



## Financial Management Services

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*"Creating Opportunities for People"*

DATE: March 10, 2020

TO: Banking Committee

FROM: Carol Bohnet, CEO, Allied Community Resources, Inc.

Don Waddell, Vice President, Allied Community Resources, Inc.

RE: HB5426 AN ACT CONCERNING LIENS FOR UNPAID WAGES AND A REQUIREMENT THAT FISCAL INTERMEDIARIES MEET EMPLOYER TIMELY PAY OBLIGATIONS

Good Morning Senator Kasser, Representative Lopes, Senator Berthel, Representative Delnicki, and distinguished members of the Banking Committee.

Our names are Carol Bohnet, CEO and Donald Waddell, Vice President of Allied Community Resources. Allied Community Resources is a non-profit community service provider contracted by the State of Connecticut Departments of Social Services and Developmental Services to provide fiscal intermediary services for participants in the State's self-directed, community-based State and Medicaid Waiver Programs.

H.B. 5426 AN ACT CONCERNING LIENS FOR UNPAID WAGES AND A REQUIREMENT THAT FISCAL INTERMEDIARIES MEET EMPLOYER TIMELY PAY OBLIGATIONS would effectively erode the rights of the program participants (consumer) to self-direct their own services as household employers and place potential unfair financial burdens on fiscal intermediaries who are enforcing program rules set by the State of Connecticut and approved by the Centers for Medicare and Medicaid Services (CMS).

The fiscal intermediary role is to communicate directly with and support the self-directed program participant and/or their representative as household employers and not to circumvent their employer role. As a non-profit community service organization, Allied understands and sympathizes with the household employees whose pay is impacted. The fiscal intermediary also has fiduciary responsibilities to safeguard the State program funds and has contractual requirements to follow and enforce the State and federal program rules, many of which are included to prevent fraud.

For the Committee's information in considering H.B. 5426, in January 2020, Allied processed an average of 9,800 timecards weekly:

- An average of 9,626 (98.2%) weekly were **processed timely** (by Friday following the pay week)
- An average of 1,004 (10%) timecards had errors weekly
  - Of the 1,004, a weekly average of 830 corrected timecards were processed timely after contact by Allied and correction by the employer.
- An average of 174 timecards weekly are not able to be paid by Friday. Less than 1% (0.017%)

Of the 174 unpaid timecards:

- An average of 72 (0.7% of the **total** timecards received) per week cannot be paid out of program funds because of program rules such as eligibility, hospitalizations, deceased or over plan budgets. These timecards require State intervention and approval to be paid.
- 102 (1% of **total** timecards received) Allied is not authorized to pay due to provider errors which fall under the State’s quality assurance regulations to prevent fraud. Most, once corrected, are paid no later than the following week.

Additionally, Allied receives an average of 200 blank pages via FAX weekly. Since fiscal intermediaries are not informed of employee schedules and not routinely or immediately informed of resignations, terminations, hospitalizations or other factors impacting the household employer/participants’ payroll, we have no way to determine what or who the blank pages are from, and subsequently, which timecards may be missing; other than, employers contacting Allied after receiving our automated communications confirming the receipt non-receipt of timecards.

Our fiscal intermediary role supports the self-directed program participant employer by communicating directly to them, often about personal information related to themselves and their plan which is private HIPAA and Medicaid protected health information. Communicating to the employer directly supports not only self-direction, but also the employer’s responsibility to ensure accurate documentation has been submitted for all their employees. Weekly communications to employers include information about errors. Allied also sends weekly automated communications to providers (PCAs) confirming payment.

We oppose H.B. 5426 and respectfully request that the Committee considers our testimony in opposing this bill. Please contact us if you require further information. Thank you for your time and this opportunity to submit testimony.

Respectfully,

Carol Bohnet, CEO  
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