

Provider Update Meeting October 18TH & 19th, 2023

CONSUMER DIRECTED SERVICES

Requirements & Responsibilities Services and Taxes

- Paragraph 5.25 of your company's Participation Agreement for Home and Community Based Services (HCBS) requires you to “...perform all services under this Agreement in compliance with this Agreement and in compliance with all applicable state and federal regulations lawfully promulgated. “
- Pursuant to the responsibility, set forth in Title 42 of the Code of Federal Regulation (CFR) Parts 4561CDS providers/vendors are required to pay taxes on behalf of the participant/consumers.

Requirements and Responsibilities Continued

- **Transmitting individual payments to the personal care attendant on behalf of the consumer**
- **Ensuring all payroll, employment and other taxes are paid timely.**

Responsibilities - Filing Taxes

- As a CDS provider/vendor you are responsible for making sure taxes are properly filed and paid in a timely manner for the consumer/participant. This includes obtaining Federal, State and Local Employer Identification Numbers (EIN) on new and transferring consumers/participants.
- Taxes for the consumer/participant are to be paid under their own federal and state EINs and not the CDS provider/vendor's federal and state EINs.
- The consumer/participant federal and state EINs belongs to them. As a CDS vendor, you have no right to obstruct the transfer of their federal and state EINs should they decide to change providers.

Responsibilities - Filing Taxes

- Department of Health and Senior Services on August 26, 2020 issued a memorandum for HCBS-CDS regarding federal and state EIN numbers to be entered into Cyber Access. Information pertaining to said memorandum can be accessed at the following link:

<https://health.mo.gov/seniors/hcbs/hcbsmanual/pdf/hcbs08-20-01.pdf>

- In 6/2021 the HCBS manual was updated, which provided information pertaining to CDS providers responsibilities regarding submission of assigned Federal or Missouri Employer Identification Numbers (EIN) and the Missouri Tax IDs for each CDS participant to be loaded into the HCBS Web Tool. A link to the HCBS manual is provided below:

<https://health.mo.gov/seniors/hcbs/hcbsmanual/pdf/3.25appendix1.pdf>

Consequences for not Paying Taxes Timely

SENATE BILL 710 - went into effect August 2022

“...shall ensure ALL payroll, employment, and other taxes are timely paid on behalf of the consumer AND the vendor shall be liable to the consumer for any garnishment action occurring or that has occurred as a result of the vendor’s failure to timely pay such taxes.

The vendor may be subject to a \$1000 per occurrence penalty for failure to pay such taxes.”

CDS required tax filings on behalf of the Consumer

- Federal 941- Quarterly or Federal 944 - Annually
- Missouri 941- Quarterly or Annually
- Division of Employment Security Contribution and Wage Report - Quarterly
- W3/W2 - Annually
- Federal 940 - Annually
- Missouri W3
- Local Annual Reconciliation - Kansas City/St. Louis
- Tax Coupon 8109 - Proof of Tax payments for the consumer

Tax forms are forever changing so make sure you watch for updates

CDS Financial & Service Report

CDS providers are required to complete and submit quarterly Financial and Service reports as follows:

- January 1st through March 31st - Due by April 30th
- April 1st through June 30th - Due by July 31st

CDS Financial & Service Report Continued

- **July 1st through September 30th - Due by
October 31st**
- **October 1st through December 31st - Due by
January 31st**

Annual Service Report

CDS providers are required to complete and submit Annual Service reports as follows:

- January 1st through December 31st - Due January 31st of the following year.
- July 1st through June 30th - Due July 31st of the following year.

CDS providers chooses their fiscal year starts and ends. The examples above dates selected by most providers.

CDS Annual Audit

RSMo 208.918.2 states vendors must demonstrate sound fiscal management as evidenced on accurate quarterly reports and an annual audit. 19 CSR 15-8.400(7) states vendors shall submit the annual audit, done by a properly licensed independent practitioner (certified public accountant licensed in the state of Missouri) pursuant to applicable federal and state laws and regulations, within one hundred fifty (150) days after the end of the vendor's fiscal year.

CDS Annual Audit Continued

RSMo 208.909 - The Governor signed bill that requires by state statues all vendors/providers:
2. In order to maintain its agreement with the department, a vendor shall comply with the provisions of subsection 1 of this section and shall:

(1) Demonstrate sound fiscal management as evidenced on accurate quarterly financial reports and an annual financial statement audit [submitted to the department] performed by a certified public accountant if the vendor's annual gross revenue is two hundred thousand dollars or more or, if the vendor's annual gross revenue is less than two hundred thousand dollars, an annual financial statement audit or annual financial statement review performed by a certified public accountant. Such reports, audits, and reviews shall be completed and made available upon request to the department;

The above went into effect 8/28/2020

Consequences Continued

- CDS Vendors who fail to submit quarterly reports, the annual service report, or the yearly financial statement or financial audit conducted by a CPA will be subject to administrative actions. MMAC will advise vendors, in writing, if reports are not received by their due date, to alert the vendors, and give them an opportunity to submit the reports.

Consequences

- Administrative actions available to MMAC are:
 - Education
 - Recoupment
 - Suspend Medicaid Payments
 - Suspend MO HealthNet Participation
 - Termination

Where to submit required documentation

Scan via EMAIL: MMAC.CDS@DSS.MO.GOV (Preferred)

FAX: 573-526-4375

Physical address for UPS/Fedex: 205 Jefferson Street, 2nd Floor
Jefferson City, MO 65101
or

USPS Mailing Address: P.O. Box 6500
Jefferson City, MO 65102