



TEXAS  
Health and Human  
Services

# Consumer Directed Services

---

**Rachel Neely, *Senior Policy Advisor***  
**Medicaid and CHIP Services, HHSC**  
**February 2022**

# Presentation Overview

---

- Philosophy of Self-Direction
- Overview of CDS Option
- Services available through CDS
- Roles & Responsibilities
  - Service Coordinators and Case Managers
  - CDS Employer Responsibilities
  - CDS Employee Qualifications
  - FMSEA Responsibilities
- Budgeting Process
- Resources



# What is Self-Direction?

---

- Self-direction is a way for individuals to receive their Medicaid services
- The self-directed service delivery model is:
  - An alternative to traditionally delivered and managed services, such as an agency delivery model.



**TEXAS**  
Health and Human  
Services

# What is Self-Direction?

---

- Self-direction means that individuals, or their representatives:
  - Have decision-making authority over certain services and
  - Take direct responsibility to manage their services with the assistance of available supports.



TEXAS  
Health and Human  
Services

# What is Self-Direction?

---

- Self-direction promotes personal choice and control over the delivery of waiver and state plan services, including who provides the services and how services are provided.
- For example, individuals have the decision-making authority to recruit, hire, train and supervise the individuals who provide their services.



# Philosophy of Self-Direction

---

- Self-direction helps people of all ages, with all types of disabilities
  - Maintain their independence at home by choosing the mix of services and supports that works best for them.
- Self-direction is built on the belief that:
  - The individuals receiving services know their needs best and
  - Are in the best position to plan and manage their own services.



**TEXAS**  
Health and Human  
Services

# Philosophy of Self-Direction

---

- Self-direction is also known as consumer direction, independent living, or self-determination.
- In recent years, self-direction has become a growing movement within aging and disability communities.



**TEXAS**  
Health and Human  
Services



# What is the CDS Option?

---

## **Consumer Directed Services (CDS) is:**

- The self-direction option for Medicaid recipients in Texas
  - Available in programs for persons who live in their own home, family home, or community-based settings
- Available to everyone in eligible programs and services
  - Individuals may receive some of their services from a provider agency and self-direct other services at the same time.





# Services Available through CDS

Program	Services that can be delivered through CDS
Community Living Assistance and Support Services (CLASS)	<ul style="list-style-type: none"><li>• In-home and out-of-home respite services</li><li>• Habilitation (transportation)</li><li>• Nursing</li><li>• Physical therapy</li><li>• Occupational therapy</li><li>• Speech</li><li>• Cognitive rehabilitation therapy</li><li>• Employment assistance</li><li>• Support consultation</li><li>• Supported employment</li><li>• State Plan Community First Choice (CFC) Personal Assistance Services/Habilitation</li></ul>
Consumer Managed Personal Assistance Services (CMPAS)	<ul style="list-style-type: none"><li>• Personal assistance services</li></ul>

# Services Available through CDS

Program	Services that can be delivered through CDS
Deaf Blind with Multiple Disabilities (DBMD)	<ul style="list-style-type: none"><li>• Respite services,</li><li>• Residential habilitation (Transportation)</li><li>• Intervener</li><li>• Support consultation</li><li>• Supported employment</li><li>• Employment assistance</li><li>• State Plan CFC PAS/HAB</li></ul>
Home and Community Based Services (HCS)	<ul style="list-style-type: none"><li>• Respite</li><li>• Supported home living (Transportation)</li><li>• Nursing</li><li>• Cognitive rehabilitation therapy</li><li>• Supported employment, employment assistance</li><li>• State Plan CFC PAS/HAB</li></ul>



**TEXAS**  
Health and Human  
Services

# Services Available through CDS

Program	Services that can be delivered through CDS
Primary Home Care (PHC); Family Care (FC); Community Attendant Services (CAS)	<ul style="list-style-type: none"><li>• Personal assistance services</li></ul>
Texas Home Living (TxHmL)	<ul style="list-style-type: none"><li>• All services</li><li>• CFC PAS/HAB</li><li>• Transportation (community support)</li></ul>
Personal Care Services (PCS)	



