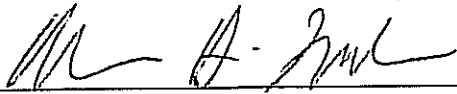


**APPENDIX H - PROPOSAL COVER SHEET
COMMONWEALTH OF PENNSYLVANIA
DPW/BFO - Division of Procurement/OLTL and ODP**

Enclosed in three separately sealed submittals is the proposal of the Offeror identified below for the above-referenced RFP:

Offeror Information:	
Offeror Name	PCG Public Partnerships, LLC
Offeror Mailing Address	148 State Street Boston, MA 02109
Offeror Website	https://www.publicpartnerships.com/
Offeror Contact Person	Marc H. Fenton
Contact Person's Phone Number	617-717-0023
Contact Person's Facsimile Number	617-717-0085
Contact Person's E-Mail Address	MFenton@pcgus.com
Offeror Federal ID Number	[REDACTED]

Submittals Enclosed and Separately Sealed:	
☒	Technical Submittal
☒	Disadvantaged Business Submittal
☒	Contractor Partnership Program Submittal
☒	Mentor Protégé Program
☒	Cost Submittal

Signature	
Signature of an official authorized to bind the Offeror to the provisions contained in the Offeror's proposal:	
Printed Name	Marc H. Fenton
Title	President of PCG Public Partnerships, LLC

FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM WITH THE OFFEROR'S PROPOSAL MAY RESULT IN THE REJECTION OF THE OFFEROR'S PROPOSAL

March 30.2012

Patricia Clark
Office of Long-Term Living
55 Walnut Street, Forum Place
Harrisburg, PA 17101
Ra-rfa22-11@pa.gov

Re: RFA #22-11

Dear Ms. Clark:

PCG Public Partnerships, LLC (PPL) is pleased to submit this proposal in response to the RFA for Vendor Fiscal/Employer Agent Financial Management Services (VF/EA FMS) administered by the Department of Public Welfare's Office of Long-Term Living and Office of Developmental Programs and the Pennsylvania Department of Aging. We understand that the Commonwealth would like to provide consistent VF/EA FMS across the waivers and state-funded programs that are in accordance with federal, state and local rules and regulations. PPL would be proud to partner with DPW in support of this effort.

PPL is a subsidiary of Public Consulting Group, Inc. (PCG), an international consulting company that serves public health, human services, and educational agencies. Founded in 1986 and based in Boston, PCG employs approximately 1,000 staff located in 35 offices across the country, and in Canada and Poland. Founded in 1999, and also based in Boston, PPL employs over 250 staff in offices located in 8 states. PPL is focused on supporting public agencies to design and implement participant-directed program models using sound program management practices and best practice information technology.

There are a number of reasons why PPL is the right choice for the DPW Participant-Directed Services Programs:

PPL is most experienced provider of financial management services in the country, providing financial management and related supports for self-directed programs in 21 states and the District of Columbia, serving more than 39,000 participants annually. PPL began by working with the Robert Wood Johnson Foundation's National Self Determination Grant initiative in the late 1990's. Today, we serve 43 programs, including programs the size of the regions/lots in the Commonwealth. Some serve as many as six different waiver groups. We understand the complexities of managing multiple waivers and programs and we have successfully coordinated programs with multiple and diverse stakeholders. Since we provide all services in-house, we have developed an extensive body of operational knowledge and national best practices on all aspects of self-directed services. We focus on the services and supports that

allow persons requiring long-term care to remain in their home and we seek to do that in a manner that is not administratively burdensome to the consumers or their providers. Most importantly, we pay strict attention to federal, state and local rules and regulations to ensure that our service is provided in compliance with applicable laws and regulations.

PCG and PPL have a long and established record of supporting the Commonwealth, DPW, and Pennsylvania counties. Between 1997 and 2003, Marc Fenton, PPL's President, worked with 20 Pennsylvania counties on a variety of projects related to the county-based *Health Choices* program. In 2004, PPL was hired to serve as York and Adams County's vendor/fiscal employer agent. We remained in that position until 2008. Since 2003, PCG has worked with the School District of Philadelphia to store and analyze special education information. Since 2007, PCG has enjoyed a successful relationship helping DPW ensure Title IV-E claiming is in compliance with federal and state regulations. We propose to build upon our experience in Pennsylvania to deliver VF/EA FMS for PDS. We will provide OLTL/PDA/ODP with a team of national and local resources with years of experience relative to the requirements of this RFA.

PPL has built on our experience and national best practices to develop the technology and tools required to make this program successful. We have developed an organization that has the full capabilities required to design, launch, and manage an effective approach to supporting newly enrolled participants as well as managing the large-scale transition of thousands of existing participants and their workers. Our technology ensures compliance with federal and state laws and regulations while allowing participants to make choices that improve their quality of life using Budget Authority and Employer Authority.

- Our highly scalable PPL Web Portal and financial management platform seamlessly integrates the responsibilities of a VF/EA, including processing payroll, vendor accounts payable, and tax processing.
- The PPL Web Portal provides a common platform for participant and provider enrollment and timesheet/invoice submission and enables participants, DCWs, CS/SCs, and state program managers to obtain real-time reporting information on budgeting and utilization.
- PPL's state-of-the-art Customer Service Center handles over 60,000 calls per month using dedicated, program-specific teams that are trained in the details of each program.

PPL has extensive experience supporting transition of participants from existing programs managed by other FMS vendors to robust programs supported by PPL. PPL has developed an extensive body of operational knowledge in program launches and transitions. We have successfully transferred programs from local providers in eight states, including New Jersey, Nevada, Ohio, Maryland, Tennessee, Kansas, New York and Washington. In Oklahoma, South Carolina and Colorado we have successfully transitioned programs run by national vendors. We have already identified our Pennsylvania project team, with a designated Program Manager and Enrollment Manager from each regional area. We have the ability to add additional experienced staff and other resources to ensure program success. These capabilities will assist DPW in overcoming the implementation hurdles typically associated with large scale transitions.

Per RFA requirements:

- PPL is a subsidiary of Public Consulting Group, Inc.

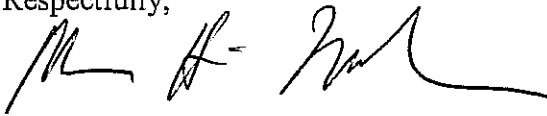
- PPL does not have any subsidiaries.
- A listing of all of the agreements that PCG/PPL has within Pennsylvania can be found on the next page.
- PPL is not associated with any home and community-based services provider doing business in Pennsylvania.

In summary, PPL is committed to providing DPW with the most technically responsive and operationally sound financial management services possible. We believe that the enclosed proposal demonstrates our ability to meet and/or exceed the requirements of this RFA. We look forward to the opportunity to further our work for the Commonwealth Pennsylvania and would be honored to be selected to serve DPW as a VF/EA FMS.

I look forward to the opportunity to present PPL's proposal in person at the convenience of DPW. Please do not hesitate to contact me if you require additional information in consideration and evaluation of this proposal:

Marc H. Fenton
148 State Street, 10th Floor
Boston, MA 02109
Telephone: (617) 426-2026
Fax: (617) 717-0023
mfenton@pcgus.com

Respectfully,

A handwritten signature in black ink, appearing to be 'M H Fenton', written over a horizontal line.

Marc H. Fenton
President, Public Partnerships, LLC

CURRENT AGREEMENTS WITHIN THE COMMONWEALTH OF PENNSYLVANIA

PCG Agreements:

School District of Philadelphia

Special Education Best Practices Review, Medicaid Services Processing, and EasyIEP™

March 2003 – Present

Commonwealth of Pennsylvania

Department of Public Welfare, Office of Children, Youth and Families

Title IV-E and Compliance Services

June 2007 – Present

TABLE OF CONTENTS

Proposal Cover Sheet	
Transmittal Letter	
Table of Contents	
II.1 Statement of the Problem	
II.2 Management Summary	
II.3 Work Plan and Project Management	
1. Technical Plan	
IV-1 Objectives	
A. General	
B. Specific Objectives	
IV-3 Requirements	
1. General Requirements	
2. Conflict Free Requirements	
3. In-state Office Requirement	
4. Resource Requirements	
5. Regional Presence	
6. Service Capacity	
7. Department of State	
8. Financial Visibility	
9. Medicaid Enrolled Provider	
10. OLTL VF/EA FMS Special Provider Agreement	
11. Documentation Regarding Compliance	
12. Internal Child Protective Services Clearances	
13. Criminal Background Clearances	
14. DCW Child Protective Services Clearances	
15. Provider Screening	
16. Financial Capacity	
17. Information Handling	
18. Current, Comprehensive Pennsylvania-specific VF/EA Organization Procedures Manual	
19. Archived Files	
20. Implementation Plan	
21. VF/EA FMS Organization Readiness Review	
22. VF/EA FMS Organization Performance Review	
23. Accessing DPW Systems	
24. Emergency Preparedness	
25. Disaster Recovery Plan	
26. Other Tasks or Deliverables	
IV-4 VF/EA FMS Tasks	
A. Billing for Services Rendered	
B. Managing Public Funds	

- C. Receiving Federal and State Authority to Act as a VF/EA FMS Organization
- D. Providing Customer Service
- E. Coordinating and Communicating with CM/SC, Administrative Entities and OLTL/PDA/ODP
- F. Providing Common Law Employer Orientation and Skills Training
- G. Enrolling Individuals and Representatives with the VF/EA FMS Organization as the Common Law Employer
- H. Enrolling Qualified DCWs, Vendors, Small Unlicensed Providers, and Independent Contractors
- I. Processing a Common Law Employer's Disenrollment from a VF/EA Organization
- J. Processing and Distributing DCWs, Payroll and Related Taxes and Insurances
- K. End of Year Tax and Other Activities
- L. Processing and Tracking Payments for Approved Participant-Directed Goods and Services
- M. Establishing and Maintaining Files and Documentation
- N. Processing a Common Law Employer's Change in VF/EA FMS Organization
- O. Preparing and Submitting Required Reports
- P. Brokering Worker's Compensation Insurance for Common Law Employers
- Q. Physical Plant, Equipment, Technology and Development, Implementation and Maintenance of Communication and Information Systems

IV-5 Knowledge Receipt and Transition Plan

IV-6 Agreement Transition and Turnover

IV-7 Reports and Project Control

- A. Quarterly and Annual Status Reports
- B. Monthly Reports
- C. Problem Identification Report
- D. Final Report

2. Progress Reports

II.4 Prior Experience

- A. Corporate Background
- B. Corporate Experience
- C. References

II.5 Personnel

1. Personnel

II.6 Training

II.7 Financial Capability

II.8 Objections and Additions to Standard Grant Terms and Conditions

II.10 Domestic Workforce Utilization Certification

II-1. Statement of the Problem. The Offeror shall state in succinct terms its (1) understanding of service and related requirements required by this RFA, (2) the Offeror's qualifications to serve as the Selected Offeror(s) for this project, and (3) the Offeror's overall approach to the project and a summary of the contents of the proposal.

(1) Understanding of the Service and Related Requirements

PCG Public Partnerships, LLC (PPL) understands the purpose of this RFA is to secure up to three entities that will provide financial management services (FMS) throughout the Commonwealth or on a regional basis for eligible consumers who receive participant directed services (PDS) in certain waiver and state funded programs:

LOT 1 WESTERN REGION – OLTL and PDA programs (approximately 7,126 consumers);

LOT 2 CENTRAL REGION OLTL, PDA AND STATEWIDE ODP programs (approximately 3,802 consumers for OLTL and PDA programs, and approximately 850 consumers for ODP programs); and,

LOT 3 EASTERN REGION- OLTL and PDA programs (approximately 10,106 consumers).

PPL has submitted three proposals in response to this RFA; one proposal to serve each region. We welcome the opportunity to offer the Commonwealth an integrated solution to serving multiple regions.

Ensuring Regional Consistency in FMS across Multiple Waivers and State Funded Programs

Meeting the Diverse Requirements of Multiple Waivers and State Funded Programs

PPL understands the scope of work includes the Commonwealth's Medicaid §1915(c) HCBS Consolidated, Person/Family Directed Support, Aging, Attendant Care, Community Care (COMM CARE), Independence, and Omnibus Budget Reconciliation Act (OBRA) waivers and the state funded Attendant Care Act 150 program. PPL has over a decade of experience providing FMS and related supports for HCBS waivers and state funded programs. We currently provide FMS and related supports in 21 states and the District of Columbia (see PPL Experience

Matrix. Most of our contracts include participants from two or more different waiver programs. In the Commonwealth of Virginia, for example, PPL currently serves over 10,000 participants across 5 different HCBS waiver programs.

PPL's payroll and accounts payable systems and processes are highly configurable to meet the specific requirements of each HCBS waiver and state funded program while ensuring consistency and accountability in the areas of participant and provider enrollment, document processing, individual budgeting and service authorization, application of pay controls, claims submission, activity reporting, and audit functions. PPL is uniquely qualified to meet the operational demands of providing FMS on the scale and complexity required by the Commonwealth of Pennsylvania as specified in this RFA. Our managers and staff are fully prepared and eager to partner with DPW to meet this challenge.

Ensuring Coordination and Collaboration with Multiple Administrative Entities and Diverse Stakeholders

PPL understands the waiver and state funded programs covered by this RFA are administered by the Office of Long-Term Living (OLTL), the Office of Developmental Programs (ODP), and the Pennsylvania Department of Aging (PDA). Our managers and staff have over a decade of experience partnering with administrative entities and diverse stakeholder groups in the design and delivery of FMS. We have developed robust approaches to ensuring coordination and collaboration with multiple administrative entities (see **Part II-2. Management Summary**; and **Part II-3. Work Plan and Project Management**). In addition, our managers and staff are adept at communicating and collaborating with diverse stakeholder groups, including: state and regional/county advisory boards and councils; state and regional/county authorities; case managers and service coordinators; providers/vendors; unions; and advocacy groups.

DPW's Choice of the Vendor Fiscal/Employer Agent Model

PPL understands and supports the Commonwealth's choice of the vendor fiscal/employer agent (VF/EA) model as the best mechanism to ensure regional and statewide consistency in FMS. PPL has experience providing every available model of FMS (see next section). We recognize the current approach of administering FMS as a Medicaid service provided by 37 different organizations across the Commonwealth is overly burdensome and presents real challenges to DPW achieving its goals of consistency and quality in FMS.

	ntrol in as who nat helps nt as long as sional ect.
--	--

PPL believes the VF/EA FMS model provides the Commonwealth with the administrative authority needed to ensure regional accountability in FMS and promote quality in the provision of PDS without sacrificing meaningful opportunities for participant choice and control in areas of importance to them (i.e., Budget Authority and Employer Authority).

Reducing the Employer-Related Burden of PDS and Enhancing Choice and Control

PPL is committed to reducing the individual's and representative's employer-related burden associated with PDS, and enhancing the individual's and representative's choice and control through the provision of appropriate fiscal, payroll and supportive services. This is consistent with our vision and mission (see below).

PPL's Vision and Mission



At PPL, we recognize that exercising budget authority and employer authority in compliance with the rules imposed by Medicaid, the Internal Revenue Service (IRS), and federal and state employment and tax departments can be a daunting challenge for many participants and providers. Over the past decade, we have developed and refined highly specialized approaches to ease the administrative burden associated with PDS and enhance meaningful opportunities for participant choice and control. Our subject matter expertise, industry-leading technology, and state of the art customer service capabilities are described in detail in the sections that follow.

Ensuring that Provision of FMS is Free from Conflict of Interest

PPL shares the Commonwealth's commitment to ensuring that FMS is provided free from any conflict of interest with direct service provision, including case management and/or service coordination. This practice is entirely consistent with our vision and mission. PPL's primary focus is to provide financial services and supports that enable participants to exercise true individual choice and control over the services they receive. PPL is not a provider of any direct HCBS, and as such, has always provided FMS free from conflict of interest. This practice ensures that PPL is not perceived as steering participants towards any other services that might

benefit PPL financially. More importantly, this practice ensures that all of PPL's resources and energies are wholly focused on providing the highest quality FMS possible.

Ensuring Compliance with Applicable Laws and Regulations in the Provision of PDS

--

Achieving Cost Savings and Efficiencies while Enhancing Services

--

Successfully Managing Transition of Participants to a Regional FMS

--

(2) Qualifications to serve as the Selected Offeror for this Project

Available Facilities

PPL is headquartered in Boston, MA and maintains offices in eight states. PPL maintains a Financial Operations Center in Chelsea, MA and a Customer Service Center in Phoenix, AZ. Our parent firm maintains an office in Harrisburg PA, which we will expand if awarded. PPL has the facilities and administrative and logistical support services for staff to accomplish the required tasks as specified in this RFA. If selected, we will locate program managers and staff assigned to this project in the PCG office in Harrisburg, PA. For a complete description of our facilities, see **Part II-3. Work Plan and Project Management**.

PPL is the nation's largest provider of FMS and related supports for PDS. We currently provide FMS and related supports for 21 states and the District of Columbia. The chart below illustrates the current scope of populations served and services provided by PPL.

Public Financial Management Services

--

PPL Current Experience Matrix

Personnel Qualifications

Financial Capability

Additional Qualifications

DDI Contract Services List

(3) Overall Approach to the Project and Summary of Contents of the Proposal

Understanding of the Nature and Scope of the Work

PPL has a thorough understanding of requirements of performing as a regional VF/EA FMS in Pennsylvania. PPL understands its responsibilities will include, but are not limited to:

1. Acting as a neutral “bank” for individuals’ public service funds;
2. Ensuring qualified DCWs, vendors and small unlicensed providers are paid in accordance with federal, state and local tax, labor and unemployment insurance laws, as applicable;
3. Preparing and distributing qualified DCWs payroll including the management of federal and state income tax withholding and employment taxes and locality taxes;
4. Verifying prospective DCWs, vendors and small unlicensed provider’s citizenship and alien status and ensuring that DCWs, vendors and small unlicensed providers meet the qualifications for the services they are providing as per state requirements;
5. Processing and paying invoices for participant-directed goods and services in accordance with the individual’s individual service plan and spending plan;
6. Processing and submitting claims and receiving Medicaid Assistance (MA) reimbursements and paying out for services provided by qualified DCWs, and vendors and small unlicensed providers in accordance with the individual service plan (ISP);
7. Processing and submitting monthly claims through PROMISe™ and receives MA reimbursements for the fiscal support services the VF/EA FMS organization provides to individuals and their representatives based on a per member per month rate of payment determined by the Commonwealth;
8. Brokering worker’s compensation insurance policies and renewals and paying premiums for individuals and representatives who are common law employers;
9. Preparing and distributing financial reports to: common law employers, Administrative Entity (AE), Care Manager/Service Coordinator (CM/SC), OLTL, ODP and PDA as required; and
10. Providing orientation and skills training to individuals and representative acting as common law employers.

Beyond meeting the minimum requirements of this RFA, PPL’s approach to VF/EA system design, implementation and management reflects three goals:

1. To serve as an active partner with DPW in planning and implementing a difficult and large scale transition to using our systems and experience and continually evaluating and implementing national best practices that support participant direction.

2. To use technology to reduce the consumer's paperwork burden, allowing them to focus on the quality of services delivered by their DCWs, providing them with accurate, easy to read information necessary to make informed decisions and increase the efficiency and accuracy of business practices.
3. To develop, document and update program rules that balance program flexibility and fiscal accountability, ensuring compliance with tax and labor laws, service funding rules, and case management protocols.

In summary, PPL is committed to providing DPW with the most technically responsive, operationally sound, and cost-effective FMS possible. PPL has the ability to get programs up and running quickly due to the fact that we have been providing similar VF/EA services for very large statewide programs for over 10 years. PPL is committed to developing an effective partnership with DPW, OLTL, PDA, and ODP and cultivating strategic relationships with key state and regional stakeholders.

In the sections that follow, PPL has presented a detailed proposal to meeting the requirements as stated in this RFA. Please note that **Part IV-Work Statement** is embedded in **Part II-3 Work Plan and Project Management** as specified on page 11 of the RFA. For ease of review, this section may be removed in its entirety and reviewed separately if needed.

II-2. Management Summary. Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

PPL is pleased to submit this application to the Pennsylvania Department of Public Welfare for Vendor Fiscal/ Employer Agent Financial Management Services (VF/EA FMS) throughout the Commonwealth for eligible consumers who receive participant directed services (PDS). We believe that our proven experience providing FMS for multiple complex statewide programs coupled with our industry leading technology and state-of-the art customer service makes us a perfect fit to support DPW in achieving its goals of ensuring regional consistency in FMS and full compliance with applicable laws and regulations.

Organizational Structure and Management Approach

PPL has developed a sound approach to managing VF/EA FMS for large-scale PDS programs. PPL's organizational structure and management approach is outlined in the sections that follow.

PPL has a well established approach to collaborating, coordinating, and communicating with our state clients. During program launch, PPL will collaborate with DPW to establish weekly Steering Committee Meetings comprised of representatives of OLTL, PDA, and ODP and representatives from PPL Program Operations, Business Services (finance), Information Services (technology), Financial Operations, and Customer Service. Standard agenda items include: communication to participants and their workers, managing the implementation schedule, coordination with the existing VF/EA's, information technology, payroll and accounts payable activity, customer service, and program reports. These meetings are reflected in **Part II-3 Work Plan and Project Management**.

PPL's approach to delivery of FMS is organized along operational lines, promoting efficiencies and effectiveness through role differentiation and the application of specialized

--

PPL has developed and refined industry-leading materials to support the efficient and effective launch and ongoing operation of PDS programs. PPL's approach to managing PDS

--

FMS Services

PPL will provide VF/EA FMS in support of the PDS programs administered by OLTL, PDA, and ODP as specified on pages 25-26 of the RFA. These services are listed below.

1. Provide VF/EA FMS to eligible individuals enrolled in the waivers or state-funded programs and their representative who wish to use PDS.

2. Assure the Commonwealth that VF/EA FMS are being provided in compliance with federal, state, and local tax and labor and state worker's compensation insurance and OLTL, PDA, and ODP program requirements, as appropriate related to the employment of qualified Direct Care Worker (DCW) (e.g., acting as a certified Medicaid provider for the purpose of receiving and disbursing Medicaid funds).
3. Assure the Commonwealth that payment to vendors, small unlicensed providers, and independent contractors are being provided in compliance with all federal and state requirements.
4. Implement VF/EA FMS for all individuals enrolled in the waivers and state-funded programs using PDS effective January 1, 2013.
5. Assure the Commonwealth that all existing individuals enrolled in the waivers and state-funded programs using PDS are effectively transitioned to the Selected Offeror(s) by January 1, 2013.
6. Assure the Commonwealth that the Selected Offeror(s) has engaged staff that are knowledgeable of PDS and the provision of VF/EA FMS provided in compliance with §3504 of the IRSW code, Revenue Procedure 70-6, and REG-137036-08, as applicable, and State and local rules and regulations and policies.
7. Receive federal and State authority to act as a VF/EA FMS organization for common law employer.
8. Coordinate and communicate effectively with CM/SC Organizations, AEs, and Commonwealth, as necessary.
9. Manage public funds in an accurate and timely manner and in compliance with all federal and state requirements.
10. Develop and maintain a current computer database that has the capacities to track all PDS-related data.
11. Enroll individuals with the VF/EA FMS organization as common law employers.
12. Develop and implement initial orientation and initial and ongoing skills training for common law employers regarding enrolling with and using the VF/EA FMS organization and being an effective common law employer.
13. Enroll qualified DCWs, vendors, small unlicensed providers, and independent contractors.

14. Disenroll individuals from the VF/EA FMS organization as the common law employer, when necessary.
15. Broker worker's compensation insurance policy for each common law employer.
16. Bill for PDS rendered in compliance with Commonwealth requirements.
17. Process and distribute payroll and related federal, State and local taxes and insurances for qualified employees in an accurate and timely manner, in compliance with federal and State labor and tax laws.
18. Process invoices and, pay and track payments for participant-directed goods and services and vendor services.
19. Provide customer service that is accurate, timely and individual and family-friendly.
20. Develop and implement a staffed call center with call history logs.
21. Establish and maintain at least one office in the Commonwealth in addition to PPL's corporate headquarters.
22. Have physical space capacity and equipment necessary to operate effectively as a VF/EA FMS organization.
23. Establish and maintain current and archived files and documentation for common law employers, qualified DCWs, qualified vendors, small unlicensed providers, independent contractors, and the Selected Offeror(s).
24. Maintain all documentation and records related to the provision of PDS provided under the waivers and state-funded programs at PPL's office(s) located in the Commonwealth.
25. Develop, maintain and test a disaster recovery plan.
26. Prepare and submit reports as specified and required by the Commonwealth.
27. Develop and implement training for VF/EA FMS staff on current federal, State and local rules and regulations pertaining to PDS programs and VF/EA FMS organization.
28. Develop and implement a procedure for staying up-to-date with current federal, State and local rules and regulations pertaining to PDS programs and VF/EA FMS.

In addition, if selected for award, PPL will:

- Establish and maintain a regional presence;

- Provide DPW with lessons we have learned in the successful transfer process of statewide participant directed programs;
- Participate in a V/FEA FMS Readiness Review and complete a corrective action plan as required; and,
- Participate in a VF/EA FMS Organizational Performance Review and complete a corrective action plan as required.

Reporting

PPL has the capability to meet or exceed the reporting requirements specified in this RFA.

As described in **Part IV-7. Reporting**, we are fully prepared to meet or exceed DPW's requirements, including monthly, quarterly and annual reports.

In conclusion, we believe that we have the management approach and operational capability required to support DPW in achieving its goal of ensuring consistency in the regional provision of FMS in the Commonwealth of Pennsylvania.

IV-1. Objectives.

The objective of this RFA is to secure up to three entities that will provide FMS throughout the Commonwealth or on a regional basis for eligible consumers who receive participant directed services (PDS) in certain waiver and state funded programs. The waiver and state funded programs covered by this RFA are administered by the Office of Long-Term Living (OLTL), the Office of Developmental Programs (ODP), and the Pennsylvania Department of Aging (PDA). A detailed description of the waiver and state funded programs included in this RFA, and the program requirements for the services covered by this RFA are provided below.

The Commonwealth intends to make awards by the regions listed below.

LOT 1 WESTERN REGION – OLTL and PDA programs (approximately 7,126 consumers)

LOT 2 CENTRAL REGION – OLTL, PDA AND STATEWIDE ODP programs (approximately 3,802 consumers for OLTL and PDA programs, and approximately 850 consumers for ODP programs)

LOT 3 EASTERN REGION- OLTL and PDA programs (approximately 10,106 consumers)

PPL understands the objective of this RFA is to secure up to three entities that will provide FMS throughout the Commonwealth or on a regional basis for eligible consumers who receive participant directed services (PDS) in certain waiver and state funded programs.

