



CHHUNY Financial Management Services

*DOH Children's Waiver Environmental Modifications, Vehicle Modifications
& Adaptive Assistive Technology*



<https://www.childrenshealthhome.com/fms-waiver/>



Purpose

- Review expectations and requirements for:
 - Bonding
 - Bidding and Service Request Packets (SRPs)
 - Care Manager (CM)/C-YES vs. FMS role for bids and bonding



Reminders

Communications

- Communications to and with FMS should be professional/appropriate.
- Requests for updates on projects in progress.
 - Evaluations and SRPs.
 - Contracting with vendors.
 - Communicating with evaluators regarding findings.
 - Soft cap override reviews.
- Setting realistic expectations with families about timeframes for completion.



Bonding

Bonding

- **What is bonding?**
 - A bond is a contract that provides assurance that the vendor will fulfill the obligations of their bid and complete all required work for a given project.
 - A bond also protects the project owner (FMS) if the contractor doesn't fulfill their obligations.
 - FMS is allowed to remit up to 50% of the cost of a project prior to the work beginning.
 - If a contractor does not fulfill their obligation, Medicaid dollars are protected and can be recouped.



Bonding

- **What are Bid Bonds?**
 - Bid bonds guarantee that a contractor will fulfill the terms of a bid if they win a contract.
 - Bid bonds also prequalify contractors to make sure they are capable and responsible.
 - Bid bonds are also a “good faith” gesture showing a vendor will be willing to obtain a performance bond if their bid is selected.
 - Bid bonds are required for all bids submitted in the SRP.



Bonding

- **What are Performance Bonds?**
 - A Performance bond is a financial guarantee that a contractor will complete a scope of work according to their contract.
 - Protects the obligee (FMS) and allows obligee to recoup funds if the contractor does not fulfill their contract.
 - The estimated cost of the performance bond can be factored into the bids provided by vendors.
 - **Vendors should not purchase a performance bond until they have been notified that they have the winning bid.**



Bonding

- Bonding has **always** been a requirement for modifications provided under the 1915c Children's Waiver.
- FMS enforces this requirement by requiring proof of bid bonds and performance bonds.
- Bids bonds must be provided with all bids in the SRP.
- The selected vendor (winning bid) must provide proof of the performance bond before the sign the vendor agreement with FMS.



Bonding

- There are no exceptions to bonding requirements.
- If a vendor is not willing to provide a bid bond, they cannot bid on the project.
- If a vendor is not approved to obtain a bid bond or a performance bond, they cannot bid on the project.
- Vendors need to work with their insurance providers on the bonding process.
- FMS can answer questions as needed but FMS and CMs/C-YES are not responsible for managing the vendor's ability to be bonded.



Bonding

- **What is the CM's/C-YES's role as it relates to bonding?**
 - Ensure bids in the SRP include bid bonds.
 - Ensure any vendor bidding on the project is aware that they will need to obtain a performance bond if they are the winning bidder.
 - Provide vendor with the FMS bonding guidance document when requesting a bid.
 - Notify FMS of any concerns:
 - Ex) There is only one viable vendor in your region, and they cannot be bonded or will not agree to get bonded.



Bonding

- **What is the Vendor's role as it relates to bonding?**
 - Work with their insurance provider to obtain bid and performance bonds.
 - Work through any issues/concerns for their individual company as it relates to bonding.
 - Vendors should not be asking the CM/C-YES or FMS to manage the bonding process for them.
 - Vendors may reach out to FMS to confirm certain elements:
 - Ex) How much bond should cover.



Bonding

- **What is FMS's role as it relates to bonding?**
 - When SRP is submitted, confirm that all bids include an accompanying bid bond.
 - When project is at the contracting phase, obtain proof of the performance bond to support the work that is pending.
 - Review the performance bond to confirm it covers the total cost of the project.
 - Follow up with a vendor if they do not fulfill the obligations of the project (bond protection).



Bids

Service Request Packet (SRP)

- Bids that are submitted as part of the SRP must:
 - Fully match the scope of work outlined in the submitted evaluation and only cover what is necessary and waiver appropriate.
 - Be itemized by materials/parts and labor.
 - Not include tax.
- Bids should not be submitted with the completed SRP if they do not meet all requirements.
- It is preferred that all bids are submitted at once as part of the completed SRP.



Service Request Packet (SRP)

- Bids should be uploaded to the FMS form as part of the completed SRP and should not be emailed to the FMS inbox.
- FMS does not need to be notified as CM/C-YES obtain individual bids for a project.
- CM/C-YES is responsible for reviewing the bids prior to submitting to FMS to confirm all elements required for a bid have been met.
- FMS has developed a Bid Cheat Sheet to help CMs with their review of completed bids prior to submission.



Service Request Packet (SRP)

- Once a bid has been selected:
 - **Contracting can take time.**
 - Requesting updates daily or every few days ultimately slows down the process.
 - FMS needs to review multiple emails/respond to phone calls as opposed to outreaching to the vendor.
 - FMS maintains consistent outreach efforts to ensure contracting is secured as timely as possible.



Questions?

- Projects: fms@childrenshealthhome.org
- Policy/Workflow/Training: supportfms@childrenshealthhome.org

