

## Fiscal Intermediaries

### Types of Fiscal Intermediaries (FI) to Support/ Facilitate Consumer Directed Services

TYPE OF FI/ Administered by	Services Provided by FI	Consumer Skill and Motivation Level	CONSUMER Advantages/ Disadvantages	STATE/GOVERNMENT Advantages/ Disadvantages
<p><b>FISCAL CONDUIT/</b></p> <p>Vendor (Contracted)</p> <p><b>Employer of Record:</b> Individual &amp; Support Broker</p>	<ul style="list-style-type: none"> <li>- FI disperses \$</li> <li>- Invoices government</li> <li>- Processes worker time sheets</li> <li>- Provides reports to State</li> </ul>	<p>Skill = High Motivation = High</p> <p>(Need to have skills of employer and motivated to manage everything)</p>	<ul style="list-style-type: none"> <li>+ Highest level of control, FI only distributes money</li> <li>- Consumer/broker must have ability to be full employer</li> <li>- Little or no assistance available from FI</li> </ul>	<ul style="list-style-type: none"> <li>+ Reduced responsibility</li> <li>+ Reduces administrative cost</li> <li>+ Frees government to focus on monitoring and quality issues</li> <li>+ Dollars to follow individual rather than providers</li> <li>- Minimal level of oversight and control</li> <li>- Liability risk if consumers are not responsible employers</li> </ul>
<p><b>IRS EMPLOYER AGENT/</b></p> <p>State or County Government</p> <p><b>Employer of Record:</b> Individual &amp; Support Broker</p>	<ul style="list-style-type: none"> <li>- FI is "Household Employer Agent" on behalf of consumers (tax filing, payroll)</li> <li>- Can also provide worker's comp, verify timesheets, conduct background checks</li> <li>- Generate reports for State, consumers, and brokers</li> </ul>	<p>Skill = High Motivation = Low</p> <p>(High skills but low desire to manage all details)</p> <p>-or-</p> <p>Skill = Low Motivation = High</p> <p>(Low skills but high motivation to manage as much as can handle)</p>	<ul style="list-style-type: none"> <li>+ High level of control, but reduced employer responsibilities</li> <li>- Workers often view government as employer, rather than individual</li> </ul>	<ul style="list-style-type: none"> <li>+ Ensures IRS and other requirements are met</li> <li>+ Government retains control over program administration, without becoming employer</li> <li>+ No subcontract or RFP process</li> <li>+ Immediate feedback and reporting, and changes w/out contract amendment</li> <li>+ Public dollars to follow individual rather than providers</li> <li>- Government must establish policies, procedures, cost tracking, reporting, dedicate staff and other needed resources</li> <li>- Administration typically more expensive than in private sector</li> <li>- Mistaken perception of government as the employer</li> </ul>

