

OHIO Financial Management Services (FMS) Readiness Review and Ongoing Performance Evaluation

FMS Organization Name : _____

Address: _____

Phone: _____

A. Status of FMS Vendor's Equipment, Information Systems Technology and Customer Service System

A.1 _____ Is the FMS Vendor's location, size, equipment (including computer hardware and software) adequate to effectively operate Financial Management Services in accordance with contract requirements?

_____ Yes _____ No

If not, why and what is the FMS plan for correcting the situation?

A.2 _____ Is the FMS effectively executing the philosophy of participant direction and being culturally sensitive in all business practices in order to communicate effectively with a diverse population of participants of all ages and with a variety of disabilities and chronic conditions?

_____ System in Place

_____ Written Policies and Procedures In Place

_____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

A.3 _____ Does the FMS communicate effectively with participants who have a variety of functional impairments, including the need for large print/alternative formats, telecommunication devices for hearing and speech impaired, and access to translation services and to an interpreter?

_____ System in Place

_____ Written Policies and Procedures In Place

_____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

A.4 _____ Are the necessary technologies and accommodations in place adequate to effectively operate FMS services?

_____ Toll free number (or other method for free calls from participants)

_____ Internet web site

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- E-mail communication option
- TDD line
- Fax
- Alternate/large print capabilities
- Foreign language/American sign language capabilities

If not, why and what is the FMS plan for correcting the situation?

A.5 Does the FMS return calls within 24 and at most 48 hours from the time the message is recorded?

- System in Place
- Written Policies and Procedures In Place
- Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

A.6. Does the FMS have a communication, corrective action, and complaint tracking system for program participants and workers and is it automated so that information can be analyzed by program participant, issue and corrective action documentation to be reported to the State?

- System in Place
- Written Policies and Procedures In Place
- Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

A.7 (PHASE II) Does the FMS notify program participants and Case management staff in a timely manner in the event a payroll is processed and disbursed late (i.e., over five days)

- System in Place
- Written Policies and Procedures In Place
- Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

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A.9. _____ (PHASE II) Does the FMS have a process for program participants' representatives including:

- Making sure the representative is not a paid service provider for the program participant, and
- When the representative is the common law employer of the workers (does not have an executed federal, and state, as required, Power of Attorney) and when the representative is not the common law employer of the workers (has a federal and state, as required, Power of Attorney).

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

A.10. _____ (PHASE II) Does the FMS obtain and evaluate participant feedback, experience and satisfaction with the receipt of services, have alternative methods for collecting this information (e.g., more than mail surveys) and use this information to make improvements to systems, policies and procedures? _____ Yes _____ No

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

B. Staffing

B.1 _____ Does the FMS have an organizational chart for the organization and for the FMS function?
_____ Yes _____ No

Attach a copy of all relevant organizational charts.

If not, why and what is the FMS plan for correcting the situation?

B.2 _____ Are the key management and staff in place and is the level of staffing (FTEs) and staff qualifications and experience sufficient to provide effective FMS services in accordance with the mandatory staff qualifications of the contract? If substitution staff personnel are necessary, provider assurance that they meet the mandatory staff qualifications.

_____ Yes _____ No

Attach job descriptions of all FMS management and staff positions and resumes of existing staff and any substitution staff.

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If not, why and what is the FMS plan for correcting the situation?

B.3 _____ Has the FMS had any trouble recruiting FMS staff and does the FMS foresee any challenges in recruiting staff in the future? _____ Yes _____ No

If yes, how does the FMS plan to address these challenges?

C. Coordination and Communication with Central Unit, Case Managers and Transition Coordinators

C.1 _____ Does the FMS communicate effectively with the Central Unit/Case Managers/Transition Coordinators and to ensure that services are provided in accordance with the consumer's service plan and the consumers requests? Including the verification of consumer's secured housing prior to requesting funds for the consumer's transition allowance?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

C.2 _____ Does the FMS policies and procedures clearly describe the FMS and Central Unit/Transition Coordinators/Case Managers' role and responsibilities related to the Ohio's Programs, program participants and providers?

_____ Yes _____ No

If not, why and what is the FMS plan for correcting the situation?

C.3 _____ Does the FMS have a process by which they receive information including Medicaid identification numbers, service plans and individual budget from the Central Unit/Case Manager/Transition Coordinator regarding participants who enroll in and disenroll from the Ohio's Programs?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

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If not, why and what is the FMS plan for correcting the situation?

C.4 _____ Does the FMS notify a program participant's Central Unit/Case Manager/Transition Coordinator when FMS staff becomes aware of an issue related to a program participant's performance (e.g., PHASE II - untimely timesheet filing or over reporting of worker's hours) and/or (FOR ALL PHASES) any incidences of financial fraud/abuse/neglect/exploitation or a program participant's inability to perform required tasks? Does the FMS notify a program participant's Central Unit/Case Manager/Transition Coordinator when FMS staff becomes aware of an issue related to a provider's performance (e.g. billing for more units than authorized, unauthorized services billed by provider, billing for disenrolled consumer, etc).

