

# Charting the Course

Insights from the December 18, 2023,  
FMS Townhall and Recommendations for  
Future Success

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## A Statewide Self-Determination Advisory Committee Report to the Department of Developmental Services

Prepared by

**THE CALIFORNIA STATE COUNCIL ON DEVELOPMENTAL DISABILITIES**

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*“...what's really been successful is being able to have job training on an animal farm for my daughter, which is really amazing. She's doing things that she wouldn't normally do and being successful and proud in doing that. We wouldn't have access to that before Self-Determination.”*

- Townhall Participant

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## **Background**

In July 2021, the Self-Determination Program (SDP) was made available to regional center consumers statewide, opening the door for Californians with Intellectual and/or developmental disabilities (I/DD) to have more freedom, control and responsibility in choosing the supports and services that they receive through the Regional Center system. In the time since, enrollment in the program has increased and demand continues to grow as more regional center consumers and their families learn about the benefits of self-determination.

The increase in demand for enrollment in the SDP has placed strain on the businesses that provide Financial Management Services to SDP participants. Throughout 2023, the Department of Developmental Services (DDS), the Office of the Ombudsperson, and the Statewide Self-Determination Advisory Committee (SSDAC) have been made aware of what came to be referred to as “the FMS crisis,” a catchall phrase used to describe a variety of issues that consumers were experiencing, from long waitlists and lack of access to FMS providers to issues with billing, delayed payment, and dropped services. DDS responded by releasing a variety of program directives aimed at providing guidance and clarity to both consumers and FMS providers.

On December 18, 2023, the Statewide Self-Determination Advisory Committee (SSDAC) held a townhall event that focused primarily on Financial Management Services, for the purpose of gaining a deeper understanding of what SDP participants are currently experiencing with FMS. SDP participants statewide were invited to attend to share their successes with FMS and to provide feedback about the results of the Department's directives, along with any recommendations that they have to continue to improve the Self-Determination Program. The SSDAC believes that the participants hold the key to learning how to best address the barriers that they face, and by bringing together the participants, FMS providers, the SSDAC and DDS, we can achieve our shared goal of making the Self-Determination Program a success.

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*“The Self-Determination Program is absolutely amazing. It is absolutely incredible. Things like being able to get a life plan for my son, which we do now every year and that gives him guidance and continuity as time goes on. Things like that are amazing.”*

- Townhall Participant

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# Highlights

## Delayed or Missed Payments

SDP consumers and families continue to experience delays in payments to service providers, resulting in some losing access to services or being unable to attend events or participate in classes/community activities.<sup>1</sup>

## Lack of Standardization

Townhall participants identified a variety of issues related to a lack of standardization. There continue to be vast differences in how Regional Centers interpret and respond to the Department's directives. In addition, FMS providers operate independently, developing their own policies and practices and creating their own forms, processes and utilizing a variety of data systems. The result of this lack of standardization is disparity in SDP participants access to services and supports based on which FMS they use, and which Regional Center serves them.

## Reporting

SDP participants rely on monthly reports from their FMS providers to determine which services and supports have been paid for, and whether employees wages are processed accurately and timely. Townhall participants state that these statements are often late or do not arrive, are often incomplete and can be difficult to understand.

## Waitlists

Many SDP participants are still being placed on waitlists for FMS. Townhall participants recommend using business consultants to help FMS providers respond to growth and would like to have access to a public list of providers that includes information about waitlist status.

## Training and Technology

Townhall participants expressed a need for more training on the SDP participant's roles and responsibilities as employers, as well as a need for access to technology to support that role.<sup>2</sup>

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<sup>1</sup> DDS Directive on Billing Requirements for Services may address some of these issues  
<https://www.dds.ca.gov/wp-content/uploads/2023/12/SDP-Billing-Requirements-for-Services.pdf>

<sup>2</sup> DDS Directive on FMS Transition Supports addresses some of these issues  
<https://www.dds.ca.gov/wp-content/uploads/2023/12/Self-Determination-Program-FMS-Transition-Supports.pdf>

## Rate Changes

Recent rate changes have occurred mid-year, requiring adjustments to participants budgets, spending funds that were meant for other services or supports.

## Spending Plan Changes

Townhall participants stated that the administrative burden associated with spending plan changes leads to some SDP participants spending significantly more on Independent Facilitation, as they require additional help to make these changes.

## Translation and Support for Spanish Speaking Participants and Families

Spanish-speaking participants expressed a need for greater support in understanding FMS and communicating with FMS Providers. Participants stated that lack of access to Spanish-speaking staff and/or appropriate translation services leads to disparities and higher costs due to reliance on Independent Facilitators.