**TEXAS**  
Health and Human  
Services

# Services Available through CDS

Program	Services that can be delivered through CDS
STAR Kids	<ul style="list-style-type: none"><li>• Personal care services</li><li>• CFC PAS/HAB</li></ul>
STAR Kids MCDP	<ul style="list-style-type: none"><li>• Respite services and flexible family support services delivered by an attendant or a nurse</li><li>• Employment assistance</li><li>• Supported employment</li><li>• Adaptive aids</li><li>• Minor Home Modifications</li></ul>
STAR+PLUS	<ul style="list-style-type: none"><li>• Personal care services</li><li>• CFC PAS/HAB</li></ul>
STAR+PLUS HCBS	<ul style="list-style-type: none"><li>• Personal assistance services</li><li>• Respite</li><li>• Nursing</li><li>• Physical Therapy</li><li>• Occupational Therapy</li><li>• Cognitive rehabilitation therapy</li><li>• Speech therapy</li><li>• Supported employment</li><li>• Employment assistance</li></ul>



**TEXAS**  
Health and Human  
Services

# Benefits of the CDS Option

---

- Greater control over services
- Determine pay rates, bonuses, and other benefits for employees
- Target advertisements for specific needs
- Hire non-traditional employees, such as friends and neighbors



**TEXAS**  
Health and Human  
Services

# Risks of the CDS Option

---

- Responsible for meeting all requirements as any employer in any business and can be held liable for failure to meet those requirements.
- Ultimately responsible for payroll taxes owed to the Texas Workforce Commission (TWC) and is liable if the Financial Management Services Agency (FMSA) fails to pay. The FMSA assumes responsibility for payment of payroll taxes owed to the IRS.
- Responsible for handling conflicts with service providers.