PPL is submitting a proposal to serve each region/lot. We understand that the Commonwealth may chose to award any combination of *Lots 1, 2, or 3*. PPL looks forward to the opportunity to provide Vendor Fiscal/Employer Agent Financial Management Services to one or more regions. We welcome the opportunity to offer the Commonwealth an integrated solution to serve multiple regions.

PPL is prepared to partner with the Commonwealth to ensure the successful implementation of the objectives of this RFA. In the pages that follow, we have provided a detailed description of how we propose to meet the objectives and requirements of this RFA.

A. General Requirements. Federal Medicaid law prohibits an individual or representative from receiving Medicaid funds directly. Only Medicaid providers may receive Medicaid funds directly. Due to this requirement, the Selected Offeror(s) must perform payment-related employer responsibilities on behalf of individuals or representatives who exercise employer or budget authority. One such type of entity that performs this service is a Vendor Fiscal/Employer Agent (VF/EA) Financial Management Services (FMS) organization. VF/EA FMS are available to participants who receive participant directed services in the Commonwealth's Medicaid §1915(c) HCBS Consolidated, Person/Family Directed Support, Aging, Attendant Care, Community Care (COMMCARE), Independence, and Omnibus Budget Reconciliation Act (OBRA) waivers (waivers to mean all waivers) or the state funded program Attendant Care Act 150.

A VF/EA FMS organization acts as the employer agent to the common law employer (individuals receiving waiver services or state-funded programs and their representatives) in accordance with Section 3504 of the IRS code, IRS Revenue Procedure 70-6, IRS Proposed Notice 2003-70 and REG-137036-08, as applicable. In Pennsylvania, the fiscal support services provided by a VF/EA FMS organization, include but are not limited to:

1. Acting as a neutral "bank" for individuals' public service funds;
2. Ensuring qualified direct care workers (DCWs), vendors and small unlicensed providers are paid in accordance with federal, state and local tax, labor and unemployment insurance laws, as applicable;
3. Preparing and distributing qualified DCWs payroll including the management of federal and state income tax withholding and employment taxes and locality taxes;
4. Verifying prospective DCWs, vendors and small unlicensed provider's citizenship and alien status and ensuring that DCWs, vendors and small unlicensed providers meet the qualifications for the services they are providing as per state requirements;
5. Processing and paying invoices for participant-directed goods and services in accordance with the individual's individual service plan and spending plan;
6. Processing and submitting claims and receiving Medicaid Assistance (MA) reimbursements and paying out for services provided by qualified DCWs, and vendors and small unlicensed providers in accordance with the individual's individual service plan (ISP);
7. Processing and submitting monthly claims through PROMISE™ and receives MA reimbursements for the fiscal support services the VF/EA FMS organization provides to individuals and their representatives based on a per member per month rate of payment determined by the Commonwealth;
8. Brokering worker's compensation insurance policies and renewals and paying premiums for individuals and representatives who are common law employers;
9. Preparing and distributing financial reports to: common law employers, Administrative Entity (AE), Care Manager/Service Coordinator (CM/SC), OLTL, ODP and PDA as required; and
10. Providing orientation and skills training to individuals and representative acting as common law employers.

The Commonwealth seeks to ensure that VF/EA FMS are provided consistently across waivers and state-funded programs to eligible individuals who wish to use PDS in the Commonwealth and in accordance with federal, state and local tax, labor and worker's compensation insurance and program requirements. The VF/EA FMS model has been implemented to support the delivery of PDS by performing the following primary functions:

- 1. Reduce the individual's and representative's employer-related burden associated with PDS and enhances the individual's and representative's choice and control through the provision of appropriate fiscal, payroll and supportive services.**
- 2. Ensure the Commonwealth that the provision of PDS is in compliance with federal, state and local tax and labor and state worker's compensation insurance rules and requirements related to the employment of qualified DCWs and the engagement of vendors, small unlicensed providers and independent contractors.**
- 3. The Commonwealth is seeking to achieve cost savings and efficiencies through the regionalization of the VF/EA FMS Services while enhancing services to its consumers.**

Public Partnerships, LLC (PPL) understands that the Commonwealth intends to ensure consistency in Financial Management Services (FMS) across all Medicaid Home and Community-Based Services (HCBS) waivers and certain state funded programs administered by OLTL, PDA, and ODP. Since the establishment of PPL as a subsidiary of Public Consulting Group (PCG) in 1999, we have helped our clients achieve similar results. Several states, including Tennessee, Virginia, and West Virginia, have specifically engaged PPL to ensure consistency in FMS as they have expanded Participant-Directed Services (PDS) from small demonstrations serving a handful of participants in a single program serving a specific population to multiple complex statewide programs serving thousands of participants representing a wide variety of populations. These states have found the combination of our knowledge of HCBS and FMS requirements, sound management approach, industry-leading technology, scalable systems and processes, and qualified staff members make PPL the logical choice to ensure consistency in FMS. We are committed to partnering with DPW to achieve this important goal in the Commonwealth of Pennsylvania.

PPL has practical experience implementing every currently available model of FMS. We recognize that the current model of FMS as a Medicaid service provided by 37 different provider organizations scattered across the Commonwealth is administratively burdensome and represents challenges to DPW achieving the objectives of: (1) reducing the employer-related burden associated with PDS and enhancing choice and control through the provision of appropriate fiscal, payroll and supportive services; (2) ensuring that the provision of PDS is in compliance with federal, state and local tax and labor and state worker's compensation insurance rules and requirements related to the employment of qualified DCWs and the engagement of vendors, small unlicensed providers and independent contractors; and, (3) achieving cost savings and efficiencies through the regionalization of VF/EA FMS while enhancing services to consumers.

Based on PPL's experience, we believe the VF/EA FMS model provides the Commonwealth with the administrative authority to ensure regional accountability and meaningful cost savings without sacrificing choice and control in the areas that are most important to individual participants (i.e., Budget Authority and Employer Authority). Furthermore, we share the Commonwealth's commitment to ensuring the provision of FMS free from conflict of interest with the direct provision of HCBS. We have always provided FMS free from conflict of interest with direct service provision. All of our resources are exclusively devoted to supporting our clients to balance individual participant choice and control with fiscal accountability.

The management and staff of PPL have a thorough understanding of the requirements of functioning as a VF/EA FMS. There is no activity or service required by this RFA that we have not performed successfully for other states. PPL is fully prepared to meet or exceed the requirements of DPW. Beyond the formal contractual obligations as stated in this RFA, PPL understands the practical importance of providing quality FMS, including:

- Supporting the paramount role of the individual participant or their representative as the Common Law Employer and individual budget holder;
- Ensuring that all DCWs, vendors, and small unlicensed providers meet required qualifications prior to providing HCBS;
- Providing all relevant parties with real-time access to accurate program information including, participant budget amounts, spending plans and service authorizations, payroll and accounts payable activity, and available balances; and,
- Ensuring timely and accurate payment for properly submitted timesheets and invoices.

PPL welcomes the opportunity to support these goals and objectives in one or more regions of the Commonwealth.

B. Specific Objectives. The Selected Offeror(s) will achieve the following objectives:

1. Provide VF/EA FMS to eligible individuals enrolled in the waivers or state-funded programs and their representative who wish to use PDS.

PPL will provide VF/EA FMS to all eligible individuals enrolled in the waivers or state-funded programs and their representative who wish to use PDS as described in this RFA. PPL will manage all aspects of enrolling individuals with PPL, including receiving and processing referrals, distributing and processing enrollment materials, providing orientation and practical skills training, maintaining individual budgets and service authorizations, processing timesheets and invoices, and distributing reports of spending activity.

2. Assure the Commonwealth that VF/EA FMS are being provided in compliance with federal, state, and local tax and labor and state worker's compensation insurance and OLTL, PDA, and ODP program requirements, as appropriate related to the employment of qualified Direct Care Worker (DCW) (e.g., acting as a certified Medicaid provider for the purpose of receiving and disbursing Medicaid funds).

PPL will assure the Commonwealth that VF/EA FMS are being provided in compliance with federal, state, and local tax and labor and state worker's compensation insurance and OLTL, PDA, and ODP program requirements, as appropriate related to the employment of qualified Direct Care Worker (DCW) (e.g., acting as a certified Medicaid provider for the purpose of receiving and disbursing Medicaid funds). PPL has well established policies, procedures, and internal controls to comply with federal, state, and local tax and labor and state worker's compensation insurance requirements. During program launch, PPL will collaborate with OLTL, PDA, and ODP to establish policies and procedures to comply with applicable program rules and regulations specific to each waiver and state funded program. For more details please see **Part IV-4. J. Processing Payroll and Related Taxes.**

3. Assure the Commonwealth that payment to vendors, small unlicensed providers, and independent contractors are being provided in compliance with all federal and state requirements.

4. Implement VF/EA FMS for all individuals enrolled in the waivers and state-funded programs using PDS effective January 1, 2013.

7. Receive federal and State authority to act as a VF/EA FMS organization for common law employer.

PPL has federal authority in place and has an FEIN used solely for the purpose of filing and paying federal employment taxes, insurances, and other required IRS forms on behalf of

common law employers that we represent as agent. This is separate and distinct from our corporate Federal EIN.

8. Coordinate and communicate effectively with CM/SC Organizations, AEs, and Commonwealth, as necessary.

PPL will utilize several primary venues to promote open and effective communication with CM/SC Organizations, AEs, and Commonwealth entities (DPW - OLTL/PDA/ODP) including but not limited to: kick-off meetings; weekly management meetings, training sessions; use of the PPL Web Portal; access to the Customer Service Center; and, distribution of standard reports. For more details please see **Part IV-4. E. Coordinating and Communicating**.

9. Manage public funds in an accurate and timely manner and in compliance with all federal and state requirements.

PPL assures appropriate and accurate management of public funds via multiple avenues. PPL uses Policy and Procedures (P&P) documents written for each significant function as a management tool incorporated into trainings for all program-specific financial operations and customer service staff. During the implementation phase PPL will refine these P&P documents to include specific detailed controls related to Commonwealth of PA requirements. Use of the PPL Web Portal allows PPL to manage public funds accurately, timely, and in compliance with all federal and state requirements. For more details please see **Part IV-4. B. Managing Public Funds**.

10. Develop and maintain a current computer database that has the capacities to track all PDS-related data.

--

11. Enroll individuals with the VF/EA FMS organization as common law employers.

PPL is fully prepared and has policies and procedures already in place to carry out all of the activities associated with enrolling individuals as common law employers. During Program launch, we will work with DPW to tailor our current employer enrollment packet template to fit the needs and requirements specific to DPW's waivers and state-funded programs offering PDS. For more details please see **Part IV-4. G. Enrolling Common Law Employers**.

12. Develop and implement initial orientation and initial and ongoing skills training for common law employers regarding enrolling with and using the VF/EA FMS organization and being an effective common law employer.

14. Disenroll individuals from the VF/EA FMS organization as the common law employer, when necessary.

Upon receipt of formal notification that a person no longer will serve as the common law employer, PPL will implement the disenrollment process using established policies and procedures to include completing all final tax deposits and filing all related IRS forms. For more details please see **Part IV-4 I. Processing a Common Law Employer's Disenrollment from a VF/EA FMS Organization.**

15. Broker workers' compensation insurance policy for each common law employer.

--

18. Process invoices and, pay and track payments for participant-directed goods and services and vendor services.

PPL will process invoices and, pay and track payments for participant-directed goods and services and vendor services. PPL uses the integrated capacities of the Web Portal to assure that invoices are processed and paid according to federal and state regulations. Additionally, this same technology tracks all payments made for participant-directed goods and services and vendor services. For more details, please see **Part IV-4. L. Payments for Goods and Services.**

19. Provide customer service that is accurate, timely and individual- and family friendly.

PPL's Customer Service Center representatives provide service exclusively to participants in self-directed programs are taught core competencies that are common across the PDS programs that PPL serves as VF/EA FMS. The scope of the knowledge the Customer Service Center representatives have empowers them to provide accurate, timely and individual and family friendly service to all callers. For more details, please see **Part IV-4. D. Providing Customer Service.**

20. Develop and implement a staffed call center with call history logs.

--

22. Have physical space capacity and equipment necessary to operate effectively as a VF/EA FMS organization.

PPL has the physical space capacity and equipment necessary to operate effectively as a VF/EA FMS organization in the Commonwealth. For more details, please see **Part IV-4. E. Resource Requirements.**

23. Establish and maintain current and archived files and documentation for common law employers, qualified DCWs, qualified vendors, small unlicensed providers, independent contractors, and the Selected Offeror(s).

25. Develop, maintain and test a disaster recovery plan.

--

26. Prepare and submit reports as specified and required by the Commonwealth.

PPL has the capacity to meet the reporting needs as specified and required (and in a timely manner) through use of our industry leading technology platforms. Our technology team is able to develop internal controls unique to the needs expressed by the Commonwealth and the consumers using PDS. Please see **Part IV-4. O. Required Reports** for more details.

27. Develop and implement training for VF/EA FMS staff on current federal, State and local rules and regulations pertaining to PDS programs and VF/EA FMS organization.

--

IV-3 Requirements

1. General Requirements. The Selected Offeror(s) must meet the general requirements prior to serving individuals enrolled in the waiver *who wish to use PDS*.

a. Prime Contractor Responsibilities. The Agreement will require the Selected Offeror(s) to assume responsibility for all services offered in its proposal whether it produces them itself or by subcontract. The Issuing Office will consider the Selected Offeror(s) to be the sole point of contact with regard to contractual and operational matters.

PCG Public Partnerships (PPL) will assume responsibility for all services offered in our proposal and will be the sole point of contact with regard to contractual and operational matters.

b. Subcontracting. Any use of subcontractors by the Selected Offeror(s) must be identified in the proposal and approved by the Issuing Office. During the Project period, use of any subcontractors by the Selected Offeror(s) not previously identified in the proposal must be approved in writing by the Commonwealths Contract Administrator prior to the start of the work effort. Subcontractors are required to meet the same work skill qualification as the prospective Selected Offeror(s) as identified in this RFA.

At this time, PPL does not anticipate the need to use any subcontractors. However, PPL has identified potential subcontractors that could assist PPL in processing documents and providing customer service during periods of peak volume, such as the initial transition of participants from incumbent FMS organizations. PPL understands and agrees that the use of any subcontractors not previously identified in this proposal must be approved in writing by the Commonwealth's Contract Administrator prior to the start of the work effort. PPL understands and agrees that all subcontractors are required to meet the same work skill qualification as PPL as identified in this RFA.

c. Subcontracting with a Reporting Agent. The Selected Offeror(s) may not subcontract with and delegate VF/EA FMS tasks to a reporting agent.

PPL understands and agrees that it may not subcontract with and delegate VF/EA FMS tasks to a reporting agent.

d. Performance and Payment Bonds. The Agreement will require the Selected Offeror(s) to deliver to the Commonwealth executed performance and payment bonds, each in the sum of six months of estimated annual Agreement amount, with the Commonwealth as the obligee. The surety will be a surety company or companies listed in the Federal Registry of Surety Companies and approved by the State Corporation Commission to transact business in the Commonwealth of Pennsylvania. No payment will be due and payable to the Selected Offeror(s), even if the Agreement has been performed in whole or in part, until the bonds have been delivered and approved by the DPW. The payment bond will be used to cover delinquent payments to qualified DCWs, vendors and small unlicensed providers,

and federal state and local tax and worker's compensation insurance premium payments up to the maximum of the value of the full value of the bond in the event that the Selected Offeror(s) is unable to properly, promptly and efficiently perform the Agreement and/or the Agreement is terminated by default or bankruptcy.

PPL will deliver "...a performance and payment bond for 3 months to cover VF/EA FMS and related services" as required by DPW in its response to questions regarding this RFA. The surety is a surety company listed in the Federal Registry of Surety Companies and approved by the State Corporation Commission to transact business in the Commonwealth of Pennsylvania. We recognize that no payment will be due and payable, even if the Agreement has been performed in whole or in part, until the bonds have been delivered and approved by DPW.

e. As a VF/EA FMS organization, the Selected Offeror(s) must operate in accordance with §3504 of the Internal Revenue Service (IRS) Code, Revenue Procedure 70-6, 1970-1 C.B. 420, as modified by IRS Proposed Notice 2003-70 and IRS REG-137036-08 and any other future revenue procedures, notices or publication promulgated by the IRS. The Selected Offeror(s) also must operate in compliance with state and local tax laws, federal and state labor laws and state worker's compensation insurance laws.

PPL has extensive experience as a VF/EA FMS organization. PPL will operate in accordance with §3504 of the Internal Revenue Service (IRS) Code, Revenue Procedure 70-6, 1970-1 C.B. 420, as modified by IRS Proposed Notice 2003-70 and IRS REG-137036-08 and any other future revenue procedures, notices or publication promulgated by the IRS, as well as in compliance with state and local tax laws, federal and state labor laws and state worker's compensation insurance laws.

f. The Selected Offeror(s) must file for and obtain a separate Federal Employer Identification Number (FEIN) in addition to its corporate FEIN for the sole purpose of filing certain federal forms and income tax withholding and employment taxes and depositing these taxes on behalf of the individuals and representatives the Selected Offeror(s) represents as employer agent. Since the Selected Offeror(s) is required to have three (3) years of experience providing VF/EA FMS to publicly funded PDS programs, it should have a separate FEIN and must show evidence of this.

In addition to our corporate FEIN, PPL has obtained a separate FEIN, 20-2040173, used for the sole purpose of filing certain federal forms and income tax withholding and employment taxes and depositing these taxes on behalf of the individuals and representatives that we represent as employer agent.

g. The Selected Offeror(s) must have a working knowledge of the Medicaid target population (individuals with developmental disabilities, over the age of 60, and physical disabilities), PDS and how participant direction relates to the provision of VF/EA FMS and providing VF/EA FMS in accordance with federal, state and local tax, labor, worker's compensation insurance and program rules and regulations, as applicable.

As the nation's largest provider of financial management services (FMS) for participant-directed services (PDS), PPL has a working knowledge of the Medicaid target population, including individuals with developmental disabilities, over the age of 60, and physical disabilities. PPL understands PDS and how participant direction relates to the provision of VF/EA FMS and providing VF/EA FMS in accordance with federal, state and local tax, labor, worker's compensation insurance and program rules and regulations.

h. The Selected Offeror(s) must comply with existing or new applicable regulations, requirements, standards, directives, statutes, etc. issued by the Commonwealth and/or Federal and local governments that take effect during the Agreement period.

PPL's experience has helped us develop a strong understanding of the federal and state regulations, requirements, standards, directives, statutes, etc affecting VF/EA FMS organizations in Medicaid-funded PDS programs. This includes detailed knowledge of the complex array of employment documentation, payroll, and federal, state, and local tax responsibilities for the DCWs hired directly by the common law employer. As a standard practice, we stay current on the Federal and State laws and regulations including those related to labor, tax, immigration, and worker's compensation insurance and Medicaid program regulations that are relevant to our responsibilities as the VF/EA FMS organization.

We have a team of individuals, including members of the American Payroll Association, dedicated to staying current on all federal and state forms, notices, and publications. Our tax experts frequently check the IRS Website, receive daily email updates from the IRS, the Department of Taxation and Department of Labor, attend tax seminars, receive monthly Paystate Updates, and are in frequent contact with national policy experts on the roles and responsibilities of a VF/EA FMS organization.

Our tax team routinely monitors weekly updates from the following organizations and agencies:

- American Payroll Association (<http://www.americanpayroll.org>)
- IRS (<http://www.irs.gov>)
- US Department of Labor (<http://www.dol.gov>)
- US CIS (<http://www.uscis.gov>)
- National Resource Center for Participant-Directed Services (<http://www.bc.edu/schools/gssw/nrcpds>)

PPL has well-established systems and processes to ensure that we are up-to-date with IRS documents, labor issues, citizenship and legal alien issues, state income tax and unemployment publications, and state worker's compensation issues relating to household employers and personal assistant staff. We annually revise our common law employer and qualified DCW packets to include the latest tax forms and withholding thresholds, and pride ourselves on having the most up-to-date systems, including compliance with the newest regulations including those that will take effect during the Agreement period.

PPL managers and staff members regularly attend tax seminars and stay in frequent contact with national policy experts on the roles and responsibilities of a VF/EA FMS organization. We also maintain an active dialogue with IRS representatives on tax changes that affect F/EA activities. In fact, we have been consulted by the IRS for recommendations on potential changes to specific forms for F/EA purposes. For example, we provided comments on Proposed Notice 2003-70 and were consulted by the IRS regarding changes to the IRS Form 941 and IRS Form 944. Additionally, Mike McConville, our Payroll Tax Compliance Supervisor, is a CPA licensed in the Commonwealth of Pennsylvania. He will ensure that we monitor updates from Pennsylvania.

2. Conflict Free Requirements. The Selected Offeror(s) must be free of any conflict of interest with any existing or future waiver/program providers. To ensure an objective, unbiased process, the Selected Offeror(s) and any subcontractors must be free of real or perceived conflicts of interest:

a. Requirements:

i. The Selected Offeror(s) and its subcontractors may not be a part of or affiliated and must remain independent from any provider of home and community based waiver services. Neither the governing body of the Selected Offeror(s) nor individual members of the governing body may be affiliated with any provider of home and community based waiver services. Nor may the Selected Offeror(s) or its subcontractors be affiliated with or a subsidiary of any existing provider of home and community based waiver services.

PPL understands and agrees that PPL and any subcontractors may not be a part of or affiliated and must remain independent from any provider of home and community based waiver services. PPL understands and agrees that the governing body of PPL and individual members of the governing body may not be affiliated with any provider of home and community based waiver services. PPL understands and agrees that PPL or its subcontractors may not be affiliated with or a subsidiary of any existing provider of home and community based waiver services.

ii. No personnel assigned to the project may work for any provider of home and community based waiver services. However, personnel assigned to the project may receive direct services or supports from such provider as long as the services are purchased at fair rates (either private pay, through an HCBS program, or through another third party program).

PPL understands and agrees that no personnel assigned to the project may work for any provider of home and community based waiver services. PPL understands and agrees that personnel assigned to the project may receive direct services or supports from such provider as long as the services are purchased at fair rates (either private pay, through an HCBS program, or through another third party program).

iii. The Selected Offeror(s) cannot be a developmental disabilities service provider within the Commonwealth. However, if the Selected Offeror(s) merely is related to or otherwise affiliated with a developmental disabilities service provider, the Selected Offeror(s) must disclose this relationship in its Technical Proposal and provide a detailed written description of the nature of its relationship with the related provider, including, but not limited to, detailed information on the ownership of the company that contains the names and percent of ownership, ownership structure, as well as any other current contracting or subcontracting relationships that may result in a conflict of interest with the requirements of this solicitation. The Selected Offeror(s) also must abide by the conflict of interest standards identified in the Standard Terms and Conditions for Services and the DPW Addendum to the Standard Terms and Conditions.

PPL understands and agrees that PPL cannot be a developmental disabilities service provider within the Commonwealth. PPL hereby attests that it is not related to or otherwise affiliated with a developmental disabilities service provider. PPL agrees to abide by the conflict of interest standards identified in the Standard Terms and Conditions for Services and the DPW Addendum to the Standard Terms and Conditions and agrees to disclose any and all associations that may compromise an otherwise harmonious working relationship.

In addition, the Commonwealth reserves the right to not accept a proposal from an Offeror that has been determined to have a conflict of interest based on the language above. As part of the Transmittal Letter, see Part II, Section II-3, the Offeror must submit complete organizational information that includes an organization chart listing all subsidiaries; a listing of all Agreements that the Offeror has within Pennsylvania; a listing of any Agreements of its subsidiaries associated with any home and community- Based services provider doing business in Pennsylvania.

As part of the Transmittal Letter, PPL has submitted complete organizational information that includes an organization chart listing all subsidiaries; a listing of all Agreements that the Offeror has within Pennsylvania; and a listing of any Agreements of its subsidiaries associated with any home and community-based services provider doing business in Pennsylvania. PPL has submitted its organizational information in **Part II, Section II-3**.

PPL has an effective compliance program that assists employees and PPL in managing conflicts of interest. At the outset, we have promulgated a comprehensive code of conduct that makes our conflict expectations clear to all employees. The regulated subjects include the acceptance and giving of gifts; outside employment; voluntary outside activities; the hiring of family members; and involvement in political activities. All PPL employees are required to comply with the code of conduct and to participate in mandatory training explaining these provisions. We have also established a confidential "hot line" for employees to seek guidance from the compliance officer on any actual or perceived conflict of interest involving the caller or other employees. Employees are kept current through policy advisories on particular conflict areas and through compliance updates on the PPL corporate information system.

PPL applies a due diligence protocol whenever it considers using an individual or firm as a subcontractor in any proposal or agreement. Among the subjects of inquiry are the required disclosure of any information that might lead to a conflict of interest in the performance of work for PPL and the client.

3. In-state Office Requirements. The Selected Offeror(s) must establish at least one brick and mortar office in Pennsylvania regardless of the number of lots awarded. All sites within Pennsylvania must be accessible and meet the American Disabilities Act (ADA) standards. The physical site of the Selected Offeror(s)'s administrative functions, all satellite offices, and any worksites cannot be co-located with any existing provider.

PPL understands and agrees to establish at least one brick and mortar office in Pennsylvania regardless of the number of lots awarded. PPL's parent company, Public Consulting Group (PCG), has an existing office located at: 2040 Linglestown Road, Suite 201, Harrisburg, PA 17110. PCG is currently looking for new space within the area to support anticipated expansion. If awarded this Agreement, PCG and PPL will combine offices to accommodate approximately 30-35 PCG and PPL employees with about 6,500-7,000 square feet.

PPL understands and agrees that all sites within Pennsylvania must be accessible and meet The American Disabilities Act (ADA) standards. PPL's common practice when opening a new office is to ensure the site is accessible and meets ADA standards.

PPL understands and agrees that the physical site of PPL's administrative functions, all satellite offices, and any worksites cannot be co-located with any existing provider.

4. Resource Requirements. The Selected Offeror(s) must have a physical plant and the equipment that is appropriate and supports the provision of VF/EA FMS as outlined in the current ODP Bulletin 00-08-14 relating to VF/EA FMS. The Selected Offeror(s) must supply meeting rooms and normal office space for personnel, including equipment, Microsoft® Office Software, network connectivity, supplies, clerical assistance, and administrative support needed to perform this engagement at its headquarters and any satellite offices.

PPL agrees to have a physical plant and the equipment that is appropriate to support the provision of VF/EA FMS as outlined in the current ODP Bulletin 00-08-14 relating to VF/EA FMS. As mentioned above, PPL plans to share office space with PCG, currently located at: 2040 Linglestown Road, Suite 201, Harrisburg, PA 17110. PPL agrees to supply meeting rooms and normal office space for personnel, including equipment, Microsoft® Office Software, network connectivity, supplies, clerical assistance, and administrative support needed to perform this engagement at its headquarters and any satellite offices.