## Background Checks

Participants continue to struggle with long wait times for background checks and stated that they are not always informed when they do not go through.<sup>3</sup>

## Lack of Communication

Several attendees described persistent problems with communication with their FMS providers. Many stated that their calls and emails go unanswered. Overall, attendees expressed frustration about an inability for consumers, Independent Facilitators, FMS providers and Regional Centers communicate effectively with one another to resolve problems and keep each other informed.

## FMS Business Model

Because FMS providers operate independently and create their own policies, Townhall participants raised issues they have encountered with specific providers. Participants raised concerns about changes in business model (from co-employer to sole employer), and providers refusing to provide services to siblings.

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<sup>3</sup> DDS Directive on Service Provider Background Checks addresses these issues  
<https://www.dds.ca.gov/wp-content/uploads/2023/10/Self-Determination-Program-Service-Provider-Background-Checks.pdf>

# Public Recommendations

## Delayed or Missed Payments

- DDS should provide clear directives on Regional Center communication updates to Clients, FMS and IFs regarding the POS Screenshots and e-Billing set up.
- Participants should be notified when POS are issued.
- Participants should receive confirmation that e-Billing has been set up and should be notified if there are any issues or delays in that process.
- Provide a list of reimbursable expenses to FMS providers so that they can be reassured that expenses are allowable prior to issuing payment.
- FMS provider should provide a means for instantaneous purchases.

## Lack of Standardization

- DDS should issue directives/guidance to standardize the timeline for onboarding.
- Regional centers and FMS should create a publicly shared agreement that outlines the steps that each will take when an SDP participant is 1) enrolling in SDP 2) transitioning between fiscal years, and 3) revising their spending plan.
- DDS should develop a list of best practices for FMS providers, set performance standards, and develop a rating system to inform the public about which providers are adhering to best practices.
- FMS should standardize and be more transparent with charges and fees and should provide a public listing of vendors that are set up to work with FMS payments.
- Standardization of forms, protocols, and procedures.
- Create a centralized data system.
- Standardize Employer Burden rates/costs.
- Centralize the vendorization of FMS providers under one regional center.

## Reporting

- DDS should create a task force to identify the needs of all parties and develop guidance to ensure consistency in 1) the details included in reports and 2) the frequency and means of delivering reports.
- Simplify billing statements so families who are either new to our services system or new to SDP can have a deeper understanding of what they are reading related to their financial statements.

## Waitlists

- Utilize business consultants to assist providers with responding to the rapid grown and increase in demand.
- Create a public list of FMS providers that includes information about which providers have a waitlist, and how long wait times are.

## Training and Technology

- Additional training on the participants' roles and responsibilities as an employer.
- FMS providers should have computers, printers, scanners, etc. available for participants/families to use.

## Rate Changes

- Attendees suggested that current rates be grandfathered in for the entire budget year, and that rate changes be applied the following year.

## Other

- Increased access to translation services and Spanish speaking customer services representatives.
- Release directives in Spanish at the same time they're released in English.
- Increased communication about the status of background checks.
- Better communication from FMS providers, and better communication between FMS providers, regional centers, SDP participants, and independent facilitators.

# Full Report of Public Input/Findings

## Delayed or Missed Payments

Attendees stated that they have lost access to services due to delayed or missed payments, and that some vendors will no longer work with participants after experiencing these issues. SDP participants stated that they have been unable to attend events or participate in classes because they are unable to ensure that these activities are paid for in a timely manner.

“There have been months where the only fee collected is their FMS fee and invoices are not paid.”

“The big thing that I see is the issue of invoice is not being paid, vendors not being paid, employees not being paid. Eventually the problems get fixed, but it takes a long time. I've lost vendors. I've lost services because of it.”

“[There is a] lack of transparency in the POS to e-billing process. This happens on the back end where and we come to know that the POS haven't been issued or the e-billing hasn't been set up and nobody is informing either the IF, the family member or the self-advocate that there is no billing setup.”

“FMS do not actually follow up with the client and let them know that the e-Billing hasn't come through. If they do, the IFs don't have the ability to be able to look into where exactly the bottleneck is because regional centers don't give us information on whether the e-Billing was set up and what the POS is for.”