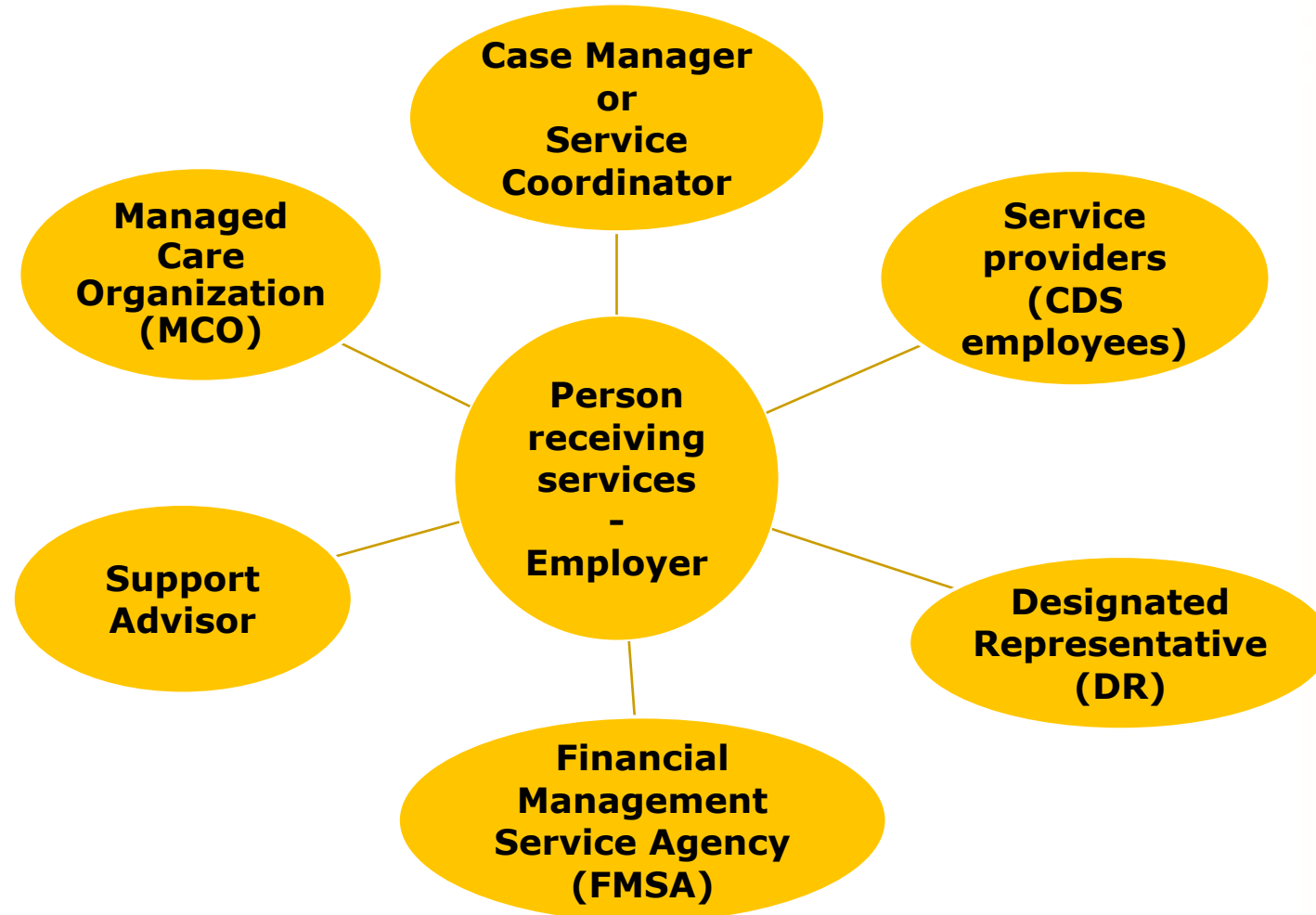
TEXAS  
Health and Human  
Services

# Roles & Responsibilities

---



# CDS – Key Players



**TEXAS**  
Health and Human  
Services

# Service Coordinators and Case Managers

---

The CM or SC assesses the individual for program eligibility and for services in their program.

- They develop the service plan and indicate services to be delivered through the CDS option.
- CM/SC responsibilities related to the CDS option include:
  - Offer the CDS option at program enrollment, at the annual review and at the individual's request
  - Educate the individual on their rights, responsibilities and resources in the CDS option
  - Present a current HHS web-based list of available FMSAs that serve the individual's county and program
  - Send referrals and authorized service plans to the FMSEA



# The CDS Employer is:

---

**Person receiving services**, who is at least 18 years old and does NOT have a court-appointed guardian

**Parent or Legally Authorized Representative (LAR)** of a minor-aged individual

**Court-appointed Guardian** regardless of the age of the individual receiving services.



TEXAS  
Health and Human  
Services

# CDS Employer Responsibilities

---

## Hiring Employees

- Recruit, select, hire, and train employees
- Only allow eligible employees to provide services
- Provide initial and ongoing training to employees
- Ensure licensure and training requirements are met and maintained



# CDS Employer Responsibilities

---

## Questions about Hiring

- How do families find caregivers?
- Is there a database for people interested in being hired through CDS?
- What is the training requirement for CDS service providers?
- Does Texas HHS have training that would help caregivers be good at their job?



TEXAS  
Health and Human  
Services

# CDS Employer Responsibilities (cont.)

---

## Managing Employees

- Set employee schedules and tasks to be carried out
- Resolve employee concerns and complaints
- Submit timesheets, invoices and receipts to the FMSEA
- Maintain CDS forms and documents, including records of service delivery and personnel files for each employee
- Ensure confidentiality and security of all records





# CDS Employer Responsibilities (cont.)

---

## Service planning

- Develop and implement a service back-up plan if requested by case manager (CM)/service coordinator (SC)
- Complete and implement a corrective action plan (CAP), if requested by the CM/SC
- Immediately inform FMSA and CM/SC of hospitalizations



# CDS Employer Responsibilities (cont.)

---

## Budget

- Develop a CDS budget based on the authorized service plan to determine the hourly wage and any benefits for each employee
- Review FMSA quarterly reports for services delivered through CDS
- Initiate budget revisions based on quarterly reports, as needed

# CDS Employee Qualifications

## **In each program, a service provider must:**

- Be 18 years old or older;
- Have no criminal convictions listed by state law that prohibit employment in a health care setting;
- Have no conviction of Medicaid fraud or abuse;
- Not be listed on the Employee Misconduct Registry (EMR) or Nurse Aide Registry (NAR);
- Meet and maintain provider qualifications as required by the program and/or by state or federal law;
- Be able and willing to meet the needs of the individual receiving services

# CDS Employee Qualifications (cont.)

The service provider must meet the requirements of the CDS option and the individual's program.