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

D. Administration – (ALL PHASES) FMS Policies and Procedures Manual, Quality Management Plan and (PHASE II) Staying Up-to-Date with Federal and State Rules and Regulations Pertaining to Vendor FMS and Household Employers and Employees

D.1. _____ (ALL PHASES) Has the FMS developed a comprehensive FMS Policies and Procedures Manual that documents all FMS tasks, includes all (PHASE II) applicable federal and state forms and (ALL PHASES) documented internal controls for each FMS task?

- _____ Yes _____ No

If not, why and what is the FMS plan for correcting the situation?

Attach copy of the manual.

D.2. _____ Does FMS update its FMS Policies and Procedures Manual as needed and at least annually in an accurate, complete and timely manner? _____ Yes _____ No

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

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D.3 _____ (PHASE II) Does the FMS review and update all IRS forms, instructions, notices and publications related to FMS, household employers and employees and for withholding, filing and paying federal income tax withholding and employment taxes (FICA and FUTA) and managing advanced payments of federal earned income credit (EIC) on behalf of the program participants it represents and their workers (Key web site www.irs.gov)?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

D.4 _____ (PHASE II) Does the FMS review and update all applicable US Citizenship and Immigration Services (US CIS) rules, forms (i.e., US CIS Form I-9, Employment Eligibility Verification) and instructions. (Key web site: www.uscis.gov)?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

D.5 _____ (PHASE II) Does the FMS review and update all applicable federal Department of Labor rules, forms and instructions related to household employers and domestic service employees and Federal Fair Labor Standards/wage and hour rules (Key web site: www.dol.gov)?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

D.6 _____ (PHASE II) Does the FMS review and update all applicable State and local taxation rules (including local tax reciprocity rules), forms and instructions related to household employers and domestic service employees, and issues related to State wage and hour rules?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

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If not, why and what is the FMS plan for correcting the situation?

D.7 _____ (PHASE II) Does the FMS review and update all Federal and State Unemployment rules, forms and instructions for registering and retiring program participants as employers, and for filing and paying federal and state unemployment contributions for each participant it represents in accordance with information presented on federal and state web sites and in department handbooks/manuals?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan to correct the situation?

D.9 _____ (PHASE II) Does the FMS review and update all rules, forms and instructions for registering and retiring program participants as employers, and for withholding, filing and paying state and local income tax withholding for each program participant it represents in accordance with information provided on the Ohio's state and local taxation web site(s) and in department handbooks/manual(s)?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

D.10 _____ (PHASE II) Does the FMS identify program participant's back-up workers for payroll purposes?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

E. Administration – Record Management Process

E.1 _____ Does the FMS establish and maintain current program participant and provider files on site in a secure and confidential manner as required by HIPAA, federal and state rules and regulations (e.g.,

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program records kept in a secure place with restricted access using a password protected computer system)?

- System in Place
- Written Policies and Procedures In Place
- Internal Controls Documented for Monitoring

If not, why and what is the FMS plan to correct the situation?

E.2 _____ Does the FMS establish and maintain archived program participant and provider files in a secure and confidential manner as required by HIPAA, federal and state rules and regulations either on or off site (e.g., program records kept in compliance with secure place with restricted access using a password protected computer system) and maintain them for seven years either on or off site?

- System in Place
- Written Policies and Procedures In Place
- Internal Controls Documented for Monitoring

If not, why and what is the FMS plan to correct the situation?

E.3 _____ Does the FMS ensure that access to Medicaid/Money Follows the Person Grant (MFP) information will be limited to FMS office staff and that it will take prudent safeguards to protect unauthorized disclosure of the Medicaid/MFP information in its possession and comply with HIPAA as applicable?

- System in Place
- Written Policies and Procedures In Place
- Internal Controls Documented for Monitoring

If not, why and what is the FMS plan to correct the situation?

E.4. _____ Has the FMS developed a disaster recovery plan for electronic information and the related policies, procedures and internal controls included in the FMS Policies and Procedures Manual? _____

- Yes No
- System in Place
 - Written Policies and Procedures In Place
 - Internal Controls Documented for Monitoring

If not, why and what is the FMS plan to correct the situation?

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E.5. _____ Has the FMS developed a system and a written policy and procedure and internal control for maintaining other records and information required by the contract with the Central Unit/Case Manager/Transition Coordinator?

- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan to correct the situation?

F. (PHASE II) Administration – Processing Payroll and Invoices Preparing and Submitting Required Reports to State Government and Program Participants/Representatives

F.1 _____ (PHASE II) Does the FMS process payroll and pay other invoices in an efficient manner including remitting payroll taxes (employer and employee) to the proper authority?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan to correct the situation?

F.2. _____ (PHASE II) Has the FMS developed the format for and submitted a sample monthly report of financial activities to each program participant with a copy to the Central Unit/Case Manager?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan to correct the situation?

