Public Partnerships, LLC Financial Administration Services 6 Admiral's Way Chelsea, MA 02150

Phone 1-888-690-0985 TTY 1-800-360-5899 Administrative Fax 1-866-254-9729 Choices.prequal@pcgus.com



Dear Employer:

You have received this letter and the enclosed forms because you have indicated an interest in participating in the CHOICES Consumer Direction Program. In this program, you will have the opportunity to recruit and hire your own staff to assist you in remaining independent in your own home. TennCare and the managed care organizations participating in the CHOICES program have contracted with Public Partnerships, LLC (PPL) to act as the Fiscal Employer Agent (FEA) for CHOICES consumer direction members. In this role, PPL will provide Financial Administration Services and Support Brokerage Services. The Financial Administration Service supports employers by paying workers and assuming responsibility for managing tax filings on your behalf. The Supports Brokerage Service supports employers by helping you manage and coordinate your services.

In order to begin this program, you will need to complete these forms and return them to PPL. Your worker(s) will also need to complete forms and training. Below is a summary of the payroll service and enclosed tax forms. PPL cannot pay for any services until a completed packet is returned from you and your worker(s) and we receive documentation that both you and your worker(s) have completed all the required training.

We understand that the forms are technical, so please call us if you have questions at 1-888-690-0985. Thank you.

FORMS TO COMPLETE AND RETURN SIGNED TO PPL

- 1. IRS Form SS-4 Application for Employer Identification Number
- 2. LB-0441 State of Tennessee Report to Determine Status Application for Employer Number
- 3. IRS Form 2678 Employer Appointment of Agent
- 4. IRS Form 2848 Power of Attorney & Declaration of Representative
- 5. LB-0927 State of Tennessee, Power of Attorney
- 6. IRS Form 8821 Tax Information Authorization

NEED HELP? CALL TOLL FREE AT 1-888-690-0985

What is my role as an employer? What is PPL's role in the process?

The CHOICES consumer direction program allows you to hire your own staff to provide certain services. You are the employer. Below is a brief summary of what is done by whom:

As an Employer, you will:

- Recruit, hire and fire all worker(s);
- Establish performance evaluation criteria for worker(s);
- Establish a pay rate (within parameters) for worker(s);
- Assign worker(s) to scheduled services;
- If applicable, train worker(s) on self-direction of health care tasks;
- Institute backup services if your regularly scheduled worker cannot make it:
- Ensure that your worker(s) keep detailed daily notes; and
- Monitor your utilization of authorized service units with reports that PPL provides.

Your Support Broker will:

- Provide required consumer directed training to you;
- Assist you in recruiting, scheduling, training, supervising and evaluating worker(s):
- Check-in with you on a regular basis to make sure consumer direction is working appropriately for you;
- Provide/arrange for required consumer directed training for your worker(s); and
- Assist you in managing and monitoring your authorized services.

PPL will:

- Issue paychecks to workers every two weeks for properly submitted, authorized time;
- Withhold appropriate State and Federal taxes for workers
- File monthly, quarterly and annual forms and tax deposits with State and Federal agencies (See below to learn more about what taxes are withheld)
- Issue W-2 Statements to each worker in January
- Provide utilization reports to you on a monthly basis
- Answer all questions that you and your worker(s) have about payroll and services

NEED HELP? CALL TOLL FREE AT 1-888-690-0985

Your MCO Care Coordinator will:

- Establish your plan of care;
- Authorize consumer directed services:
- Schedule consumer directed services; and
- Serve as point of contact for non-consumer directed services.

Do my workers have to complete paperwork too?

Yes. Workers must complete a separate PPL packet for each employer who employs them, even if the employers live in the same home. Workers also have to complete required training and pass several registry checks and a background check.

Why do I need to sign the USCIS Form I-9 for my workers?

Federal law requires all employers complete the I-9 with their employees. The USCIS Form I-9 certifies that your workers are eligible to work in the United States. Your workers will bring the I-9 to you. You must verify the worker's identity by confirming that all verifications required were presented to you. You must not sign the I-9 unless you have seen official documents which confirm their identity.

