

Frequently Asked Questions

Consumer Directed Services (CDS) Option



What is the Consumer Directed Services (CDS) option?

What is the CDS option?

The CDS option allows you or your legally authorized representative to be the employer of some of your service providers.

- You hire and manage your own employees.
- You set the wages for your employees, within state guidelines.
- You can give benefits, such as vacation days and bonuses.
- You will select a CDS agency (CDSA) to do your payroll and federal and state taxes.

What is the difference between the traditional agency option and CDS for delivery of services?

Agency option

- Agency hires service providers.
- Agency sets wages for service providers.
- Agency does payroll and taxes.

CDS

- You hire your own employees.
- You set wages and benefits based on your service budget.
- You hire a CDS agency to do payroll and taxes.

How does CDS work?

You will select the CDSA that will process your payroll and act as your agent to pay federal and state taxes. The CDSA will help you set up an initial budget. In some programs, the CDSA will provide guidance on recruitment, salaries, benefits and administrative costs.

Which services can be self-directed with the CDS option?

Different programs allow different services. See the list below.

- **Community Based Alternatives (CBA)**
Personal Assistance Services, respite, nursing, physical therapy, occupational therapy, speech/hearing therapy, support consultation.
- **Community Living Assistance and Support Services (CLASS)**
Respite, habilitation, nursing physical therapy, occupational therapy, speech/hearing therapy, support consultation.
- **Deaf Blind with Multiple Disabilities (DBMD)**
Respite, habilitation, intervener.
- **Medically Dependent Children Program (MDCP)**
Respite, adjunct support services provided by attendant or nurse.
- **Primary Home Care/ Community Attendant Services**
Personal Assistance Services.
- **Family Care**
Personal Assistance Services.
- **Consumer Managed Personal Assistance Services (CMPAS)**
Personal Assistance Services.
- **Home and Community-Based Services (HCS)**
Respite, supported home living and support consultation.
- **Texas Home Living (TxHmL)**
All services with the addition of support consultation.
- **Integrated Care Management (ICM) – 1915 (c) waiver**
Personal Assistance Services, respite, nursing physical therapy, occupational therapy, speech/hearing therapy, support consultation.
- **Personal Care Services (PCS)**
Personal Assistance Services.
- **Star+Plus**
Respite and Personal Assistance Services.
- **Consolidated Waiver Program (CWP)**
Personal Assistance Services, respite, habilitation.

What happens if I choose CDS and later change my mind?

You can return to provider- or agency-managed services at any time. You just call your case manager or service coordinator and say you have decided you don't want to use the CDS option.

Whom do I contact if I want to know more about CDS?

Your case manager or service coordinator will explain the CDS option to you and help you change to the CDS option if you decide that it is best for you. Depending on your program, you can self-direct some or all of your services. Those services you choose not to self-direct will continue to be provided by your program provider. If your program requires annual nursing assessments, those will still be provided by your program provider. You may

also visit the CDS website at www.dads.state.tx.us/services/cds/index.html. Here, you can read more about the CDS option. You can also see a list of consumer directed services agencies, and contact them to find out more about the CDS option and how it works.

Check with friends who are receiving services through DADS. They may be using the CDS option and can tell you how it has worked for them.

Why choose the CDS option?

People choose the CDS option to have more control over how their services are provided and to be able to pay their service providers higher hourly wages.

When you hire your own service providers you can often find family, neighbors, or friends to work for you although, depending on your program, there may be limits on which relatives may be hired.

Within your allotted budget for services, you can set your service providers' wages and benefits, as long as the hourly wage is at least current minimum wage and does not exceed what is available in your program budget.

You can hire backup service providers for those times when your regular service providers are not available.

How would CDS benefit me?

Choosing the CDS option gives you control over who provides your services. You choose the people who will come into your home. You train your service providers and set their work schedule. You set the pay and benefits within the funds allotted for your program.

Most people who choose the CDS option do so because they want the independence that comes with employing the people who provide their services.

What would be required of me?

Becoming an employer carries some responsibilities. You need to decide if you want these responsibilities, which include:

1. Recruiting, interviewing, and training your service provider.
2. Working with your service provider to complete all the new-hire documents.
3. Arranging backup services if your service provider cannot come to work.
4. Keeping track of your service provider's hours.
5. Keeping copies of all required CDS paperwork.
6. Counseling your service providers if they do not follow your directions.
7. Firing, if necessary, unsatisfactory service providers and finding new ones.
8. Following the CDS option and program rules.