- The employee must not be:
  - The spouse of the individual receiving services
  - The individual's legally authorized representative (LAR) or their spouse
  - The designated representative (DR) or their spouse
  - A caregiver not eligible for hire under the Community Care for Aged and Disabled (CCAD) unmet need policy



**TEXAS**  
Health and Human  
Services

# Service Delivery Requirements

---

The CDS employer must ensure services provided through the CDS option:

- Are included on the individual's authorized service plan;
- Are budgeted in the employer budget;
- Are provided only to the individual;
- Are not provided if the individual becomes ineligible for program services; and
- Meet requirements for payment in accordance with program rules and CDS rules.



**TEXAS**  
Health and Human  
Services

# FMSA Responsibilities

An FMSA is a contracted entity that provides financial management services for individuals using the CDS option.

The FMSA's responsibilities include:

- **Upon enrollment in CDS:**
  - Provide orientation, training and ongoing support for those who use the CDS option
  - Register as the vendor fiscal/employer agent on behalf of CDS employer
  - Assist with development of CDS budget and approve final budget
  - Pay employer federal and state taxes on behalf of CDS employers
  - Verify eligibility of CDS employee applicants



TEXAS  
Health and Human  
Services

# FMSA Responsibilities (cont.)

---

## The FMSA's responsibilities include:

- Manage payroll
- Prepare and file required tax forms and reports
- Approve and monitor budgets
- Provide initial orientation and ongoing training and for the employer
- Send quarterly budget reports





# FMSA Responsibilities (cont.)

---

## **The FMSA's responsibilities include:**

- Pay allowable expenses incurred by the employer
- Verify and monitor eligibility of applicants
- Comply with all regulations concerning employee withholdings and garnishments
- Maintain copies of records to document compliance







TEXAS  
Health and Human  
Services

# CDS Budgeting Process

---

# CDS Budget

---

- Every CDS employer has a budget for all their services that are delivered through the CDS option.
- The CDS budget is calculated based on the HHSC CDS rates.
- The rates can be found on the LTSS Rates [webpage](#).



# HHSC Rates



rad.hhs.texas.gov/long-term-services-supports

## Rate Analysis

Acute Care Hospitals & Clinic Long-term Services & Supports Managed Care Medicaid Administrative Claiming Rate Packets Time Study

### Long-term Services & Supports

- Contact List
- 24-Hour Residential Child Care & Supervised Independent Living Program
- Adult Foster Care
- Adult Mental Health Program
- Community Based Alternatives
- Community First Choice
- Community Living Assistance & Support Services
- Comprehensive Rehabilitation Services Program
- Consumer-managed Personal Assistance Services
- Cost Report Training
- Day Activity & Health Services
- Deaf-blind Multiple Disabilities Waiver
- Emergency Response Services
- Frequently Asked Questions
- Home and Community-based Services
- Home-delivered Meals
- Hospice
- Intermediate Care Facilities

## Long-term Services & Supports Overview

The Rate Analysis Department (RAD) develops reimbursement methodology rules for determining payment rates or rate ceilings for recommendation to the Health and Human Services Commission (HHSC) for Medicaid payment rates and non-Medicaid payment rates for programs operated by the Department of Aging and Disability Services (DADS) and the Department of Family and Protective Services (DFPS). RAD develops payment rates or rate ceilings in accordance with these rules and agency policy guidelines.

### Introduction to Cost Report Reform

Beginning with the 2018 cost reports, cost report reform began as a pilot for Home and Community-based Services and Texas Home Living (HCS/TxHmL) waiver programs and the Intermediate Care Facilities for Individuals with an Intellectual or Developmental Disability or Related Conditions (ICF/IID) program providers to submit cost reports biennially rather than annually. The Texas Health and Human Services Commission (HHSC) Executive Commissioner directed the Rate Analysis Department (RAD) to expand cost report reform to all Long-term Services and Supports (LTSS) programs. The intended frequency of cost report submission is on a biennial basis rather than annual basis.

