



DEVELOPMENTAL DISABILITIES ADMINISTRATION
Olympia, Washington

TITLE: CLIENT RESPONSIBILITY POLICY 6.06

Authority: [42 CFR 435.726](#)
[RCW 71A.12.070](#)
[WAC 388-106-0225](#) *How do I pay for MPC?*
[WAC 182-512-0800](#) *SSI-related medical—general income exclusions*
[WAC 182-513-1301](#) *Definitions related to long-term care (LTC) services*
[WAC 182-515-1509](#) *How does the department determine how much of my income I must pay towards the cost of my care if I am only eligible for home and community based (HCB) services under WAC [388-515-1508](#)?*
[WAC 388-825-096](#) *Will I have to pay for the services DDD authorizes for me?*
[WAC 388-845-3095](#) *Will I have to pay toward the cost of waiver services?*

BACKGROUND

This policy is designed to provide DDA Case Resource Managers (CRM) guidance and references to understand their role and responsibilities in calculating Client Responsibility and notifying the client, provider, and representative of changes to Client Responsibility.

PURPOSE

This policy establishes guidelines for determining responsibility in paying toward the cost of Room and Board and/or the Cost of Care. This policy describes the responsibilities of CRMs in calculating and notifying clients of their liability for room and board and participation costs or assisting in calculations completed by Long-term Care Financial Services Specialists.

SCOPE

This policy applies to all adult Developmental Disabilities Administration clients who reside in licensed residential settings.

Note: Adults receiving In-Home Chore services must also pay participation. CRMs will refer to the [Social Service Authorization Manual](#), for instructions. Note: This manual is only available on the DSHS intranet website.

DEFINITIONS

Alternative Benefits Plan (ABP) means the range of health care services included within the scope of service categories described in WAC [182-501-0060](#) available to persons eligible to receive health care coverage under the Washington apple health modified adjusted gross income (MAGI)-based adult coverage described in WAC [182-505-0250](#).

Aging Blind Disabled (ABD) is a cash payment for individuals over age 65 or with a disability. Most individuals but not all of those receiving ABD Cash also have Medicaid.

Client Responsibility means the total amount the individual is required to contribute for participation and room and board in a DDA authorized residential setting.

Cost of Care means the cost of personal care or other support services in the residential setting.

Earned Income includes salaries, wages, commissions, bonuses, severance pay, and other cash or in-kind payments received because of employment; net earnings from self-employment; earned income tax credits; tax refunds; payment for services performed in a sheltered workshop or work activities center; and certain royalties and honoraria ([20 CFR 416.1110](#)).

Healthcare for Workers with Disabilities (HWD) refers to a DSHS program that provides for health care coverage for people with disabilities who work. See [WAC 182-511-1000](#).

Licensed Facility means any Adult Family Home (AFH), Adult Residential Center (ARC), or DDA Group Home; also referred to as an Alternate Living Facility (ALF).

Modified Adjusted Gross Income (MAGI) refers to a methodology used to determine eligibility for Washington Apple Health (Medicaid), and is defined in [WAC 182-500-0070](#)

Participation means the amount the individual is required to contribute toward the cost of care for DDA authorized services.

Personal Needs Allowance (PNA) means a standard allowance for clothing and other personal needs for clients who live in a medical or alternate living facility.

Representative Payee may be either a person or an organization selected by the Social Security Administration to receive benefits on behalf of a beneficiary.

Room and Board means the portion of the daily rate in a licensed facility that is allocated for the cost of food and shelter.

Unearned Income means income that is not earned, including annuities, pensions, Supplemental Security Income, Social Security benefits, disability benefits, Veteran's benefits, worker's compensation, Railroad Retirement annuities, unemployment insurance benefits, alimony and support payments, dividends, interest, and certain royalties, rents, death benefits, prizes and awards, gifts and inheritances, and support and maintenance in-kind ([20 CFR 416.1121](#)).

POLICY

Individuals who live in community based, licensed residential facilities must pay room and board and may be required to participate toward their cost of care. Calculations of client responsibility are based on the person's income and resources as well as the type of service.

Calculations of Client Responsibility are completed by Financial Services Specialists in the Long-term Care Specialty Unit. CRMs are responsible for approving exceptions to these calculations. CRMs are also responsible for calculation and notification of Client Responsibility for clients residing in a licensed residential facility with eligibility for Medicaid under the Alternative Benefit Plan or, receiving ABD Cash.

This policy does not address financial eligibility for these DDA authorized programs. The assumption is that Medicaid eligibility has been reviewed and determined by the Financial Services Specialist or Health Care Authority.

