

CHAPTER 3-000 SOCIAL SERVICES PROVIDERS

3-001 Provider Contracting Process

3-001.01 Introduction: This section contains the definitions, policies, and standards involved in evaluating and approving providers who will claim reimbursement through the social services payment system.

3-001.02 Definitions

Provider Identification Number: A nine-digit Federal Identification (FID) number or a nine-digit Social Security number (SSN) followed by a two-digit suffix code. (The two-digit suffix code is "00" unless it identifies a multiple facility.)

Service Provider Agreement: A legally binding document describing the service(s) to be provided, the agreed-upon unit(s), and the unit rate(s) for each provider. The responsibilities of the provider and of NDSS are stated in the agreement. The two types of agreements are -

1. Form DSS-8, "Agency Service Provider Agreement," the document used for providers that have one or more employees or will be subcontracting any one or part of the service(s) for which they are requesting approval; and
2. Form DSS-9, "Individual Service Provider Agreement," the document used for providers who have no employees and will not normally be subcontracting any service(s) for which they are requesting approval.

Subcontracting: Occurs when a service provider pays someone other than an employee to provide the contracted service.

Two-Digit Suffix Codes: Two identifying numbers attached to the FID number of providers who share the same FID number due to affiliation with a larger agency.

Providers assigned suffix codes are approved individually. The assigned suffix code must be used in all transactions (e.g., authorizations, billings) with and by the provider.

3-001.03 Application: A worker assigned resource development responsibilities shall conduct a face-to-face interview with each potential provider. In the application process, the worker shall -

1. Discuss and clarify each requirement the provider must meet for approval;
2. Examine the service facility, when applicable, to confirm that it meets established standards;

3. Complete any necessary checklists and approval forms; and
4. Inform the provider whether standards have been met or, if the decision has not been made, when s/he will be notified.

If the provider does not meet standards at the time of the initial visit or interview, but is willing to correct the deficiency within a reasonable period of time, the worker shall continue the application process when proof of compliance is received.

3-001.04 Conflict of Interest: No employee of DHHS or its subdivisions may be approved as a service provider if s/he is in a position to influence his/her own approval or utilization.

3-001.05 Client Relative: A relative provider may not be a legally responsible relative or legal dependent of the client.

A non-legally responsible relative of a client may be a provider if it is documented that the relative is held to the same provider requirements as non-relative providers.

3-001.06 Service Provider Agreements: The following policies govern service provider agreements:

1. Each provider must have a service provider agreement in effect before service can be authorized for purchase;
2. Resource development staff shall evaluate and approve or disapprove all service providers located within the unit's jurisdiction;
3. Service provider agreements are effective up to 12 months, are never back-dated, and must be negotiated and signed by all parties on or before the effective date;
4. Changes in service provider agreements require renegotiation of the contract. Address changes which do not affect the service location do not require a new agreement, but Form DSS-8A, "Agency Service Provider Agreement Amendment," should be completed showing the new address;
5. Notice of any change in services, units, or unit rates proposed by either the provider or the service agency must be given as soon as possible; and
6. The staff member who completes Form DSS-8 and his/her supervisor shall both sign the agency agreement.

3-001.07 Agreement Completion: When a potential provider has met all necessary requirements, the worker shall -

1. Negotiate with the provider and complete the agreement (Form DSS-8 or DSS-9); and
2. State all provider limitations on the agreements; then
3. Complete and route Form DSS-10, "Social Service Provider Identification," and
4. Notify case management staff of the agreement.

3-001.08 Multiple Facilities: There are two methods by which a provider with more than one service facility (e.g., congregate meal sites) can be evaluated and approved or disapproved. The unit(s) involved and the provider shall decide which option to use.

Multiple facilities are identified by a two-digit suffix code which the worker shall obtain from Central Office.

3-001.08A Option 1: A separate agreement (Form DSS-8) may be negotiated with each facility. This option must be used if the facilities -

1. Will bill separately; or
2. Charge different rates for the same service.

3-001.08B Option 2: One agreement (Form DSS-8) may be negotiated, listing all the facilities. If the facilities are in more than one local area, the local office where the agency's main office is located shall negotiate and sign the agreement. If the agency operates a facility in another local unit area, local staff shall evaluate the facility and forward the evaluation to the local unit which signed the agreement.

