

CHAPTER 3-000 SOCIAL SERVICES PROVIDERS

3-001 Provider Agreement 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 or a provider of multiple services.)

Secondary Agreement: Occurs when a service provider pays someone other than an employee to provide the agreed upon service.

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-9, "Service Provider Agreement," the document used for providers of all services except child care; and
2. Form DSS-9B, "Child Care Provider Agreement," the document used for child care providers for child care services, including child care related transportation provided by the provider.

Two-Digit Suffix Codes: Two identifying numbers attached to the FID number of providers who -

1. Share the same FID number due to affiliation with a larger agency; or
2. Provide multiple services.

A child care provider who both provides in-home child care and has a child care home must have separate suffixes.

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 NDSS 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 Worker Relatives as Providers: Service staff members shall not approve, reapprove, evaluate, negotiate provider agreements with, or authorize service provision from, providers to whom they are related. In situations where a relative-provider is the only resource, staff shall request prior Central Office approval.

See 474 NAC 2-007 for authorization of clients' relatives. For relative child care providers, see 474 NAC 7-004.03.

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

1. The provider must obtain any necessary registration or child care license before signing an agreement.
2. Each provider must have a service provider agreement in effect before service can be authorized for purchase.
3. Staff shall evaluate and approve or disapprove all service providers located within the unit's jurisdiction.
4. Service provider agreements are effective up to 12 months, are not back-dated, and must be completed and signed by all parties on or before the effective date.
Exception: For child care only, the agreement may be made effective with the client's request for a specific provider but no earlier than the date of receipt of the application (see 474 NAC 7-004.02).
5. Changes in service provider agreements require renegotiation of the agreement. Address changes which do not affect the service location do not require a new agreement. The change may be entered on the existing Form DSS-9 or DSS-9B and initialed by the worker and provider.
6. 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.

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

1. Establish rates and terms of service with the provider and complete the agreement, stating any provider limitations (Form DSS-9 or DSS-9B);
2. Complete and route Form DSS-10, "Social Service Provider Identification"; and
3. 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 can be evaluated and approved or disapproved. The unit(s) involved and the provider shall decide which option to use.

The worker assigns any two-digit numerical suffix code to each facility of a provider with multiple facilities.

3-001.08A Option 1: A separate agreement (Form DSS-9 or DSS-9B) 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-9 or DSS-9B) may be negotiated, listing all the facilities. If the facilities are in more than one local unit 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;
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.

3-001.09A1 Licensed Child Care Providers: After the initial agreement process, subsequent renewals may be conducted by phone, mail, or office visit.

3-001.09B Secondary Agreements: Site visits are not required for facilities with secondary agreements. The service provider shall ensure that providers with secondary agreements meet all standards and requirements.

3-001.10 Rate Negotiation/Establishment: For all services but child care, the worker shall negotiate with the provider on all terms in Section I of Form 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 rates charged to non-social services clients for comparable services; and
 4. 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 contact is renewed, without submitting another Form DSS-2A.

The worker and the provider indicate agreement with all the negotiated terms by signing Form DSS-9. For establishment of rates for child care providers, see 474 NAC 7-006.03.

3-001.10A Request for Rate Exception: When the worker assigned resource development responsibilities and a provider negotiate a rate that exceeds the maximum unit rate the worker shall -

1. Assess and document the need for the service provider;
2. Initiate Form DSS-2A requesting a specific unit rate exceeding the maximum. Include -
 - a. Documented rate negotiation efforts and applicable special circumstances (e.g., provider's experience or other recruitment efforts) to justify a higher rate of reimbursement;
 - b. A factual comparison of the rate requested to other rates for the same service in the community. No exceptions will be granted based solely upon a statement that the rate is "usual and customary"; and
 - c. A summary of the provider rate history, when applicable.

Note: Once a higher rate has been approved, the worker may authorize that increase whenever the provider's contract is renewed, without submitting another Form DSS-2A.

3-001.10A1 Agency Providers: In addition, when requesting rate exceptions for agency providers, the worker shall -

1. State the agency rate in comparison to individual provider rates for the same service in the community;
2. Present the agency's plan for the initial, continued, or expanded use of the agency provider; and
3. Summarize the continued or expanded recruitment and use of individual providers of the same service.

3-001.11 Provider Agreement 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 agreement process:

1. Form DSS-2A, "Social Service Exception" (474-000-29);
2. Form DSS-9, "Service Provider Agreement" (474-000-40);
3. Form DSS-9B, "Child Care Service Provider Agreement" (474-000-39); and
4. Form DSS-10, "Social Service Provider Identification" (474-000-41).

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 process a request for an agreement for a potential provider if the Department has sufficient providers available;
Exception: For child care, staff shall process a request for an agreement for a provider of the client's choice.
3. All service providers shall have a Social Security number or FID number, whichever is appropriate, before completing an agreement;
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 474 NAC 2-007 and 7-004.02 for further information regarding client relatives as providers);
5. The potential provider must not engage in or have an ongoing history of criminal activity that may be harmful or may endanger individuals for whom they provide services; and
6. The potential 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.

If the provider is an agency, NDHHS 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, NDHHS 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, NDHHS 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, NDHHS 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 agreement and notify case management.

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

1. That service will not be paid through the Social Services Program before it is authorized by the worker;
2. To provide service only as authorized, in accordance with NDHHS's standards;
3. To submit Form DSS-5B, "Social Services Billing Document," after service is provided and within 90 days;
4. To accept social services reimbursement as payment in full for the contracted service(s) unless service is authorized on a sliding fee basis;
5. To accept a rate which is reasonable, necessary, and does not exceed the amount charged to private-paying persons;
6. To apply to social services clients the same standards applied to private-paying persons;

7. To retain financial and statistical records for four years to support and document all claims;
8. To allow federal, state, or local officials responsible for program administration or audit to review service records;
9. To permit federal, state, and local officials to monitor and evaluate the program by means such as inspecting the facility, observing service delivery, and interviewing staff members;
10. To keep current any state or local license required for service provision;
11. To respect every client's right to confidentiality and safeguard confidential information;
12. To not discriminate against any employee, applicant for employment, or social services program participant or applicant because of race, color, religion, sex, handicap, or national origin;
13. To not assign or transfer the agreement to anyone else;
14. To understand and accept responsibility for the client's safety and property;
15. To continue to meet all standards pertaining to the service provided;
16. To operate a drug-free workplace;
17. To allow Central Registry checks on himself/herself, or a family member, if appropriate, or if an agency, agree to allow Department 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 Parental Permission: A provider age 18 or younger (unless s/he is an emancipated minor) shall obtain the signature of his/her parent or legal guardian on Form MILTC-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:

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;
5. Operation contains components which are not covered by appropriate standards.

3-003 Social Security Tax Withholding

3-003.01 Introduction: In some situations, the Department withholds Social Security taxes (Federal Insurance Contribution Act, FICA) from provider payments. Individual in-home service providers (e.g., in-home day care and homemaker) who are not self-employed are considered employees of the client for whom they provide service. The Department, 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. In-home child care codes 0351, 0352, and 0353; and
2. Homemaker service code 1103.

Affected Providers: In-home providers authorized to provide in-home service 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 year in which they are paid a specified amount for services provided to one client. The earnings limit is adjusted annually. The Department withholds this tax from all payments to affected providers.

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 Form IRS-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 IRS-2678: 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 Social Services staff;
14. Public speaking and delivery of public awareness programs;
15. Child care services;
16. Forms completion and filing; and
17. Office duties.