### The Attendant Compensation Rate Enhancement and Direct Care Staffing Compensation Participants

A provider who participates in the Attendant Compensation Rate Enhancement or the Direct Care Staff Compensation programs (rate enhancement) are required to submit accountability reports in the years that they are not required to submit full cost reports. Providers are notified of the requirement to submit this report in an HHSC Rate Analysis letter that specifically requests this report.

Providers who do not participate in the rate enhancement program are only required to submit cost reports every two

# HHSC Rates (cont.)



TEXAS  
Health and Human  
Services

Consumer Directed Services (CD) x Texas Administrative Code x Section 5000, Service Delivery O x STAR+PLUS General Contract Te x Texas Administrative Code x Home and Community Based Se x

rad.hhs.texas.gov/long-term-services-supports/home-and-community-based-services-hcs

Apps HHSC Templates &... Consumer Directed... CDS Forms | Texas... Texas Administrativ... Consumer Directed... CDS Option - All D... RAD | LTSS

Other bookmarks

- Nursing Facility Rehabilitation & Specialized Services
- Prescribed Pediatric Extended Care Center
- Primary Home Care
- Residential Care
- Texas Home Living
- Youth Empowerment Services Waiver Program

[Medicaid Spending Requirement, Opt Out Information](#)

## Rate Model Factors and Calculations

[View 2008 - 2009 HCS \(.pdf\)](#)  
[View 2010 HCS \(.pdf\)](#)

## Payment Rates

[Effective September 1, 2017 to current \(.pdf\)](#)  
[Effective September 1, 2015 \(.pdf\)](#)  
[Effective April 1, 2014 \(.pdf\)](#)  
[Effective September 1, 2013 \(.pdf\)](#)  
[Effective September 1, 2011 \(.pdf\)](#)  
[Effective February 1, 2011 \(.pdf\)](#)  
[Effective September 1, 2010 \(.pdf\)](#)  
[Effective June 1, 2010 \(.pdf\)](#)  
[Effective October 1, 2009 \(.pdf\)](#)  
[Effective September 1, 2008 \(.pdf\)](#)  
[Effective February 1, 2008 \(.pdf\)](#)  
[Effective June 1, 2007 \(.pdf\)](#)  
[Effective September 1, 2003 \(.pdf\)](#)

## Rate Enhancement - Attendant Compensation

[View 2020 Rate Enhancement - Attendant Compensation Information](#)  
[View 2019 Rate Enhancement - Attendant Compensation Information](#)  
[View 2018 Rate Enhancement - Attendant Compensation Information](#)

## Training Information

[View Cost Report Training information](#)  
[View Rate Enhancement Enrollment Training information](#)

# HHSC Rates (cont.)



TEXAS  
Health and Human  
Services

2017-09-hcs-rates.pdf 17 / 17

rad.hhs.texas.gov/sites/rad/files/documents/long-term-svcs/2017/2017-09-hcs-rates.pdf

Apps HHSC Templates &... Consumer Directed... CDS Forms | Texas... Texas Administrativ... Consumer Directed... CDS Option - All D... Other bookmarks

2017-09-hcs-rates.pdf 17 / 17

**HOME AND COMMUNITY-BASED SERVICES (HCS) WAIVER PROGRAM  
PAYMENT RATES EFFECTIVE AUGUST 1, 2017**

**Consumer Directed Services**

Service	Payment Rate
Consumer Directed Services Agency - per month	\$154.79
Client Payment Rates for Determining the Client's Budget **	
Supported Home Living - per hour	\$22.01
Respite - per hour	\$17.86
Supported Employment - per hour	\$32.10
Employment Assistance - per hour	\$32.10
Cognitive Rehabilitation Therapy - per hour	\$78.53
Nursing - per hour	
Registered Nurse (RN)	\$42.39
Specialized RN	\$48.90
Licensed Vocational Nurse (LVN)	\$28.69
Specialized LVN	\$33.14
Support Consultation - per hour	\$15.37

\*\* The client's budget and service plan are calculated using the Client Payment Rate times the number of units authorized during the budget and service plan period.