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*“We use Acumen as our FMS and they have provided us with stellar service. I couldn't say more good things about them... we're always paid exactly on time, even before they receive their regional center payment.”*

-Townhall Participant

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### **Public Recommendations**

- DDS should provide clear directives on Regional Center communication updates to Clients, FMS and IFs regarding the POS Screenshots and e-Billing set up.
- Participants should be notified when POS are issued.
- Participants should receive confirmation that e-Billing has been set up and should be notified if there are any issues or delays in that process.
- Provide a list of reimbursable expenses to FMS providers so that they can be reassured that expenses are allowable prior to issuing payment.
- FMS provider should provide a means for instantaneous purchases.



## Lack of Standardization

Attendees described how the lack of standardization between regional centers and FMS providers affects their experience in the program. The following issues were identified:

- Timelines for onboarding vary between regional centers.
- Directives are interpreted and applied differently between regional centers, creating differences in how FMS providers operate, which ultimately leads to SDP participants experiencing disparities in access to services.
- Financial procedures vary between FMS providers, making some providers easier for vendors to work with than others. Many vendors refuse to use FMS intake forms and require a deposit and/or a credit card on file.
- FMS providers use different forms and have their own processes, protocols, data systems and procedures.
- Employer burden rates vary between FMS providers.

"I think the challenge relative to the FMS comes when there might be a little bit of vagueness to a directive, and I know that our regional center has a team, and they interpret directives according to their team. That team does not include any parents or independent facilitators that I'm aware of. Then what happens is that our policies are based on that interpretation of their directive. How that impacts FMS then is FMS deal with different people across the state differently."

"There really is no performance standard for an FMS. The regional centers all have a performance contract, but there doesn't seem to be an equivalent for the FMS."

"I'd love to see a rating system or a yearly confirmation from DDS that standards are being met by FMS. That they you know can pay all their bills that they're going to have ongoing business practices for the years to come."

"There's a huge disparity between regional centers and how they write their policies and how easy a client can access a service or how difficult and challenging it is to access a very simple service because of the way their particular policy is written...they run so differently and it is a disparity because if you live on this side of the street and are part of this regional center you can easily access these things but if you live on that side, you might not be able to get half of those things because of the way they're policy is written."

"I think if we had a portal that was a universal portal that worked across FMS' so we could all use the same tool, it would make life much easier for the consumers. And I think in the end for the FMS and the regional centers as well."

"One of the things that's been difficult is the regional center billing system and matching up with the FMS e-billing system."

"Regional centers set their own policies of how they want to interact with the FMS. The FMS sets their own policies of how they want to interact with the regional center. I find that they lack consistency, collaboration, or congruency."

## Public Recommendations

- DDS should issue directives/guidance to standardize the timeline for onboarding.
- Regional centers and FMS should create a publicly shared agreement that outlines the steps that each will take when an SDP participant is 1) enrolling in SDP 2) transitioning between fiscal years, and 3) revising their spending plan.
- DDS should develop a list of best practices for FMS providers, set performance standards, and develop a rating system to inform the public about which providers are adhering to best practices.
- FMS should standardize and be more transparent with charges and fees and should provide a public listing of vendors that are set up to work with FMS payments.
- Standardization of forms, protocols, and procedures.
- Create a centralized data system.
- Standardize Employer Burden rates/costs.
- Centralize the vendorization of FMS providers under one regional center.

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*"I want to give kudos to Sequoia FMS and to Ritz FMS as well as Mains'l, they've been really great to work with."*

-Townhall Participant

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## Reporting

Attendees described vast differences in the quality and the frequency of reporting from FMS providers. Incomplete and/or infrequent reporting affects the participant's ability to verify which services have been paid for, and to ensure that their employees' wages are being processed correctly and on time.

"Reports are very difficult to read."

"The portal does not get updated in a timely manner. We do not receive monthly reports, so I am often in the dark about what's happening and having to constantly micromanage [my FMS]"

"A difference I have noticed recently is the quality of reporting. Acumen and Aveanna both use the DCI software, which allows for very detailed reports any time you want one. The way Acumen uses DCI allows for incredibly fine detail reports (if you can figure out how to use the website, which is not user-friendly). Cambrian, by comparison has pretty terrible reporting systems. There is no way to generate a report on demand, so you have to wait for the monthly statements, which do not come out in a timely manner."

## **Public Recommendations**

- DDS should create a task force to identify the needs of all parties and develop guidance to ensure consistency in 1) the details included in reports and 2) the frequency and means of delivering reports.
- Simplify billing statements so families who are either new to our services system or new to SDP can have a deeper understanding of what they are reading related to their financial statements.

## **Waitlists**

Attendees stated that FMS providers struggle to adjust to the demand for services, and that there are not enough providers throughout the state. SDP participants do not have access to information about which FMS providers currently have waitlists, or how long wait times are for each provider.

