

**FINANCIAL MANAGEMENT SERVICE AGREEMENT**  
**BETWEEN PARTICIPANT/EMPLOYER AND LIFE PATTERNS, INC.**

For this agreement the terms used shall mean:

**PARTICIPANT/EMPLOYER:** The person receiving services or their Guardian, Parent or other designated person directing the Medicaid HCBS Services is the **employer**.

**DSW:** The person hired by the Participant/Employer to provide Attendant Services authorized by the Person Centered Support Plan (PCSP) and Plan of Care.

This Financial Management Service (FMS) agreement is made and entered into on the date appearing below by and between the Participant/Employer \_\_\_\_\_ (personally or by and through Employer's Responsible Party) and LIFE PATTERNS, INC., the FMS Provider.

The Participant/Employer and Life Patterns, Inc. agree to the following terms and conditions:

Home and Community Based Services ("HCBS") Waiver Participant. The Participant/Employer is a participant in the Kansas HCBS Waiver Program and has chosen to self-direct his or her HCBS attendant care services.

The Participant/Employer agrees to:

1. Comply with the Plan of Care/Integrated Service Plan or other documents authorizing services, and any Kansas statute, state or federal regulations or policy relating to services provided under the applicable HCBS Waiver Program for payment of services. This includes the Federal Department of Labor (DOL) ruling effective September 18, 2015 regarding domestic service employment which extends the Fair Labor Standards Act (FLSA) protections to most home care workers (minimum wage and overtime pay).
2. Assume all responsibility of employment of DSWs including but not limited to:
  - a. Interviewing potential DSW and deciding who to hire. The Participant/Employer will notify Life Patterns, Inc. in a timely manner of all new hires and submit appropriate paperwork.
  - b. Determining rate of pay: Employer will select rate of pay. Life Patterns, Inc. will establish the pay range based on current charges for State Unemployment experience rating and Workers' compensation Insurance within reimbursement rate set by KDADS. This pay range will vary yearly based upon these factors.
  - c. Providing sufficient training to DSW that is specific to meet the needs of the individual receiving services
  - d. Scheduling DSW work hours assuring the hours are within the Individual's specific Plan of Care. Hours worked that exceed the allotted hours on the POC are not billable to Medicaid and therefore will not be billed or paid by Life Patterns, Inc. It is the Participant/Employer's responsibility to pay any hours that are not paid by Life Patterns, Inc.
  - e. Assuring DSW work time hours are submitted to KS Authenticare. Any changes to times previously submitted or additions of "clock in" or "clock out" times must be sent in writing to Life Patterns, Inc. with all required information.
  - f. Supervising DSW activities.
  - g. Termination of DSW in the event the worker is not providing satisfactory service as determined by the Employer. The Participant/Employer will inform Life Patterns, Inc. in writing within 48 hours of termination (voluntary or involuntary). This will include documentation of reasons for termination.
  - h. Notify Life Patterns, Inc. of any work-related injury involving the DSW within 24 hours of the time of injury.
  - i. Understand that any penalties and overtime payment is your responsibility as the employer.
3. Comply with any instructions, rules or policies maintained by Life Patterns, Inc. with regard to billing and payment and consents to services including but not limited to: processing of time worked by the DSW, billing Medicaid on the Participant/Employer's behalf, distributing paychecks or making electronic deposits for time worked, and withholding, filing and paying appropriate taxes.
4. Notify Life Patterns, Inc. of an assigned Client Obligation and pay the assigned Client Obligation (if applicable) to Life Patterns, Inc. by the 10<sup>th</sup> of each month.

Life Patterns, Inc. agrees to:

1. Provide Information and Assistance:
  - a. To the Participant/Employer regarding self-direction including information relating to employer responsibilities, potential liabilities associated with the Fiscal/Employer Agent model of FMS services mandated by the State, assistance in creating an emergency back-up plan in the event a DSW is needed on short notice, and practical skills training in best practice to be a good employer.
  - b. To the Participant/Employer and DSW regarding use of Authenticare (Electronic Verification System required by the State).
2. Assist the Participant/Employer in all aspects of his/her role as Employer of DSWs.
  - a. Assistance in getting a Federal EIN and other state identification numbers.
  - b. Negotiation of Employment Agreement and submission of all employee paperwork.
  - c. Performance of all required Background Checks within 60 days of employment as required by KDADS (until otherwise notified)
  - d. Verification and processing of time worked. Time and Attendance reports to manage hours worked are available to the Participant/Employer upon request.
  - e. Preparation and disbursement of DSW payroll in compliance with federal, state and local tax; labor; and workers' compensation insurance requirements; making tax payments to appropriate tax authorities.

Hours worked for the 1<sup>st</sup> through the 15<sup>th</sup> of the month will be paid on the 1<sup>st</sup> of the following month. Hours worked for the 16<sup>th</sup> through the end of the month will be paid on the 15<sup>th</sup> of the following month. In the event that the 1<sup>st</sup> or the 15<sup>th</sup> falls on a weekend or holiday, the pay day will be the business day before.
3. Bill the designated Managed Care Organization the amount required to be reimbursed for payment to the DSW. Establish wage range based on the pay rates set by the State, less the cost of the Employer FICA match, Federal and State Unemployment coverage, and Workers' compensation coverage. No portion of the DSW reimbursement shall be used or retained by Life Patterns, Inc. for administrative or other use. Life Patterns, Inc. shall provide fiscal accounting and expenditure reporting to the Participant/Employer and the State, as required.

This agreement will remain in effect unless: The Participant/Employer loses Medicaid eligibility, the closure of the Participant/Employer's HCBS case, the loss of the right to self-direct his/her care, the FMS no longer providing services, or the Participant/Employer chooses another FMS provider. However, either party may terminate this agreement with a thirty day written notice.

The parties shall not assign, subcontract, or delegate any duties required by this Agreement to any other individual or agency. This Agreement may only be modified by written agreement signed by the parties hereto. This Agreement supersedes all prior agreements between the parties and contains the entire understanding between the parties. The terms of this agreement shall be construed and governed by the laws of the State of Kansas. In the event Judicial Intervention is necessary, the parties agree that the venue shall solely be in the district court for Shawnee County Kansas.

**I have read and understand the terms and binding legal effect of this Agreement.**

\_\_\_\_\_  
PARTICIPANT/EMPLOYER

\_\_\_\_\_  
Date

\_\_\_\_\_  
LIFE PATTERNS, INC.

\_\_\_\_\_  
Date