5. Regional Presence. The Selected Offeror(s) must establish a presence in each region and must have the capability to conduct in-person meetings with individuals, families, and representatives in each region. In addition, the Selected Offeror(s) must establish regional teams which can provide expertise on local tax issues and other related topics. Regional teams need to be regionally located.

PPL will establish a presence in each region and will have the capability to conduct in-person meetings with individuals, families, and representatives in each region. In addition, PPL will establish regional teams which can provide expertise on local tax issues and other related topics. PPL understands that regional teams need to be regionally located.

PPL's main office will be located in the Central region in Harrisburg, Pennsylvania. PPL plans to co-locate in the office of PCG, currently located at: 2040 Linglestown Road, Suite 201, Harrisburg, PA 17110. Our main office will have space to accommodate meetings that may take place in the local area. If awarded all three lots, PPL will have Enrollment Service Managers located in the Eastern, and Western regions who will work remotely out of their homes. PPL will rent space to accommodate in-person meetings with individuals, families, and representatives in each region.

PPL is committed to maintaining sufficient levels of staff in order to perform all Agreement requirements. PPL will establish regional teams to provide expertise on local tax issues and other related topics. The regional teams will receive extensive training on all pertinent program regulations, state and federal laws, and Agreement requirements.

6. Service Capacity. The Selected Offeror(s) must have the capacity to serve individuals and representatives located in each of the Commonwealth's regions in the state (see regional map included Section IV-2 above) and to conduct in-person meetings with individuals located in each Commonwealth region.

PPL has the capacity to serve individuals and representatives located in each of the Commonwealth's regions. We will maintain an office in Harrisburg, PA which will accommodate meetings. PPL will rent space in other locations as needed. PPL proposes to conduct in-person group enrollment meetings in each region where practical to do so. Through past experience we find the interaction between individuals and representatives to be extremely beneficial during in-person group meetings. In addition, PPL will comply with the requirement in that we have a full time Enrollment Services Manager located within each region to facilitate the enrollment and transition process.

7. Department of State. The Selected Offeror(s) must be qualified and registered with the Pennsylvania Department of State to do business in the state.

PPL is currently qualified and registered with the Pennsylvania Department of State to do business in Pennsylvania and will maintain this registration in good standing throughout the Agreement period.

8. Financial Viability. Secure a surety bond equal to or greater than the total cost of VF/EA FMS and related services for the VF/EA for one month.

If selected for award, PPL will secure a surety bond equal to or greater than the total cost of VF/EA FMS and related services for the VF/EA for one month.

9. Medicaid Enrolled Provider. The Selected Offeror(s) must be an enrolled provider in the Pennsylvania Medical Assistance Program.

PPL is currently in the process of becoming an enrolled provider in the Pennsylvania Medical Assistance Program. At the time of Readiness Review, PPL will demonstrate that it meets this requirement.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
DEPARTMENT OF AGING
OFFICE OF LONG-TERM LIVING
BUREAU OF PROVIDER SUPPORT

SPECIAL PROVIDER AGREEMENT

WHEREAS, the Department of Public Welfare administers the Pennsylvania Medical Assistance Program; and

WHEREAS, the Department of Public Welfare administers Home and Community-Based Waiver Programs as part of its administration of the Pennsylvania Medical Assistance Program; and

WHEREAS, Fiscal/Employer Agents are utilized under the Home and Community-Based Waiver Programs to provide Financial Management Services (FMS); and

WHEREAS, the Fiscal/Employer Agent (F/EA) Provider must meet additional standards in order to provide financial management services under the Home and Community-Based Waiver Programs.

NOW THEREFORE, each Government and Vendor F/EA provider agrees as follows:

1. To enroll as a Provider Type 54, Specialty 541 in the Pennsylvania Medical Assistance Program.
2. To meet the FMS provider qualifications as outlined in the OLTL F/EA-FMS Provider Standards which are incorporated as if fully set forth herein.
3. To maintain documentation to support its compliance with the OLTL F/EA FMS Provider Standards.
4. To obtain written results of criminal history clearances from the Pennsylvania State Police for all administrative staff and direct care employees providing waiver/program services within 30 days from the date that the direct care employee initiates services to the consumer;
5. As a Government F/EA, to operate in accordance with §3504 of the Internal Revenue Service (IRS) Code, Revenue Procedure 80-4, 1980-1 C.B. 581, as modified by IRS Proposed Notice 2003-70 and any other future revenue procedures, notices or publication promulgated by the IRS.
6. As a Vendor F/EA, to operate in accordance with §3504 of the Internal Revenue Service (IRS) Code, Revenue Procedure 70-6, 1970-1 C.B. 420, as modified by IRS Proposed Notice 2003-70 and any other future revenue procedures, notices or publication promulgated by the IRS.

7. To have a physical plant and the equipment that is appropriate and supports the provision of FMS as outlined in §IV.17 of the F/EA FMS Provider Standards.
8. To have a sound financial and reporting structure to efficiently serve participants as outlined in §IV.3 of the F/EA FMS Provider Standards.
9. To maintain books, records and have documents available for inspection by OLTL, or other Department of Aging and Department of Public Welfare officials, or Federal authorities without prior notice.
10. Demonstrate the ability to select, contract with and oversee the performance of a reporting agent (Government and Vendor F/EAs) or subagent (Government F/EAs) effectively, as applicable and as outlined in §IV.1 of the F/EA FMS Provider Standards.

WHERETO, with the authority to bind the agency, the undersigned agrees this
21 day of March, 2012

PCG Public Partnerships, LLC

Name of Agency

Marc H Fenton

Name of Applicant

Marc H. Fenton - President

Printed Name/Title of Applicant

11. The Selected Offeror(s) must maintain documentation to support its compliance with these requirements.

PPL will maintain documentation to support our compliance with these requirements and update the Agreement when necessary.

12. The Selected Offeror(s) must arrange for, at its own expense, criminal background clearances from the Pennsylvania State Police and child abuse clearances per the Child Protective Services Law (CPL) [23 Pa. C.S. Chapter 63] and obtain written results from the Pennsylvania State Police and Office of Children, Youth and Families' DPW Childline and Abuse Registry for all staff that perform work related to this RFA prior to providing waiver services. Criminal background checks are conducted via the Criminal History Request Online found at the Pennsylvania State Police Website, under PSP Services, <http://www.psp.state.pa.us>. Child abuse clearances are obtained from:

**Office of Children, Youth and Families
DPW-Childline and Abuse Registry
P.O. Box 8170
Harrisburg, Pennsylvania 17105-8170
(717) 783-6211**

If staff that perform work related to this RFA has not been a Pennsylvania resident for the previous two (2) years, the Selected Offeror(s) must obtain a Federal Criminal History Record from the Federal Bureau of Investigation (FBI), in addition to the Criminal History Record from the State Police.

PPL will arrange for, at its own expense, criminal background clearances from the Pennsylvania State Police and child abuse clearances per the Child Protective Services Law (CPL) [23 Pa. C.S. Chapter 63] and obtain written results from the Pennsylvania State Police and Office of Children, Youth and Families' DPW Childline and Abuse Registry for all staff that perform work related to this RFA prior to providing waiver services.

If a staff member that performs work related to this RFA has not been a Pennsylvania resident for the previous two (2) years, PPL will obtain a Federal Criminal History Record from the Federal Bureau of Investigation (FBI), in addition to the Criminal History Record from the State Police.

13. The Selected Offeror(s) must, at its expense, arrange for a criminal background clearances from the Pennsylvania State Police and obtain written results for each of its employees, as well as the employees of any of its subcontractors, who will have access to the Commonwealth's IT service programs, either through on-site access or through onsite access or through remote access. Criminal background checks are conducted via the Criminal History Request Online found at the Pennsylvania State Police Website, under PSP Services <http://www.psp.state.pa.us>. The criminal background checks must be conducted prior to initial access and on an annual basis thereafter.

Before the Commonwealth will permit access to the Selected Offeror(s), the Selected Offeror(s) must provide written confirmation that the background checks have been conducted. If, at any time, it is discovered that an Selected Offeror(s) employee has a criminal record that includes a felony or misdemeanor involving terroristic behavior, violence, use of a lethal weapon, or breach of trust/fiduciary responsibility or which raises concerned about building, system or personal security or is otherwise job-related, the Selected Offeror(s) shall not assign that employee to any Commonwealth service program, shall remove any access privileges already given to the employee and shall not permit that employee remote access unless the agency consents to the access, in writing, prior to access. The Commonwealth may withhold its consent in its complete discretion. Failure of the Selected Offeror(s) to comply with the terms of this paragraph may result in default of the Selected Offeror(s) under its Agreement.

PPL will at its expense, arrange for a criminal background clearances from the Pennsylvania State Police and obtain written results for each of its employees, as well as the employees of any of its subcontractors, who will have access to the Commonwealth's IT service programs, either through on-site access or through onsite access or through remote access. The criminal background checks will be conducted prior to initial access and on an annual basis thereafter.

PPL will provide written confirmation that the background checks have been conducted. If, at any time, it is discovered that a PPL employee has a criminal record that includes a felony or misdemeanor involving terroristic behavior, violence, use of a lethal weapon, or breach of trust/fiduciary responsibility or which raises concerned about building, system or personal security or is otherwise job-related, PPL shall not assign that employee to any Commonwealth service program, shall remove any access privileges already given to the employee and shall not permit that employee remote access unless the agency consents to the access, in writing, prior to access.

As a standard practice, PCG requires all employees to pass a criminal background check prior to employment.

15. The Selected Offeror(s) must comply with Medical Assistance Bulletin 99-11-05 titled “Provider Screening of Employees and Contractors for Exclusion from Participation and Federal Health Care Programs and the Effect of Exclusion on Participation” and any revisions or updates.

If chosen by DPW to serve as the VF/EA FMS for this project, PPL will fully comply with the Medical Assistance Bulletin 99-11-05 and any amendments made to it. PPL will screen all employees, vendors, contractors, service providers, and referral sources whose functions are necessary components of providing items and services to Medicaid recipients to determine if they have been excluded by the Department of Health and Human Services’ Office of Inspector General (HHS-OIG) from participation in Medicare, Medicaid, or any other Federal health care program. PPL will not use state or federal funds to pay for any items or services furnished, ordered, or prescribed by individuals or entities excluded from the Medicaid Program as well as other Federal health care programs.

--

16. The Selected Offeror(s) must have a sound financial and reporting structure to efficiently serve participants as outlined in Part II-7, *Financial Capacity*.

17. Information Handling. The Selected Offeror(s) must abide by the Commonwealth's specific regulations and requirements concerning confidentiality of information and Health Insurance Portability and Accountability Act (HIPPA) (see Appendix G) Business Associate Language provided by OLTL/PDA/ODP, and the DPW Addendum to the Standard Terms and Conditions (see Appendices A and B). The Selected Offeror(s) must protect the confidentiality of all Commonwealth and ODP information. The Selected Offeror(s) agrees that any breach of this provision may, at the discretion of the Commonwealth and/or OLTL/PDA/ODP; result in termination of the Agreement.

The nature of VF/EA FMS requires the handling of sensitive information. All personnel and/or sub-Selected Offeror(s) assigned to the provision of VF/EA FMS by the Selected Offeror(s) must comply with applicable federal and state laws, regulations, and rules regarding the security and confidentiality of information individuals receiving Medicaid waiver services.

Compliance will include:

- a. All personnel and/or sub-Selected Offeror(s) of the Selected Offeror(s) and its reporting agent, as applicable must comply with the Health Insurance Portability and Accountability Act (HIPPA);
- b. All personnel and/or sub- Selected Offeror(s) of the Selected Offeror(s) and its reporting agent, as applicable, must receive training in confidentiality regulations, including HIPPA Privacy and Security training and Medicaid confidentiality requirements;
- c. All personnel and/or sub- Selected Offeror(s) of the Selected Offeror(s) must sign confidentiality agreement. Personnel policies must address disciplinary procedures relevant to violation of the signed confidentiality agreement; and
- d. Both confidential and sensitive information are not to be used by the Selected Offeror(s) or sub-Selected Offeror(s) or given to another agency other than for the purpose of carrying out obligations of the Agreement.

The Selected Offeror(s) is responsible for ensuring that adequate measures are in place to prohibit unauthorized access, copying, and distribution of information during work on this project. The Selected Offeror(s) is responsible for proper disposal of both hard and electronic working copies of information during work on this Project, as well as any remaining information upon the completion of the project.

Sensitive information may need to be transferred from other agencies or shared with the Commonwealth during the course of the Agreement period, and/or transitioned to another vendor at the conclusion of this Agreement. The Selected Offeror(s) will follow Commonwealth procedures for information handling and sharing. The Selected Offeror(s) will ensure that all records are properly retained for six (6) years after becoming fully inactive or until the disposition of court hearings, audits and appeals are complete. The Selected Offeror(s) is responsible for following record retention procedures for all applicable federal, state and local government agencies.

PPL is committed to maintaining the strictest of privacy and confidentiality standards and will abide by the Commonwealth's specific regulations and requirements concerning confidentiality of information and Health Insurance Portability and Accountability (HIPAA) Business Associate Language provided by OLTL/PDA/ODP, and the DPW Addendum to the Standard Terms and Conditions. PPL will ensure protection and confidentiality of all Commonwealth and ODP information and we understand that any breach of this provision may result in termination of the Agreement.

In all of our programs, we are committed to the highest levels of confidentiality in our operations as they relate to federal and state laws, regulations, and rules regarding the security and confidentiality of information of individuals receiving Medicaid waiver services. As a standard business practice, we ensure that all business operations are fully compliant with the requirements of HIPAA and provide training to staff on these specific policies and procedures. We have an in-house compliance officer, Stuart Kaufman, Esq., who was the former General Counsel to the Massachusetts Executive Office of Health and Human Services as well as the founding General Counsel of the Massachusetts Ethics Commission. Mr. Kaufman reviews all of our contract and confidentiality obligations and ensures that we establish process and procedures to follow them. In addition, all PPL employees are required to complete Basic Security Awareness Training that includes an exam which must be passed. Individuals must take the training until they pass the exam to ensure the concepts are understood. In addition, the training asks the individual to declare that they have read or will read the firm's security policy.

Each staff member at PPL receives instruction on our strict confidentiality policies and, upon hiring, is required to sign an agreement with the company to uphold them. Any transgression against our policy is met with immediate response by management with disciplinary action including possible termination. We believe that this unambiguous and unequivocal policy clearly produces results that are in our clients' best interest.

PPL understands that confidential and sensitive information is not to be used or given to another agency other than for the purpose of carrying out obligation of the Agreement. We have established policies, procedures and internal controls that will govern the operations of the Participant-Directed Services Programs at every level. This includes the storage and record keeping of consumer/common law employer and DCW files, as well as all other required documentation. All documents are kept by consumer/common law employer or DCW in a location separate from other programs for which we provide financial management services. The physical documents are in a secure space used solely by individuals working specifically with the Participant-Directed Services Programs.

We also offer an electronic document management system proven to meet the needs of consumer direction programs now under our management. This system allows us to proficiently and effectively manage the dozens of tax forms and other program documents often required by Federal, state and local tax and labor departments. Our document management system is hosted on a secure server ensuring the safety of Protected Information and other consumer/common law

employer and DCW demographic data. Only designated PPL employees and client-approved individuals are capable of accessing this system. The information stored on the server is routinely backed up by our IT infrastructure ensuring continuity of service and protecting against loss of information due to unforeseen natural events. In summary, not only is our system valuable, but it also provides the sense of security you need to ensure that all records are safe and protected. Depending on the needs of the program, PPL will work with the state to assess how this tool should be configured.

PPL understands that sensitive information may need to be transferred from other agencies or shared with the Commonwealth during the course of the Agreement period, and/or transitioned to another vendor at the conclusion of this Agreement and will follow Commonwealth procedures for information handling. In addition, PPL will ensure that file maintenance protocols for the Participant-Directed Services Programs conforms to the requirements of the federal, state and local government agencies. Therefore, PPL shall ensure that all electronic and paper files are maintained during the course of the Agreement and archived for a period of no less than six (6) years after the expiration of this Agreement or until the disposition of court hearings, audits and appeals are complete.

18. Current, Comprehensive, Pennsylvania-specific VF/EA FMS Organization Procedures Manual. The Selected Offeror(s) must prepare and maintain a Pennsylvania-specific VF/EA FMS Organization Procedures Manual (“Manual”). This manual must include procedures and internal controls for all VF/EA FMS organization tasks and requirements outlined in this RFA. The Manual must be submitted to the Commonwealth during the VF/EA FMS Organization Readiness Review (See Appendix K) for review and approval. The Manual should be updated at least annually or more frequently, as necessary and all updates must be reviewed and approved by Commonwealth. The Manual should be available and submitted to Commonwealth in electronic format.

PPL currently relies on policies and procedures (P&P) manuals for all of our projects and is experienced in developing, writing, using, and updating these manuals for all tasks related to the F/EA function. Each manual serves as a training and management tool as well as a reference guide for each of our programs. We use our manuals on a routine basis as part of our daily operations. Our P&P manuals contain:

- Well organized chapters with detailed rules on timelines required to take action;
- Detailed key-stroke commands specific to all processes;
- Screen shots of our systems and their use;
- Clearly articulated and comprehensive internal control and program integrity requirements for each operational area.

During the implementation phase of this project, we will customize our P&P manual template to create Pennsylvania program-specific manuals that comply with all program requirements. The P&Ps will provide the detailed policies, procedures, and internal controls and will serve as the document that governs all tasks related to F/EA operations for the programs. The manuals will state timeframes for each policy, procedure and internal control.

The P&P manuals will be available in electronic format to all PPL staff in a shared directory on our existing company computer network. This is a standard practice currently used in each of our programs, which will provide ready access to all employees of the latest approved version of the manual for easy reference. The P&P manuals will also be incorporated into all training programs for new and existing staff working on the DPW programs.

Per Question 238 of the RFA 22—11 Q&A, PPL is not submitting a P&P Manual at this time. In the pages that follow, PPL has provided a sample Table of Contents that outlines the P&Ps that are standard in our programs. PPL agrees to complete a comprehensive and current, Pennsylvania-specific, Policies and Procedures Manual in preparation for Readiness Review. The Pennsylvania-specific manual will stay current and updated when policies and/or procedures change and submitted to the Commonwealth to be reviewed and approved prior to the use to the P&P.

Insert P&P TOC

19. Archived Files. The Selected Offeror(s) must establish and maintain all archived files in an accurate, secure and confidential manner and for the required period of time as mandated by applicable federal, state and local rules and regulations.

PPL has extensive experience in meeting the federal system requirements. As a HIPAA Business Associate with our state partners, PPL complies with HIPAA Privacy and Security regulations, and is committed to the protection of sensitive participant information and to adhering to any federal system requirements. To comply with HIPAA Privacy and Security regulations, PPL ensures that every level of its operations is as secure as possible. PPL shall ensure that all electronic and paper files are maintained during the course of the Agreement and archived for a period of no less than six (6) years after the expiration of this Agreement or until the disposition of court hearings, audits and appeals are complete.

20. Implementation Plan. The Selected Offeror(s) must provide the Commonwealth with a full implementation plan along with their bid. This plan will include:

a. A current, comprehensive and Pennsylvania-specific VF/EA FMS Organization Procedures Manual;

As indicated in Section 18, PPL will provide DPW with a current, comprehensive and Pennsylvania-specific VF/EA FMS Organization Procedures Manual as part of the Readiness Review process.

b. A copy of the Contractor's organizational chart;

Organizational charts for PPL can be found in Section II-4 and II-5. If any changes have been made to the charts at the time of the Readiness Review, we will provide DPW with updated copies.

c. A copy of the Contractor's IRS Form SS-4, *Application for Employer Identification Number* (application for separate FEIN);

[REDACTED] served its agent EIN 8 years ago. We are not attaching a copy of the IRS SS-4 submitted to the IRS. Please find attached a copy of the IRS documentation providing PPL's agent FEIN.

d. A copy of the Contractor's IRS document providing the separate FEIN;

Please find attached a copy of the IRS documentation providing PPL's agent FEIN.

e. A copy of the IRS document providing the corporate Selected Offeror(s)'s FEIN;

Please find attached a copy of the IRS documentation providing PPL's corporate EIN.

f. A copy of the IRS Form 940, *Employer's Annual Federal Unemployment (FUTA) Report*; Schedule R, *Allocation Schedule for Form 940 Filers*; and Schedule A, *Multi-State Employer and Credit Reduction Information*, as appropriate. These documents should reflect the most recent tax year;

Please see below for a copy of PPL's 2011 Schedule R. Confidential information on the form has been blanked out. We included the Allocation Sheet as well as the first and last page of the Schedule R Continuation Sheet.

Schedule R (Form 940): Allocation Schedule for Aggregate Form 940 Filers

(December 2011)

OMB No. 1545-0028

Department of the Treasury — Internal Revenue Service

Employer identification number (EIN) 12-3456789

Name as shown on Form 940 Public Partnerships LLC

Report for calendar year:

(Same as Form 940):

2011

Read the separate instructions before you complete Schedule R (Form 940). Type or print within the boxes. Complete a separate line for the allocated amounts of each of your clients.

(a) Client Employer Identification Number (EIN)	(b) State abbreviation from Form 940, line 1a, or Schedule A (Form 940)	(c) Total taxable FUTA wages allocated to the listed client EIN from Form 940, line 7a	(d) Total adjustments to FUTA tax allocated to the listed client EIN from Form 940, line 9 or line 10	(e) Credit reduction amount allocated to the listed client EIN from Form 940, line 11	(f) Total FUTA tax after adjustments allocated to the listed client EIN from Form 940, line 12	(g) Total FUTA tax deposits from Form 940, line 13, plus any payment made with the return allocated to the listed client EIN
		19125 • 60	•	28 • 69	247 • 57	527 • 04
		7000 • 00	•	•	56 • 00	56 • 00
		10229 • 52	•	•	75 • 38	75 • 38
		7000 • 00	•	•	56 • 00	74 • 25
		7000 • 00	•	•	56 • 00	85 • 93
		14000 • 00	•	•	108 • 84	135 • 03
		5043 • 00	•	•	38 • 25	38 • 25
		7000 • 00	•	•	50 • 50	59 • 39
		7000 • 00	•	•	56 • 00	78 • 42
		7000 • 00	•	•	50 • 91	62 • 03
		7000 • 00	•	•	53 • 50	68 • 42
		6488 • 25	•	•	47 • 05	47 • 05
		7000 • 00	•	•	56 • 00	78 • 42
		7000 • 00	•	•	52 • 20	66 • 72
		10638 • 74	•	•	73 • 72	73 • 72
16 Subtotal for clients. Add all amounts on lines 1 through 15.		128525 • 11	•	28 • 69	1077 • 92	1526 • 05
17 Enter the combined subtotal from line 26 of all Continuation Sheets for Schedule R (Form 940).		131889368 • 04	•	338943 • 58	1305094 • 42	1325918 • 14
18 Enter Form 940 amounts for employees of the agent.		0 • 00	•	•	•	•
19 Totals. Add lines 16, 17, and 18. The column totals must match the related lines on the aggregate Form 940.		132017893 • 15	•	338972 • 27	1306172 • 34	1327444 • 19

For Paperwork Reduction Act Notice, see the Instructions.

Cat. No. 53082A

Schedule R (Form 940) (12-2011)

Continuation Sheet for Schedule R (Form 940)

(December 2011)

Report for calendar year:
(Same as Form 940)
2011

Employer identification number (EIN)

Name as shown on Form 940

Public Partnerships LLC

Read the separate instructions before you complete Schedule R (Form 940). Type or print within the boxes. Complete a separate line for the allocated amounts of each of your clients.

(1) Client's employer identification number (EIN)	(2) Client's name	(3) Total available FUTA wages allocated to the client EIN from Form 940, line 7a	(4) Total FUTA tax allocated to the client EIN from Form 940, line 12	(5) Credit reduction amount allocated to the client EIN from Form 940, line 12	(6) Total FUTA tax after adjustments allocated to the client EIN from Form 940, line 12	(7) Total FUTA tax payable (Form 940, line 12), plus any payment made with the return allocated to the client EIN
1	A Z	18105 • 34	•	0 • 00	122 • 89	122 • 89
2	A Z	7000 • 00	•	0 • 00	55 • 27	81 • 54
3	A Z	1725 • 36	•	0 • 00	10 • 35	10 • 35
4	A Z	6083 • 00	•	0 • 00	40 • 41	40 • 41
5	A Z	10418 • 52	•	0 • 00	79 • 10	39 • 55
6	A Z	7000 • 00	•	0 • 00	56 • 00	85 • 87
7	A Z	7000 • 00	•	0 • 00	50 • 56	64 • 86
8	A Z	7000 • 00	•	0 • 00	56 • 00	82 • 63
9	A Z	7000 • 00	•	0 • 00	55 • 90	74 • 74
10	A Z	2101 • 40	•	0 • 00	12 • 61	12 • 61
11	A Z	7000 • 00	•	0 • 00	56 • 00	84 • 60
12	A Z	7000 • 00	•	0 • 00	56 • 00	76 • 38
13	A Z	7000 • 00	•	0 • 00	45 • 54	48 • 13
14	A Z	7000 • 00	•	0 • 00	30 • 53	20 • 60
15	A Z	3321 • 00	•	0 • 00	20 • 42	20 • 42
16	A Z	4597 • 16	•	0 • 00	27 • 58	27 • 58
17	A Z	7000 • 00	•	0 • 00	42 • 00	50 • 04
18	A Z	1725 • 36	•	0 • 00	10 • 34	10 • 34
19	A Z	3952 • 44	•	0 • 00	23 • 72	23 • 72
20	A Z	7000 • 00	•	0 • 00	56 • 00	77 • 16
21	A Z	18380 • 74	•	0 • 00	131 • 68	131 • 68
22	A Z	7000 • 00	•	0 • 00	54 • 54	84 • 41
23	A Z	6923 • 81	•	0 • 00	49 • 59	49 • 59
24	A Z	7000 • 00	•	0 • 00	50 • 60	50 • 60
25	A Z	1827 • 50	•	0 • 00	10 • 98	10 • 98
26 Subtotals for clients. Add lines 1 through 25. Include the subtotals from line 26 on Schedule R (Form 940), line 17.		170161 • 63	•	0 • 00	1204 • 61	1404 • 68

Continuation Sheet for Schedule R (Form 940)

(December 2011)

Employer identification number
(EIN)

[REDACTED] 3

Name as shown on
Form 940

Public Partnerships LLC

Report for calendar year:

(Same as Form 940):

2011

Read the separate instructions before you complete Schedule R (Form 940). Type or print within the boxes. Complete a separate line for the allocated amounts of each of your clients.