“As chair of my local Self-Determination Advisory committee, I consistently hear about a lack of FMS agencies that want to have new clients.”

“Each FMS I have worked with has pros and cons. The major challenge seems to be with handling growth. They all seem to be caught in an impossible situation of either 1) taking on more clients than they can handle, or 2) pausing intake to appropriately staff up and train. So far none has been able to keep pace.”

## **Public Recommendations**

- Utilize business consultants to assist providers with responding to the rapid growth and increase in demand.
- Create a public list of FMS providers that includes information about which providers have a waitlist, and how long wait times are.

## **Training and Technology**

Attendees stated that SDP Participants and their families lack the knowledge that they need to act as employers and often lack access to the technological means to complete necessary forms for their employees.

“One of my concerns is that once you do the orientation, that’s it. [We need to be trained on] how to fire somebody if you have a disgruntled employee, how to hire people and more importantly what to do....I was getting a lawsuit against me because someone wasn’t paid and I had to go to my FMS and say ‘I’m gonna be sued because you’re not paying my employees.’ ...that’s a serious issue. We’re not being trained correctly.”

## **Public Recommendations**

- Additional training on the participants’ roles and responsibilities as an employer.
- FMS providers should have computers, printers, scanners, etc. available for participants/families to use.

## Rate Changes

Attendees stated that FMS rate changes for burden rates have been implemented mid-year, leading to gaps or barriers in accessing the services that were in the original spending plan. This requires consumers to prorate for different parts of the year.

“One issue that I think many of us have faced is in relation to rate changes, the FMS rate changes for burden rates. While we understand the circumstances and the constant change in the economy, the labor laws, etc. I think what's been such a challenge has been doing this mid-year or within a budget year when rates were established for the prior revised burden rates. What it tends to do is cause a potential gap or barrier in accessing those services that were originally listed on the spending plan, as that rate change has caused more to be eaten out of the budget. That has been problematic and FMS are not really being supportive and trying to assist.”

### **Public Recommendations**

- Attendees suggested that current rates be grandfathered in for the entire budget year, and that rate changes be applied the following year.

## Spending Plan Changes

Attendees stated that even simple changes to spending plans require excessive work on the part of Independent Facilitators, resulting in hundreds of dollars in additional IF payments. This impacts their overall budget and places a significant cost burden on participants.

“When it comes on to updating spending plans, it's a very time consuming. It's unrealistically long, the effort that families have to put together. They need an independent facilitator and sometimes we didn't budget the amount of time that a simple change takes. They're spending hundreds of dollars getting the independent facilitator to advocate on their behalf so a change could be made in the spending plan so they could take another social recreation activity or hire new staff members. We really do need more help on the speed of it and the quality of the deliverance.”

## Translation & Support for Spanish-Speaking Participants and Families

Spanish-speaking attendees and facilitators who serve them expressed a need for support in the following areas:

- Understanding FMS and the roles and responsibilities of providers.
- Communicating effectively with FMS providers

**Attendees stated that Spanish-speaking consumers/families spend much more than English-speaking consumers/families on Independent Facilitation fees due to their need for additional assistance in these areas.**

**Spanish-speaking participants and families also expressed concern about the delays they experience when receiving updates from the department, owing to the additional time that it takes to translate directives/guidance.**

“When it comes into directives, it's always like we're finding it from different people. There are people that get it days before it gets published into DDS. Honestly a lot of the Hispanic community is telling me it gets published by English speakers more frequently than it is actually polished by DDS in translation and that feels like we're not getting the information the same way or that we are second class citizens because we're not getting the information just like everybody else.”

“We do need more support from FMS in the ability speak Spanish. I know that some of them do have it, but it is very difficult to get a Spanish speaker on the phone.”

“I'm also an independent facilitator working mostly with the Hispanic community speaking in Spanish, and my clients need a lot more assistance in just being technically savvy and being able to communicate with the FMS. They tend to need a lot more of my assistance for translation, for understanding how their FMS might work. So they're spending a lot more of their budget on services for me just because of their language difficulties and challenges and also their technical challenges of not maybe even owning a computer.”

## **Background Checks**

**Attendees described long waits for background checks to be completed and stated that participants are often not informed when background checks don't go through. Attendees also stated that there are additional fees to re-initiate the process, which results in high costs to participants, who say that requests for reimbursement for this expense is often denied.**

**Although no specific solution was proposed, attendees stated that they need to be informed of changes in the status of a background check in a timely manner.**

“We found out that background checks for 5 people, 9 months ago never went through. They were just stagnant. For about half of the caregivers, all their fingerprinting and background checks did not go through. We had paid for the fees initially and then we needed to pay for the fees again and reinitiate the whole thing again, so I ended up paying thousands of dollars for one of my caregivers.”