# CDS Budget Workbooks

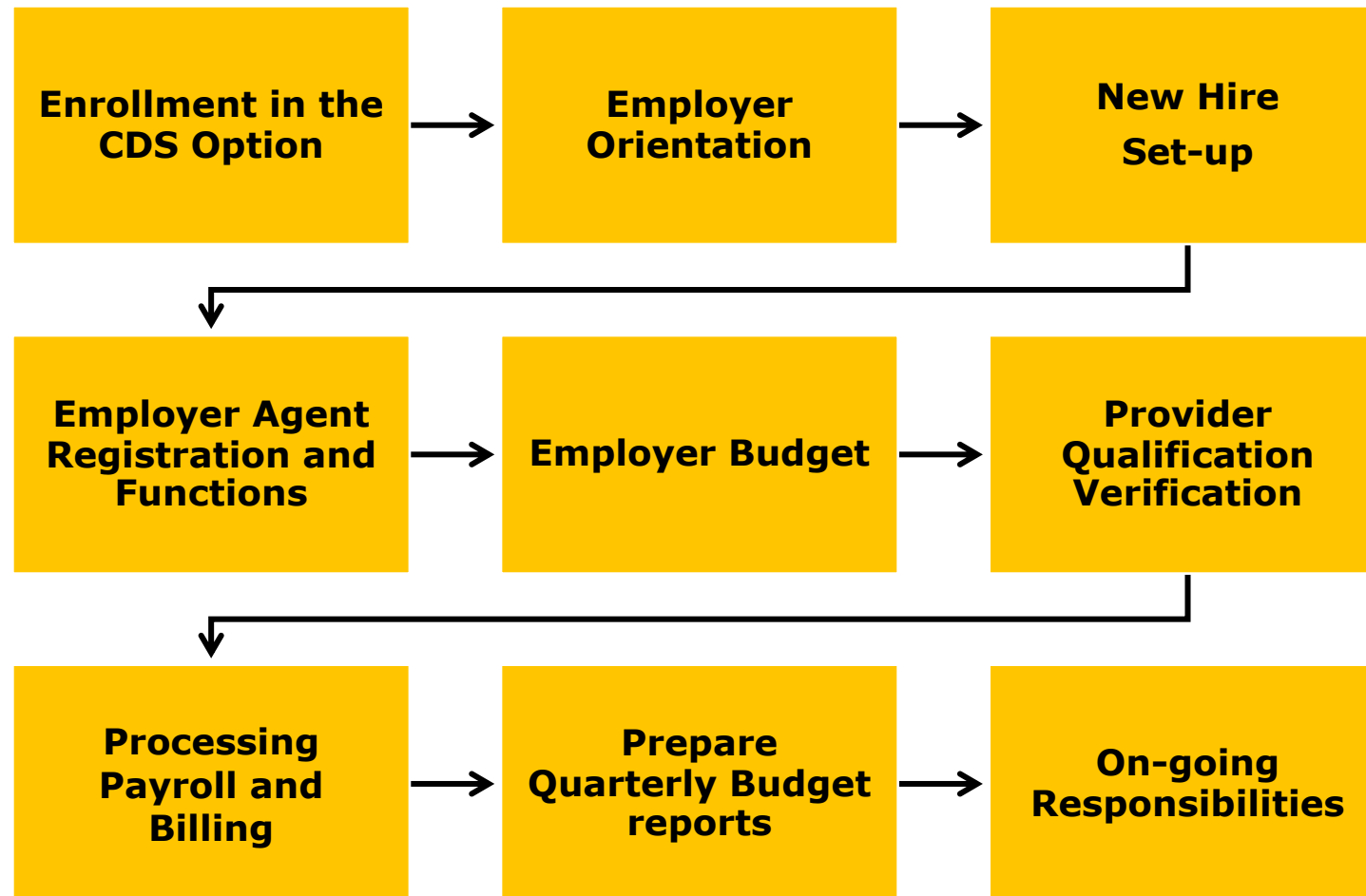
---

- The CDS employer is responsible for completing their CDS budget.
  - The FMSA may assist with creating the budget if requested, and is responsible for approving the budget.
- The CDS employer and FMSA use a [budget workbook](#) to complete the budget.



