

NC Innovations Waiver
Individual Family Directed Services Accrued Funds Policy

The purpose of this policy is to establish a standardized approach to the use of accrued funds. This policy is applicable to Individual Family Directed Services (IFDS) members, health plans, and Financial Support Service (FSS) providers.

Definitions:

Accrued funds: Excess funds from the self-directed budget available after the employee pay rate is set. If the employee(s) pay rate is less than the Medicaid rate established for the self-directed services, excess funds are accrued after payments are made for billed service hours. Funds available are based on available funds not projected.

Plan of Care: A plan of care (also known as an Individual Support Plan) is a plan that describes the services and supports to be furnished to the member, the projected frequency, and the type of provider who will furnish each service and support.

Plan Year: A 12-month period for the plan of care/Individual Support Plan year that runs from the first day of the month following the member's birth month to the last day of the member's birth month.

Management of Accrued Funds:

The following applies to members currently self-directing their services:

- Member will have 6 months after the current Plan of Care expiration date to pay for services/items authorized under the Member's Plan of Care or Individual Support Plan with Accrued Funds.
- Any Accrued Funds remaining after this time are no longer available for member use and will be returned to the Member's health plan by the Financial Support Service provider.

Accrued Funds Usage

- Accrued Funds must be for the benefit of the member and related to a service/goal and clinical/medical need documented in the member's Plan of Care (must not be for social or recreational purposes).
- Accrued Funds may not be used for payment to Employer of Record (EOR) or EOR representative (*an individual who assists member with EOR duties*).
- Accrued Funds may not be used to reimburse member, EOR, EOR representative, employee, or any other individual for purchases made without health plan approval and paid out of pocket.
- Accrued Funds may not be used to supplement other waiver services e.g. using accrued funds to pay for a vehicle modification that exceeds the waiver limit.
- Accrued Funds may not be used to issue gifts or loans.

Employee Bonus

- Bonuses paid to an Innovations waiver member's employee who provides Innovations Waiver services to the Member under the IFDS model must be aligned with current Department of Labor requirements.
- Bonuses paid to the Innovations waiver member's employee who furnish Innovations Waiver services to the Member during the Plan Year under the IFDS model must be commensurate with employee experience, length of time worked, education, and other factors related to the skills needed to carry out assigned duties.

- Prior to issuing a bonus to one or more employee(s) under the IFDS model, the EOR must verify Accrued Funds are available and maintain documentation of reason for issuing the bonus, date bonus issued, and amount.

Note: Only discretionary bonuses are allowed.

Discretionary bonuses are excludable from the regular rate of pay. A bonus is discretionary only if all the statutory requirements are met:

The employer has the sole discretion, until at or near the end of the period that corresponds to the bonus, to determine whether to pay the bonus;

The employer has the sole discretion, until at or near the end of the period that corresponds to the bonus, to determine the amount of the bonus (*within limits of the member's available Accrued Funds*); and

The bonus payment is not made according to any prior contract, agreement, or promise causing an employee to expect such payments regularly.

Withdrawal/Termination from Individual Family Directed Services (IFDS) or Transfer to Different Financial Support Service (FSS) Agency

- Transfers: At time of transfer, the former FSS will remit 50% of preliminary Accrued Fund balance to the health plan within 14 calendar days of transfer date. The health plan will remit that balance to new FSS. Within 90 calendar days of transfer, the former FSS calculates the final Accrued Fund balance and remits the remaining Accrued Fund balance to the health plan, who then remits the remaining Accrued Fund balance to new FSS.
- Termination/Withdrawal from IFDS: Within 90 calendar days of withdrawal/termination from IFDS, the Member's former FSS will calculate the final Accrued Fund balance and remit the balance to the health plan.

Note: If member is terminated from the IFDS model, Accrued Funds are no longer available for use. If member withdraws from IFDS, Accrued Funds must be used prior to withdrawal effective date. Accrued funds are not available for use after withdrawal date.

Financial Support Service (FSS) Provider

- The FSS provider is responsible for maintaining an accurate record of the member's IFDS budget and accrued fund balance.
- This record shall be made available to the member monthly.
- FSS provider shall not hold accrued fund balance in an interest-bearing account.

Appeals and Grievances

There are no appeal rights for accrued funds. If a member does not agree with a decision regarding the use of accrued funds, a grievance may be submitted to the member's health plan in accordance with the Innovations waiver grievance system outlined in the current approved waiver.

Source Reference for Department of Labor Information:

<https://www.dol.gov/agencies/whd/fact-sheets/56c-bonuses>

<https://www.dol.gov/agencies/whd/overtime/whdfs17u>