(a) Client Employer Identification Number (EIN)	(b) State abbreviation from Form 940, line 1a, or Schedule A (Form 940)	(c) Total taxable FUTA wages allocated to the listed client EIN from Form 940, line 7a	(d) Total adjustments to FUTA tax allocated to the listed client EIN from Form 940, line 9 or line 10	(e) Credit reduction amount allocated to the listed client EIN from Form 940, line 11	(f) Total FUTA tax after adjustments allocated to the listed client EIN from Form 940, line 12	(g) Total FUTA tax deposits from Form 940, line 13, plus any payment made with the return allocated to the listed client EIN
1	V A	2091 • 65	•	6 • 27	6 • 28	6 • 28
2	V A	6226 • 70	•	18 • 68	18 • 68	18 • 68
3	V A	5680 • 00	•	17 • 04	17 • 04	17 • 04
4	V A	1400 • 12	•	4 • 20	4 • 20	4 • 20
5	V A	28000 • 00	•	84 • 00	308 • 00	308 • 00
6	V A	8016 • 70	•	24 • 05	88 • 18	88 • 18
7	V A	11329 • 19	•	33 • 99	124 • 62	124 • 62
8	V A	8471 • 83	•	25 • 42	93 • 19	93 • 19
9	V A	14000 • 00	•	42 • 00	154 • 00	154 • 00
10	V A	14000 • 00	•	42 • 00	154 • 00	154 • 00
11	V A	7000 • 00	•	21 • 00	77 • 00	77 • 00
12	V A	7000 • 00	•	21 • 00	77 • 00	77 • 00
13		•	•	•	•	•
14		•	•	•	•	•
15		•	•	•	•	•
16		•	•	•	•	•
17		•	•	•	•	•
18		•	•	•	•	•
19		•	•	•	•	•
20		•	•	•	•	•
21		•	•	•	•	•
22		•	•	•	•	•
23		•	•	•	•	•
24		•	•	•	•	•
25		•	•	•	•	•
26	Subtotals for clients. Add lines 1 through 25. Include the subtotals from line 25 on Schedule R (Form 940), line 17.	113216 • 19	•	339 • 65	1122 • 20	1122 • 20

Schedule R (Form 940) (12-2011)

g. A copy of deposit documentation showing the electronic (EFT) filing made for FUTA;

Please see below for a page of PPL's electronic filing for FUTA.

h. A copy of the IRS Form 941, *Employer's Quarterly Federal Tax Report*, along with IRS Forms 941 Schedule R, *Allocation for Aggregate Form 941 Filers* and Schedule B, *Report of Tax Liability for Semi-Annual Schedule Depositors*, as appropriate. These documents should reflect the most recent tax year;

Please find below a copy of PPL's 2011 IRS Form 941. Schedule B and Schedule R have also been included. Confidential information on the forms has been blanked out. We included the Allocation Schedule as well as the first and last page of the Schedule R Continuation Sheet.

i. A copy of deposit documentation showing the electronic (EFT) filing made for FIT/FICA;

Please see below for a page of PPL's electronic filing for FIT/FICA.

21. VF/EA FMS Organization Readiness Review. In advance of the transition of common law employers the Selected Offeror(s) shall participate in the VF/EA FMS Organization Readiness Review (“Readiness Review”) process which will be conducted by the OLTL/PDA/ODP. The purpose of the Readiness Review is to assess and document the status of the Selected Offeror(s) readiness with respect to meet the requirements outlined in the RFA and Agreement. The Selected Offeror(s) will not be permitted to begin serving OLTL/PDA/ODP waiver participants if it does not show acceptable evidence of readiness relative to each requirement during the OLTL/PDA/ODP-conducted Readiness Review. Readiness Reviews include Selected Offeror(s)-provided detailed descriptions of how the Selected Offeror(s) will comply with the current VF/EA FMS Bulletin 00-08-14 and Agreement requirements during an onsite visit with OLTL/PDA/ODP staff. The Readiness Review must include:

- a. Timeframe for preparing enrollment and employment packets and distributing them to new and current individuals and representatives who will become common law employers;
- b. Current database modification to meet all requirements of this RFA and the Agreement;
- c. Staff recruitment and training process and timeline;
- d. Modifications to a current call center;
- e. Modification to a current Website;
- f. Recommended modifications to the current processes used by the Commonwealth for VF/EA FMS organizations;
- g. Timeframe for computer networks to be installed and tested;
- h. Timeframe for Medicaid billing systems to be implemented and tested
- i. Timeframe for Reporting system and reports to be tested and validated by VF/EA FMS organization and OLTL/PDA/ODP prior to implementation;
- j. Timeframe for enrolling existing common law employers with the Selected Offeror(s); and
- k. Develop a quality management system to monitor the requirements of this RFA and the Agreement.

The OLTL/PDA/ODP reserves the right to continue development of elements and forms to be used for the Readiness Review process. The date will be determined by DPW/OLTL/PDA/ODP.

The Selected Offeror(s) will be expected to provide sufficient staff to facilitate the Readiness Review process. More specifically, the Selected Offeror(s) must have sufficient corporate staff devoted to the Readiness Review process. Selected Offeror(s) staff will be expected to play an active role in the Readiness Review and demonstrate progress in an ongoing manner. Once the Readiness Review is completed and the findings presented to the Selected Offeror(s) by OLTL/PDA/ODP, the Selected Offeror(s) will prepare a corrective action plan (“CAP”) and address all outstanding issues identified during the Readiness Review prior to providing VF/EA FMS effective July 1, 2012. During the implementation

of the CAP, the Selected Offeror(s) will have regular status meetings with the OLTL/PDA/ODP Readiness Review Team. These meetings could occur either face-to-face or via conference call. The VF/EA FMS Organization Readiness Review is not a paid task.

In advance of the transition of common law employers, PPL shall participate in the VF/EA FMS Organization Readiness Review (“Readiness Review”) process which will be conducted by the OLTL/PDA/ODP. PPL understands the purpose of the Readiness Review is to assess and document the status of the Selected Offeror(s) readiness with respect to meet the requirements outlined in the RFA and Agreement. PPL understands and agrees that it will not be permitted to begin serving OLTL/PDA/ODP waiver participants if it does not show acceptable evidence of readiness relative to each requirement during the OLTL/PDA/ODP-conducted Readiness Review. PPL will provide detailed descriptions of how we will comply with the current VF/EA FMS Bulletin 00-08-14 and Agreement requirements during an onsite visit with OLTL/PDA/ODP staff. PPL understands that the Readiness Review must include:

- a. Timeframe for preparing enrollment and employment packets and distributing them to new and current individuals and representatives who will become common law employers;
- b. Current database modification to meet all requirements of this RFA and the Agreement;
- c. Staff recruitment and training process and timeline;
- d. Modifications to a current call center;
- e. Modification to a current Website;
- f. Recommended modifications to the current processes used by the Commonwealth for VF/EA FMS organizations;
- g. Timeframe for computer networks to be installed and tested;
- h. Timeframe for Medicaid billing systems to be implemented and tested
- i. Timeframe for Reporting system and reports to be tested and validated by VF/EA FMS organization and OLTL/PDA/ODP prior to implementation;
- j. Timeframe for enrolling existing common law employers with the Selected Offeror(s); and
- k. Develop a quality management system to monitor the requirements of this RFA and the Agreement.

PPL understands that OLTL/PDA/ODP reserves the right to continue development of elements and forms to be used for the Readiness Review process. The date will be determined by DPW/OLTL/PDA/ODP.

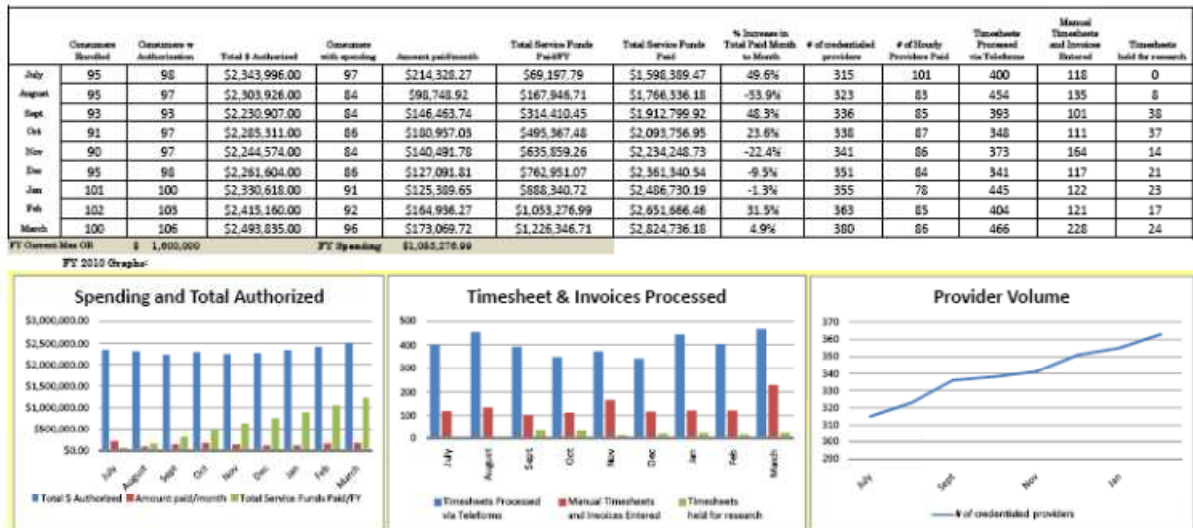
22. VF/EA FMS Organization Performance Review. In accordance with a schedule implemented by OLTL/PDA/ODP, the Selected Offeror(s) shall participate in a VF/EA FMS Organization Performance Review (“Performance Review”) conducted by OLTL/PDA/ODP. The purpose of the Performance Review is to assess and document the Selected Offeror(s)’s ability to perform as a VF/EA FMS organization in accordance with federal, state and local rules and regulations. Based on the results of the Performance Review, the following actions may be taken by OLTL/PDA/ODP. The Selected Offeror(s) will be expected to provide sufficient staff to facilitate the Performance Review process. Selected Offeror(s) staff will be expected to play an active role in the Performance Review and demonstrate progress in an ongoing manner. Once the Performance Review is completed and the findings presented to the Selected Offeror(s) by OLTL/PDA/ODP, the Selected Offeror(s) will prepare a corrective action plan (“CAP”) and address all outstanding issues identified during the Performance Review. During the implementation of the CAP, the Selected Offeror(s) will have regular status meetings with the OLTL/PDA/ODP Performance Review Team.

PPL welcomes the opportunity to participate in an Organization Performance Review implemented by OLTL/PDA/ODP. We value the measurement of our activities and are interested in how it has enhanced the quality of our client’s operations. Across the company, PPL experiences programmatic audits of provider files, service claims, and finance and compliance so; we are always prepared to support requests. We are proud to report that vast majority of these audits report zero or minimal findings.

PPL understands the staff will need to be allocated to this activity and that, should there be findings, PPL will need to prepare a corrective action plan (CAP). We will plan to meet with OLTL/PDA/ODP regularly to address progress on the CAP.

One method by which we may help DPW measure performance and quality improvement at the time of, or prior to, an initial Organization Performance Review is through the development of benchmarks and future targets. Below is a sample program dashboard from one of PPL’s current programs.

Sample Program - Monthly Dashboard



PPL has developed its own robust internal audit process which is designed to collect, evaluate and correct all internal policies and procedures related to the performance of financial administration functions. We have a dedicated internal audit team which works with each program team to conduct monthly audits on all paperwork and payroll processes within a program. At the inception of a program, the program team must deliver a complete set of program business rules and requirements for their program to the audit team. The audit team then uses these guidelines to build internal audit templates which capture paperwork and payment information.

Each month two reports are generated: an enrollment report for all actively enrolled consumers and a payroll report for all employees who have received a payment within the last three months. From these reports, a random sample set of 10 consumers and 10 employees are selected. The random sample set is entered into a variety of paperwork and payroll templates. These templates are then delivered to program team Members to begin collecting the requested audit data. For one-time paperwork (such initial enrollment paperwork), samples are randomly chosen until the entire population has been reviewed. However, random sampling continues for recurring items such as timesheets and payments.

An audit sample set is delivered to the program management team at the beginning of each month. On the 15th of each month, the completed audit template is due to the audit team. To ensure that audits are done accurately, the program team must include both the completed templates and all associated paperwork or timesheet information which matches the audit request. The audit team then does a full review of both the template and the associated documentation. If a match is not found the program team is contacted and a corrective action plan is developed.

We have found these internal audits to be extremely helpful in identifying systemic errors in our process. With regular internal auditing, we have been able to identify those and provide staff with the re-training necessary to ensure accurate operations.

23. The Selected Offeror(s) must be capable of accessing the following DPW systems:

a. The Provider Reimbursement and Operations Management Information System (PROMISe™), the Commonwealth's claims processing and management information system. Information is available online at <http://www.dpw.state.pa.us/provider/promise/index.htm>

The PCG Public Partnerships offices (including the Harrisburg, PA office) are equipped with Internet access and browser support (Internet Explorer 6 with 128-bit encryption and higher) required to access the Provider Reimbursement and Operations Management Information System (PROMISe™).

b. The Home and Community-Based Services Information System (HCSIS), the information system used to maintain waiver participants' records specific to the Attendant Care, CommCare, Independence, OBRA, Consolidated and P/FDS waivers and the Attendant Care Act 150 state funded program. Information is available online at <https://www.hcsis.state.pa.us/hcsis-ssd/>

The PCG Public Partnerships offices (including the Harrisburg, PA office) are equipped with Internet access and browser support (Internet Explorer 6 with 128-bit encryption and higher) required to access the Home and Community-Based Services Information System (HCSIS).

c. The Social Assistance Management System (SAMS), the information system used to maintain waiver and state funded participants' records specific to the Aging waiver. Information is available online at <http://www.ltltrainingpa.org/resources/index.cfm>.

The PCG Public Partnerships offices (including the Harrisburg, PA office) are equipped with Internet access and browser support (Internet Explorer 6 with 128-bit encryption and higher) required to access the Social Assistance Management Systems (SAMS).

d. Electronic Eligibility Verification System (EVS) is the DPW's system for verifying Medicaid recipient eligibility. Information is available at http://www.dpw.state.pa.us/ucmprd/groups/webcontent/documents/communication/s_002924.pdf.

The PCG Public Partnerships offices (including the Harrisburg, PA office) are equipped with Internet access and browser support (Internet Explorer 6 with 128-bit encryption and higher) required to access the Electronic Eligibility Verification System (EVS).

e. Additional software packages as applicable.

PPL anticipates no issues accessing standard software packages with Internet access.

PPL also supports and recommends automated electronic data interchange between its enterprise business partners and the PPL Web Portal. For example, the Portal can automatically import provider demographics, participant demographics, authorizations, budget data, and service information by Secure FTP, transfer across a business-to-business network, EDI, Web services, and other means. Bulk transfer of provider information helps streamline launching new VF/EA operations, speed enrollment of providers and consumers, and avoid mistakes. This results in less rework than with manual entry of data. PPL IT can adapt data sources from the Commonwealth's enterprise systems vendors, or can provide its own XML specifications for these data files. Although not strictly required, PPL suggests this best practice can increase operational efficiency and provide faster processing for the populations we serve.

Workspace must meet all Commonwealth requirements including, but not limited to, hardware, Website, telecommunications, and network connectivity via the Commonwealth Business Partner Network (in compliance with ITB-NET-008). Desktop computers must comply with Commonwealth Desktop standards to include Virus Protection and Security Software.

http://www.portal.state.pa.us/portal/server.pt/gateway/PTARGS_0_2_785_416_0_43/http%3B/pubcontent.state.pa.us/publishedcontent/publish/global/files/itbs/network_itbs/net008/itb_net008.doc

With respect to ITB-NET008, PPL provisions its own voice network and Internet connectivity, and is able to access the designated systems with secure connections over the Internet. We are able to comply with accessing the Commonwealth data network through a designated business-to-business partner network that is not routable to the Internet, for security purposes, if required. Similarly, PPL itself uses a private MPLS network, and not the Internet, to interconnect its own offices through the country. PPL provisions its own network security compliance; it has a Cyber Incident Response Policy & Procedure which is compatible with the Commonwealth's CISO incident management steps.

PPL desktop computers run enterprise grade antivirus software. Laptops are additionally encrypted to prevent data from being compromised.

The Selected Offeror(s) must have (or show a work plan for implementation of) a functional Website that meets the RFA requirements and meets Section 508 requirements. Section 508 refers to a statutory section in the Rehabilitation Act of 1973 (found at 29 U.S.C. § 794d). Its primary purpose is to provide access to and use of federal executive agencies' electronic and information technology (EIT) by individuals with disabilities. Additional information can be found at www.section508.gov.

PPL is familiar with the requirements of Section 508 of The Rehabilitation Act of 1973. PPL understands the purpose of these statutory provisions is to provide access to and use of federal executive agencies' electronic information technology (EIT) by individuals with Disabilities. PPL is in the process of assessing the impact of these provisions on the development and configuration of a functional Website that meets the RFA requirements and meets Section 508

requirements. PPL agrees to show the Commonwealth a work plan for implementation of a functional Website that meets these requirements.

24. Emergency Preparedness. To support continuity of operations during an emergency, including a pandemic, the Commonwealth needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential Agreements that provide critical business services to the Commonwealth have planned for such an emergency and put contingencies in place to provide needed goods and services.

a. Describe how the Selected Offeror(s) anticipates such a crisis will impact its operations;

PPL maintains a Pandemic Business Continuity Plan which, in conjunction with its Critical Service Recovery Strategy (CSRC) described in the next section of this response, provides operational measures to continue delivery business services to the Commonwealth, even in the event of an extended emergency. The plan secures the safety of PPL employees and customers, while maintaining highest possible levels of service. With this plan PPL expects to be able to continue to delivery acceptable service levels in the light of regional disasters, such as weather-related emergencies, and wide area concerns, such as the 2009-2010 H1N1 pandemic, during which PPL had no attributed operational deficiencies.

b. Describe the Selected Offeror(s)'s emergency response continuity of operations plan. Please attach a copy of the Selected Offeror(s)'s plan, or at a minimum, summarize how the Selected Offeror(s)'s plan addresses the following aspects of pandemic preparedness:

i) Employee training (describe the Selected Offeror(s)'s training plan, and how frequently its plan will be shared with employees);

ii) Identified essential business functions and key employees (within the Selected Offeror(s)'s organization) necessary to carry them out;

New hires are trained in their role in the Pandemic Business Continuity Plan as part of their new-hire training, which policy requires is certified as complete within 30 days of hire. Company-wide briefings are provided periodically, and when changes are made to the plan.

For security reasons, we cannot release the actual Pandemic Business Continuity Plan. Should this be of interest to DPW, we can arrange for staff to view the Plan. In summary, specific responsibilities are assigned to categories of staff depending on their role:

- Business Unit Leader
- Program Management
- Facilities Management
- Planning Team (our Facilities, Operations, and HR cross-functional team)
- All Employees
- Executive Management Team
- Supervisors

And according to the code level of a pandemic, informed by the World Health Organization's monitoring of pandemics:

- Code Yellow, pandemic is moving from country-to-country but not in the Western Hemisphere
- Code Orange, pandemic is moving from country-to-country, including the Western Hemisphere
- Code Red: pandemic is in close proximity to PPL locations
- Code Black: pandemic event has been reported at PPL locations

For example, when Code Yellow manifests, the Executive Team appoints a Pandemic Coordinator, verifies that all facilities are participating in continuity planning, and reinforces clear lines of communication. Code Yellow activities make it easier to move to higher codes, if required. Code Red response includes invoking work-from-home measures for employees; at that time, PPL Program Management will begin regular communication regarding pandemic status with the Commonwealth points of contact. During Code Black, the Planning Team meets regularly to address issues as they arise. The above examples are only a representative sample for the plan.

c. Describe the Selected Offeror(s)'s contingency plans for:

i) How the Selected Offeror(s)'s organization will handle staffing issues when a portion of key employees are incapacitated due to illness;

ii) How employees in the Selected Offeror(s)'s organization will carry out the essential functions if contagion control measures prevent them from coming to the primary workplace.

First steps seek to prevent intensification of the event. Office-based employees have been provisioned with the ability to work from home while connecting to PPL's private network with secure encryption. Protocols exist for minimizing face-to-face meetings, staggering work hours to minimize physical interaction of employees, and suspension of unnecessary travel to affected areas.

Second to personal safety, all possible steps are taken to prevent service disruption. PPL employees are cross trained and work load can be shared across multiple offices and even across state boundaries when required. PPL policy allows approval of overtime for healthy PPL employees to make up for shortfalls due to illness.

d. How the Selected Offeror(s)'s organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.; and

A key to PPL's resilience is its diversity of locations including its Pennsylvania office, three Boston-based headquarters facilities, three other full service operational locations (Phoenix, AZ; Glenn Allen, VA; and Westminster, CO) across the country, and numerous satellite offices. The pandemic plan is administered corporately, and each site has specific procedures tailored to its role and geography. It establishes a multi-mode communications tree (e.g. by email, home email, home phone, mobile phone, inbound teleconference bridges when outbound numbers cannot be reached, etc.) with employees and subcontractors/vendors to inform them of a pandemic response and to keep lines of communication open for operations. It designates four codes to notify employees of current the pandemic threat level and required response: Codes Yellow, Orange, Red and Black for increasing severity of a pandemic in any area.

e. How and when the Selected Offeror(s)'s emergency plan will be tested, and if the plan will be tested by a third-party.

The Pandemic Plan is a component of the Critical Services Recovery Strategy (CSRS), which is tested periodically and in conjunction with a third party. Tests are both realistic and economically practical. PPL's CSRS test scope and schedule varies yearly.

25. The Selected Offeror(s) must develop and document a disaster recovery plan for electronic records and files. The disaster recovery plan must meet requirements in Section IV.3.25 of the RFA.

--

26. The Selected Offeror(s) will be responsible for other tasks or deliverables request by the OLTL/PDA/ODP Project Manager that are not outside the scope of this RFA. All such requests will be made in formal, written manner by the Manager. The Selected Offeror(s) should not commence with additional work without receiving the written request.

PPL currently provides FMS services of all types to 43 programs in 21 states and the District of Columbia. In each program, after the Agreement is awarded, PPL worked with each client to develop business rules for each of the programs. These business rules define services, structure, and guidelines for the program. Developing the business rules with DPW will help us confirm that we have identified all tasks and deliverables critical to the program and ensure that we fully understand the goals of the programs from OLTL, PDA and ODP's perspective.

a. It is mandatory for the Selected Offeror(s) to supply monthly status reports to OLTL/PDA/ODP that are broken down by deliverable;

After the Agreement is awarded, PPL will set up a kickoff meeting with DPW to discuss the program launch, implementation deliverables and timelines, and business rules. After the meeting, PPL will develop an implementation project plan for each PDS program; the implementation project plan will include deliverables, person responsible for deliverable, and projected timelines for completion of each deliverable. PPL will set up a separate meeting with the appropriate Commonwealth staff to review the implementation project plan for each PDS program, and both parties will agree on projected deliverable dates to be completed. PPL will provide an update to DPW staff as appropriate each month or as needed, by sending the implementation project plan that includes projected deliverable dates and completed deliverable dates.

During the implementation phase, PPL's program management and IT staff will work with DPW to design the Web Portal to meet program specifications, including data that needs to be collected and reported. PPL currently has standard reports that are provided to each client on a monthly, or as needed basis. Standard reports include but are not limited to monthly program growth, customer service call levels, and family friend reports that give a breakdown of services used for the month per consumer. PPL's Web Portal can be set up to collect program specific data per agreement deliverable, then report on the data fields as required. Furthermore, we will establish a monthly dashboard that will aggregate the DPW data requirements in an easy to read format, available to all DPW approved users.

b. The Selected Offeror(s) and all subcontractors are required to complete HIPPA Privacy and Security training and sign a Confidentiality Agreement prior to performing work;

PPL will complete HIPPA Privacy and Security training and sign a Confidentiality Agreement prior to performing work. We adhere to stringent HIPPA guidelines for all of our business operations, as well all programmatic work. In other programs, such as our TennCare CHOICES program, we are required to complete HIPPA and Confidentiality training annually provided by the Managed Care Organizations that we work with on that contract.

c. The majority of services provided by the Selected Offeror(s) will be provided during business hours of 8:30 am and 5:00 pm EST/EDT and follow the Department of Public Welfare's 37.5 hour workweek.

PPL's set business hours are 8:00 am to 5:00 pm EST Monday through Friday, excluding holidays. However, most PPL staff work more than the 8:00 am to 5:00 pm EST business hours to be available to assist client or program needs as they arise. In addition, PPL's customer service unit will be available for consumers or direct care workers to call for assistance, during the hours defined by DPW in the Agreement. PPL staff is provided with the latest technology, so that staff is available to be contacted via phone or email when they are out of the office, even when traveling for work. In addition, our customer service hours will exceed DPW's hourly requirements during the launch process to accommodate the needs of the consumers, their workers and case managers during the initial stressful transition of the program.

d. The Selected Offeror(s) must supply support staff dedicated to this Project;

PPL is the largest VF/EA FMS organization in the country; as such, we have the most talented and experienced staff. All of our staff has learned to work on multiple projects, so we have readily available staff to perform back-up duties from existing staff without having to hire and train temporary and unskilled professional backup staff. PPL hires the best and most committed candidates and then provides extensive training on participant directed services to each employee. We employ significantly more staff than any other vendor, we project to have 275 FTEs before the start of this program, putting PPL in a strong position to assume all of the planning and transitional responsibilities for the DPW program.. PPL will allot the appropriate dedicated staff to each of the PDS programs to ensure success. We will maintain trained backup staff to perform duties for PDS program staff in their absence. All personnel will be cross-trained so program duties will be addressed in a timely manner during planned staff absences.

e. Prior to the implementation of the Agreement, the Selected Offeror(s) will be required to successfully complete VF/EA FMS Readiness Review ("Readiness Review") conducted by OLTL/PDA/ODP. Successful completion of the Readiness Review includes preparing and implementing a Plan of Correction based on the finding of the Review includes preparing and implementing a Plan of Correction based on the finding of the Review and having a current Pennsylvania-specific VF/EA FMS Procedures Manual ("Manual") in place and available for inspection by OLTL/PDA/ODP staff. This Manual must include procedures and internal controls for all VF/EA FMS organization tasks and requirements included in this RFA. The Manual must be updated by the Selected Offeror(s) annually and more frequently, as necessary;

Prior to implementation of the Agreement, PPL will successfully complete the VF/EA FMS Readiness Review conducted by OLTL/PDA/ODP. As a standard practice, PPL completes Readiness Reviews during the implementation phase of all programs. In fact, we welcome the opportunity to demonstrate to our clients how information will flow through our system.

Although we discuss processes at length while developing the business rules, it is always important for our clients to see it put into practice in our system.

