

# Self-Directed Services in Oklahoma

## Lesson 2: Developing a Budget



This course was developed by Developmental Disabilities Services of the Oklahoma Department of Human Services and the Center for Learning and Leadership/UCEDD.

# DEVELOPING THE BUDGET

**The budget is based on need. It is an estimate of how much the selected supports and services will cost. When developing the budget you must follow DDS and OHCA policy.**

**SDS gives you the authority to use your budget, within Medicaid guidelines, to meet your needs in a variety of ways.**

**You must consider the most appropriate method to pay for the services and supports you need. For instance, you may be able to access the services you need through SoonerCare or family, friends and community organizations may be able to provide help.**

**When creating your budget, think about what you will need for the entire year. Make sure you budget for special, higher-cost items such as a replacement wheelchair. If your budget will be paying for staff, consider the number of hours you will need each week as well as the possibility of additional hours needed during summer or holidays.**



# WHAT SUPPORTS ARE AVAILABLE?

You must choose services and supports related to the needs of the individual receiving services. Here are some support options you may want to consider. Options listed in blue are only available through SDS. Those in black may be accessed through both traditional and SDS options. Keep in mind you can combine both SDS and traditional services to maximize your budget. Remember, the services must be necessary and not available through other payment sources.

- Someone to teach/assist with self-care, independent living skills and leisure skills
- Job Coaching
- Adaptive equipment
- Swimming lessons
- Gym memberships
- Camps
- Therapeutic horseback riding



Some services for children and adults are covered by different payment systems. Your case manager can help you determine which service types are covered through Self-Directed Services.



# WHAT SUPPORTS ARE NOT COVERED?

Items that do not meet Medicaid or other policy guidelines are not covered. In addition, the following items cannot be included in your SDS budget:

Goods and services paid for by:

- Private insurance
- The Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program for children
- SoonerCare
- Oklahoma State Department of Education programs including home-based schooling and school-based vocational services (SDS does not pay for services during the time a child is normally in school)
- Copayments for medical services
- Personal items and services not related to the individual's disability
- Experimental treatments or drugs not approved by the U.S. Food and Drug Administration
- Room and board, including rent and mortgage payments
- Computers (unless there is a service necessity, like a communication device)
- Costs related to internet access
- Vacation expenses, including staff expenses such as air fare, hotel cost and mileage. You may include the cost of typical goods and services while on vacation
- Tickets and related costs to attend recreational events
- Insurance or warranties
- Vehicle maintenance or any other transportation related expense



# CALCULATING THE BUDGET

The next few screens provide a brief, step-by-step explanation of how a budget is calculated. Your budget may or may not look like our example. This example includes purchases made through the SDS option and the traditional option.

When you calculate your budget, you must consider the following:

- Fiscal agent administrative fee
- Employee costs -- In SDS, an employee or staff person is called a Self-Directed - Habilitation Training Specialist (SD-HTS) or Job Coach (SD-job coach)
- Goods and Services

## Fiscal Agent Administrative Fee

You must include the fiscal agent's administrative fee when calculating the budget. This fee is to cover the fiscal agent's costs of processing payroll, taxes, and so on for you. To determine the current administrative fee, contact your case manager or the fiscal agent. An example is shown in Figure 1.

### Figure 1: Fiscal Agent Administrative Fee

The monthly administrative fee for first year:  
First 3 months is \$150 ~  $\$150 \times 3 = \$450.00$   
Next 9 months is \$ 86 ~  $\$ 86 \times 9 = \underline{\$774.00}$   
Total first budget year                      \$1224.00



# CALCULATING THE BUDGET

## Employee Costs

Your employee costs include payroll, CPR/first aid training, and background check fees.

**Payroll:** Let's say your plan of care includes hiring a Self-Directed – Habilitation Training Specialist (SD-HTS) or a Job Coach (SD-job coach). You need to estimate the cost for the entire year. You need to decide:

- How many hours you will need someone to help
- How much you will pay that person per hour

**Calculating SD-HTS Costs:** The lowest and highest SD-HTS hourly pay rates that you may pay an employee can be found on the “Show Me the Money” payroll calculation sheet for SD-HTS. The fiscal agent will process the payroll, including calculating and reporting employment taxes, etc.

You must pay your SD-HTS at least minimum wage as required by federal law. Currently, minimum wage is \$7.25 per hour. In addition, the state sets a maximum approved rate for SD-HTS services. The maximum rate is currently \$18.35 per hour. The wage you pay an SD-HTS, plus employer costs (Social Security, Medicare, federal and state unemployment taxes and worker compensation insurance expenses) cannot be more than \$21.04 per hour.

Figure 2 on the next screen, shows an example based on the rates above.