TEXAS  
Health and Human  
Services

# CDS Step-by-Step Process



**TEXAS**  
Health and Human  
Services





TEXAS  
Health and Human  
Services

# Resources

---

# Where to send questions

Reach out to:	For help with:
Service Coordinator or Case Manager	<ul style="list-style-type: none"><li>- Enrolling in or leaving the CDS option</li><li>- Services authorized on the individual's service plan</li></ul>
FMSA	<ul style="list-style-type: none"><li>- CDS budget</li><li>- Hiring process</li><li>- Employee payroll</li><li>- Taxes</li><li>- EVV</li></ul>
HHSC	<ul style="list-style-type: none"><li>- CDS or program policies</li></ul>



# Rules Governing CDS

---

Texas Rules Governing CDS and FMSAs:

- [Texas Administrative Code: Title 40, Part 1, Chapter 49, effective September 1, 2014](#) relating to Contracting for Community Services
- [Texas Administrative Code: Title 40, Part 1, Chapter 41, effective March 20, 2016](#) relating to Consumer Directed Services

**Note:** CDS is a service delivery option that allows more control over services. FMSAs and employers must follow individual program rules.



TEXAS  
Health and Human  
Services

# Links and Resources

---

- [CDS Overview and Video](#)
- [CDS Budget Workbooks](#)
- [CDS Handbook and Forms](#)
- [Provider Finance Webpage](#)
- [HHS Learning Portal](#)

Reach out to the HHSC CDS team at:

**CDS@hhsc.state.tx.us**



TEXAS  
Health and Human  
Services

# CDS Glossary

---

**CDS:** Consumer Directed Services

**CM:** Case Manager

**DR:** Designated Representative

**FMSA:** Financial Management Services Agency

**LAR:** Legally authorized representative

**LTSS:** Long-term services and supports

**MCO:** Managed Care Organization

**SC:** Service Coordinator

**SPT:** Service Planning Team

**TAC:** Texas Administrative Code





TEXAS  
Health and Human  
Services

# Questions?

---





**TEXAS**  
Health and Human  
Services

# **Supports Available for CDS Employers**

---

# Support for CDS Employers

---

- Appointing a Designated Representative (DR)
- Ongoing assistance from the FMSA
- Utilizing support consultation services



TEXAS  
Health and Human  
Services

# Designated Representative

---

- If the CDS employer needs help completing their employer responsibilities, they can appoint a designated representative (DR) to complete specific tasks for them.
- The CDS employer maintains responsibility and accountability for decisions taken by the DR.



# Designated Representative (cont.)

---

- The DR can take on as many or as few of the CDS employer's responsibilities as the employer wishes.
- The service planning team (SPT) may recommend that the employer designate a DR to assist with employer tasks.
- The DR must:
  - Be 18 years or older
  - Be a volunteer
  - Pass a criminal conviction check
  - Be or become actively involved in the individual's life



TEXAS  
Health and Human  
Services

# Designated Representative (cont.)

---

## The DR must not:

- Sign or represent himself as the employer
- Be paid to perform employer responsibilities
- Be an employee of the employer
- Have a spouse employed by the employer
- Provide a program service to the individual



TEXAS  
Health and Human  
Services

# Support Consultation

---

- Support consultation provides additional training, assistance and support to the CDS employer.
  - It is only available through the CDS option and is not available in all programs.
- Support consultation must not duplicate or replace services delivered by a case manager, a service coordinator, FMSA or other provider.





# Support Consultation (cont.)

---

- Support consultation can include training and assistance related to:
  - Practical skills necessary for managing service providers
  - Recruiting, screening and hiring employees
  - Verifying employment eligibility and qualifications
  - Communicating effectively and solving problems
  - Completing required documents



TEXAS  
Health and Human  
Services