How much paperwork is there?

To get started, there is a lot. The CDSA you select will help you complete the employer paperwork. You will be responsible for completing the new-hire paperwork with your service provider. Your CDSA will also help you with your questions about this. If your program offers support consultation for additional help with being the employer, you may want to hire a support advisor to help you.

Does the CDS option mean a lot of extra work for me?

Once you complete the initial paperwork, no. However, you will need to maintain the schedule for your service provider and timesheets will have to be submitted twice a month. You will also need to give your service provider an annual evaluation and if your program requires cardiopulmonary resuscitation (CPR) certification, you will need to make sure that your service providers stay current.

If you use the CDS option for nursing, physical therapy, occupational therapy or speech and hearing therapy, each year you will need to verify that your service provider's license is current. You will also need to document any training you give your service providers.

Does using the CDS option affect my income?

No. Even though you are the employer, the funds you use to pay for your services are not reported as income. Your CDSA follows specific labor and tax codes to pay your service provider and deposit taxes on the employer's behalf. This is a state and federally recognized method to provide services, and the funds associated with your services are not considered income.

Who is responsible if my service provider gets injured?

As the employer, you are responsible if your employee is injured. You can purchase a worker's compensation policy out of your program funds. You can also call your homeowner's insurance representative and ask if they offer coverage for service providers working in your home. You can ensure your provider is trained properly in areas that are important to you, such as lifting, which may prevent injury. You may use program funds to help pay for this training.

Who is responsible for making sure I receive my services?

This is your responsibility. Your CDSA will advise your case manager if you are not using your hours. They can also help you identify possible sources to recruit service providers.

If your program offers support consultation, you may hire a support advisor to help you with hiring and retaining a service provider.

What support is available to use the CDS option?

What if I want to use the CDS option, but need additional help or support?

You may ask a family member or friend to help and to be your designated representative. If your program includes the service, you may use a support advisor. The CDSA you select will be able to answer any questions about CDS program regulations.

What does a Consumer Directed Services Agency (CDSA) do?

Your CDSA provides you with information and support to help you be a successful employer. Your CDSA will:

1. Provide you with initial CDS orientation.
2. Help you prepare a budget that will allow you to determine what employer-related expenses you will have and how much your service providers will be paid. If you want to include expenses, such as a bonus for your service providers, your CDSA will help you.
3. Verify that the person you want to hire is eligible. You cannot hire someone until your CDSA gives you the go-ahead.

4. Make sure your service provider paperwork is correct.
5. Register as your employer-agent with the IRS in order to pay federal employer taxes and file reports on your behalf.
6. Process your payroll.
7. Deposit your employer-related taxes and file quarterly or annual reports.
8. Send you and your case manager or service coordinator quarterly reports that show what you have spent and how much money you have left for each service.

Is there a list of CDSAs?

Yes, on the DADS website www.dads.state.tx.us/services/cds/index.html. Look at the navigation panel on the left side of the page for “consumer directed services agencies.” Select your program. Select the county you live in. You will then see a list of CDSAs serving your area.

Your case manager will also give you a printed list of CDSAs that serve your area.

What if there isn't a CDSA in my town?

Your CDSA does not need to be located in your town to provide services. Only the initial orientation is done at your home. After that, everything can be done by mail, e-mail, phone and fax.

What is a designated representative (DR)?

A designated representative (DR) is someone you may choose to help you with CDS employer responsibilities, if you or your case manager/service coordinator thinks you will benefit from additional support with using CDS.

Who can be a DR?

Anyone over 18 who can pass a criminal history check, an employee misconduct registry check, nurse aid registry check and whose name is not on the federal or state list of people barred from participating in the Medicaid program. A DR is a voluntary position.

What is support consultation?

In some programs you can use some of your program funds to hire a support advisor to help you learn how to manage your CDS program. This service is called support consultation. Support consultation is available in:

- Community Based Alternatives (CBA).
- Community Living Assistance and Support Services (CLASS).
- Home and Community-based Services (HCS).
- Texas Home Living (TxHmL).