# CALCULATING THE BUDGET

## Employee Costs - continued

### Calculating SD-HTS Costs

The amounts listed in Figure 2 are examples only, as the minimum wage and the maximum waiver rate are subject to change.

Figure 2: Example	SD-HTS Wage	Your Total Cost
SD-HTS wage based on the Minimum wage (lowest amount that can be paid to the SD-HTS)	\$7.25 Per hour	\$8.32 Per hour
SD-HTS wage based on the maximum Waiver reimbursement wage	\$18.35 Per hour	\$21.04 Per hour

If you sign up for SDS, the fiscal agent will give you a complete and up-to-date “Show Me the Money” payroll calculation sheet for SD-HTS that shows how much will be deducted from your budget based on the hourly rate you decide to pay your SD-HTS.

On the next screen, we will look at another example.



# CALCULATING THE BUDGET

## Employee Costs - continued

### Calculating SD-HTS Costs

Let's say that you have decided to pay your SD-HTS \$10.11 per hour and using the calculation sheet supplied by the fiscal agent, you find that when you pay that amount your total employer costs are \$11.60 per hour. The next step is deciding how many hours you will need assistance. You need an SD-HTS three to four hours per day, five days a week, plus an occasional Saturday. Based on those facts, you estimate that you need the SD-HTS to work 1,115 hours during the year (Figure 3).

#### Figure 3 - Example

4 hours per day X 5 days = 20 hours  
20 hours X 52 weeks = 1040 hours  
5 hours X 15 Saturdays = 75 hours

1,040 hours  
+ 75 hours  
1,115 total hours

The calculation in Figure 4 below shows the total plan year budget for SD-HTS services based on the total hours from Figure 3.

#### Figure 4 - Example

**Total Payroll Calculation:**

1,115 hours x \$11.60 per hour = \$12,934.00

You would include the total from Figure 4 in your SDS budget.



# CALCULATING THE BUDGET

## Employee Costs - continued

**Calculating SD-job coach Costs:** The lowest and highest SD-job coach hourly pay rates that you may pay an employee can be found on the “Show me the Money” payroll calculation sheet for SD-job coach. The fiscal agent will process the payroll, including calculating and reporting employment taxes, etc.

You must pay your SD-job coach at least minimum wage as required by federal law. Currently, minimum wage is \$7.25 per hour. In addition, the state sets a maximum approved rate for SD-job coach services. The maximum rate is currently \$27.25 per hour. The wage you pay an SD-job coach, plus employer costs (Social Security, Medicare, federal and state unemployment taxes and worker compensation insurance expenses) cannot be more than \$31.24 per hour.

Figure 5 on the next screen, shows an example based on the rates above.



# CALCULATING THE BUDGET

## Employee Costs - continued

### Calculating SD-job coach Costs

The amounts listed in Figure 5 are examples only, as the minimum wage and the maximum waiver rate are subject to change.

Figure 5: Example	SD-job coach	Your Total Cost
SD-job coach wage based on the Minimum wage (lowest amount that can be paid to the SD-job coach)	\$7.25 Per hour	\$8.32 Per hour
SD-job coach wage based on the maximum Waiver reimbursement wage	\$27.25 Per hour	\$31.24 Per hour

If you sign up for SDS, the fiscal agent will give you a complete and up-to-date “Show Me the Money” payroll calculation sheet for SD-job coach that shows how much will be deducted from your budget based on the hourly rate you decide to pay your SD-job coach.

On the next screen, we will look at another example.



# CALCULATING THE BUDGET

## Employee Costs - continued

### Calculating SD-job coach Costs

Let's say that you have decided to pay your SD-job coach \$20.93 per hour and using the calculation sheet supplied by the fiscal agent, you find that when you pay that amount your total employer costs are \$24.00 per hour. The next step is deciding how many hours you will need assistance. You need an SD-job coach three to four hours per day, five days a week. Based on those facts, you estimate that you need the SD-job coach to work 1,040 hours during the year (Figure 6).

#### Figure 6 - Example

4 hours per day X 5 days = 20 hours  
20 hours X 52 weeks = 1,040 total hours

The calculation in Figure 7 below shows the total plan year budget for SD-job coach services based on the total hours from Figure 6.

#### Figure 7 - Example

Total Payroll Calculation:

1,040 hours x \$24.00 per hour = \$24,960.00

You would include the total from Figure 7 in your SDS budget.



# CALCULATING THE BUDGET

## Employee Costs - continued

As you calculate the costs of hiring SDS staff, you should ask yourself the following and decide if you will include it in your budget estimate.

- Will you need your SDS staff more hours during the summer, during holidays, etc.? If yes, as in the example in Figure 3, estimate the hours and include them in the payroll calculation.