3-001.09 Provider Evaluation

3-001.09A Resource Development Responsibilities: The worker shall -

1. Hold a face-to-face evaluation interview with each potential provider at least annually;
2. Annually visit each facility in which services are provided outside of the client's home; and
3. Assess the quality of service provision at least once during the agreement period by observing service delivery, visiting the service facility, interviewing the provider, or interviewing a client served by the provider.

3-001.09B Subcontracts: Site visits are not required for subcontracted facilities. The service provider shall ensure that subcontractors meet all standards and requirements.

3-001.10 Rate Negotiation: The worker shall negotiate all terms in Section I of Forms DSS-8 and DSS-9. The rates negotiated must -

1. Be usual and customary or less for similar services in the community;
2. Not exceed amounts reasonable and necessary to ensure the quality of service;
3. Not exceed the service's maximums without prior Central Office approval. (Exception: Once Central Office has approved a rate exception, the local office may authorize that increased rate whenever the provider's contract is renewed, without submitting another Form DSS-2A); and

4. Not exceed rates charged to non-social services clients for comparable services. (Exception: The local unit may develop a mutually acceptable compromise rate with an agency which receives public funds, e.g., a meals program which accepts voluntary contributions from participants.)

The worker and the provider indicate agreement with all the negotiated terms by signing Forms DSS-8 or DSS-9.

3-001.11 Provider Contract Renewal

3-001.11A Agreement Evaluation: The worker shall use established standards to re-evaluate each service provider -

1. Before the expiration of a provider agreement; and
2. Any time there is reason to believe that the provider is not fulfilling his/her responsibilities.

Provider approval checklists and forms are required only for initial approval.

3-001.11B Worker Action: Depending on the outcome of the evaluation, the worker shall -

1. Renegotiate or terminate the provider agreement; and
2. Complete and route Form DSS-10.

3-001.12 Provider Terminations: Either the Department or the provider may terminate an agreement by giving at least 30 days advance written notice. The 30-day requirement may be waived in case of emergencies such as illness, death, injury, or fire.

3-001.12A Written Notices: The worker shall send written notice to the provider when an agreement is to be terminated by the Department. Written notice to the provider is not required if the potential provider voluntarily withdraws an application.

3-001.12B Form DSS-10: If termination or withdrawal occurs during an effective period or at the time of renegotiation, the worker shall submit Form DSS-10 marked "inactive" and show the new Thru date in Field 18.

3-001.13 Forms and Instructions: The following forms are used in the provider contracting process:

1. Form DSS-8, "Agency Service Provider Agreement" (473-000-30);
2. Form DSS-8A, "Agency Service Provider Agreement Amendment" (473-000-31);
3. Form DSS-9, "Individual Service Provider Agreement" (473-000-32); and
4. Form DSS-10, "Social Service Provider Identification" (473-000-33)

3-002 Standards

3-002.01 General Standards: The following standards apply to all service agreements:

1. The proposed service(s) must meet the Manual's service definitions and must be purchasable;
2. Staff need not contract with a potential provider if the proposed service is sufficiently available;
3. All service providers shall have a Social Security number or FID number, whichever is appropriate, before contracting;
4. The potential provider must not be the parent of the minor child receiving services nor the legal guardian, spouse, or minor child of the service client. (See 473 NAC 2-005.04B for further information regarding client relatives as providers.);
5. The provider must not have a history of chronic incorrect and/or inaccurate billings whether intentional or unintentional for services that have been provided or have a criminal history of financial mismanagement; and
6. The provider must not engage in or have an ongoing history of criminal activity that may be harmful or may endanger individuals for whom s/he provides services. This may include a substantiated listing as a perpetrator on the child and/or adult Central Registries of abuse and neglect.

If the provider is an agency, DSS staff shall review agency policies regarding hiring and reporting to ensure that appropriate procedures regarding abuse or neglect are in place.

If the provider is an individual, DSS staff shall check the Abuse and Neglect Central Registries to determine if any substantiated reports of abuse or neglect by the provider exist. If the provider provides services in his/her own home, DSS staff shall also check the Abuse and Neglect Central Registries to determine if any substantiated reports of abuse or neglect by household members exist. If a report of abuse or neglect has been substantiated, DSS staff shall not contract with the individual provider. If a report of abuse or neglect concerning a current SSBG provider (or household member) as perpetrator is substantiated, staff shall immediately terminate the provider contract and notify case management.