Do I have to pay a support advisor?

Support advisors are paid from funds set aside in your authorized services.

Is there a list of support advisors?

Yes. The list is on the CDS website at www.dads.state.tx.us/services/cds/index.html.

What is a service backup plan?

A service backup plan is a document listing who will provide your services if your regular provider does not come to work.

How do I know if I need a backup plan?

You and your case manager or service coordinator will decide what services are critical to your health and welfare, and those services will need a backup plan.

How do I make a backup plan?

Your case manager or service coordinator will give you a backup plan form. You will need to list a person you would call to help you if your regular provider can't. You may list someone in your support network or you may want to purchase backup hours from your service provider.

Hiring service providers

What do I need to know about hiring my service providers?

a. First, define what you will expect of your provider. Make a list:

- What tasks will they do?
- What hours do you need them to work?
- Do they need to have any special skills?

b. Think about what kind of person you get along with. Write that down.

c. How will I find people to hire? You can:

- Advertise.
- Ask friends and family.
- Post notices online or at college and university campuses.
- Read the Consumer Directed Services Manual at www.dads.state.tx.us/news_info/publications/brochures/DADS295-CDSEmployer.pdf

d. Can I hire a family member to be my service provider?

- It depends on your program.
- People who cannot be your service provider include:
 - The employer.
 - Your spouse or the employer's spouse, except in Client-Managed Personal Attendant Services (CMPAS).
 - The designated representative or the designated representative's spouse.
 - Your parent, or legally authorized representative, if the recipient is under age 18.
 - The primary caregiver in the Primary Home Care Program (includes Community Attendant Services and Family Care).
 - A person who lives with you related or not, in the HCS to provide Supported Home Living or Respite and TxHmL to provide Community Support or Respite programs.

- A Texas Department of Family and Protective Services' foster parent in the HCS or TxHmL programs.
- A person who is related to the you in the TxHmL program to provide Behavioral Support or Adaptive Aids.

How would my service providers be paid?

Your CDSA will handle payroll for you. Your service providers will fill out a timesheet, which you will approve. They will be paid at least twice a month.

How would I decide how much to pay my service providers?

Your CDSA will help you develop a budget. They will discuss with you how much money is available and help you decide how much to pay your service provider.

Who trains my service providers?

- You are the employer, so you will train your service providers.
- You will be given training materials by your CDSA or your support advisor that will show your service providers how to complete employment and payroll forms.

What do I do if a service provider doesn't work out?

As the employer, you may dismiss your service provider at any time. Your CDSA or support advisor will provide training for you on how to manage service providers.

If my program allows me to hire a nurse, what do I need to know?

Hiring a nurse requires a little more work than hiring a non-skilled service provider. You need to ensure that the nurse you hire understands the Texas Board of Nursing rules and the Texas Nursing Practice Act. If your program allows you to hire a nurse, the CDSA will give you a form for your potential hire to sign. The nurse's signature on this form means the nurse understands what is required to practice as a nurse in Texas. Your CDSA will also give you forms for your nurse to use.

Do I need an office, or equipment?

You do not need an office. You will want to find a place in your home to keep all your CDS records together. You may use some of the funds in your budget to pay for a fax machine so that it is easy for you to send in your paperwork.

Will there be more money to use if I choose CDS instead of having an agency provide my services?

No, but because none of the money is spent on agency costs, you will be able to pay your attendant more per hour. Remember that the amounts listed are not what you can pay, because your employer expenses and employer taxes will have to be deducted. You can figure that the hourly rate will be about \$1 lower.

What will I be able to pay my service provider?

Rates for services can be found in the program links listed below. Select the most recent rates. Taxes and employer-related expenses come out of these figures, so the actual amount you will be able to pay your service providers will be less than the amount listed.

