

PASREP

**Personal Assistance Services
Reimbursement for Employment Program**

Program Information And Policy Manual

Revised December 2014

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History and Philosophy of PASREP

The PAS Reimbursement for Employment Program was established as a pilot in 1985 when the state legislature appropriated \$200,000 for a Personal Attendant (PA) pilot program in the FY 1985-86 appropriation act of the Michigan Rehabilitation Services (MRS), the Michigan Department of Education. MRS is now under the Department of Labor and Economic Growth. According to the boilerplate language, the pilot program was “to explore the cost-effectiveness and feasibility of state-funded personal attendants to enable handicappers to pursue gainful employment”. Fundamentally, the program was to demonstrate cost avoidance and cost savings to the state for people with severe disabilities who could not afford to purchase personal assistance services and who chose to work or continue working.

A PA Task Force was established in 1984, which provided the vision, energy, and commitment to this program. This Task Force prepared an eloquent report about the need for personal assistance for people with disabilities to be independent and employed. A pilot program was established that would demonstrate the efficacy of such a program, and would also develop methods of measuring and demonstrating the cost-effectiveness of providing PA services to people with disabilities.

In November 1985, the Grand Rapids and Ann Arbor Centers for Independent Living were selected from a competitive process to be the two pilot sites. By 1988, 19 participants were enrolled in the program. The program stabilized to 17-20 participants per year to stay within the state’s appropriation. The pilot report in 1989 showed a significant reduction in personal stress among the participants, and this gave the individuals more energy to focus on productive work and studies. Nearly each year since 1985, the appropriation for this program has been threatened, and for many years the appropriation level had remained static at \$150,000 per year. Additional appropriations of \$50,000 in 1997 and \$100,000 in 1998 and 1999 have created enhanced capacity for the program.

In order to enhance the state-wide presence and local control of this Program, in 2002, there was a sub-division of the administration of the Program. Personnel at Mid-Michigan, Oakland/Macomb, Grand Rapids and Ann Arbor CILs divided the participants of the Program for re-certification and local advocacy. Each participating CIL had responsibility for 8-12 participants in designated counties of the state, and provides a representative to participate in the Management and Policy committees for the Program. The committees are involved in the development and implementation of Program Policies as well as the expansion of the waiting list in order to demonstrate the need for further increases in program funding. In December 2013, Program Administration was awarded to Mid-Michigan and accounting and reimbursement distribution for participants was also transferred to Mid-Michigan for consistent budgetary control.

It is important to recognize that the PASREP is aimed at only a narrow set of people with functionally significant disabilities. It is the people with disabilities who are working and need help to pay for the needed personal assistance. They may or may not have received

services from the Michigan Rehabilitation Services to obtain or maintain their employment. Their eligibility for SSI or SSDI will end because they will be earning above the substantial gainful activity level. Further, they have, or anticipate developing assets that are both disability related, and are higher than allowable under Medicaid policy. PASREP helps to reduce the disincentives to working that are part of the Medicaid/Home Help Programs.

In summary, the Michigan PAS Reimbursement for Employment Program enables individuals with disabilities to weave a package of supports they need to assist their independence. The Program promotes self-determination, productivity, interdependence, and reduction of dependency-producing and inducing approaches to living and self support. The Program minimizes professional gatekeepers, but does consider income and personal capabilities.

Organizational Structure

The PASREP organizational structure is designed to effectively manage program growth and continue to keep the program cost effective. The structure provides a forum for discussion and oversight, while allowing for more statewide involvement. A basic overview of the structure with the program is as follows:

Regional PASREP Representative-Personnel from Grand Rapids, Oakland/Macomb, Mid-Michigan, and Detroit CILs, identified by the local CIL Director, will be responsible for managing participants from their assigned counties for re-certification and problem solving. Each regional representative will assist potential participants with eligibility determination and program applications, conduct annual re-certifications of existing participants and support for local outreach activities in their assigned counties.

Lead PASREP CIL- This CIL's PASREP Coordinator (currently, Mid-Michigan) and will be responsible for the fiscal management of the Program as well as development and implementation of Policies and Procedures. Participant reimbursements will all be issued through the Lead PASREP CIL.

PASREP Management Committee- This group is comprised of PASREP Representatives and the Directors from Grand Rapids, Mid-Michigan, Oakland/Macomb, and Detroit CILs. The Management Committee provides support for the local participants, including any required orientation and training needs. This committee is responsible for local and regional distribution, allocation, and accounting of all funds, implementation/coordination of program evaluation, quality assurance, and the appeals process. Quarterly and annual reports for the entire program (generated by the Lead CIL Coordinator) are reviewed by the Management Committee and will be available to all CILs statewide as well as MRS and SILC. This Committee will meet as needed, with at least monthly communication to track expenditures.