Preparation for the Readiness Review will include developing a current Pennsylvania-specific VF/EA FMS Procedures Manual, which will be available for inspection during the readiness review. The VF/EA FMS Procedures Manual will include procedures and internal controls for all VF/EA FMS organization tasks and requirements included in the RFA, which will be updated annually or as necessary. PPL is confident we will successfully complete the Readiness Review the first time; however, in the event that does not occur; PPL will use the Plan of Correction provided by OLTL/PDA/ODP staff based on findings from the review to successfully complete the Readiness Review.

f. Staff of the Selected Offeror(s) assigned to this Project must be able to work cooperatively with DPW, PDA, and OLTL/OPD staff and their designees, including another VF/EA organization during all phases of the Project;

PPL carefully selects each staff person that will work on a project, especially the program manager who will be responsible for working in partnership with DPW, PDA, and OLTL/OPD staff and their designees, including another VF/EA organization during all phases of the Project. Our staff assigned to PDS programs will be able to coordinate with and receive direction from designated DPW, PDA, and OLTL/ODP staff during all phases of this Project.

g. Staff of the Selected Offeror(s) assigned to this Project must be able to coordinate and receive direction from designated DPW, PDA, and OLTL/ODP staff during all phases of this Project;

We look forward to working for the DPW managers throughout this project. PPL carefully selects each staff person that will work on a project, especially the program manager who will be responsible for working in partnership with DPW, PDA, and OLTL/OPD staff and their designees, including another VF/EA organization during all phases of the Project. Our staff assigned to PDS programs will be able to coordinate with and receive direction from designated DPW, PDA, and OLTL/ODP staff during all phases of this Project.

h. Staff of the Selected Offeror(s) assigned to this Project must be able to deliver work that is not in conflict with the priorities and hardware/software choices limitation as established by the Commonwealth, DPW and OLTL/PDA/ODP.

PPL staff is dedicated to providing effective and efficient solutions to meet program deliverables. We understand, however, that state and local clients may have some hardware and software limitations that are different from PPL. As such, we pledge to meet our deliverables without interference or conflicts with priorities and hardware/software limitation as established by the Commonwealth, DPW, and OLTL/PDA/ODP.

A. Billing for Services Rendered

The Selected Offeror(s) must:

1. Have written policies and procedures related to the completion of the tasks listed below;

It is PPL's standard operating practice to maintain a Policies and Procedures (P&P) Manual for each program under management and therefore we have extensive experience developing and updating these manuals for all VF/EA FMS functions. Each manual serves as a management tool and is incorporated into trainings for all program specific financial operations and customer service staff. During the implementation phase, we will customize our P&P manual to create DPW Participant Directed Services (PDS) program-specific manuals that address all unique program requirements. The P&P Manuals will provide detailed internal controls that govern all tasks related to VF/EA FMS operations for the DPW PDS programs.

The P&P Manuals are available in electronic format to all PPL staff in a shared directory on our existing company computer network. The P&P documents are incorporated into all training programs for new and existing staff, reviewed annually, and updated regularly or as changes are made in operation practices.

2. Have written internal controls, including segregation of duties, related to the completion of tasks listed below;

PPL has written internal controls in place to monitor disbursing Medicaid funds, and for tracking all transaction and balances. PPL achieves segregation of duties by assigning specific fund management responsibilities to different functional areas within our program team. Our finance department, located in Boston, handles all aspects of treasury, including approval of all cash disbursements, program service billing, posting of cash receipts, and entering remittance detail into our Medicaid Billing System (MBS) and our business management system for all program accounts. In addition, our financial operations team, principally located in Chelsea, is responsible for completing and dispersing direct care worker and vendor payrolls.

An additional piece to ensuring overall programmatic integrity is the continuous monitoring of operations. Over the years, PPL has developed strong internal monitoring procedures that are in place across the company. This enables us to proactively identify issues and make necessary systematic changes before issues escalate.

3. Determine and incorporate all OLTL/PDA/ODP program rules and requirements for payroll and invoice payment and develop a rules-based system for billing;

After PPL is awarded a contract, PPL program management, IT, and finance staff, as well as the Chief Operating Officer, work in partnership with the client to set up the implementation plan and confirm program business rules. Finance staff will be present to assist and ensure that PPL

incorporates OLTL/PDA/ODP program rules and requirements for payroll and invoice payment, as well as to develop a rules-based system for billing.

4. Receive and maintain participant's initial and updated Individual Service Plans from HCSIS or SAMS and Spending Plans from the CM/SC for OLTL and PDA only;

PPL will receive and maintain the participant's initial and updated Individual Service Plans from HCIS or SAMS and Spending Plans from the CM/SC for OLTL and PDA. Our preference is to receive the plans electronically, ideally through a secure FTP file transfer. Automation of the data exchange ensures operational efficiency. Entry of the data is not dependant on human intervention on either side. It also eliminates the possible data entry errors associated with manually entering data. Through a transfer, the files will be uploaded to PPL's Web Portal. Any changes in authorizations are reflected in the participant's authorization on the Web Portal. However, if DPW wishes to transfer Individual Service Plans and Spending Plans in another method, PPL will work in partnership with DPW to agree upon the method.

5. Process Medicaid claims through the Commonwealth's Provider Reimbursement and Operations Management Information System (PROMISe™) system for Medicaid waiver services (including payments made for qualified DCWs, vendors, small unlicensed providers, and independent contractors) within 180 days of the date of service and in accordance with waiver participants ISPs and OLTL/PDA/ODP and OMAP billing and Agreement requirements;

PPL will process Medicaid claims through the Commonwealth's Provider Reimbursement and Operations Management Information System (PROMISe™) system for Medicaid waiver services (including payments made for qualified DCWs, vendors, small unlicensed providers, and independent contractors) within 180 days of the date of service and in accordance with waiver participants ISPs and OLTL/PDA/ODP and OMAP billing and Agreement requirements.

PPL has extensive experience completing payroll and claims submission for large projects that encompass multiple programs and program populations. PPL's ability to handle the projected payroll requirements and claims volume on the scale anticipated by the Commonwealth is unmatched among eligible Offerors. Any smaller organization will have difficulty obtaining the credit required to process and release payroll prior to claims reimbursement. PPL's proprietary Medicaid Billing System streamlines the process of submitting and reconciling claims payment and ensures very high first time claims submission payment rates. This reduces the administrative burden of claims adjudication and resubmission of denied claims, as well as reduces the capital requirements of carrying the denied claims balance in the event that claims must be adjusted to be paid.

PPL proposes to conduct bi-weekly payroll. More specifically, we propose to operate a split payroll schedule: processing payroll for one set of programs one week; and processing payroll for another set of programs the following week. This approach promotes operational efficiencies

by distributing the workload more evenly among available staff resources. This approach will also permit PPL to submit original and corrected claims to PROMISE™ on a weekly basis.

Despite this diligent approach to timing payroll and claims activity, the cash flow demands placed on the VF/EA FMS will still be substantial. These demands will require PPL to secure considerable capital financing based on the anticipated dollar amount of projected claims. If selected for award, PPL will propose a detailed claims reimbursement mechanism and schedule that meet the needs of the Commonwealth while reducing the capital financing required. We look forward to the opportunity to discuss this approach with DPW.

6. Process Medicaid claims through PROMISE™ for the VF/EA FMS per member per month administrative fee established by OLTL/PDA/ODP and OMAP billing requirements;

PPL is fully prepared to process Medicaid claims through PROMISE™ for the VF/EA FMS per member per month (PMPM) administrative fee established by OLTL/PDA/ODP and OMAP billing requirements.

7. For ODP only, if the Selected Offeror(s) chooses to provide VF/EA FMS for ODP consumers funded with Base program funds:

- a. The administrative fee must not exceed the DPW negotiated PM/PM administrative fee; and**
- b. The VF/EA will receive payment from the County MH/MR for services rendered as reported on the County payment file generated by PROMISE™;**

For ODP only, PPL understands that if we choose to provide VF/EA FMS for ODP consumers funded with Base program funds: (a.) The PMPM fee will not exceed the DPW negotiated PM/PM administrative fee; and (b) PPL will receive payment from the County MH/MR for services rendered as reported on the County payment file generated by PROMISE™.

8. For ODP consumers enrolled in the PFDS waiver only, the Selected Offeror(s) will provide VF/EA FMS for services rendered that are authorized with Base program funds because the services exceed the PFDS cap:

- a. The administrative fee and the process for billing the administrative fee is outlined in Part II-9 Cost Submittal Section J Total Cost and Part IV-4 VF/EA Tasks Section A Billing for Services Rendered; and**
- b. The VF/EA will receive payment from the County MH/MR for services rendered as presorted on the County payment file generated by PROMISE™.**

For ODP consumers enrolled in the PFDS waiver only, PPL will provide VF/EA FMS for services rendered that are authorized with Base program funds because the services exceed the PFDS cap. PPL will adhere to the administrative fee and the process for billing the administrative fee as outlined in Part II-9 Cost Submittal Section J Total Cost and Part IV-4 VF/EA Tasks Section A Billing for Services Rendered. PPL will receive payment from the

County MH/MR for services rendered as presorted on the County payment file generated by PROMISe™.

9. Resubmit any suspended or denied claims for Medicaid waiver services, as appropriate within 365 days from date of service in accordance with OLTL/PDA/ODP and OMAP billing requirements;

PPL will resubmit any suspended or denied claims for Medicaid waiver services, as appropriate within 365 days from date of service in accordance with OLTL/PDA/ODP and OMAP billing requirements.

PPL's proprietary Medicaid Billing System meets the specific companion guide requirements for delivering the EDI standard electronic 837 and for receiving the standard 835 Electronic Remittance Advice (ERA) file formats. When a submitted claim is reported as denied on the detailed 835 ERA, PPL researches the discrepancies, corrects the claim lines, and resubmits a corrected 837 claim file. PPL is familiar with common reasons for denial and fully understands the steps required to correct denied claims. For example, if member information is disputed due to incorrect name, Medicaid ID, or date of birth, PPL verifies the demographics by contacting the originating source of the demographic data that populated the PPL Web Portal data. Denials due to non-exact duplicate exception codes are another common cause for correction and re-submission of claims. In this situation, PPL verifies that the denied claim reflects non-overlapping services rendered, and resubmits the claim per PA requirements.

PPL's program and finance staff will collaborate with program staff and OLTL/PDA/ODP representatives to ensure that the highest possible percent of claims are paid on the first claim submission cycle. This allows for more effective management of the correction and resubmission process.

10. Process Medicaid claims for services rendered not to exceed the negotiated and/or established waiver service rate(s);

During program launch, PPL will confirm all applicable HCBS waiver and state funded program rates with DPW. PPL will embed these rates, as well as any applicable unit/hour/dollar limits as pay controls in the PPL Web Portal. These pay controls will automatically prevent payment of rates that exceed claims limits, as well as individual budget amounts. PPL is fully prepared to accommodate regional rate limits, as well as individual provider rate limits, where applicable.

11. For ODP, process Medicaid claims for services rendered not to exceed the established wage ranges or service rate ranges;

During program launch, PPL will confirm all applicable ODP waiver program rates with DPW. PPL will embed these rates, as well as any applicable unit/hour/dollar limits as pay controls in the PPL Web Portal. These pay controls will automatically prevent payment of rates that exceed claims limits, as well as individual budget amounts. PPL is fully prepared to accommodate

regional rate limits, as well as individual provider wage ranges or service ranges, where applicable.

12. Ensure that billing records support the amounts reported on claims that are submitted electronically through PROMISe™;

PPL will use its proprietary Web Portal technology to ensure that billing records support the amounts reported on claims that are submitted electronically through PROMISe™;

13. Have billing records that contain sufficient and current waiver participant and service information;

PPL will use its proprietary Web Portal technology to maintain billing records that contain sufficient and current waiver participant and service information, including participant and provider demographic information and payment history. For each timesheet or invoice submitted to PPL, whether via paper, web-based timesheet, or invoice, the Web Portal stores an electronic copy (which also has a unique identifying number) that provides full detail, including the dates services were performed, the service type, payment amount and the service plan against which the request was paid. In addition, another electronic record is stored with a full detail on the payment, including the day the payment was issued and whether the payment was a paper check or electronic file transmission. Timesheets and invoices that are tested against the budget allocation and program rules and do not pass are not paid; they are stored in a pending journal. Therefore, only services for which the provider, service type, date, rate or units, total, and any other requirements fall within the participant's ISP or Service Plan may be paid. If a claim exceeds the authorized amount and cannot be approved for payment, our financial management system stores the data in a denied journal. The integrated capacities of the PPL Web Portal provide PPL with the capacity to maintain timesheet and invoice data regardless of the status. This allows for a comprehensive record-keeping system that can be used to readily comply with audit requests and other inquiries on claims paid to employees.

14. For OLTL only, have a process for determining when a participant is admitted to a nursing facility or hospital and the length of stay;

For OLTL only, PPL will collaborate with OLTL representatives to establish a process for determining when a participant is admitted to a nursing facility or hospital and the length of stay. The process will identify who is responsible for providing notice of admission, and length of stay, as well follow-up steps if needed. In addition, PPL's Web Portal technology includes reporting capability that will allow OLTL to view gaps in payment for HCBS. These gaps will alert OLTL to investigate the reason for the gap in service. For example, in WV, PPL generates reports entitled "30 days without paid service" and "100 days without paid service". These reports are important tools in monitoring participant health and safety and preventing fraud.

15. Have a process for reconciling hours of services billed and paid;

PPL has well established policies, procedures, and internal controls for reconciling hours of services billed and paid. Our Web Portal technology and reporting capabilities will make this data readily available for DPW to review on demand.

16. Have a process for billing the common law employer directly for services provided not in accordance with the individual's approved ISP or when any established service limit is exceeded;

During program launch, PPL will collaborate with DPW to develop an acceptable process for billing the common law employer directly for services provided not in accordance with the individual's approved ISP or when any established service limit is exceeded.

As a standard practice, PPL's Web Portal technology is set up to prevent payment in excess of the individual's approved ISP and all applicable service limits. When timesheet or invoice lines exceed these limits they are moved to a "pending" status so that the overage can be researched, and the authorization corrected in order to allow payment, or denied as needed.

As mentioned in previous sections, PPL's e-Timesheet technology can be configured to handle timesheets with overages. When a DCW submits hours worked information via e-Timesheet, s/he receives instant notification regarding the ability to pay said timesheet. If a timesheet has an overage or any other pending reason, the Web Portal can be configured to notify the CM/SM, allowing for timely adjustments.

In the event that a service plan cannot be adjusted, PPL proposes the following solution. PPL will:

1. Allow entry of the entire timesheet as submitted by the DCW;
2. Calculate applicable taxes and fees on the entire timesheet as submitted;
3. Withhold applicable taxes and fees from the payment due to the DCW;
4. Pay the DCW only the amount supported by the budget and service limits, less applicable taxes and fees;
5. Identify the dollar amount of underpayment for services in excess of the budget as "To be paid by participant" on the check stub/remittance advice provided to the DCW;

Upon receipt of the check stub, including amount due payable by participant, the DCW will be responsible for collecting that amount from the common law employer.

This approach will ensure that the proper tax withholding amounts are calculated, processed, and deposited, and will ensure that the participant stays within the budget and Spending Plan. PPL currently manages a similar process for programs in other states and it has been shown to be a proven methodology for service plan management. PPL is open to discussing the option of billing the common law employer directly for services provided.

17. Have a process for monitoring and billing the FUTA/SUTA paid for each DCW and when applicable thresholds are met reduce the rate billed to PROMISE™;

PPL has current payroll processes that will be used to develop into a unique process for PDS programs to monitor and bill the FUTA/SUTA paid for each direct care worker. The tax team will research all applicable federal and state regulations on FUTA/SUTA requirements before the program go live. During the implementation, the tax regulations regarding the Commonwealth and federal government will be entered into our payroll system to withhold the correct amount of FUTA/SUTA as required. This system will keep track of all taxes withheld and paid on behalf of the common law employer and the direct care worker. PPL's will monitor the payroll process to ensure that correct common law employer taxes and direct care worker taxes are withheld from paychecks and paid to the appropriate designee, whether it is the IRS or the Commonwealth.

18. For ODP only, pay overtime in accordance with ODP and PA Department of Labor and Industry Policy; and

For ODP only, PPL will pay overtime in accordance with ODP and PA Department of Labor and Industry Policy. Compliance with federal labor wage and hour rules is a fundamental aspect of PPL's payroll processing system. We have well established policies, procedures, and internal controls to pay workers in compliance with federal and state wage and hour rules for regular and overtime pay. Our experience has taught us that in addition to federal and state regulations, each PDS program has specific wage and hour limits and rules regarding overtime pay. During program launch, PPL will configure its Web Portal technology to enforce these rules and limits.

Beyond the programs administered by ODP, PPL's Web Portal technology can support limiting service authorizations to 40 hours per week, or calculate and pay overtime wages where applicable. In the event that DPW is operating under the current home care companionship exemption of the Fair Labor Standards Act, PPL assumes that DPW is aware of the Notice of Proposed Rulemaking issued by the US Department of Labor that, if passed, will narrowly restrict the definition of companionship services. PPL is fully prepared to collaborate with DPW to ensure compliance with these revised regulations if passed. For more information on these proposed changes, please refer to: <http://www.dol.gov/whd/flsa/CompanionshipNPRM.pdf>

19. Have a process for reimbursing the Commonwealth for any funds remaining in the separate bank account and managing participant directed funds at the end of the state fiscal year.

PPL will establish policies, procedures and internal controls for reimbursing the Commonwealth for any funds remaining in the separate bank account and managing participant directed funds at the end of the state fiscal year. PPL will refund the Commonwealth for the over-collection of any common law employer taxes, as well as refund the Commonwealth for any residual balance in participant directed funds.

B. Managing Public Funds

The Selected Offeror(s) must:

1. Have written policies and procedures related to the completion of the tasks listed below;

PPL will prepare and maintain a Pennsylvania-specific VF/EA FMS Organization Procedures Manual. PPL will submit the Manual to the Commonwealth during the VF/EA FMS Organization Readiness Review. The Manual will serve as a management tool and will be incorporated into trainings for all managers and staff assigned to this project.

2. Have written internal controls, including segregation of duties, related to the completion of the tasks listed below;

PPL has internal controls documented and in place to monitor disbursing Medicaid funds, and for tracking all transaction and balances. PPL achieves segregation of duties by assigning specific fund management responsibilities to different functional areas within our program team. Our finance department, located in Boston, handles all aspects of treasury, including approval of all cash disbursements, program service billing, posting of cash receipts, and entering remittance detail into our Medicaid Billing System (MBS) and our business management system for all program accounts. Our financial operations team, principally located in Chelsea, MA is responsible for completing and dispersing direct care worker and vendor payrolls.

An additional piece to ensuring overall programmatic integrity is the continuous monitoring of operations. Over the years, PPL has developed strong internal monitoring procedures that are in place across the company. This enables us to proactively identify issues and make necessary systematic changes before issues escalate. PPL has an internal transaction compliance department that performs routine audits on programs and transactions to ensure compliance with the PPL P&P's.

3. Establish and maintain an accounting and information system for receiving and disbursing Medicaid funds and for tracking all transaction and balances;

PPL will establish and maintain an accounting and information system for receiving and disbursing Medicaid funds and for tracking all transaction and balances using the PPL Web Portal. Data are stored under each participant's unique pre-assigned ID number. The system automatically calculates and tracks all payments made on behalf of the participant. The remaining fund balance and each expenditure entry are available for viewing. No two consumer funding allocations are intermingled in our system. PPL ensures that Medicaid funds in the accounts are appropriately deducted to illustrate expenditures made on behalf of the consumer enrolled in the PDS DPW programs. This secure expenditure entry feature can be programmed to accommodate different levels of budget accessibility (from creation to look up features) with role-based hierarchy of access. The PPL Web Portal serves as a centralized information dock and is an efficient and secure mechanism for DPW and PPL staff, as well as consumers, to monitor

and track the entry of HCBS expenditures. All individual transactions are recorded in the payroll ledger entry, which provides an audit trail of disbursements. Our financial management system can then produce detailed reports on payments disbursed at an individual or aggregate level. PPL reconciles project billings and remittances against payments issued on behalf of the consumer. Remittances are entered into PPL's claims management system to track reimbursement of funds against funds that have been disbursed.

4. Establish a bank account for the purposes of receiving payment of the per member monthly administrative fee;

PPL has an established commercial checking account for receiving administrative fees, separate from the commercial checking account used to transact service payments. PPL records per member per month administrative fees in our corporate accounting system, and reconciles payments received by the client.

5. Establish a separate bank account for the purposes of managing participant directed funds into which all payments received from Medicaid and the State must be immediately deposited and must submit to the OLTL/PDA/ODP written evidence that the bank has established said account as set forth below. The VF/EA FMS organization must complete all forms as specified by the OLTL/PDA/ODP and the bank to establish electronic fund transfers from Medicaid and the State to the bank account.

- a. **Prohibit the withdrawal of funds except for payment for services provided to the consumer including all taxes, insurances, and fees; and**
- b. **Maintain, to the extent legally permissible, in a manner that prevents creditors of the VF/EA FMS organization liability or for any other purpose, except as provided under this RFA;**

PPL maintains pass-through payment funds in separate commercial checking accounts. Separate checking accounts are established for all program service funds under management. Financial management personnel are responsible for the ongoing update and surveillance of internal controls relevant to the checking accounts. Within the finance department, duties are separated to ensure accuracy and transparency in our accounting practices. Different employees enter, review and post entries to the financial management systems. PPL will ensure that funds deposited by the state in the DPW PDS programs' account will only be used for paying payroll for the DCW of the common-law employer under agreement with DPW, and related federal, state and local tax responsibilities. PPL will not use the payroll payment funds deposited by the state to secure a loan, guaranty a debt or support any other obligation of the firm.

If PPL is selected for award, we will establish a separate bank account for the purpose of managing participant directed funds. PPL will submit written evidence to OLTL/PDA/ODP of the established separate bank account. We will then complete all forms as specified by the OLTL/PDA/ODP and the bank to establish electronic fund transfers to the participant directed funds bank account.

6. Any bank charges (i.e., stop payment fees) must absorbed by the VF/EA and not reduce the balance of the bank account;

All fees associated with programs specific bank accounts are billed directly to PPL's administrative account. PPL understands that these fees, including, but not limited to stop payments, electronic payment transmission fees, fraud protection services fee, and imaging services fees, are costs of doing business and PPL will absorb these fees and not reduce the balance of the bank account.

7. Ensure that funds deposited into the bank account are not used by the VF/EA FMS organization or by any other agent or third party to satisfy, temporarily or otherwise, any VF/EA FMS organization liability or for any other purpose, except as provided under this RFA;

PPL will not use the payroll payment funds deposited by the state for purposes other than for payment for services provided to the consumer including all taxes, insurances, and fees.

8. Maintain a report on bank account activity in accordance with the reporting requirements established by the Commonwealth. These requirements should include monthly reporting of bank account activity, including a summary of the month's bank activity, reconciliation of the bank balance to the General Ledger, and reconciliation of any amounts advanced from DPW; and

PPL will maintain a report on bank activity in accordance with reporting requirements established by the Commonwealth, including monthly reporting on bank account activity, a summary of the month's bank activity, reconciliation of the bank balance to the General Ledger, and reconciliation of any amounts advanced from DPS. PPL maintains detailed Payroll Ledger entries on all transactions and our banking partner provides us with full online access to track check status, confirm transmissions, and retrieve statements. PPL maintains images of cashed paper checks on CD-ROM for future use. Reconciliation responsibilities are assigned to a staff person within the finance department who is not otherwise responsible for disbursing payroll or payments of program invoices to create a separation of duties.

9. Do not co-mingle other funds with funds in the separate bank account.

PPL will not co-mingle funds deposited by the state into the PDS Programs payroll payment account with funds received for other purposes.

C. Receiving Federal and State Authority to Act as a VF/EA FMS Organization

The Selected Offeror(s) must:

1. Have written policies and procedures related to the completion of the tasks listed below;

PPL has approved, written policies and procedures related to the completion of all VF/EA FMS tasks including those listed below. Upon award, we will customize our Policy and Procedures manual specific to the DPW Participant-Directed Services (PDS) Programs. Each manual serves as a training and management tool, as well as a reference guide for each program.

2. Have written internal controls, including segregation of duties, related to the completion of the tasks listed below;

PPL has approved, written internal controls related to the completion of all VF/EA FMS tasks including those listed below. Upon award, we will customize our written internal controls to meet the specifications of the DPW PDS Programs, including documentation of the segregation of duties, which complies with all requirements. Specifically, with regard to Federal and State compliance, PPL has internal controls documented and in place for receiving the proper Federal and State Authority to act as a VF/EA FMS Organization including a Registration Team, a dedicated subgroup within our Financial Operations Center comprised of subject-area experts who ensure compliance with these duties.

3. Apply for (through the completion and submission of the IRS Form SS-4 Application for Employer Identification Number) and obtain a separate Federal Employer Identification Number (EIN) for the sole purpose of purpose of filing and paying federal employment taxes and insurances and other required IRS forms on behalf of common law employers it represents as agent. (Note: the VF/EA FMS organization may already have a separate Federal EIN and should be able to demonstrate that it is separate and distinct from the organization's corporate Federal EIN);

PPL's FEIN, 20-2040173, is used for the sole purpose of filing and paying federal employment taxes, insurances and other required IRS forms on behalf of common law employers that we represent as agent. This is separate and distinct from our corporate Federal EIN.

4. Maintain a copy of the completed IRS Form SS-4, separate FEIN and related correspondence with IRS in the VF/EA FMS organization's file;

A copy of the separate FEIN and related correspondence with the IRS is maintained on file at PPL.

5. Apply for (through the completion and submission of the IRS Form SS-4, Application for Employer Identification Number), and obtain a Federal Employer Identification Number (EIN) for each newly enrolled common law employer it represents as employer agent;

PPL includes an IRS Form SS-4, *Application for Employer Identification Number*, in each enrollment packet. Once individual consumer information has been received and entered into our financial management system, PPL's Web Portal generates pre-populated tax forms for each common law employer. The common law employer will receive these tax forms as part of the enrollment packet and must sign and submit them to PPL for processing.

Upon receiving the completed enrollment packet, we verify that IRS Form SS-4 has been signed and dated by the common law employer in the appropriate section. We track the stage of completion of each form in the Web Portal's employer documentation checklist. If any data are missing from the SS-4, a customer service center specialist logs the issue into the Web Portal through the generation of a support ticket. This will trigger an outbound call to the common law employer to obtain the required information. Customer service also makes follow-up calls to request paperwork that has not been received, typically after a two week period or as-required, to ensure paperwork is complete prior to the required service start date for an individual consumer. PPL obtains the FEIN from the IRS, with newly received FEINs tracked and stored electronically in our software system.

As part of our internal controls and segregation of duties, PPL operates a Financial Operations Center which processes all documentation required for the VF/EA FMS programs that we manage. Each employment packet is initially reviewed by a financial operations specialist for completeness and accuracy. The Web Portal tracks the current status of each tax form, including Form SS-4, along with any necessary changes needed to fix inaccuracies or add missing items. Once all documentation is complete and approval has been received from the IRS to be Agent of the Employer, an individual consumer is flagged as "Good to Serve" in the Web Portal. The payment processing rules established in the software system prevent payments from being made on behalf of an individual consumer if this designation has not been made.

