

Provider Review

Consumer Directed Services Taxes, Reports, and Consequences

Missouri Medicaid Audit and Compliance

April 2025



Participation Agreement

Upon enrollment as a MO HealthNet Consumer Directed Services (CDS) provider, providers sign a Missouri Medicaid Audit and Compliance (MMAC) Participation Agreement.

Paragraph 5.25 of the Participation Agreement for Home and Community Based Services (HCBS) states that providers must:

“ ...perform all services under this Agreement in compliance with this Agreement and in compliance with all applicable state and federal regulations lawfully promulgated.”

Provider Requirements & Responsibilities

RSMo 208.909 (effective August 28, 2022) and **19 CSR 15-8.400** (effective March 30, 2023) require the following:

Providers (vendors) must perform, directly or by contract, payroll and fringe benefit accounting functions for consumers (participants), including but not limited to ensuring all payroll, employment, and other taxes are paid timely.

The provider must also notify the consumer of any communications or correspondence from any federal, state, or local tax authority of any overdue or unpaid tax obligation, as well as any notice of an impending garnishment.

Consequences for Failure to Pay Consumer Taxes

If a provider fails to pay payroll, employment, or other taxes timely on behalf of the consumer, they are liable to the consumer for any garnishment actions.

Providers may be subject to a \$1,000 penalty per occurrence of their failure to timely pay payroll, employment, or other taxes on behalf of the consumer.



Provider Requirements & Responsibilities: Filing Taxes

- CDS providers must obtain the Federal, State, and Local Employer Identification Numbers (EINs) on new and transferring consumers.
- The consumers Federal and State EINs belong to the consumer. CDS providers must not obstruct the transfer of the consumers Federal and State EINS should the consumer decide to change providers.
- CDS providers are responsible for ensuring taxes are filed properly and paid in a timely manner for the consumer.
- Taxes for the consumer are to be paid under the consumers own Federal and State EIN and not the CDS providers Federal and State EIN.

Filing Taxes

On August 26, 2020, the Department of Health and Senior Services (DHSS), Division of Senior and Disability Services (DSDS), issued a memorandum for HCBS-CDS providers.

Directive 3.25, Appendix 1, CDS Tax Information Documentation Requirements directed all CDS providers to upload proof of the assignment of a Federal EIN and a Missouri Tax Information Number (TIN) for each CDS consumer into the **HCBS Web Tool**. DHSS has procured a new HCBS Web Tool – Fusion Effective 5-5-25 Fusion system will be operational for providers to upload participant tax information.

The HCBS Web Tool is a module of MO HealthNet Division's (MHD) CyberAccess, an innovative electronic health record for participants. Conduent contracts with MHD and DSDS to provide CyberAccess.

Required Tax Filings on Behalf of the Consumer

Providers are required to file the below tax filings on behalf of the consumer:

Quarterly:

- Division of Employment Security Contribution and Wage Report
- Federal 941 (Unless provider submits Federal 944 Annually)
- Missouri 941 (Providers may also submit annually)

Annually:

- CP 575 or 147C Letter
- Federal 940 Employer's Annual Federal Unemployment (FUTA) Tax Return
- Federal 944 (Unless provider submits Federal 941 quarterly)
- Missouri 941 (Providers may also submit quarterly)
- W3/W2
- Missouri W3
- Tax Coupon 8109 – Proof of tax payments for consumer
- Kansas City/St. Louis providers: Local Annual Reconciliation

Providers should consistently monitor tax updates for changes.

Quarterly and Annual Service Reports

Per **RSMo 208.918.2 (1)**, providers must :

Demonstrate sound fiscal management as evidenced on accurate quarterly reports and an annual financial statement audit.

Per **19 CSR 15-8.400(8)(H)**, providers must comply either directly or by contract with the following fiscal requirement:

CDS Quarterly Financial and Service Reports must be submitted to MMAC 30 days after the end of each calendar quarter.

Required Reports

Regardless if CDS services are provided during the quarter, CDS providers are required to complete and submit quarterly Financial and Service reports by the following due dates:

Quarter	Due Date
January 1 st through March 31 st	April 30th
April 1 st through June 30 th	July 31st
July 1 st through September 30 th	October 31st
October 1 st through December 31 st	January 31st

Annual Service Report

CDS providers are required to complete and submit Annual Service Reports.

Providers may choose when their fiscal year starts and ends.

The examples below are dates common to most providers.

- If the providers fiscal year runs January 1st through December 31st, the Annual Service Report is due **January 31st** of the following year.
- If the providers fiscal year runs July 1st through June 30th, the Annual Service Report is due **July 30th** of the following year.

Annual Audit

Per **19 CSR 15-8.400(8)(J)**, providers must submit an annual audit or review by a properly licensed independent practitioner (certified public accountant licensed in the state of Missouri) pursuant to applicable federal and state laws and regulations, including any audit parameters as established by DHSS.

Providers with an annual gross revenue of \$200,000 or more must have an annual financial statement audit.

Providers with an annual gross revenue of less than \$200,000 must have an annual financial statement audit or annual statement review.

The audit report must be submitted to MMAC within 150 days after the end of the provider's fiscal year.

Consequences for Not Submitting Reports/Audits

Per 13 CSR 70-3.030(3)(A)(6), administrative actions may be imposed by MHD against a provider for failure to submit to MMAC a required CDS quarterly Financial and Services report, annual service report, or an annual financial statement audit or financial statement review.





Recap of Consequences

- If a provider fails to pay payroll, employment, or other taxes timely on behalf of the consumer, they are **liable to the consumer for any garnishment actions**.
- Providers may be subject to a **\$1,000 penalty per occurrence** for their failure to timely pay payroll, employment, or other taxes on behalf of the consumer.
- **Administrative actions** may be imposed by MHD against a provider for failure to submit to MMAC a required CDS quarterly Financial and Services report, annual service report, or an annual financial statement audit or financial statement review.

Administrative Actions

Administrative actions that MMAC may take for failure to follow these requirements include:

- Education
- Recoupment
- Suspend MO HealthNet Payments
- Suspend MO HealthNet Participation
- Termination

Forms and Documentation Submission

For HCBS provider forms, including the CDS quarterly reports visit [**HCBS Provider Forms**](#).

<https://mmac.mo.gov/providers/provider-enrollment/home-and-community-based-services/provider-contracts-forms/>

Providers should submit their documentation using one of the following methods:

Method	Description
Email (preferred)	MMAC.CDS@dss.mo.gov
Fax	(573) 526-4375
Mail	MMAC PO Box 6500 Jefferson City, MO 65102

For questions, contact [**MMAC.CDS@dss.mo.gov**](mailto:MMAC.CDS@dss.mo.gov) or call toll-free (833) 818-1183.