

Exhibit CC

Financial Management Services (FMS)

All HCBS LTSS participants have the option to make decisions about and self-direct their own waiver services as identified in Section E-1.g of the CHC Waiver and Section V.A.16 of the CHC Agreement. Participants in the CHC Waiver may choose to hire and manage staff using Employer Authority or manage an individual budget using Budget Authority. In addition, Participants may choose a combination of service models to meet their individual needs.

Financial Management Services (FMS) are provided to participants across the Commonwealth by qualified Vendor Fiscal/Employer Agent(s) (F/EA). The CHC-MCOs are responsible for FMS functions and must process, file, and pay all applicable state and federal taxes on behalf of participants and their direct service workers. The CHC-MCOs must operate as an F/EA or subcontract this function.

The CHC-MCOs must submit in writing for prior approval by the Department any subcontracts to perform part or all of the FMS administrative services described herein, together with documentation that the proposed FMS subcontractor meets all requirements herein, before commencing the provision of FMS with any subcontractor. The Department must pre-approve the proposed FMS subcontractor in writing. The Department reserves the right to reject any subcontractor who does not meet these requirements. Whether the CHC-MCO provides the FMS administrative services directly or through an approved subcontractor, the entity which provides those services (hereinafter the “FMS Entity”) must provide all the services and meet all the requirements below.

A. General Requirements

Conflict Free Requirements

The FMS Entity must be free of any conflict of interest with any existing or future waiver and program providers. To ensure an objective, unbiased provision of functions, the FMS Entity and any subcontractors must be free of real or perceived conflicts of interest.

1. The FMS Entity and its subcontractors may not be a part of or affiliated with and must remain independent from any provider of HCBS. Neither the governing body of the FMS Entity nor individual members of the governing body may be affiliated with any provider of HCBS. The FMS Entity or its subcontractors may not be affiliated with or a subsidiary of any existing provider of HCBS.

No personnel assigned to the FMS Entity may work for any provider of HCBS. Personnel assigned to the FMS Entity may receive direct care services or supports from such provider as long as the services are purchased at fair rates (either private pay, through an HCBS program, or through another third-party program).

FMS Entity Obligations

An FMS Entity enrolls Participants in FMS and applies for and receives approval from the IRS to act as an agent on behalf of the Participant. As the Participant's agent, the FMS Entity processes timesheets, makes payments, and manages all required tax withholdings, including Federal Insurance Contributions Act (FICA) taxes, for personal assistance workers employed by Participants under each self-directed model. If choosing to subcontract this administrative service, the CHC-MCO must jointly collaborate with all other contracted CHC-MCOs to contract with a single statewide FMS Entity under the requirements described below, and each CHC-MCO must establish agreements and cooperate with this statewide entity in order that necessary FMS services are provided to participants. The FMS Entity must enroll in PA Medicaid and sign an MA provider agreement.

The FMS Entity must maintain an online portal to allow both Participants and those involved in their service delivery access to documents, time entry, utilization and budget information, access to pay stubs and tax documents, lists of employees, and the ability to communicate with the FMS Entity.

The CHC-MCO must provide sufficient funds to the FMS Entity so that payroll is satisfied on a timely basis. The amount, time period and other terms for those funds shall be set forth in policies established by the CHC-MCO and approved by the Department. The CHC-MCOs must notify OLTL as soon as possible when made aware that a payroll for all DCWs on a particular payroll schedule will be or has been missed for any reason.

The CHC-MCO must verify that before a direct care worker provides services, the direct care worker received a pre-service orientation provided through a training vendor organization who meets the requirements outlined in this agreement and under contract with the FMS Entity. The CHC-MCO must ensure each direct care worker obtains a Unique ID number from the DHS Unique ID registry and provide it to the FMS Entity prior to providing services.

Qualifications

The FMS Entity must have:

1. Demonstrated financial health. The CHC-MCO must ensure that a reserve of at least six (6) weeks of payroll is maintained and readily available to avoid a negative impact to operations of the organization;
2. At least five years of experience successfully managing and paying a distributed group of individuals and operate a current program(s) serving participant-directed participants in at least one other state;
3. Demonstrated experience providing FMS services to a self-directed services model;
4. A minimum of 10,000 individuals who are paid by the vendor in a current program or as of one year (365 days) before the start of the provision of this function. This count may be at the parent company or a partner or subcontracted organization level;

5. A transition methodology including industry standard project management tools (e.g. Project Management Institute standards tools for documenting and managing projects);
6. A current Comprehensive Policies and Procedures Manual for managing distributed DCWs;
7. Policies and procedures for data management standards reflecting data integrity and data governance practices;
8. A call center staffed by qualified representatives;
9. Demonstrated experience and arm's length references demonstrating collaboration with relevant stakeholders in participant-directed services, including the disability community, senior groups, and DCW organizations;
10. Ability to track and provide, upon request by the Department, accurate workforce data, including demographics, wages, benefits, DCW turnover, family caregivers, comprehensive list with contact information of active DCWs in the participant-directed program, participation and completion of orientation and/or training, average timeline for enrollment, and other workforce data and analysis as requested.

