



AGENCY OF HUMAN SERVICES

DEPARTMENT OF DISABILITIES, AGING AND INDEPENDENT LIVING

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To: DA Executive Directors
Developmental Services Providers
Transition II
ARIS Solutions, Inc.
Area Agency Executive Directors
Home Health Agency Executive Directors

From: Susan Wehry, M.D., Commissioner

Date: January 16, 2015

Re: Rescinding "Bonus Policy" Memo

The Department has recently become aware of the attached "Bonus Policy for DDAS Programs with Flexible Spending 4/28/10" memo that may have been distributed to your organization in the past. Please be aware that this "policy" was never finalized and is not a policy that is approved by the Department. To this end, the attached memo is rescinded, effective immediately. Please remove this policy from any of your internal documentation, policies, procedures and communication with individual employers, employees or others with whom your organization works.

Although the attached "policy" was written to participants of Flexible Funding Model programs, it is important for anyone who self-manages, surrogate-manages or family-manages services and their employees to follow all applicable rules regarding billing and compliance with all Medicaid Terms and Conditions, including the requirement that **Medicaid may only be billed for services that are actually provided**. It is not acceptable practice to bill sick, vacation or other time off as if billing for services provided, even if it is noted on the employee's time sheet that the employee was sick, on vacation or otherwise not working. With respect to payment of bonuses, DAIL will be consulting internally and will be providing follow up guidance on this matter. Until that time, bonus payments may not be made.

We do apologize for any confusion or inconvenience this memo has created.

Cc: Bill Kelly and Jim Euber, DAIL Business Office
Megan Tierney-Ward and Sara Lane, DAIL Adult Services Division
Camille George and Clare McFadden, DAIL Developmental Disabilities Services Division
Alice Kennedy, DAIL Legal Counsel

Bonus Policy for DDAS Programs with Flexible Spending

4/28/10

The Department of Disabilities, Aging and Independent Living, Division of Disability and Aging Services (DDAS) has several programs that include a flexible funding option with consumer (self)/family managed services. Consumers/families who manage their services through a flexible spending option have several options they may choose from to create incentives for hiring and retaining staff (workers). Employers may choose to pay different wage rates, benefits for time off, and/or raises. The purpose of this policy is to describe a bonus option as an additional hiring and retention tool.

Consumers if they choose may plan for and budget to give care giving staff/workers a bonus. The bonus can be based on successful completion of a probation period, a merit reward for outstanding assistance during a crisis or for a good job performance at time of performance evaluation. At hire, the employer establishes a wage rate of pay. A bonus **may** be used as an incentive.

DDAS programs use different terminology to describe the person who employs staff and “staff”. Program specific terminology will be used in the program procedure following the bonus **Maximums and Limitations**.

Maximums and Limitations:

- Bonuses must be **planned** for in the consumer budget whether or not it is used.
- Funding plans must be authorized per program requirements.
- Bonuses can only be paid if that amount remains in the consumer budget at time of payment.
- Additional dollars will not be added to a consumer’s funding total for the purpose of a bonus.
- Bonuses in total cannot exceed 2% of the consumer’s annual or semiannual funding. This amount includes only those funds managed by the consumer, family or shared living provider.
- Bonuses are included with payroll so all applicable taxes are withdrawn.
- A bonus may not be given simply because there is left over funds in a participants allowance at the end of the authorization period.