# Vocational Rehabilitation Services Manual D-200: Purchasing Goods and Services

Revised November 1, 2018

## D-203: Purchasing Decisions

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### D-203-4: Customer Participation in the Cost of Services

A customer's eligibility for VR services does not depend on the customer's income or liquid assets; however, if the customer's net income or liquid assets exceed the basic living requirements (BLR), the customer must participate in the cost of services.

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#### Services Exempt from the Customer's Cost Participation

The VR counselor reviews with the customer the customer's agreement to pay for the cost of services.

For a list of services that explains when BLR is or is not applied, refer to [E-400: Applying Basic Living Requirements (BLR) to VR Services](https://twc.texas.gov/files/partners/vrsm-e-400.docx).

Services exempt from the customer's cost participation include the costs for:

* the assessment for determining the customer's eligibility;
* the assessment for determining the customer's VR needs, including associated maintenance and transportation;
* VR counseling and guidance and referral for other services;
* in-house services provided directly by VR staff;
* job-related services, including job search and placement assistance, job retention services, follow-up services, and follow-along services;
* personal attendant services;
* any auxiliary aid or service (for example, interpreter services) that a customer with a disability requires to participate in the VR program;
* diabetes education services;
* orientation & mobility services; and
* Preemployment Transition Services (PreETS).

This policy must be applied uniformly to all customers in similar circumstances.

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## D-204: The Purchasing Process

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### D-204-2: Backdated Service Authorizations

The purchase of goods and services must be authorized with a service authorization (SA) in RHW before the good or service is ordered or received. If an SA was not issued for a good or service before the date that the good or service was ordered or received, this is referred to as a backdated service authorization.

All backdated SAs must be approved by the VR Supervisor, if being issued by a field office, or Regional Program Support Manager, if being issued by a regional Medical Services Coordinator (MSC) or Medical Services Technician (MST).

All backdated SA’s are subject to consideration as a policy violation. However, when a delay of services may have endangered a customer's well-being, a backdated hospital or medical service SA may be issued with required approvals. See C-701-4: Necessary, Unplanned Medical Services for additional information.

### D-204-3: After-the-Fact Ancillary Service Authorizations

An after-the-fact ancillary SA is one that is issued after a good or service has been provided, but that is directly related to an existing SA. Ancillary goods and services that are anticipated with a specific service must be included on the customer’s IPE and the SA should be issued in advance to minimize the use of after-the-fact ancillary SAs. See B-504-4: Planned Services, Ancillary Goods and Services for additional information.

All after-the-fact service ancillary authorizations must be approved by the VR Supervisor, if being issued by a field office, or Regional Program Support Manager, if being issued by a regional MSC or MST.

After-the-fact ancillary SAs are issued:

* when a service is unanticipated, arising from services previously authorized;
* because of complications from services previously authorized; or
* because additional services are needed to directly support an existing SA.

Before generating an after-the-fact ancillary SA, the VR staff must:

* justify the SA in a case note;
* include in the case note the SA number of the original SA;
* obtain the required approvals for the SA; and
* generate the after-the-fact ancillary SA and include in the comments section the original SA number.

After the start date of an existing SA, it may be necessary to:

* document unanticipated ancillary services (for example, pathology, radiology, and consultations) or
* document the change in the Comments section of the original SA, provided a change in services is not significant.

For more information about revising an SA, see the [ReHabWorks User's Guide, Chapter 17: Case Purchase Order, 17.10 PO Change](https://online.twc.state.tx.us/services/rhwhelp/ch17.htm#pochange).

For more information about requirements for maintaining printed copies of SAs in the paper casefile, see [D-202-1: Documentation Requirements](https://twc.texas.gov/vr-services-manual/vrsm-d-200#d202-1).

### D-204-4: Replacement Service Authorizations

The specifications in a service authorization (SA) may change during the delivery of services. When this is necessary, it is referred to as a “replacement service authorization”. Replacement SA’s must be issued on the same business day that the original SA is closed. If they are not issued on the same business day, they must be processed as a backdated SA. See D-204-2: Backdated Service Authorizations for additional information.

If a change is needed to services that are delivered by the same vendor (for example, if a change is needed to the MAPS codes), and approval by the VR Manager or state medical director was required on the initial SA, the same approvals must be obtained before issuing the replacement SA.

If a change is needed to services that are delivered by the same vendor (for example, if a change is needed to the MAPS codes), and approval was not required for the original SA or the new SA, then no additional approval is required.