Will I be required to pay for services out of my own pocket?

No. Consumer directed services are funded out of the CHOICES program. Your worker(s) will be paid with these funds. Please keep in mind that the CHOICES program does not pay worker(s) bonuses or cover vacation time. Payment is strictly for authorized time worked.

Will I ever receive letters from the IRS and Department of Revenue?

Possibly. Now that you are an employer, you may receive letters and forms from the IRS, Tennessee Department of Revenue and Tennessee Department of Labor and Workforce Development. Public Partnerships does not receive all of these mailings because you are the employer of record with the taxing agencies. It is your responsibility as an employer to forward this information onto Public Partnerships and we will respond to the taxing agencies accurately and timely.

What taxes are withheld for each of my workers?

Public Partnerships will withhold Social Security, Medicare (FICA), and Federal income taxes from worker's paychecks. Some worker(s) may be exempt from FICA taxes as a result of their relationship with you, their employer. (PPL provides information regarding this exemption in the employee packet.) A summary of all worker tax withholdings will appear on their paycheck stub. PPL will prepare and mail a W-2 Wage Statement to each worker in January.

Do employers pay taxes too?

Yes. These tax payments are made with CHOICES funds. Employers must match each worker's Social Security and Medicare (FICA) contribution. In addition, you must pay federal and state unemployment insurance contributions for workers. As your agent, PPL will complete all this paperwork, and send you regular reports.

Does this program offer workers compensation?

No. In the state of Tennessee, according to Tennessee Code 50-6-106, the Worker's Compensation Law does not apply to domestic servants and employers of domestic servants and in cases where fewer than five persons are regularly employed. Consumer Directed workers are defined as domestic servants in this law. Workers compensation cases are rare in consumer directed program; however, any incidents should be covered by your homeowner's or renter's insurance policy.

Questions?

Public Partnerships encourages you to call us at 1-888-690-0985 if you have any questions regarding payroll requirements or the process in general. If necessary, PPL staff is available to help walk you through the forms over the phone. We look forward to working with you!

Sincerely,

PPL, your FEA 1-888-690-0985

IRS FORM SS-4 Application for Employer Identification Number

What is it for?

This form tells the IRS that you are going to be an employer and is used to obtain an Employer Identification Number (EIN) from the IRS. This EIN is used to open state employer accounts and designate all tax deposit and filing responsibility to PPL.

Why isn't my address listed on lines 4a and 4b?

Lines 4a and 4b ask for the mailing address to be attached to this employer account. PPL does not intend to burden you with IRS paperwork. By establishing PPL's address as the mailing address on your employer account, PPL ensures that you will not receive IRS paperwork relating to this program at your home.

Who are the people listed in the 'Third Party Designee' section?

Those are PPL staff members who are

experienced obtaining EINs on behalf of employers. These three individuals are the only people who can obtain an EIN on your behalf.

What lines do I complete?

PPL has completed the SS-4 in a way that notifies the IRS that even though you will be the official employer of your workers, you will be using PPL to file and deposit your employer taxes. If you have applied for an EIN in the past, complete lines 16a, 16b and 16c. You also must sign and date the bottom of the form.

What if I already have an EIN?

If you already have an EIN, someone else must serve as the employer of record. PPL must use an unique EIN in order to comply with IRS rules and regulations.





State of Tennessee Department of Labor and Workforce Development Report to Determine Status Application for Employer Number

What is it for?

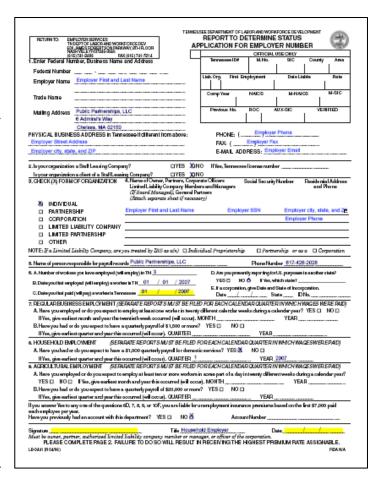
Every new business that starts up in Tennessee is required to file Form LB-0441, Report to Determine Status Application for Employer Number, so that the Employment Security Division of the State of Tennessee Department of Labor and Workforce Development can determine whether or not the employer is subject to the state unemployment tax. This form is also used to obtain an Employer Account Number.

