

SECTION IV. 4. Flexible Funding

A. Definition

"Flexible Funding" is the flexible use of Moderate Needs funds to pay for services that contribute to the prevention, delay, or reduction of risk of harm or hospital, nursing home, or other institutional care.

B. Flexible Funding Standards

Flexible Funding shall be managed through the participant's Certified Case Management Agency. Agencies are approved by the Department of Disabilities, Aging and Independent Living (DAIL) and comply with the following:

1. DAIL Case Management Standards & Certification Procedures
<http://www.ddas.vermont.gov/ddas-programs/programs-oaa/programs-oaa-cm>
2. Universal Provider Qualifications and Standards (*Section II.*)
3. Services Principles (*Section IV. B.*)

C. Provider Types

The following DAIL certified Case Management provider types are approved to manage and submit claims for Moderate Needs Flexible Funding (revenue code 079):

- Area Agency on Aging
- Designated Home Health Agencies

C. Approved Services

Flexible Funding services are managed and billed through the participant's case management agency.

Examples of services eligible for purchase through a Flexible Funding budget:

1. **Self-Hired Attendant:** Participants (or their surrogate) who are able and willing to hire their own attendant may self-hire an employee to provide homemaker, personal care, respite or companion services. The case manager works together with the participant to determine how much assistance they require and the rate at which they will pay their workers. The participant or their surrogate is responsible for training, supervision and scheduling. Payment for self-hired assistance will be coordinated through the case management agency to the state contracted Intermediary Services Organization (ISO). The budgeted cost of self-hired assistance will include the total costs of employee wages, taxes, worker's compensation insurance, unemployment insurance and ISO services.

2. **Intermediary Services Organization (ISO)**: Participants who choose to self-hire attendant services must do so through the state contracted ISO. Payment to the ISO for services is managed by the case management agency and is included in the participant's maximum funding limit. The ISO manages all payroll services including background checks.
3. **Goods & Services**: Examples of Goods & Services include, but are not limited:
 1. Personal Emergency Response Services (PERS)
 2. Assistive Devices (e.g. grab bars)
 3. Home Modifications (e.g. ramp, widened doorway)
 4. Home goods or appliances that support the person in their ADLs or IADLs
 5. Transportation for non-Medicaid eligible participants
 6. Interpreter services for non-Medicaid eligible participants
 7. Personal Care, Respite, Companion.
4. **Agency Administrative Fee**: Case management agencies are responsible for receiving vendor invoices, processing payments to vendors based on the participant's flexible funding budget and reporting these payments to DAAIL by the 15th of each month on an excel report form. A copy of the vendor invoice must be maintained by the case management agency.

Case management agencies may submit a Flexible Funds claim for administrative fees to cover the cost of billing/vendor payment services. The fee is up to \$25/month for each person the agency provides billing/vendor payment services to in one month and is reflected on the monthly report to DAAIL. The administrative fee must be included in the participants' flexible funding budget and comes directly from the case management agencies Moderate Needs allocation cap.

D. Limitations

1. Flexible Funding is limited to a budget of \$3,500 per person per service authorization year. Case Management agencies may grant additional funds on a case by case basis when there is no wait list for Moderate Needs services in their region and the purchase meets the Flexible Funding definition and standards.
2. Flexible Funding may not be used to purchase services covered by the participant's health insurance benefit.
3. Flexible Funding may not be used to purchase illegal services.
4. Flexible Funding services provided through a designated or licensed agency must follow all applicable federal and state regulations.
5. Services purchased through a Vermont Medicaid vendor must be billed at the Medicaid rate on file.
6. All employee wages must be paid at or above the Vermont minimum wage standards and below the maximum market rate. Minimum wage information can be found at <http://www.dol.gov/whd/minwage/america.htm>.

7. Assistive devices and home modifications must comply with all applicable medical and manufacturing standards and State and local building codes.
8. Employees providing assistance to participants must pass a background check as described in the DAIL Background Check Policy.
9. Flexible Funding shall not be used to purchase dentures, eye glasses or rent/room & board.
10. Flexible Funding shall follow the Choices for Care “Paying Spouse” policy.