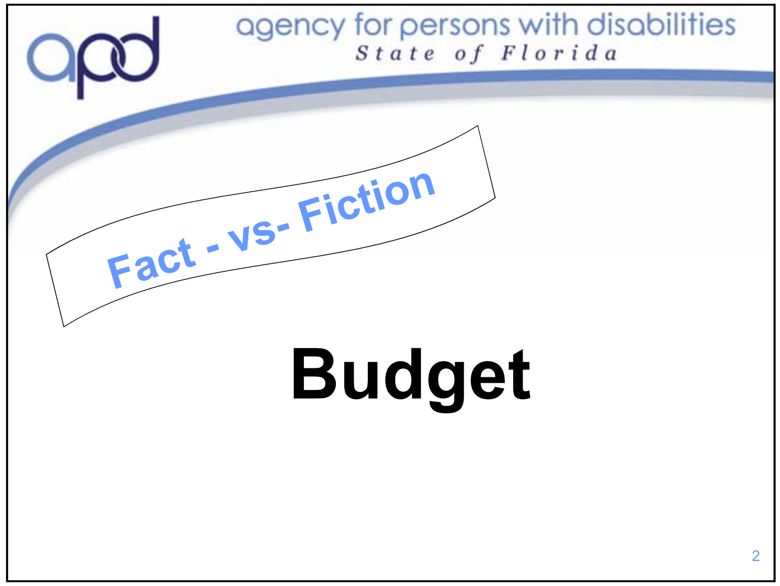
agency for persons with disabilities
State of Florida

# CDC+

**Fact –vs- Fiction**
**April 26, 2019**

**Ron DeSantis**
**Governor**

**Barbara Palmer**
**Director**

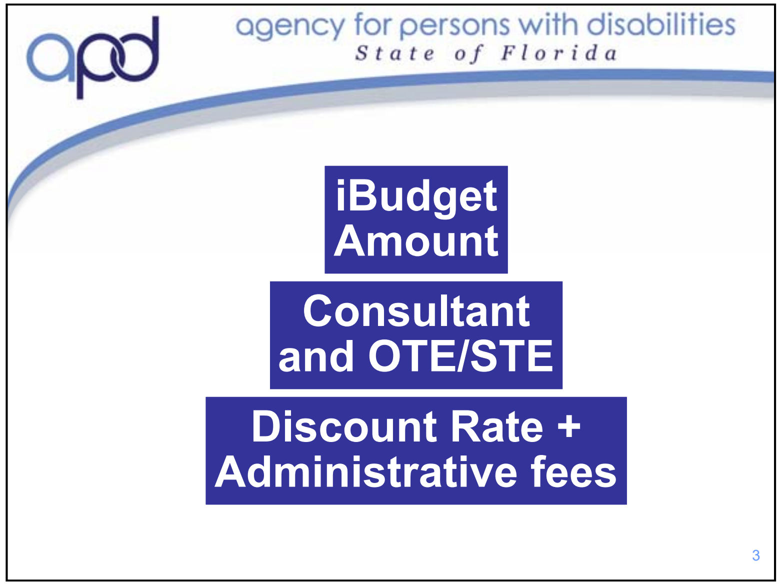



The Pre-test questions related to the CDC+ Budget were:

1) Once a person Transitions to CDC+; the iBudget reserve is called CDC+ Savings. **Answer = FALSE**

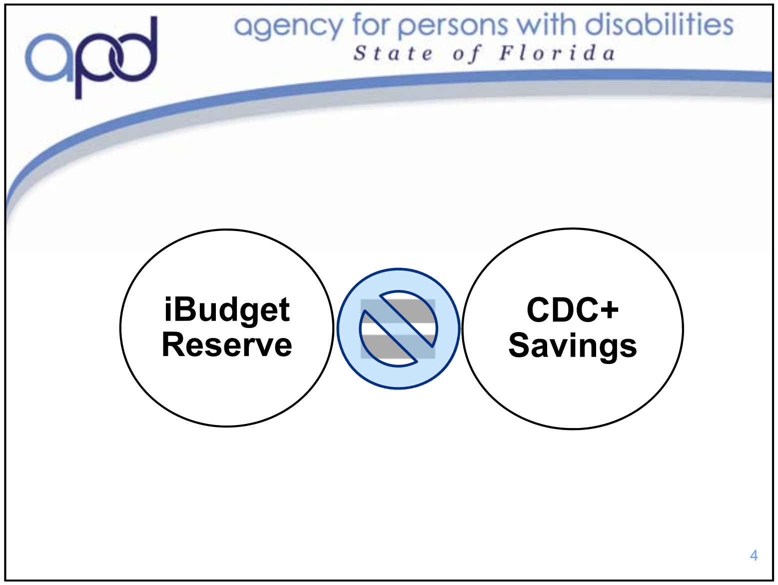
2) If a person is on CDC+, do you need to build accurate services plans in the iBudget system? **Answer = Yes, all funds allocated to CDC+ Consumers must meet the same medical necessity criteria as iBudget Waiver Consumers**