Will I have to pay for my employee's unemployment benefits?

No. Employer taxes are paid on you behalf by PPL with funds that support the CHOICES consumer direction program.

Some lines are already filled out – is this ok?

Yes. PPL was able to complete these, and it will save you time and work. Some information, however, only you know. Please complete all of these sections and sign the form.





IRS FORM 2678 Employer Appointment of Agent

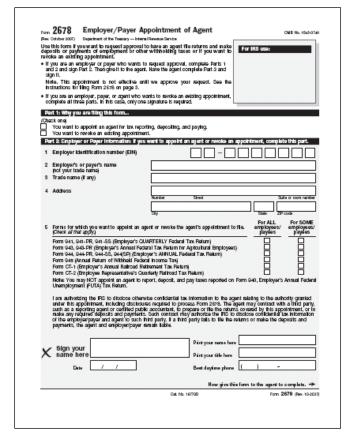
What is it for?

This form tells the IRS that you give PPL permission to do some work for you. By signing this form, you authorize PPL to withhold taxes from your employees' paychecks and deposit those taxes with the IRS. With this form, you delegate the employer tax responsibility to PPL.

If I appoint you as my agent with the IRS Form 2678, what will you be able to do?

The IRS Form 2678 only allows us to withhold taxes from your employee's paychecks and deposit those taxes to the IRS. This form is only recognized by the IRS; other tax agencies do not recognize this form. The 2678 does not authorize us to perform any other tax responsibilities.

What liability does PPL take on when I sign the 2678?



The IRS Form 2678 subjects PPL to all provisions of law, including penalties that the employer incurs. When you authorize PPL as your agent with Form 2678, PPL is responsible *by law* for correctly representing you. PPL incurs any penalties of mis-filing or mis-depositing your employer taxes.

Does the IRS Form 2678 authorize you to file my personal income taxes?

No. PPL only deposits withholding taxes for your employees. PPL cannot handle any of your personal income tax matters.

What sections do I complete?

This form is completed for you. All you must do is sign and date the form in the spaces underneath section 5.



IRS FORM 2848 Power of Attorney & Declaration of Representative

What is it for?

This is a very limited Power of Attorney. This form tells the IRS that you authorize PPL's CPA Megan Rising to sign quarterly and annual employer tax withholding reports. This form also allows the IRS to establish PPL's address as the mailing address on your employer account.

Will the FI be able to get information about my personal income taxes now?

No. This form does NOT allow PPL representatives to obtain any personal income tax information or sign for any personal income tax matters. PPL will only be able to sign the forms listed in Section 3 of the form.

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	Hegan Rising, Public Partnerships, LLC		Telephone No. 917-436-7300				
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I make all decisions about my life. If I sign this, what decisions can PPL make for me?

When you sign this, you give representatives of PPL permission to sign reports that it sends to the IRS and to your service providers. PPL cannot sign for you for any other purposes and cannot make any decisions about your life.

What sections do I complete?

PPL has complete most information for you. You only need to sign and date the form on the second page in Section 9.



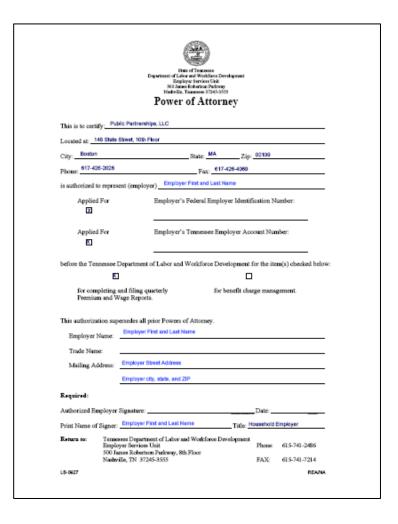
State of Tennessee, Department of Labor and Workforce Development Power of Attorney

What is it for?