### D-204-5: No Show Payments

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### D-204-6: Changing a Provider on a Service Authorization

The selected provider on an existing service authorization (SA) may need to be changed under certain circumstances. The ability to make these changes to the SA is limited to specific RHW user roles including the medical services coordinator and the unit purchasing specialist.

Changing the provider on an existing SA may only be performed in the following circumstances:

* For medical services only, if services that had been planned for a specific location, such as a hospital, but were performed at another location;
* If the provider has changed their status, such as going from a sole provider (Dr. Smith) to an incorporated provider (ABC Medical Services) or vice versa; or
* If the provider merged or was acquired by another provider.

The new provider on the SA must meet all the criteria that were in place for the existing SA. Refer to VRSM B-504-4: Planned Services and other relevant content throughout this manual for additional information.

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## D-206: Purchasing Restrictions

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### D-206-3: Out-of-State Purchases

The code of federal regulations (CFR) §361.50 (b)(1) allows TWC-VR “to establish a preference for in-state services, provided that the preference does not effectively deny an individual a necessary service. In compliance with CFR §361.50 (b)(2) TWC-VR does not prohibit the provision of out-of-state services.” However, “if the individual chooses an out-of-state service at a higher cost than an in-state service, if either service would meet the individual's rehabilitation needs, TWC-VR is not responsible for those costs in excess of the cost of the in-state service.”

#### Out-of-State Training Services

The purchase of any training services or related support services from out-of-state providers requires regional director approval. This includes online or correspondence training purchased from providers that are not located in Texas.

Purchasing an out-of-state training service that is ordinarily regulated in Texas, but is not regulated in the state where the service is provided requires consultation with state office program specialist and regional director approval. (Note: This includes out-of-state proprietary and vocational training).

In addition to this, payment of out-of-state tuition rates at training institutions in the state of Texas also require regional director approval. For additional information about payment rates for out of state training refer to [C-414-17: Tuition and Fees](https://twc.texas.gov/vr-services-manual/vrsm-c-400#c414-17).

#### Out-of-State MAPS Services

Out-of-state MAPS services must also be purchased from providers who are properly credentialed. To ensure that a provider is properly credentialed, consult with the state office program specialist for MAPS provider services. Regional director approval is required to purchase MAPS services from an out-of-state provider. On behalf of an individual customer, an RD may proactively approve multiple SAs to the same out-of-state provider when that entity is the customer’s primary care physician or treating surgeon.

#### Records from Out-of-State Providers

The purchase of medical records or training transcripts from out-of-state providers does not require additional out-of-state approvals.

#### Contracted Out-of-State Goods and Services

Goods or services purchased under contract from an out-of-state provider do not require additional out-of-state approvals. However, all other required processes and procedures specific to that good or service including those in D-205 Purchasing Thresholds must be applied unless the good or service is specifically exempted from the requirement.

#### Noncontracted Out-of-State Goods or Services

Purchase of any good or service from an out-of-state provider that that is normally purchased under a contract, but the out of state provider does not have a contract for that good or service with TWC-VR requires consultation with state office program specialist. and VR Manager approval. Once approved, a contract exception must be completed. For information about the contract exception process, refer to [D-210: Exceptions to Contracted Fees and MAPS Fees](https://twc.texas.gov/vr-services-manual/vrsm-d-200%22%20%5Cl%20%22d210). Purchase of any other non-contracted goods or services from an out-of-state provider that are not specifically referenced in this section requires regional director approval prior to purchase.

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## D-216: Using Provider Credit Accounts

A service authorization (SA) is the only valid means by which VR may authorize the purchase of goods and services on behalf of VR customers.

Use of a service authorization ensures that the

* required approvals and consultations have been obtained;
* appropriate funds have been encumbered;
* necessary contracts are included, when applicable; and
* additional instructions, guidance, or other necessary information is given to the provider.

No purchases may be made using just a bank or provider’s credit card. When a purchase must be completed through a credit account, it must be made using an SA.

Some providers require the use of a credit account to purchase their goods or services. In these instances, VR staff contact TWC Procurement and Contract Services through the Unit Purchasing Specialist for assistance in completing the transaction or identifying alternate resources for the purchase.

For Walmart only, each VR management unit has an assigned account number that prints automatically on the SA. If the Walmart account number does not print on the SA, VR staff email VR RHW Support for assistance.