6. Maintain a copy of the completed IRS Form SS-4 and Notice of FEIN in each common law employer's file;

A copy of the completed IRS Form SS-4 and Notice of FEIN is retained in a secure location in our Financial Operations Center in each common law employer's folder, and FEIN numbers are transcribed onto all tax forms in the enrollment packet that require them.

PPL also offers an electronic document management system proven to meet the needs of programs currently under our management that can be used to maintain a copy of the SS-4 and Notice of FEIN for each common law employer. This system allows us to proficiently and effectively manage the tax forms and other program documents often required by Federal, state and local tax and labor departments. Our Customer Service Center staff use this functionality to quickly access account documentation, further enhancing the overall experience for consumers and providers. Our Financial Operations Center can efficiently compile records to ensure that all contractual obligations are met and that audit requirements are satisfied. PPL's state of the art system provides an overall cost effective and time saving approach to document management.

Our document management system is hosted on a secure server ensuring the safety of public health information and other consumer demographic data. Only designated PPL employees and client –approved individuals are capable of accessing this system. The information stored on the server is routinely backed up by our IT infrastructure ensuring continuity of service and protecting against loss of information due to unforeseen natural events. In summary, not only is our system well-documented, but it also provides the sense of security you need to ensure that all records are safe and protected. Depending on the needs of the program, we will work with the state to assess how this tool can be configured to maintain and access completed tax forms.

7. Apply for IRS agent authorization by completing and submitting an IRS Form 2678, *Employer/Payer Appointment of Agent* to the IRS per IRS Form instructions for each common law employer it represents as agent;

PPL completes the IRS Form 2678, *Employer/ Payer Appoint of Agent*, in such a way that allows us to utilize our agent EIN for all consumers, alleviating them of their individual filing requirements. We include an IRS Form 2678 in each enrollment packet. Once individual consumer information is received and entered into our financial management system, pre-populated tax forms are generated for each common law employer. The common law employer receives these tax forms as part of the enrollment packet and must sign and submit them to PPL.

Upon receiving completed enrollment packets, PPL verifies that Form 2678 has been signed and dated by the common law employer in the appropriate section. PPL tracks the stage of completion of each form in the Web Portal, in the employer documentation checklist. If any data is missing from this form, a Customer Service Center specialist logs the issue into the Web Portal through the generation of a Support Ticket. This will trigger an outbound call to the common law employer to obtain the required information. Customer Service also makes follow-up calls to request paperwork that has not been received, typically after a two week period, or as required to ensure paperwork is complete prior to the required service initiation date for an individual consumer.

An individual consumer is not flagged in the system as “Good to Serve” if any section of the Form 2678 is not complete. PPL will not make payments on behalf of a consumer until a completed IRS Form 2678 is on file for the common law employer that will be used by the consumer for the program and written authorization from the IRS for PPL to be Agent of the Employer has been received.

Once the properly completed Form 2678 is received, PPL attaches an “Agent Request Letter”, and submits the IRS Form 2678 and “Agent Request Letter” to the IRS Service Center in Cincinnati, OH.

8. Maintain a copy of the completed IRS Form 2678 in each common law employer’s file;

A copy of the completed IRS Form 2678 is retained in a secure location in our Financial Operations Center in each common law employer's folder or electronically through our Document Management capabilities in the Web Portal.

9. Receive written agent authorization from the IRS through the receipt of an IRS LTR 1997C, *Notice of Appointment*, for each common law employer it represents as agent;

When received from the common law employer, PPL submits the completed IRS Form 2678 with an "Agent Request Letter" to the IRS Service Center in Cincinnati, OH. Normal processing of IRS Form 2678 and Agent Request Letters takes approximately 30-60 days, at which point the IRS sends written confirmation to PPL via IRS LTR 1997C.

10. Maintain the IRS LTR 1997C, *Notice of Appointment* in each common law employer's file;

A copy of IRS LTR 1997C, *Notice of Appointment*, is retained in a secure location in our Financial Operations Center in each common law employer's folder or electronically through our Document Management capabilities in the Web Portal.

11. Execute and submit an IRS Form 8821, *Tax Information Authorization* with each common law employer it represents as agent;

PPL includes an IRS Form 8821, *Tax Information Authorization*, in each enrollment packet. Once individual consumer information is received and entered into our financial management system, pre-populated tax forms are generated for each common law employer. The common law employer receives these tax forms as part of the enrollment packet and must sign and submit them to PPL.

Upon receiving completed enrollment packets, PPL verifies that Form 8821 has been signed and dated by the common law employer in the appropriate section. PPL tracks the stage of completion of each form in the Web Portal. If any data are missing from Form 8821, a Customer Service Center specialist logs the issue into the Web Portal by generating a Support Ticket. This will trigger an outbound call to the common law employer to obtain the required information. Customer Service also makes follow-up calls to request paperwork that has not been received, typically after a two week period, or as required to ensure paperwork is complete prior to the required service initiation date for a consumer.

A consumer is not flagged in the PPL Web Portal as "Good to Serve" if any section of the Form 8821 is not complete. PPL will not make payments on behalf of a consumer until a completed IRS Form 8821 is on file for the common law employer that will be used by the consumer for the program. Once properly completed, PPL submits IRS Form 8821 to the IRS Service Center in Memphis, TN.

12. Maintain a copy of the executed Form 8821 in each common law employer's file;

A copy of the executed IRS Form 8821 is retained in a secure location in our Financial Operations Center in each common law employer's folder or electronically through our Document Management capabilities in the Web Portal.

13. Renew the executed IRS Forms 8821 with common law employers on a periodic basis per Form instructions;

We will renew the executed IRS Forms 8821 with common law employers on a periodic basis per Form instructions. The PPL Web Portal Employer Checklist tracks the effective dates for Form 8821, allowing us to monitor and process renewals in advance of the Form's end date for each individual common law employer.

14. Maintain a copy of any IRS Form 8821 renewals in each common law employer's file;

A copy of any renewals of the IRS Form 8821 is retained in a secure location in our Financial Operations Center in each common law employer's folder or electronically through our Document Management capabilities in the Web Portal.

15. Obtain a signed PA Department of Labor and Industry Form PA UC-884, *Unemployment Power of Attorney* from each common law employer it represents as agent and file with the PA-100, *PA Enterprise Registration Form* when registering a waiver participant or representative as the common law employer for state unemployment insurance filing and depositing purposes per PA Department of Labor and Industry, Office of UC Tax instructions;

PPL will include the PA UC-884 *Unemployment Power of Attorney* form in each enrollment packet. Once individual consumer information is received and entered into our financial management system, pre-populated tax forms are generated for each common law employer. The common law employer receives these tax forms as part of the enrollment packet and must sign and submit them to PPL.

Upon receiving completed enrollment packets, PPL verifies that the PA UC-884 has been signed and dated by the common law employer in the appropriate section. PPL tracks the stage of completion of each form in the Web Portal. If any data are missing from the PA UC-884, a Customer Service Center specialist logs the issue into the Web Portal by generating a Support Ticket. This will trigger an outbound call to the common law employer to obtain the required information. Customer Service also makes follow-up calls to request paperwork that has not been received, typically after a two week period, or as required to ensure paperwork is complete prior to the required service initiation date for a consumer.

A consumer is not flagged in the PPL Web Portal as "Good to Serve" if any section of the PA UC-884 is not complete. PPL will not make payments on behalf of a consumer until a completed

PA UC-884 is on file for the common law employer that will be used by the consumer for the program.

Once properly completed, we will file the PA UC-884 with the PA-100, *PA Enterprise Registration Form* when registering a waiver participant or representative as the common law employer for state unemployment insurance filing and depositing purposes per PA Department of Labor and Industry, Office of UC Tax instructions.

16. Maintain a copy of the executed PA UC-884 in each common law employer's file;

A copy of the executed PA UC-884 is retained in a secure location in our Financial Operations Center in each common law employer's folder electronically through our Document Management capabilities in the Web Portal.

17. When a common law employer ceases using the VF/EA FMS organization for any reason, the Selected Offeror(s) must revoke the PA UC-884 by executing a PA Form UC-2B, PA UC- *Employer's Report of Employment and Business Change*;

Upon notification that a common law employer will cease using PPL as the VF/EA FMS organization for any reason, we will revoke the PA UC-884 by executing a PA Form UC-2B, PA UC-*Employer's Report of Employment and Business Change*.

18. When a common law employer ceases using the VF/EA FMS organization for any reason, the Selected Offeror(s) must maintain a copy of the PA Form UC-2B and all communications in each common law employer's file.

PPL will maintain a copy of the PA Form UC-2B and all related communications in each common law employer's file or electronically through the Document Management capabilities in the Web Portal when he or she ceases using PPL as the VF/EA FMS organization for the required period of six years after becoming fully inactive or until the disposition of court hearings, audits and appeals are complete.

D. Providing Customer Service

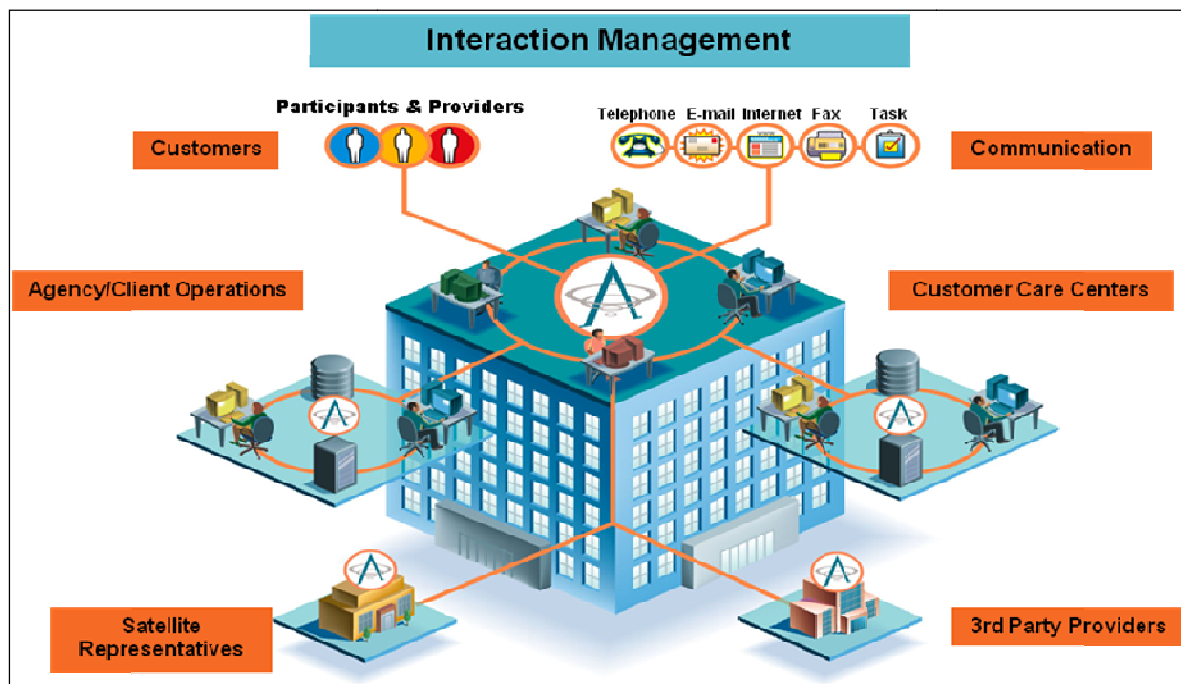
The Selected Offeror(s) must:

1. Have written policies and procedures related to the completion of the tasks listed below;

PPL has approved, written policies and procedures related to enrolling providers including the completion of the tasks listed below. Upon award, we will customize our Policy and Procedures manual to create ones specific to the Participant Direct Services (PDS) programs that comply with all contract requirements. Each manual serves as a training and management tool, as well as a reference guide for each program.

PPL operates a Customer Service Center located in Phoenix, Arizona that currently responds to over 70,000 calls per month. Calls are processed by our industry leading call center technology, which features an extremely robust answering service, a strategic routing system, and skills-based automatic call distribution options (see below).

PPL State-of-the-Art Customer Service Call Center Capabilities



2. Must have written internal controls, including segregation of duties, related to the completion of the tasks listed below;

We have approved, written internal controls related to the completion of all enrollment tasks including those listed below. Upon award, we will customize our written internal controls to meet the specifications of the PDS programs, including documentation of the segregation of duties, which will comply with all contract requirements.

3. Implement customer service policies and procedures that reflect the principals of self determination;

Training is provided extensively within the PPL organization to ensure tasks are completed correctly and timely. Our Customer Service Center representatives provide service exclusively to participants in self-directed programs, which share many policies and procedures. Our staff will begin its work with Pennsylvania DPW with the following competencies already established:

- A working understanding of the principles of self-determination and an insiders' understanding of the culture and networks that sustain people with disabilities;
- An understanding of the principles of cultural competence as it relates to individuals with disabilities seeking a self-determined life;
- An understanding of the principles of customer service, and the skill and ability to work with all stakeholders on a variety of issues, both simple and complex;
- A strong knowledge base of F/EA processes, including enrollment processes, establishing EIN status for member/employers or their representatives, tax withholding requirements for direct care workers and all payroll processing requirements;
- Deep experience with fiscal management services and our financial management system.

At PPL we understand that there is no disabling condition of the participant that should result in PPL's inability to perform its tasks and that, if and when appropriate, individuals other than the member/common law employer may be designated as an authorized representative. PPL commits to the following:

- We assume that the participant and/or authorized representative serving as the common law employer is responsible for directing the work of their direct care workers and that our job is to support the member and/or authorized representative with his or her responsibilities.
- We recognize that another designated individual may act as an authorized representative of the employer.

4. Implement customer service policies and procedures that are culturally sensitive in business practices in order to communicate effectively with a diverse population of participants of all ages and with a variety of chronic conditions;

Customer Service Center staff members treat all callers with dignity and respect. No other treatment standard is acceptable. In many call centers, direct care worker performance is measured by the length of time they are on a call in order to minimize costs. PPL specifically does not do this to ensure our customer service specialists feel empowered to spend the time on the phone that is required to ensure that the caller's needs are satisfied.

We have also made a significant business commitment to statistically measuring the quality quotient of our representatives' calls. Last year PPL management listened to over 5,000 call interactions with its customers and scored each one on a comprehensive list of more than 35 attributes. Each attribute has specific parameters that guide whether the representative met our lofty standards. Customer Service Representatives receive one of two scores on each completed monitor: either they were perfect in every facet of a call, or they need improvement. Cataloged data on each attribute allows supervision to coach the pattern of opportunity unique to each representative. We believe this approach demonstrates the highest quality standard applied in the industry today.

In addition:

- All our Customer Service Specialists recognize the client and/or authorized representative as the person in charge.
- Our rules regarding caller identification and information available to callers other than the client and/or authorized representative are stated clearly in our Policies and Procedures.
- Our specialists operate with clear guidance about who is in charge and the authority of the client and/or authorized representative.

5. Implement and maintain mandatory staffing of the toll-free telephone system for an eight hour period between the hours of 8:30 am – 5:00 pm EST/EDT, Monday through Friday, except on state and federal holidays with a voicemail box activated for after hours;

PPL will establish a toll-free number available 24/7 for the exclusive use of the Pennsylvania DPW Program. To address the needs of our customers, PPL staff dedicated to this project will be available Monday through Friday from 8:00AM to 8:00 PM EST/EDT and Saturday from 9:00AM to 1:00PM EST/EDT. Our experience has taught us that in today's busy family environment, successfully meeting our customers' needs can no longer be accommodated within a traditional business hours schedule. Additionally, PPL makes timesheet status data, our most common information requested and available 24/7 to providers and participants through our automated IVR solution. This secure telephony environment provides specific information regarding recently approved hours and the timing of next remittance for customers unable to utilize our web-based information solutions.

6. Respond to all participant calls (inquires, issues and complaints) within one business day of receipt of the call;

Calls are answered in the order in which they are received. During peak phone traffic periods, customers have the option of utilizing PPL's **Hold My Place** feature which manages a virtual queuing system. This allows a customer to maintain their place in line without remaining on the phone. Customers have universally praised this enhancement allowing them the flexibility to reach a representative and still conduct their daily activities. Customers choosing to leave a voicemail outside our expanded window of service hours will be returned the following business day.

7. Have a fax;

PPL will establish a high-speed fax number which is available 24/7 for the exclusive use of the Pennsylvania DPW PDS programs. This fax number may be used as an alternative option for submitting enrollment paperwork instead of using the US Mail and will automatically convert any faxed document to PDF.

8. Have an operational TTY/TDD line;

All project staff are trained in cultural diversity and providing or facilitating the use of interpretive/translation services through the use of Language Line Services and can communicate effectively by voice and TTY technology with clients who have disabilities, including deaf and the hard of hearing.

9. Have internet e-mail capacity;

PPL provides an E-mail communication option through the PPL Web Portal. The Web Portal has a “Contact Us” page which provides the program specific phone number and fax number along with a narrative box which can be used to email customer service. The program specific email address is also located on the Contact Us page and can be used to e-mail from a personal account if the member/employer or worker prefers. The PPL Customer Service System routes and tracks these e-mails in the same way we manage phone calls directing them to specifically trained representatives who are practiced in handling the unique requirements of e-mail interactions. Customer service representatives will respond to these emails within 24 business hours of receipt. PPL’s enrollment packages also list the program specific email address providing e-mail access to those members who choose not to register with the Web Portal.

10. Have a web site and provide access to waiver participants and representatives to view up-to-date information and have internal controls documented to monitor the accuracy of the materials included on the website and the effectiveness of the system;

PPL’s Web Portal provides an intuitive and user-friendly experience that seamlessly integrates with PPL’s dual platform financial management system. Designed by staff with years of experience managing complex HCBS waiver program requirements and implementing large programs, the Web Portal reflects the best of commercial products and PPL’s experience with consumer direction. PPL IT developers prioritize increasing efficiency, accuracy, and flexibility of payment processing. The product is a customizable, interactive, and intuitive system that requires minimal training and no additional hardware or software by our clients. Waiver participants and their representatives will have 24/7 real-time access to their information through Web Portal every day.

11. Have written internal controls to monitor the accuracy of the materials included on the website and the effectiveness of the system;

As part of our quality management plan, all of our deliverables to our clients are checked and re-checked by project team staff for accuracy and completeness. Procedures for data quality checks have been standardized. The nature of our operational structure insures that any work or deliverable is passed through a managing supervisor for quality management. In addition, PPL provides training workshops for our staff on producing quality deliverables and increasing product knowledge.

12. Have the ability to provide translation and interpreter services (i.e., American Sign, and services for persons with Limited English Proficiency);

We support member/employers who have hearing and speech impairments and are able to accommodate their needs using a variety of tools. For example, some member/employers wish to utilize our TTY services while others prefer to communicate via e-mail. Our customer service staff includes many employees who are natural Spanish speakers and are able to interact directly with our customers. For language needs beyond Spanish, PPL provides two options. We use the commercial service, Language Line to provide translation services or when language needs reach a significant density, PPL invests in recruiting and training Customer Service Representatives fluent in that language concentration. This practice has recently led us to add a small group of Mandarin speakers to the team in response to the evolving needs of our customers. Upon award, PPL will work with the state to identify any language needs best served through this dedicated approach.

13. Have the ability to provide materials in alternate print (i.e., large print and Braille) and languages other than English;

If needed, PPL is capable of providing our materials in alternative print for participants with limited sight and those who read other languages. As with our verbal language capabilities, PPL has also retained the services of professional translation resources to accommodate unique language needs when the density of population dictates the use of specific language documents including Spanish.

14. Implement and maintain a system for receiving, responding and tracking all communications from any source (including complaints) and maintain a log that addresses:

- a. Who made the call;**
- b. Who received the call;**
- c. The reason for the call;**
- d. Any action taken;**
- e. If any mandatory reporting that occurred; and**
- f. Final resolution.**

PPL's robust call management resources provide comprehensive reporting and information on every phone interaction. The system's flexibility allows us to understand our customers' experience down to the unique call capturing every step the customer traversed including who

they talked to and how long they interacted, or even how long they were placed on hold. In addition, the system provides for digital recording of most calls providing a resource for review of specific transactions for both our internal Quality Assurance efforts and as a resource to our clients. PPL's reporting tools meet all of the needs described by the Pennsylvania DPW Program requirements, and more. Live call answering rate

- Abandoned call rate
- Elapsed time for call backs
- Average time per call
- Service Level

Below is a sample Customer Service Center report for the OK CD-PASS Program serving elders and people with physical disabilities. Comparable reports will be developed for the PA DPW Program.

DATE	TOTAL CALLS	VOICEMAIL	ABANDON RATE	VOICEMAIL RATE	HANDLE RATE	AVERAGE QUEUE TIME	AVERAGE TALK TIME	SERVICE LEVEL
3-Oct	152	19	1.32%	12.50%	88.16%	0:01:50	0:04:11	93.38%
4-Oct	134	19	1.49%	14.18%	93.28%	0:02:10	0:04:33	88.19%
5-Oct	159	20	0.00%	12.58%	93.08%	0:01:43	0:04:39	95.95%
6-Oct	121	11	0.00%	9.09%	95.87%	0:01:37	0:04:31	91.38%
7-Oct	179	16	1.68%	8.94%	95.53%	0:01:48	0:04:03	90.80%
WEEK	745	85	0.94%	11.41%	93.15%	0:01:50	0:04:23	92.01%

Calls are answered by representatives from a program-specific team that has been trained both in the general concepts of self direction as well as in the specific policies and procedures unique to the program. The DPW program customer service line will be open to all members affiliated with the program – participant, DCW, common law employer, CM/SC, etc.

Our call center phone technology represents an innovative and highly effective system that allows for in-house custom solutions designed to meet the unique needs of the DPW Program. These developments include call management and routing, strategic reporting for analysis of customer calling patterns, and automated outbound messaging services for update and notification purposes.

A number of key technologies we have implemented to ensure program participants receive exceptional customer service are highlighted here.

- Intelligent data-directed routing via **interactive voice response (IVR)** to provide program members with the ability to call into PPL's customer service number to inquire about common questions regarding timesheets, authorizations, etc. IVR allows callers to choose to bypass an attendant and receive answers directly from our database. For example: "Joe" is a DCW who wants to confirm that PPL received his timesheet. With the IVR system, PPL recognizes Joe's telephone number and can quickly confirm who he is. We can then offer him an automated menu, including the option to hear timesheet

status. At the press of a button, Joe can hear information confirming that his timesheet has been received.

- Ability to provide **real-time requested information via automation 24/7**, so that questions may be answered when the Customer Service Center is not open. Callers can find out timesheet status information outside of normal business hours. For example: “Joe” is a DCW who wants to confirm that his timesheet will be paid tomorrow—but today is a Sunday. Using our automated phone menu, Joe can enter a few pieces of information and find out that his timesheet has been fully processed and is cleared for payment without having to wait until Monday morning.
- **Automated outbound calling** to contact direct care workers quickly to distribute general information in a cost-effective manner. For example: The holidays are approaching, and many workers have called to confirm payroll deadlines because they want to be able to plan accordingly. We can quickly generate a list of all active direct care workers’ phone numbers, automatically call them, and leave a pre-recorded message confirming the payroll dates for the month. *This is an especially valuable service during program transitions that require disbursing accurate information to thousands of participants and their workers in a short time.*

PPL’s call center technology is highly customizable and has proven to be an invaluable asset in program communication. We have applied this same logic to other customer assistance mediums that PPL provides including:

1. Web-based information
2. Internet/email communication
3. Translation/interpreter services
4. Materials in alternate formats

Through the use of the PPL Web Portal, customer service representatives from a dedicated program team can provide callers with real-time DPW Program information. Our staff are trained, experienced and held to high standards when delivering exceptional customer service including:

- Providing prompt and courteous responses to questions;
- Assisting participants and workers with all aspects of enrollment into a consumer directed program;
- Providing explanations of the documents in enrollment packets and employment packets, including each tax form, its purpose, and how it will be used and processed by PPL;
- Providing callers, including participants and their workers with answers to questions about payroll, check processing status, withholding amounts, rate of pay, services, and any questions on reports received;
- Performing outreach to participants and their direct care workers in order to facilitate completion of necessary paperwork; and support inbound and outbound calls by follow-up correspondence to participants and their DCWs, including providing information about why a payment is pended or denied;

- Transferring key payroll issues to the appropriate payroll expert ;
- Tracking and logging all calls in the PPL Web Portal, monitoring issues and documenting resolutions.

A hallmark of our Customer Service Center is the Support Ticket (call documentation) tracking system in our Web Portal. A Support Ticket is essentially a case management tool and our method of electronically documenting all contact with Members, direct care workers, Case Managers and Transition Coordinators. This system is utilized to track any and all service issues and inquiries and to ensure all customer service representatives follow up with the Member/direct care worker/Case Manager as necessary. The representative opening the new Support Ticket identifies the category and sub-category (per program requirements) that best describes the issue and records the Member and direct care worker associated with the communication.

The representative must report the date the ticket was opened, whether it originated from a voicemail message, and/or whether it is an inbound/outbound call or e-mail. Each morning, our representatives immediately check voicemails from the prior night and open Support Tickets to initiate the outbound calls. Any pertinent or specific information is also added to the open-note section of the ticket. Once all information has been saved the ticket is then assigned a unique ID.

Our customer support representatives are able to utilize the Support Ticket function on the Web Portal to automatically assign the ticket to the appropriate staff member that is best able to resolve the issue. Once the issue has subsequently been resolved the customer service representative will then close the ticket. The date closed is automatically populated with the current date and stored on the Web Portal for PPL management to effectively monitor all issues, exchanges, and resolutions. Further, program management staff may monitor all Support Tickets for the DPW program, opened or closed, including the categories and subcategories to which the calls was assigned. Such information allows us to proactively understand and address the most common call issues.

15. Implement and maintain a system for reporting incidents as defined by the program office:

Either through our customer service center or Support Tickets via Web Portal, incidents can be easily captured and categorized by severity as defined by OLTL and ODP:

a. As defined by the OLTL in Incident Management Bulletin Number 05-10-01, 51-10-01, 52-10-01, 55-10-01, 59-10-01;

PPL will implement and maintain the necessary system for reporting incidents as defined by the OLTL in Incident Management Bulletin Number 05-10-01, 51-10-01, 52-10-01, 55-10-01, 59-10-01.

b. As defined by the ODP in Incident Management Bulletin Number 6000-04-01;

PPL will implement and maintain the necessary system for reporting incidents as defined by the ODP in Incident Management Bulletin Number 6000-04-01

16. Respond to all waiver participant and representative communications of any source within one (1) business day from receipt of call;

Customer service representatives will respond to all waiver participants and all other sources within one business day from receipt of call. Recently, we've implemented an additional option for callers. *Hold My Place*, or virtual queuing, is a concept used to support first in/first out treatment of our customer calls. Generally, from the caller's perspective, without virtual queuing they have three choices: wait until customer service becomes available, leave a message that will be returned at sometime in the future, or abandon (hang up) and try again later. From the call center's perspective, a long queue results in many abandoned calls, repeat attempts, and customer dissatisfaction. The *Hold My Place* system allows customers to receive callbacks instead of waiting in a call queue. It works similarly to a "fast lane" option used at amusement parks, which often have long queues to ride the various coasters and attractions. A computerized system allows park visitors to secure their place in a "virtual queue" rather than waiting in a physical queue. Callers who opt to wait are still served in their queue order and *Hold My Place* callers are integrated in the same queue and when they reach the front of it, they are called back.