3-002.02 Provider Standards: Before furnishing any service, each provider shall sign Form DSS-9, agreeing to -

1. Provide no service to be paid through the Social Services Program before receiving authorization from the worker;
2. Provide service only as authorized, in accordance with the Department's standards as set forth in NAC Titles 473, 474, and/or 480. If providing medical transportation, NAC Title 471 also applies to Medicaid providers;
3. Submit Form DSS-5B, "Social Services Billing Document," after service is provided and within 90 days;
4. Provide service as an independent contractor. I understand and agree that I am not providing service as an employee of the State of Nebraska or of the Department;
5. Accept social services reimbursement as payment in full for each contracted services (e.g., provider will not charge clients the difference between this contract rate and private pay rate);
6. Accept a rate which is reasonable, necessary, and does not exceed the amount charged to private-paying persons;
7. Apply to social services clients the same standards applied to private-paying persons;
8. Retain financial and statistical records for four years to support and document all claims and allow federal, state, or local offices responsible for program administration or audit to review service records, in accordance with 45 CFR 74.20 through 74.24;
9. Permit federal, state, and local officials to monitor and evaluate the program by means such as inspecting the facility, observing service delivery, and interviewing the provider or if an emergency, the staff members;
10. Keep current any state or local license required for service provisions;
11. Respect every client's right to confidentiality and safeguard confidential information;
12. Not discriminate against any employee, applicant for employment, or social services program participant or applicant because of race, age, color, religion, sex, handicap, or national origin, in accordance with 45 CFR Parts 80, 84, 90, and 41 CFR Part 60;
13. Not assign or transfer the agreement. That is, no payment for authorized services made under this agreement can go to anyone other than the service provider named in this agreement;
14. Understand and accept responsibility for the client's safety and property;
15. Continue to meet all standards pertaining to the service provided;
16. Operate a drug-free workplace;
17. Not use any federal funds received to influence agency or congressional staff; and
18. Allow Central Registry checks on himself/herself, family member if appropriate, or if an agency, agree to allow Department of Social Services staff to review agency policies regarding hiring and reporting to ensure that appropriate procedures regarding abuse, neglect, and law violations are in place.

3-002.03 Provider Age Qualifications: A service provider must be at least 19 years old except as described in the following parts.

3-002.03A Chore Service: Minors age 13 through 18 may be approved as chore service providers if they -

1. Are acceptable to the client;
2. Provide statements from two responsible adults (not relatives) attesting to their reliability and responsibility to provide chore services, if requested by the local service unit; and
3. Meet all chore service provider standards. (See 473 NAC 5-001.08.)

3-002.03B Adult Day Services: Minors aged 16 through 18 may be approved to provide these services if they -

1. Are acceptable to the client;
2. Are capable of providing needed service, in the opinion of the worker; and
3. Meet all appropriate provider standards. (See 473 NAC 5-002.07 and 5-018.10.)

3-002.03C Respite Care Service: Minors age 16 through 18 may be approved as respite care providers if they -

1. Are acceptable to the client and caregiver;
2. Provide statements from two responsible non-relative adults attesting to their reliability and responsibility to provide respite care, if requested by the Department;
3. Are capable of providing needed supervision, in the opinion of the caregiver and the worker; and
4. Meet all appropriate provider standards (see 473 NAC 5-013.09).

Exception: Minors age 13 through 15 who meet these criterion may be authorized to provide respite care by the hour (code 1301), up to five hours per day.

3-002.03D Parental Permission: A provider under age 19 (unless s/he is an emancipated minor) shall obtain the signature of his/her parent or legal guardian on Form DSS-9.

3-002.04 Special Conditions Affecting Approval: Workers shall consult with Central Office staff before signing an agreement when the following situations arise. The potential provider's

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1. Proposed service is not clearly a defined service;
2. Proposed unit of service does not clearly coincide with one of the service unit definitions;
3. Proposed service is to be provided in excess of policy maximums;
4. Proposed unit rate exceeds the maximum rate for the service; or
5. Operation contains components which are not covered by appropriate standards.

3-003 Social Security Tax Withholding

3-003.01 Introduction: In some situations, NDSS withholds Social Security taxes (Federal Insurance Contribution Act, FICA) from provider payments. Individual in-home service providers (e.g., in-home adult day care, homemaker, and chore housekeeper) who are not self-employed are considered employees of the client for whom they provide service. NDSS, upon receiving a signed Form IRS-2678 "Employer Appointment of Agent," acts on behalf of these clients to withhold mandatory FICA taxes and pay the client's matching tax share to the IRS.

Note: The Department does not withhold federal or state income tax or federal unemployment insurance tax from any provider payment.