PROCEDURES

A. Client Responsibility Determination

1. Financial Services Specialists calculate Client Responsibility for all DDA residents of licensed facilities, except those listed in the policy above.
2. CRMs shall request clients, payees, and guardians send information about income and deductions directly to the LTC Specialty Unit to enable timely processing of documents.
 - a. If a CRM learns of changes to contact information, income or deductions, communicate the information to the LTC Specialty Unit using electronic Community Services Office (CSO)/Developmental Disabilities Communication form found within Barcode under the forms menu option.
 - b. Documentation regarding a change to Client Responsibility shall be submitted via the Document Management System (DMS) HUB Indexing Unit. Write the ACES ID on each page and fax to 888-338-7410 or mail

to Customer Service Center, P.O. Box 11600, Tacoma, Washington, 98411-6699.

3. CRMs will refer to the Social Service Authorization Manual for instruction on calculation of Client Responsibility when not completed by the Long-term Care Specialty Unit and input the calculated Client Responsibility amounts into the Client Responsibility section of the Financial screen of CARE.
 - a. Contribution toward room and board and participation, if required, is calculated based on total income. Certain expenses may be deducted from total income before room and board or participation is calculated. These are:
 - 1) Representative payee fees; or
 - 2) Court ordered guardianship fees and court approved administrative costs directly related to the establishment or maintenance of guardianship, and
 - 3) Medical expenses not covered by Medicaid or other third-party payers.

Note: Income information for month #1 is provided to DDA in month #2 and is applied to calculations for month #3.

B. Client Responsibility Determination for Partial Months

1. When a client moves in or out of a license facility, notify the Long-term Care Specialty Unit via Barcode as soon as possible. The Financial Services Specialist will revise the Client Responsibility calculation for the previous residence, if needed, and issue an additional calculation for the new residence, if needed. If the calculation is not the responsibility of the Long-term Care Specialty Unit, the CRM shall refer to the Social Service Authorization Manual for revising a calculation of Client Responsibility.
2. When a client enters a licensed residential facility for the first time after the first day of the month, it is assumed that all available income has been spent. DDA will pay the entire cost for the first partial month. Client Responsibility is calculated beginning the first full month the client lives in the facility.
3. When a client leaves a facility or dies before the last day of the month, Client Responsibility may need to be recalculated for that month to determine whether

funds need to be reimbursed to the client. Refer to the Social Service Authorization Manual for direction on calculating and authorizing client reimbursements and making other adjustments if Client Responsibility is not calculated by the Long-term Care Specialty Unit.

C. Notification

1. All clients, regardless of medical or financial eligibility criteria will be given information about Client Responsibility and be informed of the DDA Complaint Policy. Before a client moves into a community residential facility, the CRM will give the client, his/her guardian and/or NSA representative, and the client's Representative Payee, a copy of the [DSHS form 18-691, Client Responsibility Information](#) letter and the [DSHS 22-1113, DDA Complaint Policy](#) brochure.
2. The CRM must provide written notification of changes in Client Responsibility for MAGI, ABD cash eligible clients and recipients of Chore. Notify the client, his/her guardian and/or NSA representative, and/or the client's representative payee by the first of the month for which the payment is due, whenever possible. Notification regarding Client Responsibility amounts for MAGI and ABD eligible clients will be provided using [DSHS form 18-692, Client Responsibility Notice](#).
3. The Long-term Care Specialty Unit will complete all required notification of changes to Client Responsibility calculation for all clients except those completed by the CRM.
4. The CRM is not required to send a PAN to the client or her/his representatives regarding changes in the Client Responsibility amount.

D. Determining Income and Eligibility Status

1. The CRM will communicate with the Financial Services Specialists via Barcode as soon as the start date of a new facility based service is known and when the CRM learns of any changes to income or deductions.
2. The CRM will refer to information in ACES to determine eligibility status.
 - a. The CRM must contact the Payment Systems Program Manager for other client income, deductions, or eligibility situations related to Client Responsibility that is not addressed in this policy.

E. Reviewing Client Responsibility

1. Prior to authorization for service, MAGI and ABD eligible clients will complete a [DSHS 14-238, Client Income Report](#) form and submit to the CRM. This report should be also be completed:
 - a. Whenever there is a change in income type;
 - b. Each month for those with earned income;
 - c. Whenever there is a change in monthly earned or unearned income; or
 - d. When the person enters or leaves a facility.