17. Have and maintain a complaint and grievance procedure that includes:

- a. An Advisory/Grievance Committee that includes common law employers, and waiver or state funded program participants and representatives, and meets either in person or via telephone or video conference at least quarterly to discuss the provision of VF/EA FMS and to evaluate any grievances filed or feedback provided by common law employers, waiver participants or representatives;**
- b. Responding to complaints from common law employers, waiver participants or representatives within two (2) business days;**
- c. Tracking activities related to the receipt of complaints;**
- d. Resolving VF/EA FMS related complaints and grievances within five (5) business days of receipt; and**
- e. Providing monthly reports to OLTL/PDA/ODP outlining complaints received and resolutions achieved;**

PPL will maintain a complaint and grievance procedure which will include an Advisory/Grievance Committee comprising a range of constituencies. Conferences will occur quarterly via telephone or video to allow program members to discuss provisions of VF/EA FMS and to evaluate any grievances. As stated earlier, all complaints will be tracked, addressed by PPL representatives within one business day, and resolved within five business days. PPL will provide reports delineating complaints and resolutions to OLTL/PDA/ODP on a monthly basis.

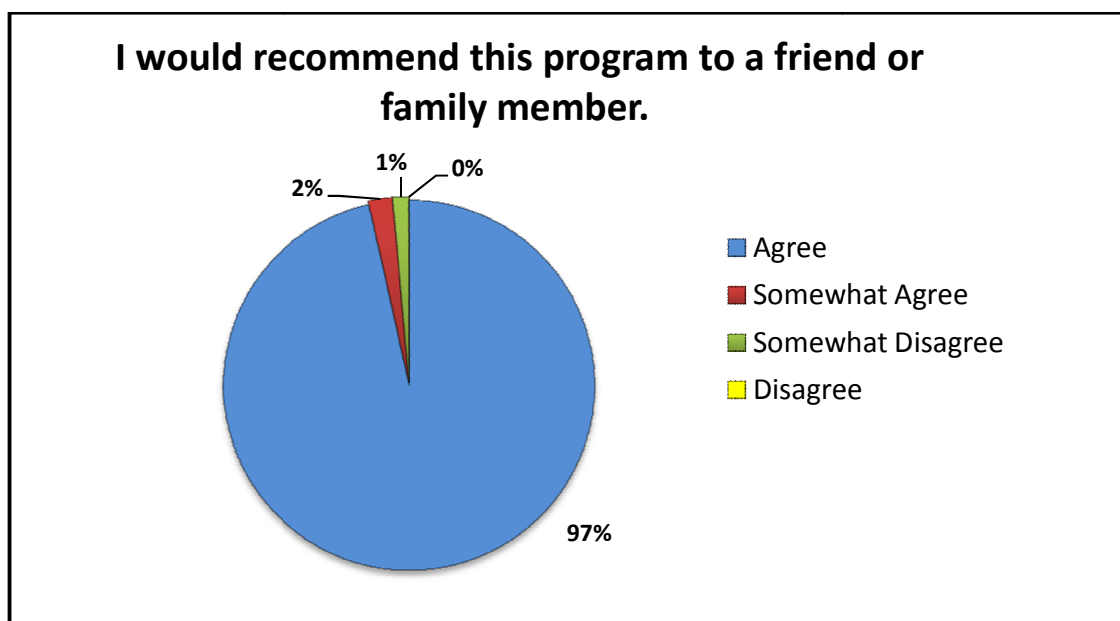
18. Conduct a Common Law Employer Satisfaction Survey using the tool provided by OLTL/PDA/ODP. The survey must be implemented 60 days after enrollment and annually.

Survey data must be collected and analyzed and a report to OLTL/PDA/ODP must be prepared and submitted based on specifications determined by OLTL/PDA/ODP;

In accordance with the RFA, PPL will conduct and implement a Common Law Employer Satisfaction Survey using the tool provided by OTL/PDA/ODP 60 days after enrollment and continue the aforementioned survey on an annual basis as desired by the Commonwealth. The data collected from the survey will be analyzed and a report will be prepared and submitted based upon the specifications determined by OLTL/PDA/ODP.

In addition, our customer satisfaction surveys are appended to calls with specific criteria; including immediate, direct management escalation when rating thresholds do not meet program standards. For example: PPL would like to measure whether participants in a program feel that customer service representatives are treating them with dignity and respect. We program our system so that all participants from that program are asked to take a brief survey after their call. Sally calls and hears an option asking her to rate her experience from 1 to 5, five being the best. She is unhappy with her call and selects a 2. Because of her low ranking, her call is identified for escalation. Sally hears a message asking her to hold briefly and is then immediately transferred to a supervisor.

Lastly, many of our clients require a customer satisfaction survey that measures PPL performance in several dimensions, as well as client acceptance of the program. We typically administer customer satisfaction surveys annually in at least five statewide programs. In 2011, we surveyed the participant population in our Tennessee Department of Intellectual and Developmental Disabilities Self-Determination Waiver Program. Below is a sample question and its response:



We will develop the process to administer PA DPW's Common Law Employer Satisfaction Survey sixty days after program transition and annually. We would be happy to share the tools we use in other states for satisfaction surveys to comparable populations.

19. Develop and implement a corrective action plan based on the results of the annual Common Law Employer Satisfaction Survey.

PPL will develop and implement a corrective action plan based the results of the annual Common Law Employer Satisfaction Survey. We understand that within the life of a project, many new issues arise that necessitate the shifting of tasks and deliverable deadlines to respond to the current climate. As such, PPL management will work closely with DPW personnel to re-evaluate the project priorities as needed. This will include sharing the lessons we have learned in the transition of statewide programs across the country. We are able to maintain a high degree of flexibility and responsiveness to our clients through this process, and to project future issues or concerns. Our technology and national experience allow us to anticipate and resolve issues before they burden the program.

E. Coordinating and Communicating with CM/SC. Administrative Entities and OLTL/PDA/ODP

1. Have written policies and procedures related to the completion of the tasks below;

PPL has written policies and procedures related to the completion of all of the tasks listed below, assuring a strong foundation for effective coordination and communication with all program entities. Upon award, PPL will work as a partner with DPW to develop program-specific VF/EA procedures manuals.

2. Have written internal controls, including segregation of duties, related to the completion of the tasks below;

PPL has written internal controls, including segregation of duties, for the completion of the tasks listed below. In particular PPL's Web Portal and Customer Service center in Phoenix, Arizona are integral components that fully support coordinated and effective interaction between PPL, CM/SC agencies, Administrative Entities and, OLTL/PDA/ODP.

3. Coordinate its activities and communicate effectively with CM/SC, Administrative Entities, and OLTL/PDA/ODP;

PPL recognizes that a cooperative working relationship and open lines of communication with CM/SC, Administrative Entities, and OLTL/PDA/ODP representatives is essential. We propose several initial kick-off meetings with each of the entities listed above in order to establish this relationship and facilitate an ongoing coordinated effort to provide user-friendly VF/EA FMS service options and services to DPW Participant-Directed Services (PDS) Programs participants. PPL utilizes several primary venues to promote open lines of communication with others including: PPL's Web Portal; access to PPL's customer service center; secure email; the PPL Website; written process flows, policies and procedures and; distribution of standard reports.

PPL's Web Portal is the essential means of communication in many of the participant directed services programs that we manage as the VF/EA FMS. The PPL Web Portal can be configured to be accessible by all entities involved with the PDS programs and is customizable by role. Consumers may use the Web Portal to monitor their Spending Plan and request authorization for services from their CM/SC. CM/SC staff may use the portal to receive authorization requests from consumers, authorize services, monitor the utilization of consumers' Spending Plans, view DCW information, and access Customer Service support tickets. Administrative Entities and OLTL/PDA/ODP representatives may wish to take advantage of the Web Portal's standard reports to monitor CM/SC agency activity, service delivery, utilization of services by service type, etc.

PPL ensures that staff can receive and send secure email. PPL has great experience in dealing with sensitive data being sent between outside parties. Because of this, we have a clear business requirement to conveniently and safely send secure email to individuals outside of PPL. PPL's

email security appliance has the ability to encrypt sensitive email sent through our Exchange email system to ensure HIPPA compliance.

In addition to our standard software information systems, PPL has a current, live Website that provides information about our services that can be tailored to meet the requirements of this program. Please see <http://www.publicpartnerships.com>. We will leverage our experience providing Websites for existing programs to provide one for this program that includes the ability for individuals to obtain information about services provided through PPL as well as DPW PDS Programs policies and procedures. The site will enable users to download employment packet forms, pay schedules, timesheets, and tax forms.

PPL further promotes coordinated and effective communication through the use of written process flows, policies and procedures, documented internal controls ensuring cohesiveness of segregated tasks, and distribution of monthly reports. PPL has an extensive reporting systems established in many other programs managed by PPL. PPL will work with DPW to customize monthly reports to meet the needs of the CM/SC, Administrative Entities, and OLTL/PDA/ODP.

PPL recognizes the importance of advance communication and discussion prior to implementing changes to processes. Based on prior experience, we recommend weekly status meetings with DPW as well as quarterly face to face meetings in order to fully vet and discuss with OLTL/PDA/ODP any potential change to VF/EA FMS policies or procedures that will affect consumers or direct care workers, the CM/SC agencies, and Administrative entities, prior to implementation. PPL also recommends monthly meetings with CM/SC agencies especially during the implementation and transition stages.

4. Provide orientation and training at a minimum on a semi-annual basis, to CM/SC and Administrative Entities regarding the role and responsibility of the VF/EA FMS organization;

PPL will work closely with OLTL/PDA/ODP to ensure that semi-annual orientation and training sessions for CM/SC and Administrative Entities are effective and fully support program requirements. PPL's agenda for these sessions will include:

- An introduction to PPL;
- Contact information for key PPL personnel working with OLTL/PDA/ODP;
- A description of the philosophy, protocols and capabilities of PPL's Customer Service center;
- Recommendations for ongoing methods of communication;
- A detailed overview of enrollment processes and;
- A description of how each type of entity will be using PPL's Web Portal.

PPL has developed Web Portal Users Manuals in other states and can provide a similar tool to the CM/SC and Administrative Entities if requested by OLTL/PDA/ODP.

5. Reports overuse of DCW hours to the entity responsible for authorizing the services in the ISP in accordance with the policy developed by OLTL/PDA/ODP;

PPL proposes that CM/SCs, consumers and/or common law employers have 24/7 access to a Prior Authorization Utilization report on-line through our Web Portal. CM/SCs, consumers and/or common law employers may then proactively monitor use of DCW hours in relation to the total number of units authorized. Consumers opting to receive a paper copy of the report will be able access more real-time data about utilization by contacting our customer service department and making the request.

When cases arise that consumers have demonstrated a pattern of over-utilization on timesheets, they will be supplied with a copy of their utilization report, and a notice as to why they are receiving a copy. Similar information will be provided to their CM/SC. These utilization reports typically contain the prior authorization (PA) start and end date; number of hours authorized per service type (day, night, and holiday); the total number of units authorized, and the number of hours remaining for all service types on the PA. PPL proposes that a statement from DPW should be included on the report, advising that the consumer is required to use no more than the authorized allotment and, in the case medical or living conditions have changed, the consumer is advised to contact the CM/SC agency to request additional hours.

PPL proposes informing OLTL/PDA/ODP in the event a consumer receives three or more consecutive utilization statements due to overspending. A quarterly report will be made available to the CM/SC agency and OLTL/PDA/ODP identifying consumers who have “overused” and “under used” their authorized hours for two or more consecutive pay periods. PPL will work with OLTL/PDA/ODP to develop and document policies and procedures associated with Prior Authorization Utilization along with internal controls to monitor such tasks.

6. Informs the entity responsible for authorizing the services in the ISP and the Supports Coordinator of any common law employer who does not submit timesheets or invoices to the Contractor for two or more consecutive payroll periods (one month or more);

PPL has policies and procedures in place to ensure all timesheets are processed in time for the next scheduled payroll. This applies to all timesheets that come in through the PPL Web Portal, as well as all paper timesheets that come in either via mail or the program-specific timesheet fax. Documented internal controls include management review of each payroll period using tools such as the Payroll Ledger Register and Payroll Audit reports. Reports of submissions are reviewed and will be provided to OLTL/PDA/ODP when it is discovered that a common law employer has not submitted timesheets or invoices for two or more consecutive payroll periods (one month or more). PPL can modify existing internal controls to meet any specific missing timesheet reporting requirements as dictated by DPW.

7. Complaints or grievances submitted to the VF/EA by CM/SC are responded to by VF/EA staff within two (2) business days;

We take our complaint and grievance reporting responsibility very seriously. Our full-service Customer Service Center in Phoenix, AZ has a system in place to receive, respond to and track complaints and grievances through to resolution, and will customize it to meet the needs of the needs of the DPW PDS Programs. PPL will receive, document, and respond to all complaints about the services PPL provides for the DPW PDS Programs from any source under the VF/EA FMS Agreement.

It is standard operating practice for PPL to respond to all complaints immediately. Depending on the nature of the complaint, it is assigned to the appropriate manager within PPL for resolution. We will attempt to respond verbally to the complainant within one business day of receipt and no later than two business days. If additional information is required to effectively respond to the complaint, we will provide the complainant with an initial response and a commitment date for when additional information will be provided. We use the support ticket functionality within the Web Portal to record the incidence and detail of all complaints. The support ticket module tracks the category of each complaint (e.g., payroll, enrollment), the source of the complaint, (Consumer, DCW, etc), the substance of the complaint, and its resolution. Upon request, PPL will submit to OLTL/PDA/ODP a report of all support tickets relating to complaints that will include the: date, time, and detailed notes regarding the complaint and the process of resolution that is taking place.

PPL's standard operating practices require payroll and customer service staff to escalate all complaints to a supervisor. Certain complaints are escalated to the Program Manager or Customer Service Center Manager, as applicable and will be reviewed monthly, or more frequently if the nature of the complaint requires an immediate response. This system allows for shared problem solving. A payroll problem that may require the expertise of a manager can be viewed by that manager, and the solution can be documented instantly. PPL supervisors use the complaint documentation system to check the quality of staff work, and implement permanent solutions, and provide training opportunities for staff, thus reducing or eliminating the recurrence of problems and complaints. The process and internal controls relating to PPL's complaint and grievance process will be modified as appropriate to meet the specific requirements of the DPW PDS Programs Agreement and will also be available to OLTL/PDA/ODP upon request.

In accordance with the RFA, as specified in **Part IV-4. D. Providing Customer Service**, PPL will implement an Advisory/Grievance Committee comprised of common law employers, and waiver or state funded program participants and representatives. Conferences will occur quarterly in our Harrisburg office, with participation expanded via telephone or video to allow program participants to discuss provisions of VF/EA FMS and to evaluate any atypical or complex grievances. All complaints will be tracked, addressed by PPL representatives within one business day, and resolved within five business days. PPL will provide reports delineating complaints and resolutions to OLTL/PDA/ODP on a monthly basis.

F. Providing Common Law Employer Orientation and Skills Training

The Selected Offeror(s) must:

1. Have written policies and procedures related to the completion of the tasks listed below;

As with every program, PPL will have written policies and procedures to create orientation and skills training in compliance with DPW program requirements. PPL has assisted in implementing many new programs, with the ability to design trainings to fit the needs of different populations and types of self-directed programs.

In our Colorado program, for example, we were able to customize and implement Computer Based Training. This training can be replicated to fit the requirements of any program population. PPL has the capability to rapidly develop high-quality Computer Based Training modules for the PA DPW programs to provide or compliment initial training, as well as provide a ready resource for ongoing refresher or remedial training. These interactive training capabilities can include the incorporation of rich media, application simulations and incorporate in quizzes and scoring tools. They could be supplemented by web-ex training modules as well.

2. Have written internal controls, including segregation of duties, related to the completion of the tasks listed below;

PPL has documented, approved internal controls and policies and procedures that detail each segment of our processes, including how to develop and conduct individual orientation and skills training, with an emphasis on confidentiality. PPL will update its policies and procedures as necessary to comply with all DWP program requirements. Program management staff will be responsible for ensuring that all orientation and skills training meets with DPW approval, before providing trainings to consumers.

3. Have a common law employer orientation process that uses a standard curriculum and materials that are pre-approved by the OLTL/PDA/ODP;

As part of program implementation, PPL proposes that we work in close coordination with DPW to create an orientation and skills training curriculum to train consumers on Pennsylvania's self-direction model. PPL will conduct training sessions for consumers on the curriculum of self-directing services. During those sessions, PPL will obtain the documentation required from them (or their representatives) to establish them as common law employers. PPL has extensive experience providing skills training sessions for consumers. We regard training as a critical component of our orientation programs. We have provided skills training as an element in our overall orientation program for numerous statewide programs. In Arizona, for example, we conducted 40 days of onsite training and enrollment sessions in all six regions to reach out to the 3,000 eligible consumers. In Tennessee, we went directly to consumers' homes throughout the state to ensure that they fully understood the program and their responsibilities.

PPL refines its skills training program with every new client. The curriculum is based on feedback from other clients and consumers. Our expectation is that we will present our training plan to DPW prior to the actual training to receive feedback. In addition, we will have our advisory group review all materials. We also expect to edit the skills training program as the orientation and skills training sessions are in process, for we often find that recommendations from consumers can be implemented to improve the content.

PPL orientation and skills training can be conducted in person per consumer, as a group, or even online training. In addition, PPL has developed provided self-directed orientation and program training to Care Managers/Service Coordinator positions. PPL also has the ability to scale the required trainings throughout multiple delivery models to fit DPW's program requests and schedule.

4. Common law employers receive orientation based on the standard curriculum developed by OLTL/PDA/ODP, prior to employing qualified employee. Common law orientation should include a review of the documents included a review of the information and forms contained in the Common Law Employer and Qualified DCW Employment and Vendor, Small Unlicensed Provider and Independent Contractor Enrollment Packets and how they should be completed;

PPL will use standard curriculum developed by OLTL/PDA/OPD to customize orientation training for common law employers and qualified employees to be completed prior to employment. The common law employer will receive orientation training on what it means to be a common law employer and the roles of the common law employer, VF/EA FMS, and DCW employee. They will also receive training on how to complete enrollment packets for common law employers and provider packets for qualified DCW employee, and vendor, small unlicensed provider, and independent contractors. We will work with the client to ensure that the orientation and training meets all PDS program requirements.

We have similar training requirements for our CHOICES Tennessee program. There, we worked with the client to develop orientation training to be given to the consumer and worker before services could begin. The training included self-direction program history relevant to Tennessee, roles and responsibilities of consumer, worker, support broker, and care coordinator, requirements to be met to self-direct services, consumer and worker enrollment packets, and worker specific required trainings. PPL is also developing a training program that workers can call into; this training will provide the worker with description of how to accurately complete the worker enrollment packet and technical assistance as needed. Customer service for each program is also trained and available to consumers to provide technical assistance with all program specific enrollment packets.

5. Provide documentation and review with common law employer:

- a. Role an responsibilities of the common law employer using a VF/EA FMS organization;**

- b. Role and responsibilities of the VF/EA FMS organization including level of interaction with qualified employees, vendors and small unlicensed providers and support coordinators and the incident reporting system;**
- c. Services provided by the VF/EA FMS organization;**
- d. Hours of operation;**
- e. Key contacts at the VF/EA FMS organizations;**
- f. Toll free telephone, TTY and fax numbers;**
- g. Participant Bill of Rights;**
- h. VF/EA FMS Employer Handbook;**
- i. Time frame and process for returning voice mail calls from common law employers, participants and representatives;**
- j. Process for receipt and process of timesheets and process of qualified employee payroll checks including schedule for submitting invoices and payment schedule;**
- k. Process for purchasing approved goods and services from vendors, small unlicensed providers, and independent contractors and submitting invoices for payment schedule;**
- l. Process for resolving issues and complaints;**
- m. Effective practices for hiring, establishing work schedules, training, supervising, creating job descriptions, completing and submitting time sheets discharging qualified employees;**
- n. Process for reviewing workplace safety issues and strategies for effective management of workplace injuries;**
- o. Informing qualified DCWs of their right to file unemployment and workers' compensation insurance claims, when appropriate;**
- p. Facilitate the process for competing and submitting the Worker Termination Form to the VF/EA FMS organization within 24 hours of when a qualified DCW ceases working for the common law employer so the VF/EA FMS organization must complete the "Reason for Separation" notice from the Department of Labor and Industry within 10 days of receipt; and**
- q. Process and timeline for completing the common law employer satisfaction surveys;**

PPL employs a rigorous planning process for developing program specific enrollment packets, informational documents, and forms to be given and reviewed with common law employers. We will work in partnership with DPW to include any documentation already created by DPW, such as the Consumer Guidebook for Self-Directed Service, as part of program requirements to be distributed as appropriate. DPW will have final approval of all program specific documentation before the program is to begin serving consumers. We will schedule the time to have these materials reviewed by our advisory group, either before they are used, or after we receive user feedback.

PPL will tailor our current training materials to meet the specific needs and requirements of the DPW, giving common law employers the tools they need to be effectively educated and trained. PPL plans to include the following documentation and will review with common law employers:

- Role and responsibilities of the common law employer using a VF/EA FMS organization;

- Role and responsibilities of the VF/EA FMS organization including level of interaction with qualified employees, vendors and small unlicensed providers and support coordinators and the incident reporting system;
- Services provided by the VF/EA FMS organization;
- Customer service hours of operation;
- Key contacts at the VF/EA FMS organization;
- Toll free telephone, TTY and fax numbers;
- Participant Bill of Rights;
- VF/EA FMS Employer Handbook;
- Timeframe and process for returning voice mail calls from common law employers, consumers and representatives;
- Process for receipt and processing of timesheets and
- Process for qualified employee payroll checks including schedule for submitting invoices and payment schedule;
- Process for purchasing approved goods and services from vendors, small unlicensed providers, and independent contractors and submitting invoices for payment schedule;
- Process for resolving issues and complaints;
- Effective practices for hiring, establishing work schedules, training, supervising, creating job descriptions, completing and submitting time sheets discharging qualified employees;
- Process for reviewing workplace safety issues and strategies for effective management of workplace injuries;
- Informing qualified DCWs of their right to file unemployment and workers' compensation insurance claims, when appropriate;
- Facilitate the process for completing and submitting the Worker Termination Form to the VF/EA FMS organization within 24 hours of when a qualified DCW ceases working for the common law employer so the VF/EA FMS organization must complete the "Reason for Separation" notice from the Department of Labor and Industry within 10 days of receipt; and
- Process and timeline for completing the common law employer satisfaction surveys;

6. Develop a process for providing ongoing employer skills training to common law employers using a standard curriculum and material that are pre-approved by the Commonwealth Grand Administrator;

PPL will use best practices from other programs to create employer skills training curriculum and materials, after approval from the Commonwealth Grand Administrator, to be used to provide ongoing training as needed for common law employers. As with our other materials, we believe they would be strengthened with a review from our Advisory Group. We will then develop a process in which this training will be provided to common law employers; PPL is capable of providing this training in multiple venues, such as through online training, training via the phone, or in person, preferably in groups in community settings.

7. Identify common law employers who may need and/or desire additional employer skills training in consultation with the CM/SC.

PPL has more than a decade of experience in working with case manager/service coordinators (CM/SCs) to identify common law employers that may need and/or desire additional employer skills training. We will use best practices to develop criteria to identify a common law employer who is in need of additional skills training. For example, if we find that a common law employer is consistently struggling with scheduling workers for a service, PPL will use feedback from our customer service team and our financial operations center (FOC) to determine when that common law employer needs additional training. We will then consult with the CM/SC.

Typically, identification of the common law employers needing this training will come from our customer service or FOC teams. Our customer service team is the front line assistance for common law employers, in speaking and assisting common law employers, customer service staff is able to identify circumstances that require additional training. PPL's financial operations team process all common law employer and DCW worker enrollment packets, timesheets, and other required program forms; in processing this documentation FOC staff is able to identify consistent inaccuracies in paperwork that require additional trainings.

G. Enrolling Individuals and Representatives with the VF/EA FMS Organization as the Common Law Employer

1. Have written policies and procedures related to the completion of the tasks listed below;

PPL has proven written policies and procedures related to the completion of all of the tasks listed below and associated with the enrollment of individuals and representatives as the common law employer. Upon award, PPL will work as a partner with DPW to develop DPW Participant-Directed Services specific VF/EA policies and procedures manuals.

2. Have written internal controls, including segregations of duties, related to the completion of the tasks listed below;

PPL has written internal controls, including segregation of duties, for the completion of the tasks listed below and associated with the enrollment of individuals and representatives as the common law employer. PPL's in-house tax team has well-established written internal controls built off of an extensive system of checks and balances that ensure the receipt, proper completion, and timely filing of all required and applicable common law employer forms.

3. Prepare a Common Law Employer Enrollment Packet, and receive approval from the Commonwealth Grant Administrator. The Packet should contain all required information and forms and be well organized and user friendly for the common law employer to understand and complete. The packet and any revisions must be submitted for approval to OLTL/PDA/ODP 30 days prior to making any changes.

PPL common law employer enrollment packets are comprehensive, user-friendly, multi-lingual, and include all the material necessary to establish individuals or representatives as common law employers. PPL will prepare and seek approval from the Commonwealth Grant Administrator to use a common law employer packet that will contain the following informational documents and tools along with program, state and federal forms that need to be completed and signed by the common law employer and returned to PPL.

