



Frequently Asked Questions: Self-Directed Employee Models in Fee for Service

Self-Directed Services is an approach to the delivery of home and community based services that offers increased control and choice over how and from whom you receive support. The Self-Directed Employee (SDE) option for self-directing services enables you (or your guardian) to recruit, hire and manage employees to provide prior authorized direct support services.

The Division of Developmental Disabilities offers two SDE models for eligible individuals who choose to self-direct their services: Vendor Fiscal/Employer Agent (VF/EA) and Agency with Choice (AWC).

Individuals choosing to participate in either of these SDE models should review NJ Department of Labor and Workforce Development [labor laws](#) to ensure that, in their role as employer of record (EOR) or co-employer, they are abiding by those laws (e.g., ensuring employees are not discriminated against). The fiscal intermediary for the SDE model selected can help answer questions related to your role and responsibilities within that model.

What are the differences between the two SDE models?

There are two key differences between the VF/EA and AWC models: **Who is identified as the employer of record and the availability of employer-sponsored health benefits.**

In the VF/EA model, the individual receiving services must enroll as the employer of record and obtain a federal Employer Identification Number (EIN) or must designate someone else to enroll as the employer of record. In the AWC model, the fiscal intermediary is the employer of record and the individual is the co-employer.

Employer-sponsored health benefits are not available in the VF/EA model, and are available in the AWC model to employees working 30 or more hours per week for the employer of record (Easterseals).

Is there a cost to participate in either of the models?

There are three main costs associated with participation in an SDE model: a per-member, per-month (PMPM) fee, workers' compensation insurance and employer taxes. The state pays an amount that covers the PMPM fee for the VF/EA model and partially covers the PMPM fee for the AWC model. (Please refer to the [Agency with Choice Per-Member, Per-Month Cost Table](#) for a breakdown of the PMPM cost to the individual's budget)

In the VF/EA model, the cost to cover workers' compensation is deducted once per year from the individual's budget, and the cost to cover employer taxes is added to the employee's hourly wage and comes out of the individual's budget.

In the AWC model, the cost to cover workers' compensation and employer taxes is added to the employee's hourly wage and comes out of the individual's budget.

How do I decide which of the two models is right for me?

It will depend on your needs and preferences, as well as the ability of your budget to support the per-member, per-month (PMPM) cost of participating in the AWC model. You should discuss service options with your support coordinator and planning team members to determine which option is a good fit.

How do I enroll in an SDE model?

You will need to talk to your support coordinator if you are interested in hiring a self-directed employee through one of the SDE models. Once you decide which model will best meet your needs, your support coordinator will send an Individual Referral to the appropriate fiscal intermediary. The fiscal intermediary will contact you within 3-5 days to initiate the enrollment process.

How do I know when enrollment is completed and my employee can start working?

A self-directed employee can only begin working/providing services when the following conditions have been met:

- Fiscal intermediary confirms the employer of record is enrolled (if applicable) and the employee has completed the hiring process.
- Fiscal intermediary calculates the billable unit rate and provides it to the support coordinator.
- Support coordinator uses the billable rate to add the SDE service to the Individualized Service Plan.
- Individualized Service Plan is approved.

Your support coordinator will let you know the approved service start date, which is the date the employee can start working/providing services. The fiscal intermediary for the model you selected will also contact you to let you know the enrollment and hiring processes are completed.

Do employees get paid time off in either of the models?

In the VF/EA model, **sick time only** is available and accrues at one hour per every 30 hours worked. In the AWC model, paid time off is available to every employee and will vary based on the number of hours and number of years worked for the employer of record (Easterseals).

Who determines my employee's hourly wage?

In both models, you determine the employee's hourly wage (within "reasonable and customary"), which your budget must be able to support. In both models, the fiscal intermediary applies a mark-up to the hourly wage to cover the cost of employer-related taxes. The wage mark-up in Agency with Choice (AWC) also covers the cost for employer-sponsored workers' compensation.

Can I hire a family member in either of the models?

Yes, you can hire a family member as a self-directed employee in either model—including a family member who is a parent (biological, step, or adoptive parent), spouse, or guardian of the individual receiving services.

What if I already have self-directed employees?

If you have self-directed employees in the VF/EA model with Public Partnerships, you have the option to continue in that model or transition to the new Agency with Choice model. Should you choose to transition between SDE models, any self-directed employees will need to complete the hiring process again, which includes pre-employment background checks (e.g., fingerprinting) and drug screening.

What if I receive self-directed services from a community vendor?

If you **ONLY** receive self-directed services from a community vendor (e.g., through Goods & Services) and do not have any self-directed employees, the VF/EA model with Public Partnerships is the only available option. If you hire self-directed employees in the future, you will have the option of choosing either of the models.

If you receive self-directed services from a community vendor **AND** you have self-directed employees, you will have the option to participate in the VF/EA model with Public Partnerships for all your self-directed services **OR** in the AWC model with Easterseals for all your self-directed services.

Can I participate in both models at the same time?

No. You can only participate in one SDE model at a time, but you can:

- Change from one SDE model to another based on your needs and preferences. Should you choose to transition between SDE models, any self-directed employees will need to complete the hiring process again, which includes pre-employment background checks (e.g., fingerprinting) and drug screening.
- Receive some services through the SDE model you have chosen and receive other services through a traditional provider agency.

What if I receive DDD services from a self-directed employee and I receive services through the Personal Preference Program (PPP)?

Public Partnerships will continue to be the fiscal intermediary for all Personal Preference Program (PPP) services. Please note that PPP is not a DDD program and is administered by the Division of Medical Assistance and Health Services.

If you receive DDD services from a self-directed employee through Public Partnerships and you receive PPP services, you have the option to either (a) continue with Public Partnerships for both DDD and PPP services, or (b) transition to Agency with Choice Model through Easterseals for your DDD services.

If you receive DDD services from a self-directed employee in the old Easterseals model and you receive PPP services, you have the option to transition your DDD services to either the VF/EA or AWC model.

Does this mean I can now use a single Employer Identification Number (EIN) for both my PPP services and my DDD self-directed employee services?

No. Enrollment in the Division of Medical Assistance and Health Services' Personal Preference Program (PPP) requires the individual receiving services to obtain an EIN. If you also choose to participate in the VF/EA model with Public Partnerships, you will not be able to enroll using that same EIN. You will need to identify someone else who is able and willing to obtain a separate EIN and enroll as the employer on your behalf.

If there is no one who can obtain an EIN and enroll as the employer on your behalf, then your options are to participate in the AWC model or receive services from a provider agency.

What if I still have questions?

You are encouraged to speak to your Support Coordinator who will be able to answer your questions. If they are unable to answer your question they can reach out to the Division at DDD.FeeForService@DHS.NJ.GOV.