PASREP Policy Committee- This committee is comprised of representatives from the MRS/DLEG, SILC Grand Rapids, Mid-Michigan, Oakland/Macomb, and Detroit CIL PASREP Management Committee members, and several PASREP participants. This committee will meet at least once a year (or more frequently if needed). The focus of this

group will be the approval of PASREP policy changes, problem solving, inter/intra agency communication, research, coordination and review of annual reports prior to distribution.

Participant Eligibility Criteria

Each participant must meet the following criteria:

A. Employment

The participant is employed and earning at least the equivalent of 24 hours per week at the current minimum wage rate, and needs PAS in order to continue working. Or, the participant has a qualifying offer of employment and is in need of PAS to begin and maintain that employment.

B. Disability

The participant is living with a functional disability that significantly limits their independent functioning in daily living activities. It is the expectation of the program that most of the participants will have functional limitations equivalent to the requirements for SSI or SSDI.

All of the following indicators must be present:

1. The participant requires the assistance of another person to perform routine daily living activities because of limitations of physical functioning. (Within the definitions in the Rehabilitation Act, Section 7 (11) and Section 15 (A).)
2. The participant requires personal assistance services for no less than five hours per week.
3. The participant requires personal assistance services to maintain or enter employment.

C. Income

Income is defined as monthly gross income, earned and unearned. The minimum income acceptable is 24 hours per week at the current minimum wage. The income ceiling is based on a correlation between the amount of PAS needed (up to the maximum of \$1000 per month), and the participant's total household income. Participants must pay 15% of their gross earnings that are above 300% of the current federal poverty level, toward the cost of their personal assistance services.

If the participant is living with any of the following and sharing living expenses, their gross monthly income is included as part of the household income total:

- Spouse or significant other
- Adult children over 18 years of age, who are not full-time students or are not paying market rate rent,
- All earned and unearned income to be declared includes child support, separate maintenance agreement payments, dividends and interest, rental, and business income. Losses in rental and business income may reduce income only to the

extent of the earnings from that source. **Typically the program participant will not be receiving SSI or SSDI; however, this income must be included in the gross income if received.** Also, Social Security received by any minor children should also be included in the household income calculation.

Gross income from the previous year is used to calculate initial and continuing eligibility, unless there is an increase or decrease of \$5,000 or more in earnings. For individuals just starting a job, current monthly gross wages are to be used as the starting point. Irregular income may be estimated with necessary adjustments made in an amendment to the agreement, or in the following year's agreement.

D. Requires at least five hours of personal assistance per week

Because this program is intended for individuals with significant disabilities, those requiring less than five hours per week are not eligible for this program. This program is designed to address primarily personal care and assistance with tasks required to allow the individual to work productively. It is not intended to provide only housekeeping services or child care which a person with or without a disability would require.

E. Employs and manages one or more personal assistants

Participants must demonstrate their understanding and acceptance of the responsibility to hire and supervise their personal assistants, as well as manage all aspects of their personal assistance service. If the participant requires more hours than can be reimbursed through this program, they must be able to pay for them from another source or with their own income.

People who receive benefits from a program that pays for a portion of their personal assistance expenses, such as DHS- Home Help or MiChoice Waiver, but still have out of pocket expenses for personal assistant services might be eligible for PASREP. The PASREP Coordinator will review each individual's situation to ensure that maximum benefits from other programs are being utilized and to assist the participant with determining the best way to blend various benefits with PASREP.

Tax Reporting Requirements

Participants who hire their personal assistants (PA) through a Health Care Agency are not responsible for paying Medicare, Social Security or Unemployment taxes for their PAs. Participants who hire their PAs directly need to determine if their arrangement is that of a Household Employer hiring an employee or if their PA is an independent contractor. In general, the role of a PA does not fit the IRS definition of an independent contractor; however, in some situations it is possible that an independent contractor arrangement might be appropriate. Program participants are responsible for making this determination and are strongly encouraged to research the IRS rules and regulations and/or to consult with an accountant with expertise in this area.

If a PA is hired as an independent contractor then the PA must be provided with a 1099 form at the end of the year and a copy must be submitted with the participant's annual recertification documentation.

Participants who hire their PAs as a household employer **MUST** obtain a Federal Employer Identification Number (FEIN). This number allows the participant to file the Schedule H form with his/her taxes so the IRS can track the amount of Social Security and Medicare taxes being paid. The IRS requires that employers issue a W-2 to their employees at the end of the year and a copy of the W-2 s issued to PAs for the previous year must be submitted with the participant's annual recertification documentation.