Training and Orientation

The CHC-MCO or FMS Entity is responsible for ensuring Participants obtain enrollment and informational materials. In addition, the CHC-MCO or FMS Entity is responsible for ensuring orientation is provided to the Participant or common law employer prior to employing their direct care worker. Orientation and training materials must be submitted to the Department for review and approval prior to implementation and must include the following at minimum:

- Review of the information and forms contained in both the Employer and Direct Care Worker enrollment packets and how they should be completed
- The role and responsibilities of the common law employer;
- The role and responsibilities of the FMS Entity;
- The process for receipt and processing timesheets and employee payroll checks;
- The process for resolving issues and complaints; and
- The process for reviewing workplace safety issues, managing workplace injuries, and workers compensation.

Providing Direct Care Worker Pre-Service Orientation Training

Pre-Service Orientation

The CHC-MCO or FMS Entity must:

1. Verify that all newly hired DCWs have completed an in-person, pre-service orientation. In the limited situations where in-person, pre-service orientation is not

possible due to geographical limitations or a health pandemic, the CHC-MCO or FMS Entity will verify that the newly hired DCW has completed pre-service orientation by a DHS approved alternative means, including real time, instructor-led virtual orientation.

2. Notify DCWs of this pre-service orientation requirement and how they may enroll and complete this pre-service orientation.

3. Maintain documentation to verify a DCW's completion of this pre-service orientation along with the Qualified DCW Employment Packet. This pre-service orientation and documentation must be completed before a DCW is given clearance to provide services.

4. Receive prior approval by OLTL of the content of DCW pre-service orientation. Pre-service orientation must, at a minimum, cover the following topics: a basic understanding of the functions and requirements of the participant-directed programs; the role and responsibility of the common law employer as the employer to direct, supervise, train, and select the DCWAs; operational procedures and paperwork; roles and responsibilities in independent living system; workplace safety; transparency and fraud; eligibility for public benefits and DCW support organization; electronic visit verification; and worker rights and responsibilities. The content of the pre-service orientation shall be consistent across the Commonwealth as well as consistent with information provided through SCEs, and other elements of the participant-directed program.

5. The CHC-MCO or FMS Entity must ensure that the pre-service orientation is provided by an OLTL approved statewide entity. The CHC-MCO or FMS Entity may use a subcontractor to satisfy the pre-service orientation experience requirements. The selected entity must have at least 2 years of experience in providing training and in-person orientation for participant-directed DCWs in Pennsylvania and home caregivers such as DCWs, in the development and implementation of relevant participant-directed orientation curriculum, and the demonstrated experience working in participant directed orientation programs that orient at least 5,000 DCWs per year. Any orientation subcontractor must be pre-approved by OLTL and have current statewide capacity in Pennsylvania to implement a consistent, timely pre-service orientation program, including in-person training sites in at least 30 locations across the Commonwealth, a call center specifically designated to handle DCW registration, the capacity to do proactive outreach to DCWs via text, phone, and mail, and trainers to ensure opportunities for all DCWs to attend a local, pre-service orientation within 14 days of initial employment application.

6. Pay the DCW an hourly wage not to exceed the maximum DCW hourly wage rate (as defined by the PA Medicaid Fee Schedule or other criteria as specified and directed by OLTL) and not less than prevailing minimum wage rules in the applicable region in which the DCW is to provide services for all time spent in DCW pre-service orientation. The CHC-MCO or FMS Entity shall include the payment for the hours of this pre-service orientation in the first paycheck after a DCW has been cleared to provide services.

Training

To make available optional training for active DCWs, the CHC-MCO or FMS Entity must:

1. Contract with a training vendor to provide standardized core training that includes the following required hours and elements which shall be offered as 8 hours of training.

- First Aid & CPR
- Home Health & Safety
- Universal Precautions

In the event a DCW chooses this optional training, the DCW must be paid for completing this training. DCWs may take this training more than once, but are only required to be paid for the initial training.

2. Contract with a training vendor to offer and provide foundational skills training that include the following required hours and elements which may be offered as 24 hours of training.

- ADLs & IADLs
- Cultural Competency
- Communication
- Medication
- Body Mechanics
- Early Intervention

In the event a DCW chooses this optional training, the DCW must be paid for completing this training. DCWs may take this training more than once, but are only required to be paid for the initial training.