## Background checks

Employee background checks must be included in your budget calculation. You should estimate enough money for background checks for each new SDS staff member. The fiscal agent processes the background checks for you. The costs vary, starting at \$16.00 per employee. If you think you will hire two employees, you would budget at least \$32.00 for background checks. (See Figure 8 on the next screen)



# CALCULATING THE BUDGET

## Employee Costs - continued

### Training

DDS provides free training. However, there may be a cost for some courses not taken through DDS, such as medication administration training. You may pay for it out of your budget. You will learn more about the training requirements later in this course. Figure 8 is an example of estimated background checks and training costs. (Training costs vary.)

#### Figure 8 – Example of Background Check and Training Costs

##### Background Check Calculation:

$\$16.00$  per check x 2 staff =  $\$32.00$

##### Training Calculation:

$\$35.00$  medication administration course x 2 staff =  $\$70.00$



# CALCULATING THE BUDGET

## SD Goods and Services

The SDS option gives you a chance to think of non-traditional ways to meet your needs. SD Goods and Services are incidental, non-routine goods and services that promote the individual's self-care skills, daily living skills, general household skills and leisure skills needed to reside successfully in the community.

Let's look at some examples.

- Your 25 year old son needs weekly physical therapy services. What if he could go to the gym every week to do his exercises and only see the physical therapist once every three months for follow-up? Going to the gym may meet his physical therapy needs and encourage his community involvement.
- Your child attends school and receives speech therapy services. Would social groups focused on music or reading or a summer day camp designed to enhance communication skills supplement the school services?
- Would recreational programs and specialized camps, which focus on independence be beneficial?
- The above examples are focused on improving community involvement.



# CALCULATING THE BUDGET

## SD Goods and Services – continued

Figure 9 shows estimated costs for camp and swim lessons. You must have prior approval from the DHS-DDS state office before purchasing SD Goods and Services using waiver funds.

The following must be provided to your case manager for consideration of non-traditional SD Goods and Services:

- A letter from a licensed professional, i.e., your physician, occupational or physical therapist, or speech-language pathologist recommending the non-traditional goods and services. The letter must explain why it would be beneficial, i.e., the physical activities of swimming enhance the work of the therapist and integrate the individual into the community setting.
- A copy of a brochure, an invoice or bill showing the exact cost of the goods or services and exact dates. (Example: dates of camp = June 1-5, 2022)

### Figure 9 - Example

SD Goods and Services Calculation:  
\$350.00 (camp)  
\$200.00 (swim lessons)

If you have any questions about purchasing non-traditional goods and services, contact your case manager.



# CALCULATING THE BUDGET

## SD Goods and Services – continued

When you buy anything using your SDS budget, keep the following in mind:

After receiving DDS approval and before buying goods and services, make arrangements with the vendor concerning payment. Make sure the vendor understands that payment is only made after services have been provided. The check must be made out to the vendor, it cannot be made out to you.

After DDS approval you will request that the fiscal agent process a check made out to the vendor. State law requires that services, such as swim lessons, be paid for after the service has been provided. There is a request for vendor payment form that you will complete and send along with supporting documentation to the fiscal agent.

[\(The form mentioned above and step-by-step instructions about how to complete it can be found in the forms training guide.\)](#)

Some services must be purchased using the traditional wavier option. The next slide will provide you with additional examples of purchases which must be made using the traditional service option.



# SERVICES THROUGH THE TRADITIONAL SERVICES OPTION

## Goods and Services With Traditional Option

If the service recipient is under 21 years of age, the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Program covers the cost of the following services and they will not be included in your plan of care:

- Therapies including physical therapy, occupational therapy, speech therapy
- Enteral Formula, if used with a feeding tube
- Assistive technology

For adults, the goods and services listed above as well as the following services are only available through the traditional services option.

- Adult day care services through a licensed facility
- Home modifications through an approved DDS contractor
- Dental services
- Eyeglasses

Make sure to include the costs of services provided through the traditional option when you are calculating your total plan of care budget.

### Figure 10: Example of some purchase calculations through the traditional service option

\$1,100.00 (therapy, if over 21)  
\$675.00 (transportation)  
\$2,100.00 (home modifications)



# CALCULATING THE BUDGET – PUTTING IT ALL TOGETHER

Now that you have some idea of how much it will cost to hire SDS staff and buy other things you need, it's time to put it all together to create the budget and share it with your case manager.

Your SDS budget has two categories:

1. Self-Directed Staff that includes a Habilitation Training Specialist (SD-HTS) and/or Self-Directed Job Coach (SD-job coach) and all related costs and expenses.
2. Self-Directed Goods and Services (SD-GS) and all related costs and expenses such as supplies, equipment and so on.