If the participant/employer pays out more than \$1,000 to employees in any calendar quarter, the participant is required to pay Michigan and Federal Unemployment tax and must obtain a Michigan Unemployment Agency (UA) number. Unemployment taxes must be paid for the entire year in any year in which payments are above \$1,000 for any calendar quarter

Information about Schedule H and obtaining a FEIN can be found at www.irs.gov. Information about the UA number and reporting requirements can be found at www.michigan.gov. IRS and the State of Michigan requirements may change from year to year and participants are responsible for staying up to date on current state and federal requirements for employers. Although PASREP Representatives might make suggestions of websites or IRS publications as resources for information, they can not offer advice or make a determination about a participant's employment arrangement with PAs or the participant's tax obligations.

Eligibility Determination and Verification

The eligibility of participants will be re-determined annually, with the reimbursement paid on a monthly basis. Recertification paperwork must be submitted by April 30th. The PASREP Regional Representative will give the participant at least one month's written notice when a participant is found to be no longer eligible for the program. However, the participant will be immediately terminated if:

- Provided information is found to be fraudulent
- The participant's situation significantly changed during the previous year (an increase or decrease of \$5,000 or more) and the participant did not inform a PASREP Regional Representative within one month of the change.

The burden of proof of eligibility for the program is with the participant.

Required Documents for Determination of Eligibility

New applicants and participants who are completing an annual (re)certification process must complete and sign a PASREP application form. The following documents must be submitted with the application form: a copy of the Federal 1040 form for all household income contributors with all attached schedules, W2 and 1099 forms for the participant and their Pas, a current paycheck stub, and documentation of other income. Participants who receive benefits from a program that pays for a portion of their personal assistance,

such as DHS-Home Help or MiChoice Medicaid Waiver, must provide documentation of their current benefits for personal assistance from that program. All of the above documents must be submitted annually by April 30th to recertify eligibility for the program.

Participants may risk reimbursement checks being held, suspension from the program or ultimately termination from the program if the required paperwork is not submitted by April 30th. Participants who apply for an extension to file taxes must submit proof of the extension by April 30th. All required documents must be submitted within 15 days of the extension deadline. If a significant decrease in the reimbursement amount is determined, the difference, retroactive to May, will be subtracted from future reimbursements. If it is determined that the participant has not been eligible for PASREP then the participant will be expected to reimburse the program for the amount received during the period of ineligibility.

As previously noted, the threshold of 300% of the current federal poverty guidelines is used in determining eligibility. This information is published annually in the Social Security Bulletin Annual Statistical Supplement.

Every effort is made to require no more documentation than is necessary to determine eligibility and maintain the integrity of this program.

Monthly Reimbursement Requests

All program participants must sign up for direct deposit to receive reimbursement checks.

Participants must submit a completed monthly reimbursement form with corresponding signed timesheets by the 5th of each month, for the previous month, to their Regional PASREP office. The Regional PASREP office must submit reimbursement requests to the Mid-Michigan CIL by the 8th of each month. All reimbursement requests will be submitted to the Mid-Michigan CIL Accounting department by the 10th of each month. All reimbursement checks will be distributed by direct deposit on the 15th of each month. If the 15th falls on a Saturday, checks will be available on Friday the 14th. If the 15th falls on a Sunday, checks will be available on Friday the 14th. Late reimbursement requests will be processed the following month according to the same schedule. Repeated failure to turn in paperwork in a timely manner will result in a participant being placed on suspension, and ultimately termination from the program.

Suspension Status

If a participant is placed on suspension he/she will receive a letter explaining the reason for the suspension and the paperwork required to be reinstated. A participant's reimbursement checks will be held during the suspension period until all required paperwork has been submitted and approved. If the participant does not submit the required paperwork by the stated deadline then the reimbursements from the suspension period may be forfeited. Failure to meet the deadline will result in termination from the

program unless the participant as made approved arrangements with the Regional PASREP Representative.

Short Term Probationary Status

A short-term probationary status (usually no more than three months) may be approved if any of the eligibility criteria are not met. Typical reasons for probationary status may include:

- temporary lay-off from job
- health condition requiring short-term hospitalization, intensive OT/PT, or recuperation that requires an approved leave from work.
- reduction in hours of work to less than 24 hours per week whether voluntary or involuntary.
- reduction in pay to less than current minimum wage
- recurring problems with PAs that suggest an inability to manage the responsibility of being an employer

Such a probationary status must be documented in writing to the participant and should be noted in the participant's file. If a participant is in a probationary status period and will be terminated, the PASREP Regional Representative will provide written notification at least one month prior to the termination of the participant.

