



# **AGENCY WITH CHOICE**

**Sharing The Role of Managing Employees**

**Sandy Kasprzak**

**Consumer Direct Personal Care**

*You can't fit new ideas into old  
models.*

*Tim Quinn*



# WHAT IT COMES DOWN TO-IS ASSISTANCE WITH MANAGING EMPLOYEES

- These are two ways in which an individual can manage their employees:

Fiscal/Employer Agent (F/EA)

OR

Agency With Choice



# BEING AN EMPLOYER

- Must be knowledgeable in:
  - IRS regulations
  - Department of Labor Regulations
  - Employment Law
  - Benefits Management
  - Workers Compensation
  - Employee Management
  - Payroll
  - Employee HR file management
  - Just to name a few....



# WHAT IS AGENCY WITH CHOICE?

- The Agency is the employer and holds the Federal Employer ID Number (FEIN).
- Still gives the individual choice , but the Agency is the legal employer.
- The individual is like a Manager/Supervisor.
- The Agency shares employer related tasks with individuals and/or their Managing Party.
- The Agency shares employer related risks.
- The Agency files taxes on their FEIN.
- The Agency holds the Workers Compensation Policy.

# HOW DOES THIS WORK?—THE AGENCY'S ROLE

- The Agency truly supports all aspects of Self Direction.
- The individual self directing decides who they want to work with, the Agency hires them.
- Tools—The Agency prepares all the forms needed for employee enrollment (just like in FE/A). The individual and their employee fill them out.
- The Agency files the completed forms like I-9's.
- The Agency processes the time sheets and cuts a payroll check.
- Agency With Choice providers can also issue vendor checks for goods and services.



## THE AGENCY'S ROLE (CONT):

- Provides Worker's Compensation Insurance.
- Unemployment number is the Agency's.
- The Agency manages the Workers Compensation and Unemployment claims.
- Carries Liability Insurance.
- Technically hires and terminates workers.
- Provides all training materials, or facilitates resources for training.
- Run Criminal Background checks.
- Provide year end wage earnings, W-2 and 1099's.
- Has strong customer service.



## SO, THE AGENCY BASICALLY ---

- Provides the administrative support to help individual in the hiring and managing of employees.
- Bills authorized funding stream for reimbursement of above mentioned expenses.
- Deposits employee and employer related taxes using the Agency's FEIN number.
- Ensures compliance with all employer and labor laws by monitoring all wage & hour laws.
- Eliminates employer headaches by performing back-office employer related financial reporting.
- Accurately tracks what was spent and sends spending reports to the individual receiving services and Consultant.





## SO, THE AGENCY BASICALLY (CONT.)---

- Give the tools to help the individual set up staff as employees.
- Access funding for the individual; billing the authorizing Entity.
- Assure that spending is always occurring in accordance with the approved plan and allocation.
- Report spending activity to the individual and the Case Manager/Consultant.
- Process time sheets and issue payroll checks for employees.



# THE INDIVIDUAL'S ROLE

- The individual DECIDES what model they want to use.
- The individual DECIDES who they want to hire.
- The individual has potential employees fill out the paper work.
- The individual decides the work schedule.
- The individual signs and approves all time cards.
- The individual manages and supervises the daily activities of the staff.
- Helps determine the need for additional employee training(s).



## THE INDIVIDUAL'S ROLE (CONT.)

- The individual decides when to terminate staff and notifies the agency.
- The individual assists with documentation for Worker's Compensation and Unemployment.
- The individual sets the wages, within the guidelines set up by the authorizing entity.
- The individual performs employee evaluations.
- The individual spends in accordance with their approved plan.
- They coordinate with the authorizing entity any changes in the plan.



## WHAT AN AGENCY WITH CHOICE ISN'T

- It does not authorize funding.
- It does not authorize plans.
- It is not a Temporary/ Staffing or Leasing agency for employees.
- It does not authorize services or requests for increased services.



## MERGING THE CONCEPT

- Not all individuals can manage complete responsibility of being their own legal employer.
- Do we want to create a service model that is only successful if they can?
- The two models are more alike than they are different.
- Perception of risk—lets talk about that.



# UNEMPLOYMENT

- Legal Responsibility with the Agency With Choice Provider.
- How do individuals manage this under the F/EA policy?
- What are the risks?
- What are the functional differences?



# WORKERS COMPENSATION

- Is in place to protect the employee and the employer.
- Can be paid for out of the individual's budget.
- Easier to manage a larger, shared policy.
- What are the best practices?

# WHAT ABOUT LIABILITY

- Let's define liability.....





# FRAUD AND ABUSE

- How do we best protect this service and ensure it is here in the future?



# ONE LAST TOPIC--REIMBURSEMENT

- There are multiple methods of reimbursement.



# DISCUSSION

- What are the challenges?
- Is this working in the States that have implemented this?
- And what about dignity and risk?
- Are there other questions?



THANK YOU

Sandy Kasprzak

Vice President

Consumer Direct Management Solutions

[sandyk@consumerdirectonline.net](mailto:sandyk@consumerdirectonline.net)

1-877-785-9991

[www.consumerdirectonline.net](http://www.consumerdirectonline.net)

