

# SELF-DIRECTION

## Budget Management



### CASH EXPENDITURE PLANS

The Participant's self-directed budget is authorized by the Department of Human Services (DHS) based on a daily dollar amount for services and a total number of hours approved for services. The services are divided into two categories - Personal Care and Attendant Care. You should speak with your DHS Nurse about what services you qualify for, based on your needs, and why. Palco can only pay for services that are approved in the plan by DHS. To help Employers manage their plan and stay within their allotted hours and funds, your Palco Support Coordinator will assist you in laying out a Case Expenditure Plan.

### EXAMPLE

Participant Name: Jane Doe	Palco ID: 012345
Medicaid ID: JD221212 (A) Employer Tax Rate: 3.40%	Budget Effective Date: 01/01/2021 (B)
Total Budget for all Services (biweekly total): \$750.00 (C)	

Budget for Personal Attendant Services- 14 DAY Period				
	(D) Employee Hourly Rate	(E) Rate Plus Tax	(F) Hours	Cost of Hours
Personal Care Service:	\$ 11.00	\$ 11.374	36	\$ 409.46
Attendant Care Service:	\$ 11.50	\$ 11.891	24	\$ 285.38
			<b>Total</b>	<b>\$ 694.85 (G)</b>

- (A) **Employer Tax Rate:** This percentage represents the total amount Palco must collect in addition to the workers hourly wage for required employer taxes.
- (B) **Budget Effective Date:** This is the date DHS has determined your budget can start. Palco cannot pay for any services before this date.
- (C) **Total Budget for all Services:** This is the total budget your are allocated for 2 weeks (14 days). Palco cannot pay for any services beyond this dollar amount.
- (D) **Employee Hourly Rate:** This is the amount of pay your worker will be paid. You, as the legal employer of record, establish this rate using the Rate of Pay form.
- (E) **Rate Plus Tax:** This is the total amount your employee costs your budget for every hour worked. It is their hourly rate plus your employer tax rate.
- (F) **Hours:** This is the total number of hours approved in your plan of care by your DHS Nurse. Palco cannot pay for any services that exceed your approved hours.
- (G) **Total:** Once all the fields are input, this will populate the total cost of services for a two week period. This amount must be less than your total budget for all services (C).

# SELF-DIRECTION

## Budget Management



### OTHER GOODS

You have the option to use your funds to purchase other goods and services, which allow you to decrease your need for human assistance and increase your independence. Typically, these items are set up on a recurring basis and must be used in the period for which they are allocated.

Some examples of these goods include home modifications, medical equipment, and communication devices.

### SAVINGS

You have the option to set aside some of your funds to save up for a more expensive good or service if approved by your DHS Nurse. This can be indicated in the "savings" section of the Case Expenditure Plan. You must ensure this amount combined with your total direct care services does not exceed your total budget amount. Palco will collect the allocated "savings" amount and assist with the payment/purchased of the approved good or item once the savings balance has reached the full amount needed.

### STAYING IN BUDGET

As mentioned above, Palco cannot pay for services that exceed the approved authorized amount. This includes funds for services as well as hours. If a timesheet is submitted or a request made that is beyond the approved amount, Palco will do validations to reject this request and not issue payment. As the legal employer of record, you must ensure your workers are paid for all time worked per State and Federal laws. If you schedule your worker beyond the approved budget and Palco cannot pay, the responsibility of payment to the worker is the responsibility of the Employer. To prevent this, we recommend you schedule your workers accordingly and monitor your spending and utilization regularly.

### REVIEWING UTILIZATION

Palco provides self-directing employers access to several reports in the Connect system to assist you with monitoring and managing your utilization in real time. You can view pay stubs, reports and spending summaries that will assist you with tracking all of your spending and allow you to make a decrease or change if you are risking over utilization. For more information on these reports and help with accessing them, speak with your Support Coordinator.