Termination

Participants must continue to meet the eligibility requirements of the program and submit required documentation to remain on the program. PASREP Coordinators will work with participants to assist them with understanding and meeting the requirements of the program related to record keeping and submission of documentation. However, program participants are ultimately responsible for following the policies and procedures of the program. Participants who do not follow PASREP policies and procedures may be terminated from the program. Some possible reasons for termination include, but are not limited to:

- Not meeting the basic eligibility criteria in the five areas of eligibility: 1) employment, 2) disability, 3) income, 4) need for personal assistance, 5) management of personal assistants.
- A demonstrated pattern of not submitting monthly reimbursement paperwork on time, or submitting incomplete paperwork.
- A demonstrated pattern of not submitting complete annual recertification documentation by the deadline.
- Submission of falsified documents.

Participants who are terminated from the program will receive a letter from the PASREP Coordinator which states the reason for termination. Participants may choose to appeal a termination by following the PASREP Grievance Policy. If it is determined that an overpayment occurred because of deliberate falsification of documents, repayment may be required.

Participants who are terminated from the program must wait one year from the date of termination to re-apply to the program.

PASREP Grievance Policy

If a participant has a complaint regarding the operations of the Program or the manner in which services or information was provided, the following procedure will be used:

1. **Speak With Your Regional PASREP Representative:**
If a participant disputes an action or decision made by a Regional PASREP Representative, the participant should discuss the dispute with that person. If the complaint is not resolved in an agreeable manner, the participant may file a report to the Management Committee.
2. **Appeal To The PASREP Management Committee:**
The participant should contact a member of the PASREP Management Committee to discuss the dispute or put the dispute in writing and submit it to a member of the Management Committee. Be aware that the Regional Representative will be involved in matters taken to the Management Committee. The dispute will be discussed at the next Management Committee Meeting and the participant will be provided with a written statement of the determination by the committee. If the situation is not resolved to the participant's satisfaction, he/she may take the matter to the PASREP Policy Committee.
3. **Appeal To The PASREP Policy Committee:**
The participant should contact a member of the Policy Committee to request a review or submit a written request for review to the Policy Committee. The dispute will be discussed at the next Policy Committee meeting and the participant will be provided with a written statement of the determination by the committee. The decision rendered by the Policy Committee will be the final decision in the appeal process.

Customer Response Time

When a program participant contacts either a Regional Representative or the Program Coordinator with any type of question or request related to the program, the Program Coordinator or the Regional Representative will try to respond to the participant within one business day but not more than three business days after initial contact. If the Regional Representative or Program Coordinator is expected to be out of the office for more than three days, then information about how long they will be out of the office and

an alternate contact person will be provided when the participant contacts a PASREP regional CIL office or the lead CIL office.

Monthly Variance in Reimbursement Amounts

In order to allow this Program to serve as many consumers as possible with limited funds available, it is important that the amount of reimbursement for each participant is appropriate for their needs. For this reason, if a participant submits 15% less than their allocated amount for over three consecutive months, their need for the existing level of reimbursement will be re-evaluated. For example, if eligible for a \$1000 reimbursement per month, and a participant turns in \$700 one month, \$654 the next, and \$800 the third, the PASREP Regional Representative will investigate why this variance has occurred.

Adjustments to Reimbursement Amounts

Due to fluctuations throughout the year in both individual reimbursement amounts and the number of participants in the program, at the end of each fiscal year the total amount that is dispersed for reimbursements is either over or under the amount that is in the budget. Therefore, towards the end of each fiscal year the budget will be reviewed to determine if the total amount of reimbursement for the year is over or under budget. If the total reimbursements are under budget then the reimbursement requests for all participants during the year will be reviewed and those participants who had personal assistance expenses beyond what they were reimbursed for will be reimbursed for some or all of those expenses, depending on the amount available in the budget. Only expenses that were reported on the monthly reimbursement requests will be considered for reimbursement. If the total reimbursements are exceeding the amount available in the budget then all participants will have their reimbursements cut by a percentage that is determined necessary to balance the budget.

Scope of Personal Assistant Services Covered by PASREP

The intent of this program is to provide financial assistance to participants for personal care and other assistance, which allows them to be employed. The scope of these tasks can vary widely depending on the participant's disability. For some individuals, these tasks may be self-care tasks such as eating, bathing, dressing, or toileting. For others who live alone, household tasks could also be included such as cleaning, transportation, shopping, snow removal/lawn care, meal preparation and errands. However, in situations where there are other household members who can or do complete these tasks for themselves and the participant, then these tasks should not be included in the hours reimbursed.

