

Representative Payee

A representative payee is defined by the Social Security Administration as an individual or organization appointed by SSA to receive Social Security and/or SSI benefits for someone who cannot manage or direct someone else to manage his or her money. Responsibilities of the representative payee include using the recipient's benefits provided by Social Security and/or SSI to pay for the beneficiary's needs. The Department of Health has taken the position that care managers cannot be a representative payee for a client for a number of reasons, including it would present a possible conflict of interest between the care manager and client.

The New York State Medicaid Program's Comprehensive Medicaid Case Management Policy Guidelines, state that fiduciary activities related to the Comprehensive Medicaid Case Management (CMCM) client's personal funds are not included in the definition of case management services, and therefore, is a non-fundable activity.

Providing care management for Medicaid recipients would also be in violation of Conflict-Free Case Management (CFCM) as outlined in Section 10202 of the Patient Protection and Affordable Care Act: Balancing Incentive Program. CFCM is required of a state in order to partake in the Balancing Incentive Program. Three important segments of CFCM include:

1. Clinical or non-financial eligibility determination is separated from direct service provision. Case managers who are responsible for determining eligibility for services must do so separately from the provision of services. Eligibility is determined by an entity or organization that has no monetary relationship to the individual.
2. Case managers and evaluators of the beneficiary's need for services are not related by blood or marriage to the individual; to any of the individual's paid caregivers; or to anyone financially responsible for the individual or empowered to make financial or health-related decisions on the beneficiary's behalf.
3. In circumstances when one entity is responsible for providing case management and service delivery, appropriate safeguards and firewalls exist to mitigate risk of potential conflict.

In addition, the Social Security Administration, in its Federal Regulations at 20 CFR 416.622 states that a representative payee applicant may not serve if he/she is a creditor. A creditor is someone who provides you with goods or services for consideration. Federal Social Security Laws Sec. 807(d)(1) states that 'The benefits of a qualified individual may not be paid to any other person pursuant to this section if—(C) the person is a creditor of the qualified individual and provides the qualified individual with goods or services for consideration'. A care manager is a provider of services in the Health Home program, and therefore, can be considered a creditor under federal regulations and statute.

Representative Payee Policy For Health Home Care Managers

Dual client-provider relationships can create a conflict of interest between the provider and the client. The care manager acting as a representative payee for a client is an example of a dual relationship. Studies have shown that the care manager acting as the beneficiary's representative payee may use the beneficiary's money as a form of coercion to require the beneficiary to adhere to treatment, may pose a significant threat to the relationship, and may play a key role in the client's engagement, retention, and treatment.