3-003.02 Definitions

Affected Clients/In-Home Services: The employee's share of Social Security tax is withheld from provider payments only when in-home service is provided. In-home services include only -

1. Chore service codes 0101, 0102, 0103, and 0104;
2. Adult day service codes 0201, 0202, and 0203;
3. Homemaker service codes 1102 and 1103; and
4. Respite care service codes 1301 and 1302.

Affected Providers: In-home service providers who are not affiliated with an agency and are not self-employed are subject to FICA withholding.

Earnings Taxed for Social Security: Affected providers are subject to Social Security tax payment for each calendar quarter in which they are paid \$50 or more for services provided to one client. (The \$50 is per client, not a total received for two or more clients.) The Department shall withhold this tax from all payments to affected providers. If a provider's earnings do not reach \$50 per quarter per client, the amount withheld for that quarter is refunded.

Self-Employed Providers: Individuals who file Social Security taxes on their own behalf are considered self-employed. They are identified by a FID number rather than a Social Security number.

Social Security Tax Rates: The Department remits to the IRS an amount equal to the current Social Security tax rate for specified "in-home" services. Half of this amount is withheld from the provider as the employee's share; the other half is provided by the Department on behalf of the client employer.

3-003.03 Staff Responsibilities: Designated staff shall -

1. Ensure that each client for whom the Department will serve as agent properly completes and signs Form IRS-2678;
2. Inform the affected service providers of the Department's FICA withholding process; and
3. Indicate "subject to FICA" on Form DSS-10, if the provider is an individual (not an agency).

3-003.04 Tax Statements: By January 31 of each year, NDSS shall issue Forms 1099 and W-2, "Wage and Tax Statement," to social services providers, with copies to the IRS. Form 1099 shows the total of all non-FICA qualifying wages. Form W-2 lists FICA qualifying wages. The total annual amount paid to each provider is determined by adding the amounts shown on Forms 1099 and W-2. A provider may receive more than one Form W-2, but more than one Form-1099 per provider indicates an incorrect FID (federal identification) number.

3-003.04A W-2 Forms: Form W-2 is sent to each provider who has earned qualifying FICA wages by providing in-home services. A separate Form W-2 is provided for each client served as the client is considered the employer.

3-003.04B IRS Form 1099: One Form IRS-1099 is issued to each provider for all non-FICA qualifying wages s/he has earned as the provider is considered self-employed.

3-003.05 Form and Instructions: Form IRS-2678, "Employer Appointment of Agent," relates to withholding Social Security tax from service payments.

3-004 Volunteers

3-004.01 Orientation and Training: The local office shall ensure that volunteers used for service delivery or for administrative assistance receive general orientation and training in -

1. Basic program policies and standards;
2. Confidentiality;
3. Civil rights requirements;
4. Client right to reject service;
5. General client rights and responsibilities; and
6. Agency responsibilities.

3-004.02 Characteristics: To be effective, volunteers need to possess -

1. Maturity in dealing with and working with others;
2. A sincere desire to provide assistance to people or to agencies serving people;
3. Ample available time to give full attention and energy to volunteer duties during duty periods;
4. Sufficient skill in one or more interest areas to perform effectively;
5. Willingness to abide by and comply with agency requirements, principles, regulations, and procedures;
6. Warmth, courtesy, tolerance, and belief in the dignity of all people;
7. Willingness to accept training, supervision, and necessary reporting responsibilities;
8. Capability to function in the assigned work environment;
9. Dependability in being available at agreed-upon times;
10. Willingness to provide immediate notice of unavailability due to illness, accident, or other condition; and
11. Sufficient physical and intellectual capability to carry out assignments. (Age or educational attainment need not be considered in many assignments.)

3-004.03 Volunteer Tasks: If careful assignment is made, the local office can find appropriate assignments for volunteers with a wide range of skills. Every effort must be made to use available volunteer manpower.

Consideration should be given to using volunteers to provide -

1. Friendly visiting;
2. Tutoring;
3. Interpreting (language skills);
4. Recreational programming;
5. Telephone assurance;
6. Escort and errand service;
7. Transportation;
8. Shopping;
9. In-home service;
10. Training (functional education);
11. Distribution of materials;
12. Messenger service;
13. Consultation to welfare staff;
14. Public speaking and delivery of public awareness programs;
15. Relief to the caretaker of an aged or disabled person;
16. Child care services;
17. Forms completion and filing; and
18. Office duties.

CHAPTER 4-000 (Reserved)