policies and procedures when federal, state or program rules dictate change.

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## O. Fiscal Employer Agent Revocation and Transfer of FEA Agent Status

Participant requests to transfer to a different FEAs may be requested at any time, but will not take effect until the beginning of each calendar quarter (January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup>, and October 1<sup>st</sup>). In situations when a participant leaves the program or when there is no longer a need for FEA services (such as when workers are obtained through an agency), the FEA assignment must be removed.

### 1. Changing FEA Providers – Current Selected FEA

The current FEA will be notified from the Department via the Participant FEA Selection – Change ([F-01293A](#)) of a request by the participant to change FEAs. The current FEA is responsible for the following:

- a. Supply all required documentation with the newly selected FEA as required by the Internal Revenue Service or other taxing authorities to change FEAs.
- b. File revocation of Internal Form 8821 and Form 2678 when the FEA no longer represents the participant-employer.
- c. Coordinate transition of FEA responsibilities to the participant's selected FEA.

### 2. Changing FEA Provider – Newly Selected FEA

The new FEA will be notified from the Department via the Participant FEA Selection – Change ([F-01293A](#)) of a request by the participant to change FEAs. The new FEA is responsible for the following:

- a. Receive all required documentation from current FEA and follow requirements listed under V.(J).
- b. Document any missing information required to become the participant's FEA
- c. Report any missing documentation to the participant's ICA.
- d. Coordinate transition of FEA responsibilities to the participant's selected FEA.

## P. Fiscal Employer Agent Reporting Requirements

The FEA proposed methodology for the data submitted to the Department is subject to Department approval. The number and frequency of reports is subject to change based on CMS requirements and program policy. Reports intended for participants must be in an accessible format and the information provided must clearly distinguish whether waiver expenditures align with prior authorizations on the participant's approved ISSP.

### 1. Reporting and Documentation – General

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- a. Maintain records providing the full wages paid to each worker employed by an IRIS participant.
  - b. Prepare annual Internal Revenue Form W-2 and Form W-3, if necessary, and mail to the participant employer for provision to employed workers. File reports with Internal Revenue and any other required taxing authority according to established time thresholds.
  - c. Document wage payment information in ISITS within two days after the second semi-monthly payroll period.
2. Reporting – Quality Assurance and Program Integrity
- a. Provide participants and ICs with written notification of overutilization when utilization exceeds the monthly authorized participant-hired caregiver hours by 10%, or more.
  - b. Demonstrate a 95% accuracy of monthly worker wage reports provided by the FEA to participants.
3. Annual Reports
- a. Reporting data required by the Centers for Medicare and Medicaid Services (CMS). Reference <http://www.dhs.wisconsin.gov/iris/resources.htm>
4. Quarterly reports to DHS
- a. Number of Participants served;
  - b. Number of participant's served by county;
  - c. Number of new participants served;
  - d. Number of participant-hired workers served;
  - e. Number of transfers from other FEAs;
  - f. Number of days from receipt of the FEA-Selection-Initial for the FEA to complete setup for participant;
  - g. Number of days from receipt of the FEA-Selection-Change for the FEA to complete the change;

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- h. Number of days from receipt of a completed employee packet for the FEA to complete the employee setup;
- i. Results of potential participant-hired worker background checks (pass/fail);
- j. Number of incomplete and/or inaccurate employee packet information received from the ICA. The report must include:
  - 1. The participant's ICA;
  - 2. The participant's IC;
  - 3. County;
  - 4. Incorrect or inaccurate document; and
  - 5. Area of documented inaccuracy.
- k. Number of pended claims, to include:
  - 1. Number of pended claims;
  - 2. Reason for pended claim;
  - 3. Number of pended claims resolved; and
  - 4. Number of pended claims unresolved.

### 5. Monthly Reports

- a. Reports to participants showing year to date paid payroll and claim transactions. This must be supplied by the 10<sup>th</sup> of each month.
- b. Reports to participants showing previous months paid payroll and claim transactions. This must be supplied by the 10<sup>th</sup> of each month.
- c. Reports to Participants of current status of any cost share or spend down obligation.
- d. Report to DHS of participants delinquent in cost share or spend down obligations, including the amount of delinquency.
- e. Report to DHS regarding paid claims expenditures by service code.
- f. Report to DHS the number of participants enrolled in SDPC.