Let's take a closer look.




The monthly budget amount is directly related to the iBudget amount; how the iBudget Amount is determined does not change once the individual is on CDC+. They will still participate in the needs assessment tool (QSI) approximately every three years, you will still hold an annual support plan meeting, you will still enter the cost plan into iBudget (with generic providers listed on the Service Plans). The CDC+ Monthly Budget Amount used to meet needs and goals, is calculated from the iBudget amount after the iBudget cost plan is reviewed for Medical Necessity and approved. CDC+ has no funding, all funding is awarded by the iBudget waiver. What is being purchased in CDC+ does not determine the Medical Necessity of what is approved in the iBudget Waiver.

CDC+ Staff will calculate the monthly budget amount by using the indiviudals approved iBudget Cost Plan. They will review all services you are approved for. They will subtract out the funds budgeted for Support Coordination/Consultant (Consultants will continue to bill through Medicaid for their services just as they do now). They will also subtract out any amount that has been budgeted for services that are considered One-Time or Short-Term services; these are any services that are authorized for 6 months or less. The remaining amount (**including any amount that is in the iBudget Reserve**) is divided by 12. CDC+ is funded at a discounted rate, this means the consumer gets approximately 92% of the service dollar awarded in iBudget. This was determined prior to CDC starting in the state of Florida, based on budget utilization of a test group of individuals served by the waiver. There were also stakeholder meetings held around the state where parents stated, 'Give us control and we can provide the same services cheaper'. The 8% stays at Medicaid. Approximately 4% (but no more than $160) is taken out for the Administrative fees. The first year a consumer is on the program this amount will be pro-rated by the number of months left in the Cost Plan year; however, the reserve amount is always divided by 12 months. If any portion of your iBudget amount was budgeted for a One-Time or Short-Term expenditure, that amount will be calculated separately and will only be available to purchase the service that it was allocated to in iBudget. For example, you may have Environmental Modification approved in iBudget . These funds will only be available to purchase Environmental Modification in CDC+.

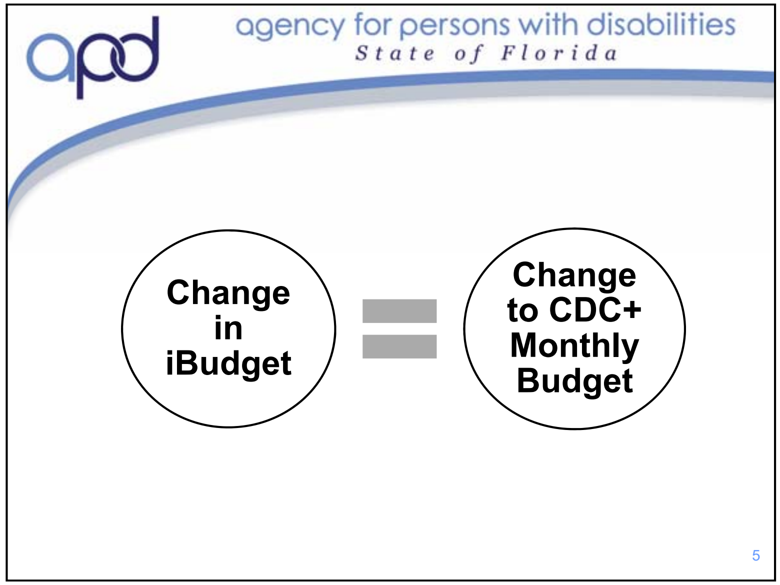



The iBudget Reserve IS NOT the same as CDC+ Savings. The iBubget Reserve is calculated into the CDC+ Monthly Budget Amount. The Consumer receives 1/12th of the iBudget Reserve each month. You must pay attention if you move the iBudget reserve with in the cost plan for a CDC+ Consumer; as it will likely result adjustments needing to be made and a lower monthly budget

Consumers always receive their full iBudget Amount minus WSC/Consultant services and any One Time or Short Term Expenditures – THIS INCLUDES THE RESERVE.

