

Additional Vendor Requirements

These requirements are in addition to the Self-Determination Program (SDP) Financial Management Services (FMS) provider vendorization requirements specified in the Department's [December 2018 Financial Management Services Directive](#). The entity must meet all additional requirements specified below.

Preliminary Requirements:

1. The entity applying to be an SDP FMS provider shall provide needed documentation for the regional center to verify that the staff of the SDP FMS entity are not included on:
 - The U.S. Department of Health and Human Services Office of Inspectors' General (OIG) List of Excluded Individuals/Entities,
 - The Department of Health Care Services (DHCS) Medi-Cal Suspended and Ineligible Provider List of persons,
 - The exclusion criteria identified in Title 17, Section 54311(a)(6).
2. Minimum Staff Qualifications: the entity applying to be an SDP FMS provider employs staff who meet the following:
 - A certified payroll professional, a certified public accountant or an individual with a bachelor's degree in accounting that has experience processing payroll, withholding, filing and paying applicable federal, state and local employment related taxes and insurance.
 - Previous professional experience working within the human services delivery system.
3. Fiscal Solvency: the entity applying to be an SDP FMS provider shall:
 - Demonstrate initial financial solvency as evidenced by documentation of an available line of credit or a cash or capital reserve of at least \$500,000.
 - Provide documentation of liability insurance policies against losses including fraud, theft, errors and omission, and business interruption with coverage limits required by the regional center.
 - Provide a copy of their policy, procedure and internal control demonstrating the methodology for determining their fiscal ability to meet continued financial solvency for at least six payroll cycles.

Once the above requirements have successfully been met by the entity applying to be an SDP FMS provider, the remaining requirements shall be met as part of the vendorization process.

FMS Policy Requirements:

The entity applying for an SDP FMS vendorization has a document that includes a policy, procedure and internal control which:

4. Establishes a customer service policy that includes timelines for receiving, tracking, and responding to calls, emails, mail, and other correspondence.
5. Monitors and implements changes in accordance with regulations, statutes, and guidance from state and federal agencies.
6. Educates participant-employers about the employer's responsibilities regarding hiring, managing and terminating staff.
7. Verifies that all goods and services in the spending plan are allowable under federal Medicaid criteria and the [SDP Waiver](#).
8. Verifies provider qualifications specific to the type of service being provided as defined by the [SDP Waiver](#).
9. Follows the employer burden requirements and approval process as detailed in the [April 2024 Employer Burden & Other Employment Related Costs Directive](#) and bills in accordance with the Department approved employer burden costs and provides detailed description of other employment related costs.
10. Verifies accuracy of receipts and invoices as described in SDP billing directives, including: [April 2024 Billing Requirements Directive](#), [January 2024 Updated Billing Requirements for Services Directive](#), and [December 2023 Billing Requirements for Services Directive](#), as well as compliance with the participant's individual program plan, spending plan and SDP program rules.
11. Makes purchases and submits invoices for only those services and supports identified in the participant's individual program plan and spending plan.
12. Processes payroll, withholding, filing and payment of applicable federal, state and local employment related taxes and insurance in accordance with applicable California labor laws.
13. Submits monthly expenditure reports on behalf of the participant to both the participant and regional center by the 15th of each month.
14. Identifies and reports all suspected incidents of abuse, neglect or financial exploitation to the appropriate authority which may include, but is not limited to: [Adult Protective Services \(APS\)](#) or [Child Protective Services \(CPS\)](#).
15. Identifies and reports all suspected incidents of fraud, waste, and abuse to the appropriate authority in accordance with the [CMS guidelines](#).
16. Establishes and maintains a formal disaster recovery and business continuity plan that describes how business operations, including vendor payments and payroll will continue in the event of a natural disaster, severe weather, or unexpected event.