In Figure 11 below, you have totaled all of your estimated costs (based on the example calculations from the previous screens) into three categories – SDS staff costs, SD-GS costs and traditional option costs. (Please note, this example only includes the costs for an SD-HTS.)

Figure 11 – Example for an adult receiving services		
<i>SDS Staff</i>	<i>SD-GS</i>	<i>Traditional option</i>
\$12,934.00 (SD-HTS payroll)	\$350.00 (camp)	\$1,100.00 (therapy, if over 21)
32.00 (background checks)	<u>+200.00 (swim lessons)</u>	675.00 (transportation)
<u>+70.00 (training costs)</u>	\$550.00	<u>+2,100.00 (home modifications)</u>
<b>\$13,036.00</b>		<b>\$3,875.00</b>



# CALCULATING THE BUDGET – PUTTING IT ALL TOGETHER

You are almost done! Next, add together your estimated costs in all categories, plus the fiscal agent administrative fee. Figure 12 shows a total budget estimate for our example.

**Figure 12**

\$13,036.00	SD-HTS estimate
550.00	SD-GS estimate
3,875.00	Traditional option estimate
<u>+1,224.00</u>	<u>Fiscal agent administrative fee</u>
\$18,685.00	Total budget estimate

Now that you have an estimate of what it will take to meet your needs for the year, talk with your case manager about how much money will be needed in each category.

You should be prepared to share with your case manager how you calculated the various costs in your budget. After receiving this information, your case manager will process the needed paperwork.

You will receive a *Notice of Authorization to Receive HCBW Services*. Your case manager will send information about your SDS budget to the fiscal agent.



# CALCULATING THE BUDGET – PUTTING IT ALL TOGETHER

The next two screens provide some additional examples, showing a comparison of budgets. Below is an example of a service budget for a child. On the left is an example budget for the traditional service model, with services and supports provided through a contract provider agency. At right, the same example using the self-directed services option.

**Figure 13: Example of a Child’s Budget**

Traditional Option	Self-Directed Option
<p>\$ 16,832*(800 HTS hrs)            + 975 specialized medical supplies  <u>\$ 17,807 total budget</u></p>	<p>\$16,688*(1143 SD-HTS hrs)            32 background checks            1,224 administrative fee            + 105 SD-goods and services  <u>\$18,049 total budget</u></p>
<p>*\$21.04 per hour HTS rate x 800 hours paid to agency. Actual wage paid to HTS varies by agency.</p>	<p>*You decide to pay the SD-HTS \$12.74 per hour. The total amount, including all other expenses, is \$14.60 per SD-HTS hour x 1143 hours. (numbers rounded to next highest)</p>

Notice that in this example you can afford more SD-HTS hours than through the traditional provider agency option. However, if there are some significant supply or equipment needs during the budget year, you may want to reduce the number of SD-HTS hours and increase the SD-goods and services budget.



# CALCULATING THE BUDGET – PUTTING IT ALL TOGETHER

Now let's look at an example for an adult. Again, on the left is an example budget for the traditional service model, with services and supports provided through a contract provider agency. At right, the same example using the self-directed services option. Notice that they are both purchasing the same number of staff hours, but there is a significant difference in the cost. The self-directed services option allows for more goods and services to be purchased while still maintaining a lower overall budget.

**Figure 14: Example of an Adult's Budget**

Traditional Option	Self-Directed Option
<p>\$21,040*(1000 HTS hrs)            975 transportation  <u>+ 830 specialized medical supplies</u>  <b>\$ 22,845 total budget</b></p>	<p>\$14,600* (1000 SD-HTS hrs)            32 background checks            1,224 administrative fee            975 transportation**  <u>+ 1,210 SD-goods and services</u>  <b>\$18,041 total budget</b></p>
<p>*\$21.04 per hour HTS rate x 1000 hours paid to agency. Actual wage paid to HTS varies by agency.</p>	<p>*You decide to pay the SD-HTS \$12.74 per hour. The total amount, including all other expenses, is \$14.60 per SD-HTS hour x 1000 hours. (numbers rounded to next highest)</p> <p>**If transportation is included, the SD-HTS must have a transportation contract with OHCA.</p>



## FINAL NOTE

**It is important for you to know that you must pay out-of-pocket if any services:**

- **have not been identified and approved in your budget**
- **cost more than the amount approved in your budget**
- **have been provided by an unqualified provider (employee) – untrained, background check not completed, etc. You will learn more about employee and personnel requirements in Lesson 3.**



# CONGRATULATIONS!

You have completed Lesson 2, an overview of budget development.

In Lesson 3, you will learn more about managing staff including hiring, training and firing staff.

When all of the lessons are completed, you will hopefully have a better understanding of the Self-Directed Services option and whether it is right for you.