Processing and Distributing Payroll, Related Taxes and Insurances for Qualified DCWs The CHC-MCO or FMS Entity must process requests for voluntary deductions from the wages paid to DCWs for the convenience of those employees as permitted and authorized by Section 3 of the Wage Payment and Collection Law (43 P.S. § 260.3) and its implementing regulations, provided that the third party receiving the deductions is a not-for-profit organization exempt from taxes under Section 501(c) of the Internal Revenue Code in good standing. The CHC-MCO will ensure:

- A. That the cost of processing such requests for voluntary deductions and transmittal of those deductions to the third party be borne by the third party, with the proviso that said costs shall be limited to the actual and reasonable costs of modifying the existing payroll system to permit these periodic deductions.
- B. That an accurate payroll deduction mechanism is in place to deduct the applicable payments each pay period and transmit the payments to the third party.
- C. That the amount deducted is printed on the DCWs payroll form.
- D. That any authorization for voluntary deductions from the wages paid to DCWs shall terminate and such deductions shall cease upon the happening of any of the following events:
 - a. Termination of the DCWs employment.
 - b. Written notice by the third party that the DCWs authorization has been cancelled; or

- c. When the third-party states that it will no longer accept payment from the DCW.
- E. That a record keeping system is in place which maintains an accurate list of those DCWs who have submitted signed authorizations for the voluntary deductions and transmittal of those deductions to the third party.

Oversight and Monitoring Responsibilities

The CHC-MCO will ensure that the contract deliverables are met, and Participants are in receipt of FMS in accordance with their PCSP. The CHC-MCOs will monitor the performance of FMS administrative activities, as well as adherence to contract conditions and waiver requirements. These requirements include, but are not limited to, Participant satisfaction, timeliness of processing employer and employee paperwork, timeliness of and accuracy of payments to workers, accuracy of information provided to Participants and workers by the FMS Entity, timeliness and accuracy of tax filings on behalf of the Participant, timeliness of executed agreements between the FMS Entity and the workers or other vendors and timeliness of criminal background checks and child abuse clearances as needed.

If the CHC-MCO or its subcontractor is not in compliance with contractual or waiver provisions, the CHC-MCO will take the necessary steps to address any issues of non-compliance, including the completion of remediation and/or Quality Improvement Plans (QIPs).

In addition to the process described above, the CHC-MCOs will monitor performance as described in the Reporting Requirements section below. CHC-MCOs will also conduct on-site monitoring more frequently if utilization or problem identification reports indicate additional review is necessary. CHC-MCOs will also be required to report any issues with the FMS Entity's performance to OLTL.

The CHC-MCO or its subcontractor will conduct a Common Law Employer Satisfaction Survey using the survey tool approved by the Department. The survey must be conducted 60 days after enrolling a new common law employer and biannually. Survey data must be collected and analyzed by the CHC-MCO or its subcontractor, and a report must be prepared and submitted to OLTL based upon specifications determined by the Department.

Lastly, through an established claims oversight process, the CHC-MCO will monitor claims submitted by the FMS Entity to the CHC-MCO and ensure the payments to the vendor for both administrative fees and services are in accordance with all applicable regulations and requirements. The CHC-MCOs must also ensure that all EVV requirements outlined by the Department are followed. The CHC-MCOs are responsible for monitoring compliance with requirements outlined in corresponding EVV bulletins.

Performance Standards

The following standards must be adhered to:

1. Department-approved Common Law Employer (CLE) enrollment packets must be mailed within three (3) business days of referral. (Minimum Acceptable: Department approved CLE Enrollment packet mailed within five (5) business days of referral.)
2. Complete the processing of CLE enrollment paperwork within seven (7) business days of receipt of correctly completed-documents. (Minimum Acceptable: Seven (7) business days unless acceptable documentation for a delay is provided.)
3. Collect and process completed documents and forms for enrollment of DCWs, Vendors, Small Unlicensed Providers and Independent Contractors within seven (7) business days of receipt of correctly completed and file with the appropriate federal, state, and local government agencies. (Minimum Acceptable: Seven (7) business days (unless acceptable documentation for a delay is provided). This minimum standard assumes that only the State Police background check is required and that the DCW has no record. ChildLine and FBI Clearance require longer dissemination times by the agency.)
4. Conduct face to face meetings as requested by new Participants to orient them to the program and to assist in completion of any necessary paperwork. (Minimum Acceptable: The requested visit must occur on the date scheduled with the Participant.)
5. Level of customer satisfaction based on Employer Satisfaction Surveys. (Minimum Acceptable: 95% satisfaction rate from active Participants.)

If the standards are not met, the Department will notify the CHC-MCO of the specific deficiencies, request a CAP, and follow-up on the plan to ensure compliance. The CAP must be submitted to the Department within 15 business days. The Department will review and accept or reject the CAP within 30 business days. The Department will monitor the interventions to ensure the CAP was completed and successful in resolving the issue in accordance with the timeframes established for corrective action in the CAP. If the CAP was not successful in correcting the identified issue, technical assistance will be provided by the Department.

Reporting Requirements

The CHC-MCOs will be required to submit monthly and bi-annual reports to the Department utilizing the OPS 38 template which covers activities performed and issues encountered during the reporting period and reflect progress in meeting all contractual obligations. Required reporting elements are as directed by the Department. The CHC-MCOs must coordinate with the selected entity to ensure all required reporting elements are transmitted to the CHC-MCOs in a timely manner to meet the Department's reporting deadlines.

OLTL staff will review this information and intercede, when necessary, with corrective actions to ensure compliance. Meetings will be held as needed between the CHC-MCOs and the Department to discuss any issues and for the Department to provide any necessary technical assistance it feels is needed.