## Lack of Communication

Attendees stated that there is an overall issue with a lack of communication between regional centers, FMS providers, and SDP participants and/or their Independent Facilitators. Many individuals stated that their calls and emails to FMS providers go unanswered.

“Communication is a big, big deal. When there's a lack of it, everything kind of falls apart.”

“Calls don't get returned, emails don't get returned for a week or more at a time. If there is ever an issue with an invoice that was submitted, that's never communicated to us until it's too late. Pay day comes, vendors don't get paid and that's when I hear about it.”

“It takes an incredible amount of advocacy and follow up to get the basic things done and get vendors paid. Communication is inconsistent, mistakes [are] made and at times misinformation is given.”

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*“If you're looking at promising best practices, Mains'l has been exemplary in how to run an FMS business...their customer service, their standards.... other FMS should follow suit. I think that would resolve a lot of these issues. A lot of vendors complain that they have multiple participants, and they don't know who's paying and who's not paying because it all goes direct deposit. Mains'l sends an email and lets them know that a direct deposit has been sent, so that way they know who is sending what.”*

-Townhall Participant

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## FMS Business Model

Attendees have encountered the following issues with the business models of some FMS providers:

- Variance in capacity to execute different aspects of services (i.e., some are capable of providing payroll services, but less adept at providing bill payer services, or vice versa).
- Some FMS providers are moving from a co-employer model to a sole employer model.
- One attendee stated that their FMS provider refused to provide services to siblings.

“We have some FMS who are great as far as the co-payer and being the paying staff and doing all the payroll stuff, but when it comes to Bill payer, they're in over their heads sometimes.”

"The trend that I'm seeing is they're shifting away from co-employer and moving to sole employer. What they're doing now is if there is a delay in the rollover or any kind of purchase of service authorization delay, they're no longer making payroll. Under co-employer the FMSs are obligated to pay, under sole, they're not. That's a that's a huge concern that I have."

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*"...two FMSs that I think would be really great if the other FMSs were able to emulate. One is Mains'l. They are awesome... I just recently started working with FMS Pays, and they're just a bill payer model. It's working really well."*

-Townhall Participant

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## Public Recommendations for FMS Providers

1. Provide a means for instantaneous purchases like for music programs or entertainment or social recreational activities.
2. Hire more Spanish speaking customer service representatives.
3. Use passcodes for over-the-phone customer verification instead of asking individuals to confirm private information verbally.
4. Reduce amount of time it takes to reply to emails, concerns, or issues.
5. Develop websites – FMS providers should have more information on their webpages, including FAQs and access to their online portals.
6. Hire a customer service advocate who can help guide people through the steps of using their preferred FMS.
7. Provide more assistance in teaching the consumer and family how to navigate online systems/portals.
8. FMS should have monthly Zoom sessions with families, like round tables to talk about problems and provide solutions. They could create groups to handle different issues, for example:

Group 1: Intake cases

Group 2: Expense plan authorizations

Group 3: Vendor employees

Group 4: Invoice payments

Group 5: Statements

## Other Public Recommendations for DDS

1. DDS website needs to be updated regularly to show which FMS providers provide services to which regional centers.
2. Create a public list/database of vendors that accept SDP.
3. Issue guidance on the role of Independent Facilitators in addressing problems with FMS Providers.
4. Educate community businesses about how to work with SDP service providers so that they can understand how the SDP works.
5. People with disabilities are mostly lonely people. Consider allowing trips to Disneyland, Universal, Great America and other amusement parks so people with I/DD can have access to more social/recreational activities.
6. East Bay, use some of their implementation funds to explore in one of their goals a tract your SDP pizza. And in that research, I did talk to DDS and they talked about having IT funds and grants. That they could give to FMS to help implement something like that. And I hate to see one regional center get this amazing plan if that works and spend their 5,000 on that when I thought that should be something regional centers and DDS do.
7. Hold townhalls/best practice sharing forums quarterly.

## Questions from the Public

Historically, there have been payroll companies who have made poor investment choices or have hired unqualified leadership, which eventually led to bankruptcy.

**Question: What are the oversight practices does DDS have to ensure that FMS providers do not have solvency issues and that they are not at risk of going out of business without notice?**

**Note:** The participant suggested creating a rating system or issuing an annual confirmation that standards are being met by FMS providers, that they are financially solvent.