It is best to build a CDC+ Consumer's cost plan to show what services that individual would need if they were *not* on CDC+. All funds are based on Medical Necessity; it is best to allocate as much of the iBudget amount to services as possible.

If a Significant Additional Needs request is submitted to request additional funding for additional services and there is a large amount of funds in Reserve, then it will be viewed as funds that are available to the consumer. Just as with all Waiver consumers, this amount will be calculated into the amount awarded through the SAN determination. REMEMBER: What is being purchased in CDC+ does not determine the Medical Necessity of what is approved in the iBudget Waiver.




Any change that occurs to iBudget funds or how iBudget funds are allocated in a cost plan could effect the CDC+ monthly budget amount.

Possible iBudget Changes that could effect the Monthly Budget include:

Change in Consultant (Limited to Full or vise-versa)

Significant Additional Need (SAN) determination

Change in Living Situation

iBudget Algorithm redetermination or recalculation

Possible iBudget Changes in how funds are allocated in a cost plan that could effect your Monthly Budget include:

Reserve amount changed to STE such as Assessments, Adult Dental

Funds moved from  STE, OTE to ongoing Services

Also, if you are under 21 and receiving MSP PCA funding that you have opted to self-direct on CDC+, any change to your PCA will effect your monthly budget as well.

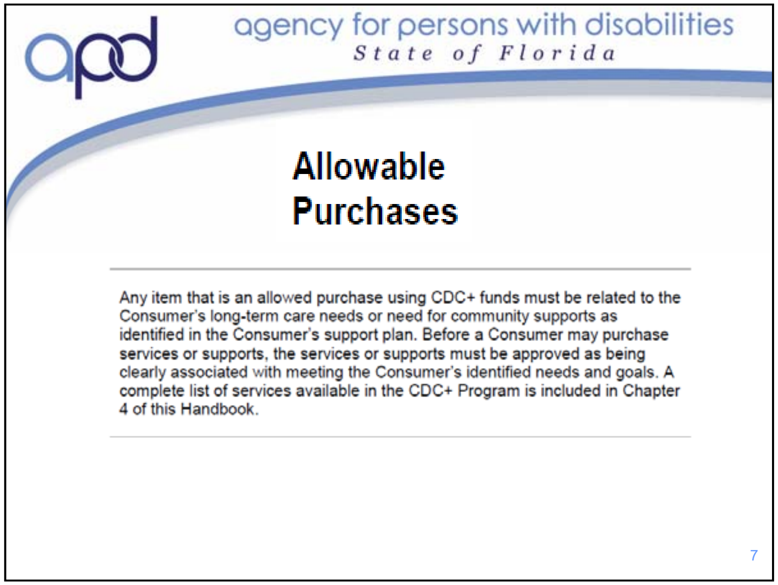
If you have a change in iBudget, you will want to work with your Consultant to ensure that your Monthly Budget is still correct.  If you or your consultant are uncertain if a new Monthly Budget is warranted, you should contact either your Regional Liaison or call CDC+ Customer Services.


The Pre-Test questions regarding Purchases were:

1) Consumers on CDC+ can buy anything they want; as long as they stay within their monthly budget. **Answer = FALSE**

2) CDC+ Monthly Budget covers 4 weeks of services; it is expected accounts will show negative at least one month per quarter (when there are three payrolls in a month) each year. **Answer = False**

Let's take a closer look.




We've discussed how the CDC+ Monthly budget is calculated and that the funds still must be used to meet stated needs and goals.

We mentioned that CDC+ offers greater flexibility and how being creative can better help individuals meet these needs and goals.