Informational Documents and Tools:

- Cover letter to the common law employer, providing information about PPL's services and operations and listing key contacts, customer service toll-free phone number and TTY/TDD number, toll-free fax number, days and hours of operations, email address, and website, availability of VF/EA FMS materials in alternate print;
- Information sheet regarding the roles and responsibilities of PPL, common-law employer, waiver/program participant and representative, qualified employee and vendor/small unlicensed provider, as applicable;
- Information on the Good to Go Process;
- Qualified Direct Care Worker (DCW) Information Change/Termination Form;
- Information on the process for qualified employee employment status change;
- Qualified Employee Termination Form;

- Participant Termination Notice;
- Information on workplace safety;
- Monthly Progress Notes;
- Qualified DCW Timesheet and instructions;
- Due date and payment schedule for Qualified DCW Timesheets and authorized goods and services;
- Common Law Employer Enrollment Forms Checklist;
- Request for Vendor Payment Form;
- Direct Care Worker (DCW) Rate Sheet; and

Program Forms to be completed then signed and returned to PPL:

- Common Law Employer Agreement;
- Authorized Surrogate/Representative Designation;
- Qualified Back-up Direct Care Worker (DCW) and/or Natural Support Staff Designation; and
- Direct Care Worker (DCW), Backup DCW/SSW Qualification

Federal and State Forms to be completed then signed and returned to PPL:

- IRS Form SS-4 Application for Employer Identification Number;
- IRS Form 2678 Employer/Payer Appointment of Agent;
- IRS Form 8821 Tax Information Authorization;
- Form PA Form UC-884 PA Unemployment Compensation Power of Attorney; and
- Form PA-100 PA Enterprise Registration.

Please note: PPL's enrollment packet includes illustrated descriptions on how to fill out each federal and state form, and provides PPL's customer service number and an e-mail address in case the common law employer has questions. Also, it will not be necessary to include a separate document to collect information needed for New Hire Reporting as that information will be provided already in other documentation.

In addition to the documents listed above, PPL proposes adding the following items to the common law employer packet:

- Common Law Employer Billable Rate Worksheet (this is a form that PPL provides to employers as a reference guide in determining what rate to pay the DCW)
- Instructions for submitting timesheets using the PPL Web Portal
- Summary sheet to collect information needed to register each common law employer using the Pennsylvania Department of Revenue's E-Services Center online version of the PA 100 Enterprise Registration form

PPL understands that the IRS and state forms can be challenging understand and complete properly. For this reason, we have developed pre-populated packets of these forms, requiring

only the signature and date of the common law employer. Once individual common law employer information has been entered into our financial management system via direct entry into the Web Portal or through an import file, our software system uses this to generate pre-populated tax forms for each common law employer. PPL will mail common law employer enrollment packets to the designated participant/representative within three business days of receipt of a call from a CM/SC or Support Coordinator informing PPL that a participant wishes to use (PDS).

5. Collect and process completed documents and forms included in the Common Law Employer Enrollment Packet and review for completeness;

PPL is committed to working with DPW to develop the most effective tools for enrolling common law employers. Upon receiving the completed enrollment packets, PPL reviews and tracks the stage of completion of each form using the Employer Documentation Checklist located in the PPL Web Portal. If any forms are missing data or are incorrectly filled out, a Customer Service Center specialist logs the issue into the Web Portal by generating a Support Ticket. This triggers an outbound call to the appropriate person to obtain the required information. When a Customer Service Center specialist calls about a missing piece of documentation, the specialist will be able to educate the common law employer or employee about what remains to be completed. Customer Service will continue to follow up until the appropriate paperwork has been received.

Common law employers may use PPL's toll-free customer service number or our program-specific customer service email account to ask questions about the enrollment process. PPL's Customer Service Center's specialists will be trained on DPW program requirements and specifics, and are able to walk callers through the contents of the individual employer and employee packets. They have experience transferring participants from programs in ten other statewide programs.

6. Apply for (through completion and submission of the IRS Form SS-4, Application for Employer Identification Number), and obtain a Federal Employer Identification Number (Federal EIN) for each common law employer it represents as agent

PPL has well-established procedures to apply for and obtain a FEIN for individual common law employers. Upon submission of the application and the IRS provides the EIN. PPL then records the EIN on the SS-4 and also enters the EIN into the PPL Web Portal. We file the completed SS-4 (updated with the EIN) in the common law employer file. Within 2 weeks, PPL receives an EIN confirmation letter from the IRS which also gets securely filed.

An individual participant is not flagged in the Web Portal as "Good to Serve" in other words, ready to receive services, until the FEIN is received. PPL will not make payments on behalf of an individual consumer until an FEIN has been obtained for either them as the common law employer or a representative acting as employer on their behalf.

7. Maintain a copy of the completed IRS Form SS-4 and Notice of Federal EIN in each common law employer's file.

PPL has a system in place to electronically store and maintain a copy of the completed IRS Form SS-4 and Notice of Federal EIN in our PPL Web Portal and our financial management system for payroll processing purposes. PPL will retain hard copy files in a secure location in the financial operations office if required by the contract. Otherwise, all files will be maintained and stored electronically.

8. Register each common law employer as an employer for state income tax withholding taxes with the PA Department of Revenue using the Form PA-100, PA Enterprise Registration.

To register each common law employer as an employer for state income tax withholding taxes PPL will use the PA Department of Revenue's E-Services Center online version of the PA 100 Enterprise Registration form. Due to the length and complexity of the PA 100 Form, PPL proposes including a summary sheet in the enrollment packet to collect the information needed from the common law employer in order for PPL to complete the online registration form. PPL will complete the online registration form for each common law employer and receive the employer's registration number via an automatic email from the PA 100 online system. To streamline the process for receiving employer registration numbers via automatic email from the PA 100 online system, PPL will set-up a unique secure email account. The registration number will be maintained in the common law employer's electronic file. PPL will retain hard copy files of this transaction in a secure location in the financial operations office if required by the contract.

9. Obtain a PA Employer Withholding Account Identification Number for each participant it represents as employer agent for state income tax (SIT) withholding purposes.

PPL will use each participant's Enterprise Registration account number to retrieve and obtain a PA Employer Withholding Account Identification Number for SIT withholding purposes. The number will be added to each participant's profile for reference when processing tax withholding for employee(s) of each participant.

10. Maintain a copy of the Form PA-100 and the PA Employer Withholding Account Identification Number for SIT purposes in each common law employer's file.

Individual PA-100 forms and an individual PA Employer Withholding Account Identification number for SIT purposes will be maintained in each individual common law employer's file on our PPL Web Portal and our financial management system for payroll processing purposes. PPL will retain hard copy files in a secure location in the financial operations office if required by the contract.

11. Register each common law employer as an employer for state unemployment insurance (SUI) taxes with the PA Department of Labor and Industry using the Form PA-100, PA Enterprise Registration.

PPL is prepared to register each common law employer as an employer for state unemployment insurance (SUI) taxes with the PA Department of Labor and Industry using the PA Department of Revenue's E-Services Center Online Version of the PA 100 Enterprise Registration form.

12. Obtain a PA Employer UC Account Identification Number for SUI purposes for each common law employer.

PPL will use each participant's Enterprise Registration account number to retrieve and obtain a PA Employer UC Account Identification Number for SIT withholding purposes. The number will be added to each participant's profile for reference when processing tax withholding for employee(s) of each participant.

13. Maintain a copy of the Form PA-100 and a PA Employer UC Account Identification Number in each common law employer's file.

Individual PA-100 forms and an individual PA Employer UC Account Identification number for will be maintained in each individual common law employer's file on our PPL Web Portal and our financial management system for payroll processing purposes. PPL will retain hard copy files in a secure location in the financial operations office if required by the contract.

H. Enrolling Qualified DCWs, Vendors, Small Unlicensed Providers, and Independent Contractors

The Selected Offeror(s) must:

1. Have written policies and procedures related to the completion of the tasks listed below;

PPL has written policies and procedures related to enrolling providers including the completion of the tasks listed below. Upon award, we will customize our Policy and Procedures manual to create ones specific to the Participant Direct Services (PDS) programs that comply with all contract requirements. Each manual serves as a training and management tool, as well as a reference guide for each program.

2. Have written internal controls, including segregation of duties, related to the completion of the tasks listed below;

We have approved, written internal controls related to the completion of all enrollment tasks including those listed below. Upon award, we will customize our written internal controls to meet the specifications of the PDS programs, including documentation of the segregation of duties, which will comply with all contract requirements.

3. Prepare a *Qualified DCW Employment Enrollment Packet*, and receive approval from the Commonwealth Grant Administrator. The Packet should contain all required information and forms and be well organized and user friendly for the common law employer and DCW to understand and complete. The packet and any revisions must be submitted for approval to OLTL/PDA/ODP 30 days prior to making any changes.



The packet and any revisions will be submitted for approval to OLTL/ PDA/ODP 30 days prior to making any changes.

4. Prepare a Vendor, Small Unlicensed Provider, and Independent Contractor Payment Packet, and receive approval from the Commonwealth Grant Administrator. The Packet should contain all required information and forms and be well organized and user friendly for the common law employer and vendor, small unlicensed provider, and

independent contractor to understand and complete. The packet and any revisions must be submitted for approval to OLTL/PDA/OPD 30 days prior to making any changes.

The packet and any revisions will be submitted for approval to OLTL/ PDA/ODP 30 days prior to making any changes.

5. Distribute the Qualified DCW Employment Enrollment Packet and the Vendor, Small Unlicensed, and Independent Contractor Payment Packet to the common law employer

within three (3) business days of receipt of call from the CM/SC or Support Coordinator informing the VF/EA FMS organization that the participant/ representative wishes to use PDS and the VF/EA FMS organization;

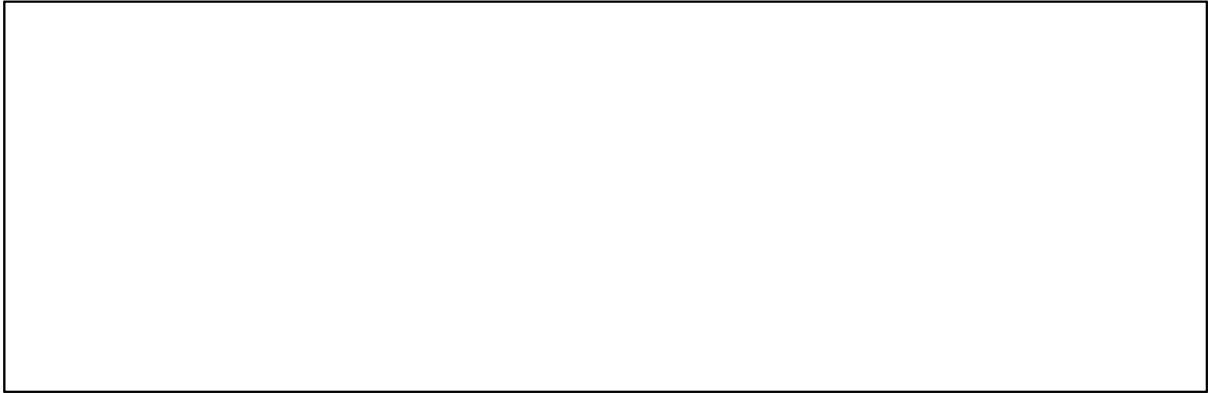
Employment Enrollment Packets will be distributed to the common law employer within 3 business days of receipt of a call from the CM/SC informing us that the participant/ representative wishes to use PDS and PPL as the VF/EA FMS organization. In addition, Qualified DCW Employment Enrollment Packets and the Vendor, Small Unlicensed and Independent Contractor Payment Packets will be posted on our PDS program-specific website for CM/SCs, common law employers or providers to access 24/7.

6. Have a system in place for notifying the common law employer regarding information they have not submitted;

--

7. Collect and process completed documents and forms and file with the appropriate federal, state and local government agencies. Copies of all documentation must be retained in the applicable Qualified DCW, Vendor or Small Unlicensed Provider's file;

--



8. Process direct care worker's IRS Forms W-4;



9. Maintain copies of IRS Forms W-4 in each qualified DCW's file;

10. Maintain copies of the US CIS Form I-9, Employment Eligibility Verification in each qualified DCW's file;

11. Submit the required documentation for State Police Criminal Background Check (Form SP-164), FBI Criminal Background Check, and DPW Child Abuse Clearance (Form CY-113) for the common law employer's DCW candidate;

12. Receive and maintain criminal background results on common law employer's DCW candidate on file and provide results to the common law employer upon request;

13. Confirm each qualified DCW's social security number and vendor and small business provider's social security number or FEIN, as appropriate through the SSA's Business Services Online system;

14. Collect information on whether a qualified employee meets one of the criteria to be FICA/FUTA or SUTA exempt per Section 3 of IRS Publication 15 and Pennsylvania (PA) Unemployment Compensation (UC) Law Section 4(1)(4)(5), respectively;

--

15. Report participants' new hires through the PA New Hires Program within 20 days of hire; and

--

16. Maintain copies of New Hire Reporting documentation in qualified DCWs' files.

--

I. Processing a Common Law Employer's Disenrollment from a VF/EA FMS Organization

The Selected Offeror(s) must:

1. Have written policies and procedures related to the completion of the tasks listed below;

When PPL is awarded a new program, the management team creates policies and procedures (P&P) specific to the program rules. Upon award, PPL will work as a partner with DPW to develop DPW Participant-Directed Services specific VF/EA policies and procedures manuals. The P&Ps will include revoking related IRS common employer paperwork, retiring Commonwealth and IRS common law employer paperwork, terminating workers' compensation, and compute, withhold, file, and deposit state income and unemployment tax.

2. Have written internal controls, including segregation of duties, related to the completion of the tasks listed below;

PPL has internal controls documented and in place to monitor the entire tax registration process, including retiring and revoking common law IRS and Commonwealth related paperwork. All documentation is stored electronically, and copies are maintained in the individual common law employer file. PPL maintains stringent internal controls to monitor the establishment and maintenance of current and archived consumer, direct care worker, and VF/EA FMS program files. Physical files are maintained in an area devoted exclusively to DPW operations. PPL performs monthly audits on consumer, and direct care worker files. PPL's financial operations (FOC) staff, located in our Chelsea, MA office will be responsible for revoking and retiring all common law employer IRS and Commonwealth paperwork, terminating workers' compensation, and compute, withhold, file, and deposit state income and unemployment tax. Members of the Tax Registration team is part of our FOC staff, one person will register all required tax document on behalf of the common law employer, another staff person will have the responsibility to retire and revoke appropriate tax documents on behalf of the common law employer.

3. Revoke the IRS Form 2678 with the common law employer, when appropriate;

PPL is typically notified that a person is no longer serving as an employer either directly by the consumer or the Department. This request is formally documented on a Program Retirement form. Upon receipt of the formal notification indicating that a person no longer will serve as the common law employer, PPL retires that Individual Employer's FEIN. PPL then writes a letter to the IRS, attaching the original Form 2678, with the word "REVOKE" across the top. The letter states that PPL will no longer be representing the individual employer under Section 3504 of the IRS Code and is signed by PPL's President, Marc H. Fenton.

4. Maintain a copy of the revoked Form 2678 and the IRS revocation confirmation letter (LTR 4228C) in the common law employer's archived file;

PPL has internal controls documented and in place to monitor the entire tax registration process, including obtaining and revoking agent status with the IRS. PPL will maintain a copy of the revoked Form 2678 and the IRS revocation letter (LTR 4228C) in the common law employer's archived file. All documentation is stored electronically, and copies are maintained in the common law employer file. PPL maintains stringent internal controls to monitor the establishment and maintenance of current and archived consumers(s), their representatives, direct care staff, and VF/EA FMS program files.

5. Revoke the IRS Form 8821 with the common law employer's archived file;

PPL has developed policies and procedures for submitting initial IRS Forms 8821 to the Service, renewing the IRS Form 8821 before it expires, revoking the IRS Form 8821 when the Agent no longer represents the individual, and maintaining the relevant documentation in each common law employer's file. Upon retirement of an FEIN, PPL will revoke a Form 8821 by sending a copy of IRS Form 8821 to IRS Service Center in Memphis, TN with 'REVOKE' written across the top of the form. A copy of the IRS Form 8821 and cancellation requests are retained in each common law employer's file. All paperwork is stored in a secure location in our Financial Operations Center to maintain confidentiality.

6. Maintain a copy of the revoked Form 8821 in the common law employer's archived file;

PPL has internal controls documented and in place to monitor the entire tax registration process, including obtaining and revoking Form 8821 with the IRS. Upon retirement of an FEIN, PPL will revoke a Form 8821 by sending a copy of IRS Form 8821 to IRS Service Center in Memphis, TN with 'REVOKE' written across the top of the form. A copy of the IRS Form 8821 and cancellation requests are retained in each common law employer's file. All paperwork is stored in a secure location in our Financial Operations Center to maintain confidentiality.

7. Retire the common law employer's FEIN, when appropriate;

Upon receipt of formal notification that a person no longer will serve as the common law employer, PPL retires that Employer's FEIN through two primary steps:

- I. Completing all final tax deposits,
- II. Filing a final IRS Form 941 with Part 3, Number 16 completed with the final date wages were paid and the box checked stating returns do not need to be filed in the future.

In addition, PPL completes the IRS Form 940 checking the box stating returns do not need to be filed in the future. Upon retirement of the FEIN, PPL submits a standard letter to the IRS requesting that the EIN be de-activated. PPL maintains FEIN retirement activity within the PPL Web Portal. The PPL Web Portal is used to document and track the FEIN retirement process to ensure all paperwork is completed properly.

8. Maintain a copy of the documentation of the FEIN retirement in the common law employer's archived file;

PPL has internal controls documented and in place to monitor the entire tax registration process, including obtaining, revoking, and retiring FEINs. We will maintain a copy of the FEIN retirement in the common law employer's file. All documentation is stored electronically, and copies are maintained in the individual employer file. PPL maintains stringent internal controls to monitor the establishment and maintenance of current and archived consumer, direct care worker, and VF/EA FMS program files.

9. Revoke the PA UC-884, *Power of Attorney* with the common law employer, when appropriate;

Upon receipt of notification that a person no longer will serve as the common law employer, PPL will submit a letter to the Pennsylvania Department of Labor and Industry on behalf of the common law employer stating they want to revoke the PA UC-884 previously issued to the employer.

10. Maintain a copy of the revoked PA UC-884, *Power of Attorney* in the common law employer's archived file;

PPL has internal controls documented and in place to monitor the entire tax registration process, including obtaining, revoking and retiring FEINs. We will maintain a copy of letter stating to revoke PA UC-844, *Power of Attorney*, in the common law employer's file as well as documentation received from the Department of Labor and Industry in receipt of the letter. All documentation is stored electronically, and copies are maintained in the individual employer file. PPL maintains stringent internal controls to monitor the establishment and maintenance of current and archived consumer, DCW and VF/EA FMS program files.

11. Retire the common law employer's PA Department of Revenue state income tax withholding employer tax account number, when appropriate, by filing the PA DoR Form REV-1706, *Business Cancellation Form*;

Upon receipt of notification that a person no longer will serve as the common law employer, PPL will retire the common law employer's PA Department of Revenue state income tax withholding employer tax account number by filing the PA DoR Form REV-1796, *Business Cancellation Form*. PPL will send the PA DoR form Rev-1706 to:

Department of Labor and Industry
Office of UC Tax Services, Registration and Document Management Section
651 Boas Street
Harrisburg, PA 17121

12. Maintain a copy of the PA DoR Form REV-1706 in the common law employer's archived file;

PPL has internal controls documented and in place to monitor the entire tax registration process, including obtaining, revoking, and retiring FEINs. We will maintain a copy of the PA DoR Form REV-1706 in the common law employer's file. All documentation is stored electronically, and copies are maintained in the individual employer file. PPL maintains stringent internal controls to monitor the establishment and maintenance of current and archived consumer, direct care worker, and VF/EA FMS program files.

13. Retire the common law employer's State Department of Labor and Industry state unemployment insurance tax employer tax account number when appropriate, by using the PA form UC-2B in the common law employer's archived file;

Upon receipt of notification that a person no longer will serve as the common law employer, PPL retires that Employer's state unemployment tax registration number by:

- Completing all final tax deposits, by documenting "Final return" on the PA W-3 which will occur only after the current calendar year ends, due to the filing of PA W-2 Transmittal Form, and
- Submitting a PA Form UC-2B- (Employer's Report of Employment and Business Changes).

By entering the last paid wages on number 4, the PA UC account number will automatically be closed. The signed form will be mailed to: Department of Labor and Industry, Office of UC Tax Services, Tax Accounting Administration. PPL will document and approve policies and procedures for obtaining and retiring a state unemployment tax registration number for all employers it represents, as described above, with stated timeframes and specific requirements for the maintenance of the relevant documentation in each individual's file. PPL will update these policies and procedures for any specific requirements requested by DPW.

14. Maintain a copy of the PA Form UC-2B in the common law employer's archived file;

PPL has internal controls documented and in place to monitor the entire tax registration process, including obtaining, revoking, and retiring FEINs. We will maintain a copy of the PA Form UC-2B in the common law employer's file. All documentation is stored electronically, and copies are maintained in the individual employer file. PPL maintains stringent internal controls to monitor the establishment and maintenance of current and archived consumer, direct care worker, and VF/EA FMS program files.

15. Compute, withhold and file final state income tax taxes (even when the final filing is zero wages);

PPL's Financial Operations Center uses a Tax Reporting and Payment Processing Schedule to ensure that all required tax filings are systematically made per the required periodicity. PPL will

withhold PA Personal income tax at the rate of 3.07 percent. PPL's Financial Operations Center uses a Tax Reporting and Payment Processing Schedule to ensure that all required tax deposits are systematically made per the required periodicity. PPL will deposit and file quarterly to the Pennsylvania Department of Taxation and Revenue using Form PA W-3 on the last day of every quarter. PPL maintains electronic records of all deposits in our accounting system and will retain hard-copy records of all tax deposits in a secure file in the Financial Operations Center.

Pennsylvania income tax will not be withheld from compensation and certain types of payments paid to residents of bordering states including Maryland, New Jersey, Ohio, Virginia, and West Virginia due to reciprocal agreements with each of these states. Providers from these states will complete Form (REV-420), Employee's Statement of Non-residence in Pennsylvania and Authorization to withholding Other States' Income Tax and taxes from state of residence will be withheld. However, if this form is not completed, PA taxes will be withheld for these employees.

PPL has documented, approved policies and procedures with internal controls that detail each segment of DPW processes, including one with stated time frames for withholding and filing state income taxes using State registration numbers for each consumer-employer per state requirements and for maintaining the relevant documentation in our files. PPL will update these policies and procedures as necessary to comply with all requirements of this project

16. Deposit final state income tax (even when the final filing is zero wages);

To terminate the status of employer in the state of PA, PPL will 1) Make all final deposits and 2) File Form REV-1706 (Account Cancellation Form). The Form will include the reason for the cancellation and the effective date. The signed form will be then mailed to PA Department of Revenue.

17. Maintain a copy of the final state income tax filing and deposit and related correspondence in the common law employer's archived file;

PPL has internal controls documented and in place to monitor the entire tax registration process, including depositing final state income tax. We will maintain a copy of the final state income tax filing and deposit and related correspondence in the common law employer's file. All documentation is stored electronically, and copies are maintained in the individual employer file. PPL maintains stringent internal controls to monitor the establishment and maintenance of current and archived consumer, direct care worker, and VF/EA FMS program files.

18. Compute, withhold and file final state unemployment taxes (even when the final filing is zero wages);

PPL has staff specifically dedicated to and fully trained in all enrollment and disenrollment processes, laws, and regulation. The tax team will follow proven industry best practices, along with guidance from

http://www.portalstate.pa.us/portal/server.pt/community/enterprise_portal_inforamtion/2121 to

ensure that PPL will compute, withhold and file final state unemployment taxes (even when the final filing is zero wages).

19. Deposit final state unemployment taxes (even when the final filing is zero wages);

PPL will deposit all final state unemployment taxes (even when the final filing is zero wages) for the DPW program.

20. Maintain copies of the documentation of the filing and payment of the common law employer's final state income tax and unemployment taxes in the common law employer's archived file;

PPL has internal controls documented and in place to monitor the entire tax registration process, including obtaining, revoking, and retiring FEINs. PPL will maintain copies of documentation of the filing and payment of the common law employer's final state income tax and unemployment taxes in the common law employer's file. All documentation is stored electronically, and copies are maintained in the individual employer file. PPL maintains stringent internal controls to monitor the establishment and maintenance of current and archived consumer, direct care worker, and VF/EA FMS program files.

21. Terminate the common law employer's workers' compensation insurance policy, when appropriate and submit any premium refund to DPW (i.e., via offset of future payment); and

When appropriate, PPL will terminate the common law employer's workers' compensation insurance by simply appending our national workers compensation plan. If payroll is not issued, there is no workers compensation premium paid since the plan operates on a pay-as-you-go basis. There is no need for DPW to process and reconcile a refund check.

22. Maintain documentation related to terminating the common law employer's workers' compensation insurance policy in the common law employer's archived file.

PPL has internal controls documented and in place to monitor the obtaining and terminating workers' compensation insurance policy. PPL will maintain all documentation related to terminating the common law employer's workers' compensation insurance policy. All documentation is stored electronically, and copies are maintained in the consumer's common law employer file. PPL maintains stringent internal controls to monitor the establishment and maintenance of current and archived consumer(s), their representatives, direct care worker, and VF/EA FMS program files.

J. Processing and Distributing Qualified DCWs Payroll and Related Taxes and Insurances

The Selected Offeror(s) must:

1. Have written policies and procedures related to the completion of the tasks listed below;

PPL has written policies and procedures related to enrolling providers including the completion of the tasks listed below. Upon award, we will customize our Policy and Procedures manual specific to the PDS programs of the Commonwealth. Each manual serves as a training and management tool, as well as a reference guide for each program.

2. Have written internal controls, including segregation of duties, related to the completion of the tasks listed below;

PPL has written internal controls related to the completion of all enrollment tasks including those listed below. Upon award, we will customize our written internal controls to meet the specifications of the PDS programs, including documentation of the segregation of duties, which will comply with all contract requirements.

3. Determine if the qualified DCW is a family member who is exempt from paying into FICA and/or FUTA and SUTA and process payroll and related federal taxes accordingly;

--

4. Maintain documentation on relationship of common law employer to the qualified DCW in the worker's file;

PPL maintains copies, either physically or electronically, of all Relationship Federal Tax Exemptions Information Forms for each worker in his/her appropriate file.

5. Determine if a qualified DCW is a non-resident of Pennsylvania and the appropriate method to be used for state income tax withholding;

--

6. Maintain documentation on the qualified DCW's non Pennsylvania resident status in the worker's file;

PPL maintains copies, either physically or electronically, of all tax related paperwork for each worker in his/her appropriate file.

7. Verify qualified DCW hourly wage is in compliance with federal, state, and PA Department of Labor and Industry wage and hour rules for domestic service workers in accordance with OLTL and ODP policies;

--

-
- a. If the VF/EA FMS organization receives a qualified DCW's timesheet with more hours than approved in the common law employer's service plan, the VF/EA FMS organization must address the issue immediately by:**
 - i. Contacting and informing the common law employer or representative of the overage;**
 - ii. The common law employer must adjust his or her qualified DCW's time accordingly on the next time sheet**
 - iii. Contacting and informing the CM/SC of the overage;**
 - iv. The CM/SC should develop a strategy with the common law employer to stay within the service plan/budget;**
 - v. The CM/SC should determine if a change in the common law employer's medical or social situation has occurred. If so, the service plan/budget should be revised to reflect those changes; and**