## VI. Agency Program Integrity and Quality Management Requirements

Maintaining and improving program integrity is one of the most important aspects of a self-directed program such as IRIS. All FEAs are required to demonstrate the needed foundation to support program integrity and quality management. Compliance with the criteria, outlined below, will serve as evidence of

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demonstration of the FEA's commitment to support, maintain, and enhance program integrity and quality management. Program integrity and quality management are critical to sustainability within the IRIS program and the FEA's compliance with the stated criteria is vital to obtaining and maintaining an approved FEA certification status.

## **A. Agency Program Integrity – Fraud Allegation Review & Assessment**

1. The FEA must comply with IRIS Policy (see 10.1A.1 – Fraud Allegation Review and Assessment (FARA)) and utilize the Fraud Allegation Review and Assessment (FARA) ISITS Module and/or SharePoint site for reporting and data collection.
2. The FEA must provide a point-of-contact assigned to addressing fraud allegations and serve as an active member of the inter-agency FARA team who collaboratively completes FARA and maintains FARA records in this module in ISITS and/or SharePoint. The FEA is required to have a representative participate in inter-agency FARA team meetings that occur monthly.
3. The FEA is required to submit quarterly narrative reports per the Department's required template analyzing FARA data from the ISITS system.
4. The FEA will support providers with Department-approved training regarding methods to identify and mitigate fraud, including its approach to discuss this topic with participants and their families.

## **B. Agency Program Integrity – Conflict of Interest**

1. The FEA will comply with Department-approved training regarding the steps to identify and mitigate conflicts-of-interest, including procedures to discuss this topic with participants and their families.
2. The FEA will review, with participants, all required program integrity and conflict of interest education documentation and obtain all participant signatures, as required per the IRIS policy manual (see 10.3A.1: Conflict of Interest – Participant and 10.3A.2: Conflict of Interest – Provider).
3. The FEA is required to disclose all existing informal, and formal, business relationships with any providers of long-term care services for any Wisconsin long-term care programs. This includes but is not limited to the following: Board Members, Managers, Supervisors, line staff and their immediate family members who receive any financial gain from providers providing services to any Wisconsin Long Term Care programs.

## **C. Quality Management Requirements – Quality Management Plan**

1. The FEA shall adhere to the quality management plan prescribed by the Department, and shall engage in quality improvement projects under the direction of the Department to ensure compliance with regulatory and program requirements, and to identify opportunities for continuous quality improvement.

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- a. The FEA is required to utilize the Department's prescribed format for the quality management plan.
- b. The FEA is required to submit quarterly updates to the quality management plan to show progress towards plan goals and to provide relevant data.
- c. The FEA is required to meet with the Department regarding its quality plan, on a schedule determined by the Department.

### **D. Quality Management Requirements – Record Review Remediation**

1. The FEA shall remediate 100% of the negative person-specific and system-level findings which are documented as a result of the record reviews conducted by the Department. The Department will provide the FEA with the negative findings and required remediation tasks. The FEA will provide evidence of remediation in the Department prescribed format and timeframe. The Department will validate whether the remediation meets the requirement of 100% compliance.

### **E. Quality Management Requirements – Critical Incident Reporting**

1. In accordance with program policy, the FEA must report all critical incidents to the participant's ICA. Critical incidents include: abuse, neglect, exploitation, emergency services, law enforcement involvement, environmental hazards, and participant deaths. This participant training shall also include reporting procedures for participant-hired workers, participants/participant representatives, and other designated individuals.

### **F. Quality Management Requirements – Participant Satisfaction**

1. The Department will conduct an annual participant satisfaction survey. The FEA will provide a response to the results of the survey, including any required plan of correction or amendments to the FEA's quality management plan, to the Department upon FEA certification renewal, or as requested by the Department.