G. Enrollment of Participants and Providers

G.1. _____ (PHASE II) Does the FMS have a standard orientation protocol for program participants (by phone or in-person), as requested by the program participant or representative, to be implemented by FMS staff?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

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If not, why and what is the FMS plan to correct the situation?

G.2 _____ Does the FMS ensure that each program participant understands the role of the FMS in Ohio's Programs?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan to correct the situation?

G.4 _____ (PHASE II) Has the FMS developed program participant enrollment and worker employment packets that meet program requirements in a user friendly format:

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan to correct the situation?

Attach a copy of each of the packet.

G.5 _____ (PHASE II) Does the FMS produce and distribute Program Participant Enrollment and Worker Employment Packets and collect, review and process the information contained in these packets?

- _____ Yes _____ No
- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan to correct the situation?

H. Approval to Be an FMS

H.1 _____ (PHASE II) Does the FMS have IRS approval in accordance with section 3504 of the IRS code and Revenue Procedure 70-6, 1970-1, C.B. 420 (i.e. general procedures for agent designation and reporting and filing as an agent)?

- _____ Yes _____ No

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If not, why and what is the FMS plan for correcting the situation?

H.2 _____ (PHASE II) Does the FMS have a separate FEIN specifically to file the IRS Forms 2678, 8821 and selected federal tax forms on program participants' behalf?

_____ Yes _____ No

If not, why and what is the FMS plan for correcting the situation?

H.3 _____ (PHASE II) Has the FMS executed an IRS Form 8655, Reporting Agent Authorization between itself and its reporting agent, if the FMS has engaged a reporting agent to process payroll on its behalf and for maintaining the applicable documentation in the FMS file?

_____ Yes _____ No

If not, why and what is the FMS plan for correcting the situation?

H.4 _____ (PHASE II) Does the FMS revoke IRS Form 8655 with a reporting agent when appropriate and for maintaining the applicable documentation in the FMS file?

_____ System in Place
_____ Written Policies and Procedures In Place
_____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

H.5 _____ (PHASE II) Does the FMS attach a federal employer identification number (FEIN) for each program participant it represents and for maintain copies of the IRS FEIN notification and the filed Form SS-4, Application for Employer Identification Number in each program participant's file in accordance with program requirements?

_____ System in Place
_____ Written Policies and Procedures In Place
_____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

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H.6 _____ (PHASE II) Does the FMS retire individuals' FEINs when they are no longer employers (and stating specifically in the letter when the program participant is deceased) in accordance with program requirements?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

H.7 _____ (PHASE II) Does the FMS monitor the FEIN process, including attaching and retiring FEINs and making sure all relevant documentation is maintained in each program participant's file?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

H.8 _____ (PHASE II) Does the FMS prepare, submit and maintain copies of a signed IRS Form 2678: Employer Appointment of Agent, Request for Approval Letter (multiple individuals may be listed on one letter) to the IRS for maintaining IRS Approval Notification for each program participant it represents?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

H.9 _____ (PHASE II) Does the FMS submit the IRS Form 2678 and IRS Request for Approval Letter, receipt of IRS FI Authorization Notice from the IRS and documents revoking the IRS Form 2678 in accordance with IRS requirements and the maintenance of all relevant documentation in each program participant's file?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

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H.10 _____ (PHASE II) Does the FMS file a signed IRS Form 8821, Tax Information Authorization with the IRS for each program participant it represents in order to communicate with the IRS on the program participant's behalf regarding federal employment tax issues and to maintain copies of the Form in each program participant's file?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

H.11 _____ (PHASE II) Does the FMS file IRS Form 8821 renewals for each applicable program participant at the appropriate time?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

H.12 _____ (PHASE II) Does the FMS revoke the IRS Form 8821 for each program participant when the FMS no longer represents the individual and to maintain the relevant documentation in program participants' files?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

H.13 _____ (PHASE II) Does the FMS file the pertinent state and local taxation forms for registration for Ohio Taxes and attaching state income and unemployment tax registration numbers as required for each program participant it represents and maintain the appropriate documentation in program participants' files?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

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If not, why and what is the FMS plan for correcting the situation?

H.14 _____ (PHASE II) Does the FMS retire the state income tax registration number for each program participant it represents using the appropriate Ohio Department of Taxation form and maintain the appropriate documentation in program participants' files? _____ Yes _____ No

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

H.15 _____ (PHASE II) Does the FMS retire the state unemployment tax registration number for each program participant it represents and maintain the appropriate documentation in program participants' files?

- _____ System in Place
- _____ Written Policies and Procedures In Place
- _____ Internal Controls Documented for Monitoring

If not, why and what is the FMS plan for correcting the situation?

Adapted from Protocol

Drafted by Sue Flanagan, Ph.D., M.P.H.

The Westchester Consulting Group

And

Michigan's Fiscal Intermediary Readiness Review Materials dated 11/16/06, retrieved from web site on 3/6/08:

http://www.cashandcounseling.org/resources/20070430-114144/111606_FINAL_MI_Draft_FEA_ReadinessReview_Protocol-Blank1.doc