- **Consolidated Waiver Program**
www.hhsc.state.tx.us/medicaid/programs/rad/CW/ConsolidatedWaiver.html

- **Community Based Alternatives**
www.hhsc.state.tx.us/medicaid/programs/rad/CBA/Cba.html
- **Community Living Assistance and Support Services**
www.hhsc.state.tx.us/medicaid/programs/rad/Class/Class.html
- **Deaf-Blind with Multiple Disabilities**
www.hhsc.state.tx.us/medicaid/programs/rad/Dbmd/Dbmd.html
- **Home and Community-based Services**
www.hhsc.state.tx.us/medicaid/programs/rad/Mhmr/Hcs.html
- **Medically Dependent Children Program**
www.hhsc.state.tx.us/medicaid/programs/rad/MDCP/Mdcp.html
- **Primary Home Care/Family Care/Community Attendant Services**
www.hhsc.state.tx.us/medicaid/programs/rad/Phc/Phc.html
- **Texas Home Living**
www.hhsc.state.tx.us/medicaid/programs/rad/Mhmr/Thl.html

May I use fewer hours of service and use the money saved to pay my attendant more?

No. You must use your services as they have been authorized in your service plan.

If paying my service provider does not use all the money in my service budget, may I add more service hours with that money?

No. You may use only the service hours that have been authorized in your service plan.

Where does the money come from that pays for things like equipment to keep records, or a fax machine?

This money comes out of the total authorized CDS funds for your services and supports. Your CDSA will help you budget this money, which is limited to \$600.

Who might choose to use the CDS option?

Many people use the CDS option, including:

- A young mother who has never worked outside the home.
- A grandmother with responsibility for her grandchild.
- A 50-year-old man who has become disabled through illness or accident.
- An 80-year-old woman who needs help to stay in her home.
- A 45-year-old woman with a disability who is raising a child.

How long does it take to get started on the CDS option?

From the time you meet with your CDSA, it can take one to three weeks for your service provider to start working. If you complete your paperwork and send it back to the CDSA, it should take less time.

What would someone using CDS tell me about the program?

One consumer, Rene, wrote:

“Participating in the CDS option is a lot like running your own little business. When you hire someone, you will need to have each service provider complete a hiring packet containing all relevant forms necessary to employ that person.

“After this, most of the paperwork you will be dealing with will revolve around completing and submitting timesheets to your CDSA so that your service providers can get paid. While all this talk about paperwork may sound complicated, it really isn’t when you consider that you won’t be alone in this. Your CDSA will be your guide.

“Knowledge is everything, and the best way to decide whether something might be good for you is to first learn as much as you can about it. You should begin by notifying your case manager/service coordinator that you are interested in the CDS option and in the process of becoming an employer. Your case manager/service coordinator will then talk to you about your options and will probably schedule a visit so that you can sign some documents expressing your interest in the CDS option and so that you can be provided with a list of agencies that provide CDS services.”

Another person said:

“Since going on CDS, I have become far more realistic about my conditions — my abilities — my dis-ABILITIES, but also more open about my needs to those helping me, and more exacting of them to ensure my safety and care.”

From a CDS employee,

“As an employee, I prefer CDS because it’s more one-on-one time; it’s always best to have direct contact. In someone’s home it has to be personalized care determined by the person receiving the assistance, or someone who knows the person well. Learning about the needs of the employer is informative and accurate vs. “general duties.” Previously, I was toured through someone’s home I was sent in to work for—like an “ice-breaker” only; then had to show up and hope I could be effective. I’m comfortable, I know this person, and I know what to do for her, without question (Tiffany).”

Another consumer wrote:

“I would say that the CDS option allows more flexibility and benefits — not only for the consumer but for the provider as well.

“The CDS option offers higher pay for attendants, which creates a lower turnover rate. It is also an easy system to navigate with the CDS Company managing the budget and payroll issues. It may seem overwhelming to a new client, but after the initial paperwork is completed, it requires only minimal work each month. It is such a worthwhile decision to make and definitely worth the effort.”

Another consumer wrote:

“What I would say and have found to be true by our own experience utilizing the CDS Option: People with disabilities have different needs. What one would need does not necessarily mean what all may need. CDS is not a one-size-fits-all program. The CDS Option allows people with disabilities or their family or friends caring for them the opportunity and freedom to be creative about how one’s needs can be met so that they may all have the same quality of life that everyone deserves while living in their own homes and/or their communities.”

Yet another individual said:

“Since I have become responsible for my own provider, I feel more comfortable setting my own time ...and paying my caregiver a reasonable amount that I think I right. {Before CDS} I would call when someone would not show up and I having to wait for days before someone would show up. Sometimes I went two weeks without any help. Now, I feel more comfortable. My caregiver is happier, too. We seem to understand each other better.”