So, what can be purchased through CDC+? and, does it matter what services are purchased?

Per the APD CDC+ Rule Handbook:

Any item that is an allowed purchase using CDC+ funds must be related to the Consumer's long-term care needs or need for community supports as identified in the Consumer's support plan. Before a Consumer may purchase services or supports, the services or supports must be approved as being clearly associated with meeting the Consumer's identified needs and goals. A complete list of services available in the CDC+ Program is included in Chapter 4 of the Handbook.

That being said, the consumer cannot purchase *anything they want*. All purchases must be related to the needs and goals. All purchase must relate to the individual's qualifying disability.

CDC+ a part of the iBudget Waiver; so we are still the payor of last resort.


Everything purchased in CDC+ must be clearly identified as meeting a need or goal on the Support Plan. Does this mean "Anything goes"? No! However, it does mean that there is more freedom to purchase what is needed.

The Monthly Budget *must* cover the cost of Monthly goods and services. When claims pend, it is because the Monthly Budget Amount was overspent.

Don't calculate time for 4 weeks!

There is only one month that has exactly 4 weeks; therefore, when arranging monthly services in CDC+ the following options are best:

1. Base your calculations on a 31 day month
    1. 22 weekdays (Monday - Friday) in a month
    2. 9 weekend days (Saturday & Sunday) in a month
2. Divide total number of hours listed on the Purchasing Plan for that service by 4.33; this be the number of hours that can be billed weekly (i.e. 100 hours of PCA per month is listed on the Purchasing Plan. 23 hours per week can be billed without exceeding the Monthly Budget. 100 / 4.33 = 23)

The CDC account requires close monitoring and regular reconciliation to ensure sufficient funds are available. The account is much like a checking account; if the account does not have sufficient funds to payout a claim, the account will ‘pend’ the claim, like bouncing a check. However, the claim will payout once there are sufficient funds in the account.


The Pre-Test questions regarding employees were:

1) The majority of CDC+ Consumers hire family members, usually mom or dad, to provide services. **Answer = FALSE**

2) If a parent is working for their child on CDC+; they are required to pay taxes on the wages they earn? **Answer = Under certain criteria, wages earned by CDC+ Providers might be considered non-taxable.**

3) CDC+ Consumers must pay their employees at least minimum wage, regardless of the service they provide. **Answer = True**

Let’s take a closer look.


It is a common misconception that Parents make up the majority of the “CDC+ workforce”.

While there are many parents on their children’s payroll; they are not the majority of employees. Parents must carefully consider if working for their child is right for them

1) No employer taxes = not paying into Social Security or Medicare
    1) This impacts benefits down the road; ie: retirement; dependent adult child benefits
2) Effect benefits for others in the household
    1) Paychecks earned by CDC+ employees are considered income. Regardless of who is providing the service or if they are claiming the hardship of care tax exemption. If there are members of the household receiving income sensitive benefits; those benefits could be effected if they begin working

**It is important to discuss these issues with parents. In addition, discussions regarding long term needs and potential circumstances is crucial and should be considered when choosing employees. For example, if the parent is the only employee providing care and something happens to the parent, what effects will this have on the consumer.**


It is important to remember that the Consumer is the employer of record.  They have an Employer Identification Number – CDC+ is similar to a small, household business.  Consumer/Representatives must adhere to all Wage and Hour laws set for by the Department of Labor.  This means that they must, follow the DOL requirements:

for anyone they employ who is under the age of 18.

Obtain worker's compensation insurance if they employ more than 3 directly hired employees

They also must follow the rules and guidelines set for by the Internal Revenue Service (IRS) and the Department of Homeland Security (DHS) regarding who they employ, how they classify their employees and how taxes are handled.