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<p><b>VENDOR/</b></p> <p>Vendor (Contracted)</p> <p><b>Employer of Record: Individual &amp; Support Broker</b></p>	<ul style="list-style-type: none"> <li>- Vendor is "Household Employer Agent" on behalf of consumers (tax filing, payroll)</li> <li>- Can also provide worker's comp, verify timesheets, conduct background checks</li> <li>- Generate reports for State, consumers, and brokers</li> </ul>	<p>Skill = High Motivation = Low</p> <p>(High skills but low desire to manage all details)</p> <p>-or-</p> <p>Skill = Low Motivation = High</p> <p>(Low skills but high motivation to manage as much as can handle)</p>	<ul style="list-style-type: none"> <li>+ High level of control, but reduced employer responsibilities</li> <li>- Consumer is employer like it or not</li> </ul>	<ul style="list-style-type: none"> <li>+ Ensures IRS and other requirements are met</li> <li>+ Government can not be mistaken for employer</li> <li>+ More cost effective administration, and negotiated rates</li> <li>+ Changes in numbers have little effect on State employees</li> <li>+ Frees government to focus on monitoring and quality issues</li> <li>+ Public dollars to follow individual rather than providers</li> <li>- Need RFP and contracting process</li> <li>- Bidders will vary greatly in their experience and specialty</li> <li>- Must have funds to pay for FI services versus in house resources</li> <li>- Develop policies for monitoring and accountability</li> <li>- May be difficult to change/ add new things mid-contract</li> </ul>
<p><b>SUPPORTIVE/</b></p> <p>Vendor (Contracted) (Private or Public)</p> <p><b>Employer of Record: Individual &amp; Support Broker -or- Agency</b></p>	<ul style="list-style-type: none"> <li>- Vendor provides a variety of support services; training consumers, assisting hiring, background checks, emergency plans, training workers (limited), case management, counseling</li> <li>- Option to be employer of record</li> <li>- Typically runs in conjunction with another FI model, or provides support services to support another FI model</li> </ul>	<p>Skill = High Motivation = Low</p> <p>(High skills but low desire to manage all details)</p> <p>-or-</p> <p>Skill = Low Motivation = High</p> <p>(Low skills but high motivation to manage as much as can handle)</p>	<ul style="list-style-type: none"> <li>+ Provides initial and ongoing supports for consumers to be employer of record and obtain appropriate services</li> <li>- None</li> </ul>	<ul style="list-style-type: none"> <li>+ Allows for necessary support services without increasing government staff or workload</li> <li>+ Outsource assessment/ re-assessment functions and program/ quality monitoring</li> <li>- Need to develop roles of Support FI to avoid duplicating existing case management and other support functions</li> <li>- Need to develop monitoring and reporting procedures to address service quality and consumer health and safety issues in a timely manner</li> <li>- May need another contract for other FI services</li> </ul>

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<p><b>AGENCY WITH CHOICE/</b></p> <p>Agency (s)</p> <p><b>Employer of Record:</b> Agency</p>	<ul style="list-style-type: none"> <li>- May include a variety of different agencies</li> <li>- Agency is employer of record, but consumer is manager</li> <li>- Agency provides employment, payroll, background checks</li> <li>- Individuals can refer workers over to be trained and hired</li> <li>- Provides support features of Support FI</li> <li>- Services and level of consumer direction can vary to the needs/desires of consumers</li> </ul>	<p>Skill = Low Motivation = Low</p> <p>(Low employer skills and support provided to make process simple)</p>	<ul style="list-style-type: none"> <li>+ Provides a moderate to high level of control over services and workers</li> <li>+ Provides high support for employer related tasks</li> <li>+ Allows agency to be employer of record</li> <li>+ Can provide group benefits and training to workers</li> <li>+ Can provide ready back up staff</li> <li>- Can easily slip into low levels of control or traditional agency provider model</li> </ul>	<ul style="list-style-type: none"> <li>+ Ensures IRS and legal requirements are met</li> <li>+ Ensures that consumers can get workers on short notice/ emergencies</li> <li>+ Clarifies employer- employee relationship</li> <li>+ Ensures a minimal standard among workers</li> <li>+ Supports consumer direction and allows public dollars to follow individual rather than providers</li> <li>- If Agency does not have right philosophy then efforts at consumer direction will fall short</li> </ul>
<p><b>SPECTRUM/</b></p> <p>Agency w/ possible subcontracting agencies</p> <p><b>Employer of Record:</b> Individual &amp; Support Broker -or- Agency</p>	<ul style="list-style-type: none"> <li>- Variety of fiscal and supportive services available under the umbrella of one FI</li> <li>- FI can do everything itself or subcontract some services</li> <li>- Individual has choice of being employer or not</li> <li>- A way to meet every consumer's needs</li> </ul>	<p>Skill = Any Motivation = Any</p> <p>(Spectrum approach provides variety that ensures everyone's needs will be addressed and can benefit)</p>	<ul style="list-style-type: none"> <li>+ Consumer can access full range of intermediary services without enrolling in a different program even if their life situation changes</li> <li>- None</li> </ul>	<ul style="list-style-type: none"> <li>+ Provides seamless FI service delivery throughout individuals lives</li> <li>+ Reduces duplication of programs/ services</li> <li>+ Eliminates agency differences in philosophy/ services</li> <li>- Design, policies, and procedures more complex because of wide range of services/ options</li> <li>- Monitoring required of both contractor and subcontractors</li> </ul>

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