Also, the program is not intended to reimburse childcare. Limited physical assistance can be provided to help the parent get a child ready to go to daycare or school, but should not be the focus of the personal assistance provided.

If there are questions about the scope of personal services that are covered, discuss them with the PASREP Regional Representative and individual consideration will be provided. A PASREP Regional Representative may request additional information about the number of PA hours a participant is reporting. This could include a written statement explaining the need for the number of hours reported, a meeting with you in your home, or an assessment by an Occupational Therapist.

Transportation

Transportation to and from the primary workplace for individuals who cannot drive (and where appropriate public transportation is not available) can be included for reimbursement. Without approval by the PASREP Management Committee, the individual must also require other personal care assistance to participate in this program. Where only transportation is required, the local CIL representative should assist the individual in exploring options such as public transportation, car-pooling, employer accommodations and other funding sources.

Funding for transportation to a site other than the primary workplace can be occasionally provided, but if this were an essential function of the job (i.e. travel to various sites on a routine basis), this would require approval from the PASREP Management Committee.

Use of Relatives/Spouses in Same Household as Personal Assistants

It is not recommended that a spouse/significant other, or family member living in the same household, provide regular personal assistance to participants. However, as an emergency back up or with special consideration, this may be necessary. The following conditions will apply to this situation:

- The person acting as a personal assistant must be at least 18 years old.
- That person will be paid only the current Federal minimum wage per hour.
- The combined working hours of that person, both in the home as a PA and any outside employment, should not exceed 50 hours per week.
- The person does not provide more than 40 hours per week of personal assistance needs.

In order to use a spouse/significant other or family member within the same household as a regular personal assistant, approval must be obtained from the Regional PASREP Representative.

Participant's who pay a spouse for PA services must report that income as part of their total household income for determining eligibility for the PASREP program. Note that increasing total household income can affect the amount of reimbursement eligibility. The participant is responsible for complying with all tax and employment laws related to hiring a spouse or other family member as an employee.

***Please note. This is a reimbursement program, if the amount reported as paid to a spouse is not an actual expense for PA services then it can not be reimbursed.

Limits on Reimbursable Hourly Rates for Personal Assistants

In order to serve as many participants as possible and fairly distribute the limited available funds, there is a maximum hourly rate that can be paid to personal assistants through this Program. For private PAs, the limit is \$18 per hour, and for agency personnel, \$28 per hour. Exceptions may be authorized for those who require personnel who must have special skills such as complex medical procedures (i.e. wound care, respiratory treatment). Exceptions can also be requested from the PASREP Management Committee.

If a participant feels that reliable and qualified PAs cannot be found in their community with these restrictions, or are currently paying more, they should contact their PASREP representative to discuss and resolve the discrepancy. If a participant wishes to pay their PAs more, and the PASREP Regional Representative does not find it justified, the participant can use their own funds to supplement the cost difference.

For services other than personal assistance i.e. snow removal or lawn care for those who live alone, exceptions are available, upon discussion with the PASREP representative. The hourly limits will be re-evaluated on a yearly basis by local CIL representatives.

Waiting List Policy

When all the current year's funds are allocated to participants already on the PASREP Program, a waiting list will be maintained for those who qualify. Initially an applicant will be asked to fill out a waiting list application which gives basic information but is no means inclusive of the application process. The waiting list will record the date an application is received by the PASREP Regional Representative.

The waitlist application may be completed by phone with the Program Coordinator or any of the Regional Representatives, or by completing the waitlist application form and submitting it to the Program Coordinator. Within one week of receiving a waitlist application the Program Coordinator will notify applicants either by mail, email, or by phone that their application has been received and that the person has been placed on the waitlist. If it appears that the person will not qualify for the program the Program Coordinator will clarify the eligibility requirements of the program to the applicant. The applicant can then decide whether or not to be placed on the waitlist as placement on the waitlist is not a determination of eligibility.

On at least a quarterly basis the PASREP Program Coordinator, in conjunction with PASREP Management Committee members, will determine the funds available to add additional participants to the Program. When an opening on the program is imminent, the person at the top of the list will be notified either by phone or mail that an opening is available or expected to be available soon, and an application packet will be mailed to the

person. When the completed application with required documentation is received by the Program Coordinator eligibility will be determined. The applicant will be informed of their eligibility determination within three business days after the Program Coordinator has received the completed application and supporting documentation. If a person is not eligible at the time that an opening is available but the person expects to be eligible in the future, the person will remain on the waitlist.

Information on the number of applicants on the waiting list will be included in each quarterly report as well as the annual summary report at the end of the fiscal year.