

Important Payment Information

Family Member Vendors (Service Code 420 and 405)

Effective 08/27/2004, the Department of Developmental Services (DDS) approved new regulations that effects how you hire workers, how you must bill NLACRC for reimbursement of your respite and/or day care services, and the records you must keep. According to the new regulations, you have ninety (90) days, or until December 1, 2004, to come into compliance with the new regulations. In order to assist you with understanding these new regulations, NLACRC has summarized the major changes below:

What you need to know about being a Family Member Vendor under the new regulations

- When you participate in the Family Member Vendor program for respite and/or day care services, the worker you hire is typically considered your employee and therefore, you would be considered the worker's employer.
- You may have a responsibility to withhold and pay the appropriate Federal, State, and local taxes from the worker's wages. You will need to contact a CPA or tax professional to determine your responsibility to report worker's wages and payroll taxes.
- You must use the new "Respite Services billing Form (DS 1811 8/2004) when submitting your request for reimbursement from NLACRC. NLACRC has enclosed the new form and recommends that you begin using the new form immediately.
- You must keep maintain complete records to support all your billing/invoicing to NLACRC for five years.
- You may need to increase your insurance needs or obtain insurance, such as worker's compensation. You will need to contact your insurance agent to determine your additional insurance needs.
- The worker you hire to provide respite and/or day care services to the consumer must be at least eighteen (18) years of age.
- You are responsible for ensuring that each worker possesses the skill, training, or education necessary to provide the service.
- You must complete a Home & Community-Based Services Provider Agreement (6/99). This agreement will be mailed to you separately by NLACRC's Community Services Department.

What you need to know about billing NLACRC for services

Title 17, section 54355(b)(4) requires all Family Member Vendors to use the new "Respite Services Billing Form" (DS 1811 08/2004), to bill and receive reimbursement from NLACRC. The enclosed "Respite Services Billing Form" replaces the attendance sheet that you have used in the past. NLACRC recommends that you discard all old attendance sheets and begin using the new "Respite Services Billing Form". Effective December 1, 2004, you must use the "Respite Services Billing Form" instead of the old attendance sheet. The "Respite Services Billing Form" must be submitted with your Provider of Care Claim each month in order to receive reimbursement from NLACRC. Effective December 1, 2004, if the "Respite Services Billing Form" or the Provider of Care Claim Form is incomplete or missing, your payment could be delayed until the missing information is received by NLACRC.

What you need to know about maintaining records

As a vendor, periodically you will be audited either by NLACRC or other outside agencies such as DDS, The U.S. Department of Labor, Internal Revenue Service (IRS), or Employment Development Department (EDD). NLACRC recommends that you maintain the following types of records to verify payment of wages to the worker, to verify the delivery of service hours to the consumer, and to be in compliance with the record-keeping requirements mandated by Title 17 and other State and Federal organizations. The records described below must be maintained for a minimum of five years.

| | |
|---|--|
| 1 | Original, signed time cards by the worker to record days and times worked by the worker. |
| 2 | Payroll registers or other records to document how the worker's wages were calculated. |
| 3 | Copies of cancelled checks, money orders, cashiers checks issued to the worker to document the wages paid to the worker. Copies of cancelled checks, money orders, or cashiers checks issued to the IRS and/or EDD to document the payroll taxes paid to the IRS and/or EDD. Copies of bank statements to document check payments. |
| 4 | Copies of IRS and/or EDD tax forms to document payroll taxes withheld and the worker's wages reported to the IRS and/or EDD. These records may include, but are not limited to, IRS Form W-2, IRS Schedule H, and EDD Form DE6. |
| 5 | Employee/Worker information, including social security, birth, worker's address, and worker's phone number. |
| 6 | Copies of the Provider of Care claim form and "Respite Services Billing Form" submitted to NLACRC for reimbursement. |

How you can obtain more information on record keeping requirements:

If you have questions about this information, NLACRC recommends that you visit our website for more information. Additionally, NLACRC recommends that you contact either a CPA or tax professional for advice or contact the following agencies for more information and assistance:

| Agency Name | Information to Look For | Website or Phone Number |
|--|--|--|
| NLACRC | Training schedule Form DS 1811 (08/2004) Home & Community Based Services Provider Agreement | www.nlacrc.org 818-778-1900 |
| Department of Developmental Services | Title 17, section 54355 and 54326 Respite Services Billing Form | www.dds.ca.gov |
| U.S. Department of Labor | Wages Recordkeeping & Reporting | www.dol.gov |
| Internal Revenue Service | Publication 926 Schedule H | www.irs.gov 800-829-1040 |
| Employment Development Department (EDD) | Publication DE8829 Form DE6 | www.edd.gov.ca 888-745-3886 |