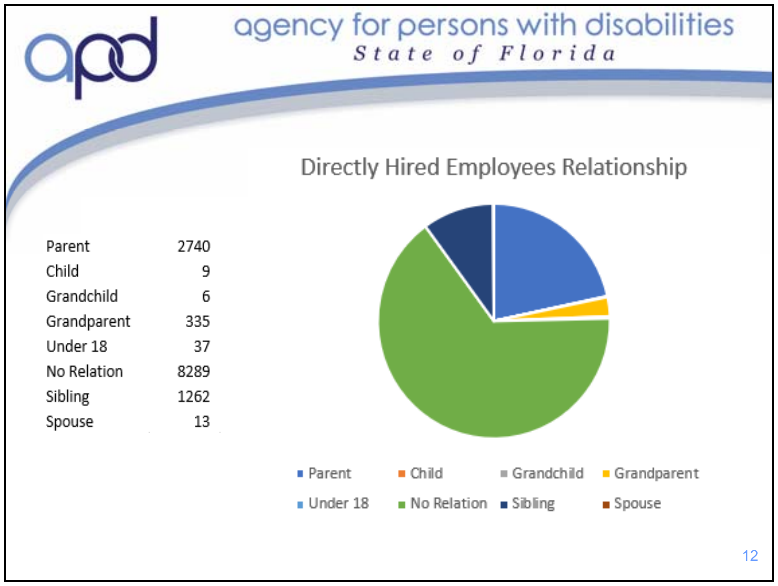
Wages earned through the CDC+ Program are the same as any other employment.  Wages are reported and taxed in accordance with the law.

Parents *are not* automatically exempt from being taxed or from paying taxes on wages earned.

Children do not pay *employer* taxes on their parents.  The parent must still complete a w4 form indicating what portion of their wages will be taxed.

W4 Exemption = exempt from tax being taken out of the employee's paycheck; however, the wages are still reported to the IRS as income/wages. The employee will still receive a w2 form at the beginning of the year showing reportable income in "box 1".

2014-7 Exemption = Hardship of care = exempts wages earned from income tax.  This means that we do not report the earnings to the IRS, they will not have to file taxes on these wages, they will have "0" in box 1 of their w2 form.  IF the employee meets the requirements of the 2014-7 and they have not completed the 2014-7 exemption form, then they can still claim the wages as exempt when filing their tax return.



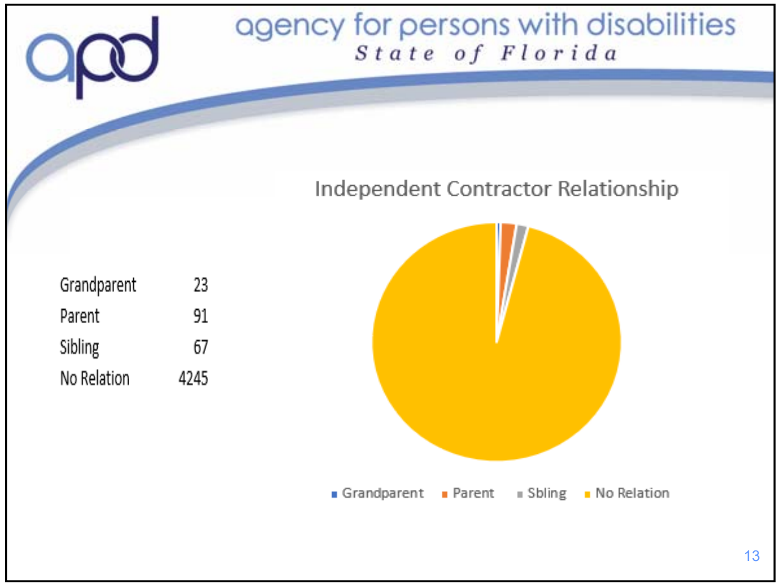

Directly hired employees:

34% of Directly Hired Employees are related to the individual. This includes Parents, Grandchildren, Grandparents, Child, Siblings and Spouses. Of that 34%:

10% of DHEs are the consumer’s Sibling

22% of DHEs are the consumers Parent

65% of DHEs are not related to the consumer




Agency/Vendors and Independent Contractors:

4% of Agency/Vendors and Independent Contractors are related to the individual. This includes Parents, Grandchildren, Grandparents, Child, Siblings and Spouses. Of that 4%:

1.5% of Agency/Vendors and Independent Contractors are the consumer’s Sibling

2% of Agency/Vendors and Independent Contractors are the consumers Parent

96% of Agency/Vendors and Independent Contractors are not related to the consumer

Out of over 17,000 employees (AV, IC and DHE) only 26% are related to the individual they are working for. (16% of them are Parents)


Questions – contact CDC+ 1-866-761-7043

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