The Form LB-0927 Power of
Attorney is very similar to the IRS
2848 Power of Attorney, except LB0927 is for the Tennessee Department
of Labor and Workforce
Development. This form tells the
Department of Labor and Workforce
Development that you authorize PPL
to represent you in matters
concerning state unemployment
insurance. It also indicates to the
Department of Labor and Workforce
Development to send all mailings
related to unemployment insurance to
PPL.

Will PPL be able to get information about my personal income taxes now?

No. This form does NOT allow PPL representatives to obtain any personal income tax information or sign for any personal income tax matters.



How long will this Power of Attorney be in effect?

The authority granted by this Power of Attorney will last four years. After four years, the representative listed on the form will not be able to sign for you without you first signing another form like this one.

What sections do I complete?

PPL has completed most information for you. You only need to sign and date the bottom of the form.



IRS FORM 8821 Tax Information Authorization

What is it for?

This form allows PPL to discuss your employer withholding account with the IRS. It does not allow these representatives to sign any documents.

How is this different than the IRS Power of Attorney form?

The IRS Power of Attorney Form allows PPL's CPA *only* to sign employer tax reports. This form allows 3 specific PPL representatives to talk and write to the IRS about your employer tax account.

Will PPL be able to discuss my personal tax account with the IRS?

No. PPL will only be able to discuss the employer tax forms listed in Section 3b. PPL will never be able to obtain any personal income tax information

I make all decisions about my life. If I sign this, what decisions can PPL make for me?

This form only lets PPL talk and write to the IRS. PPL cannot make decisions about your personal life.

What lines do I complete?

PPL has completed most information for you, but you must sign and date this form in Section 7.

Tax Information Authorization | Part | Part



Public Partnerships, LLC Fiscal/Employer Agent 6 Admiral's Way Chelsea, MA 02150

Toll Free Numbers Phone: 1-888-690-0985 TTY: 1-800-360-5900

Administrative Fax: 1-866-254-9729

Choices.prequal@pcgus.com



EMPLOYER TRAINING REQUIREMENTS

Before you can begin receiving services in the CHOICES Consumer Direction Program, you must provide PPL with proof that you have completed the required training. Your support broker will provide most of the training to you. You must complete all training.

REQUIRED TRAINING

- Overview of the CHOICES program and consumer direction of HCBS;
- Fulfilling the responsibilities of being an employer;
- Recruiting consumer direction workers;
- Scheduling, training and supervising consumer direction workers;
- Fraud and abuse prevention, identification and reporting; and
- Abuse and neglect prevention and reporting

Your workers will also have to complete required training before beginning to provide services. In addition, workers must complete CPR and First Aid Certification, pass a number of registry checks and pass a criminal background check. Exceptions to background results may be granted at your (the employer's) discretion and only if all of the following conditions are met:

- Offense is a misdemeanor;
- Offense occurred more than five (5) years ago;
- Offense is not related to physical or sexual or emotional abuse of another person;
- Offense does not involve violence against another person or the manufacture, sale, or distribution of drugs; and
- There is only one disqualifying offense.

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Consumer Direction Hourly Rates

As the employer you have to set your worker's wages using hourly rates approved by TennCare. Below is a chart that shows you what your options are for paying your workers. You must pick a rate that is in this chart and matches with the type of service that worker is providing.

Type of Service	Gross Hourly Rates
Attendant Care	\$ 8.00
	\$ 10.00
	\$ 12.00
	\$ 13.00
Personal Care Visit	\$ 8.00
	\$ 10.00
	\$ 12.00
	\$ 13.00
	\$ 14.00
	\$ 15.00
Homemaker	\$ 8.00
	\$ 10.00
	\$ 12.00
	\$ 13.00
	\$ 14.00
	\$ 15.00
In-Home Respite	\$ 8.00
	\$ 10.00
	\$ 12.00

**Note - The IRS has criteria to determine if your workers are exempt from certain federal taxes (FICA & FUTA) based on the employer/employee relationship. The IRS requires your worker take the exemption if s/he is your child, your parent or your spouse. This means their net pay amount will be closer to their gross pay amount. However, no taxes will be paid into Social Security or Medicare for them.