
PAYROLL PLUS OF KANSAS, INC. NEWSLETTER

August 2016

How Unemployment Costs May Affect Care

Since Payroll Plus moved to the new self-directed model in January 2015, Payroll Plus is no longer involved in the Employee/Employer Relationship. Payroll Plus is the Financial Management Company only. Due to the change, each Participant, or their Representative Manager, are the Employer and have their own Employer Unemployment Account with the State and Federal Government (just as if each Participant is running a sole proprietor small business). If you have a "small business" your cost of unemployment may go unnoticed, but it should not. Over time it can add up; additional costs that you have to pay to the State and Federal Government out of the rate of Medicaid reimbursement for unemployment will directly affect how much you are able to pay current or future staff.

Each year State Unemployment reviews your State Unemployment Account; they review the amount you have paid into unemployment previous years, and the amounts that have had to be paid out to terminated workers. From that they set a rate for your Unemployment Tax for the coming year. The result of your account having to pay Unemployment for terminated workers is directly tied to your rate you have to pay in Unemployment Tax the next year. If your rate of unemployment costs rise, then you may have to reduce the rate of pay that you pay to current staff.

Recommendations to keep your Unemployment costs low:

- **Be picky when hiring:** The better the employee you hire, the lower the chance is that you will have to let them go.
- **Proper employee training:** Make sure your employees know what is expected from the moment they are hired.

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Turn in Utilization/Bonus Reports

Bonus Reports are due at the end of August. If the Participant or their Representative Manager does NOT return the report to Payroll Plus within the 30 days, then Payroll Plus is required to reimburse the State of Kansas for any Excess Reserves not claimed.

The Participant may utilize the funds either to:

- Pay a bonus to current staff
- Leave up to 50% in the account to pay for any overtime (must be clearly indicated on the report)

Who is my Employer?

If your workers are applying for any benefits (*i.e. Health Insurance, Supplemental Security Income, etc.*), Payroll Plus is *not* the Employer. **The Employer is the Participant or their Representative Manager.** Payroll Plus is just the third party agency that processes payroll on the Employer's behalf. They may mention Payroll Plus as a contact person, but not as the Employer.

Switching Agencies or Ending Services

If you are planning on switching agencies or ending services with Payroll Plus, please inform us as soon as possible so that we can send the Bonus Reports to the Participant or their Representative Manager.

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- **Create Policies and Procedures:** By creating a policies and procedures handbook, your employees can know from the start of employment what is expected of them. Have your workers sign the Policies and Procedures you have created so you can show that they understood your policies and the ramifications to their employment if they don't follow the policies. "It's important that a person knows what is expected of them. If an employee is terminated for violating the attendance policy, they may not have known what the policy was. If you can't prove they knew, the person WILL win the unemployment claim."
- **Take proper disciplinary action:** If an employee violates company policy, take disciplinary action and DOCUMENT IT. Whether the warning is verbal or written, take note of it and have the employee sign it. This proves that they knowingly went against policy.
- **Treat your employees fairly:** Consider if your staff are treated fairly. Constantly be evaluating yourself and your professional relationship with your staff. Treat all staff the same as others, and treat them all with dignity and respect.
- **Inform Payroll Plus timely:** Inform Payroll Plus of Policies and Procedures you are creating, disciplinary actions you have documented, document regular reviews of your staff, or terminations. When Payroll Plus receives an unemployment claim concerning one of your staff, there is a short timeline for you to respond with documentation. If you do not respond within the few days given, you will lose the case by default. The more information we already have on file, the quicker we are able to assist you with the proper and thorough response.

**Payroll Plus will be closed
on Monday, September 5th
in observance of
Labor Day.**

Manager Training

- If a Participant or their Representative Manager wants to hire a new worker, call Payroll Plus as soon as possible to start the hiring process. We will pre-fill the packet for you and your potential new worker, and then send it to you for review and signatures. Upon receiving it back, we will start running the background checks. Background checks take quite a while to complete, so it would be best to get the packet started ASAP.
- Workers are not eligible to start working until the State has deemed them eligible. Payroll Plus will make contact with the Participant and the Representative Manager to inform them of when the worker is eligible.
- If looking for new staff to hire, it would be a good idea to ask the potential new worker if they have any sort of criminal history. If a worker has a criminal record, background checks may be delayed since the State may have to do a manual search.
- Kansas Medicaid does not pay for DSW training; HCBS services are non-professional services.
- It would be in the best interest of the Manager to not schedule any DSWs until ALL background checks have cleared. In the future, if a Manager has a DSW start working after the Criminal Background Check has cleared, and if they have a confirmed Adult or Child Abuse Record, the DSW is not eligible for any payment from Kansas Medicaid. The Responsibility will fall on the Employer.
- Be sure to have a phone available for your workers to clock in and out. AuthentiCare is mandated by the State of Kansas, and being out of compliance with AuthentiCare could result in Termination of our contract with the Medicaid Participant.
- Provide orientation to your workers explaining that you, the Participant/Manager, are their Employer. Payroll Plus' relationship is with the Employer, and not the employee. Payroll Plus cannot speak to the worker without permission from the Employer concerning the Participant's services.