F. Correcting Client Responsibility Errors

1. If an error has been made in the payment of Client Responsibility through SSPS, the following procedures will be used to correct the errors.
 - a. If DDA has underpaid the provider through SSPS, the CRM will authorize a lump sum payment for the total amount owed to the provider.
 - b. If DDA has overpaid the provider through SSPS by entering a Client Responsibility amount that was too low (when the client paid the correct amount), the CRM will initiate a vendor overpayment.
 - c. If DDA entered a Client Responsibility amount that was too low in SSPS and the client should have paid more to the provider, the CRM will initiate a client overpayment.
 - d. If DDA entered a Client Responsibility amount that was too high in SSPS and the client paid the incorrectly authorized amount to the provider, the CRM will process a client reimbursement. CRMs will follow guidance for calculating and authorizing a client reimbursement in the Social Service Authorization Manual.
2. CRMs shall refer to the Social Service Authorization Manual for procedures to correct Client Responsibility calculated against services paid through ProviderOne.
3. For all Client Responsibility corrections paid through SSPS and ProviderOne, the CRM must contact the Payment Systems Program Manager when:

TITLE:

CLIENT RESPONSIBILITY

POLICY 6.06

- a. A client reimbursement is needed which may result in the client's resources exceeding \$2100; and
- b. When a client reimbursement is needed for a period longer than one month.

EXCEPTIONS

None.

SUPERSESSION

DDD Policy 6.06
Issued January 1, 2009

Approved: /s/ Donald Clintsman
Deputy Assistant Secretary
Developmental Disabilities Administration

Date: March 1, 2015

Attachment A: *Correcting Client Responsibility Errors Authorized through SSPS*

ATTACHMENT A

Correcting Client Responsibility Errors Authorized through SSPS – Examples

Note: See the Social Services Authorization Manual for examples of corrections to Client Responsibility applied to authorizations paid through ProviderOne

Situation #1 – DDA underpaid the provider

Client reported a medical expenditure for the month of May that will reduce the amount of Client Responsibility she/he can pay by \$100. CRM forgot to adjust Client Responsibility amount for the month. The authorization shows:

Line 1: 8261 Waiver Personal Care AFH - \$71/day = \$2201/month

Line 2: 8262 Client Responsibility - \$562.22/month

DDA pays the provider \$1638.78 because the authorization shows that the client will pay the provider \$562.22. The client is only able to pay the provider \$462.22. DDA owes the provider another \$100 for the month.

Correction: CRM authorizes a payment of \$100 for one day in May using SSPS code 98261.

Situation #2 – DDA overpaid the provider

Client reported an increase in earnings for the month of May that results in a calculation requiring the client to pay a total of \$800/month (an increase from the previous month) in Client Responsibility. A Financial Services Specialist sends the client a letter with the newly calculated amount but forgets to adjust the authorization in SSPS. The authorization shows:

Line 1: 8261 Waiver Personal Care AFH - \$71/day = \$2201/month

Line 2: 8262 Client Responsibility - \$600/month

DDA pays the provider \$1601 because the authorization shows that the client will pay the provider \$600. The client actually pays the provider \$800 so DDA has overpaid the provider.

Correction: CRM processes a Vendor Overpayment for \$200 using DDA form 18-398A.

Situation #3 – Client underpaid the provider

Client reported an increase in earnings for the month of May that results in a calculation requiring the client to pay a total of \$800 (an increase from the previous month) in Client Responsibility. A Financial Services Specialist sends the client a letter with the newly calculated amount but forgets to adjust the authorization. The authorization shows:

Line 1: 8261 Waiver Personal Care AFH - \$71/day = \$2201/month

Line 2: 8262 Client Responsibility - \$600/month

ATTACHMENT A

DDA pays the provider \$1601 because the authorization shows that the client will pay the provider \$600. The provider is unaware of the reported increase and collects only \$600 from the client. DDA paid \$200 too much and the client paid \$200 too little.

Correction:

Option 1: Client pays provider the additional \$200 and CRM processes a Vendor Overpayment for \$200.

Option 2: Client does not pay the provider the additional \$200 and CRM processes a Client Overpayment.

Situation #4 – Client overpaid the provider

Client reported a decrease in earnings for the month of May that results in a calculation requiring the client to pay a total of \$590/mo (a decrease from the previous month) in Client Responsibility. The previous Client Responsibility was for \$650/month and the CRM did not send the client a letter with the newly calculated amount. CRM also did not adjust the authorization with the new amount. The authorization shows:

Line 1: 8261 Waiver Personal Care AFH - \$71/day = \$2201/month

Line 2: 8262 Client Responsibility - \$650/month

DDA pays the provider \$1551 because the authorization shows that the client will pay the provider \$650. Because the client did not receive a letter with the new Client Responsibility amount, the client pays the provider \$650. Based on the client income, the client should have paid \$590 and DDA should have paid \$1611. The client paid an extra \$60 to the provider that should have been paid by DDA. DDA owes the client \$60.

Correction:

CRM will process a client reimbursement for \$60.