



DDA Contribution to Cost of Care

Changes to the Contribution to Cost of
Care Calculation and
Treatment of Room & Board Costs

1/31/2014

Presentation Outline

DDA COC Changes

1/31/2014

1. Change Drivers
2. Applicability of COC to Certain Eligibility Groups
3. Updated COC Calculation
4. Individual Maintenance Allowance Breakdown
5. PCIS2 COC Screenshots
6. Examples of New COC Calculation

Change Drivers

DDA COC Changes

1/31/2014

1. Compliance with CMS Requirements

- Ensure that no claims are submitted to Medicaid with room and board costs or at a rate that exceeds what the provider was paid after deducting the individual's contribution to care

2. Employment

- Continue the practice of encouraging employment by allowing individuals to keep a portion of their earned income

3. Access to Full Deductions

- Make all allowable deductions under 42 CFR 435.726 to eligible individuals

4. Simplify the COC Calculation

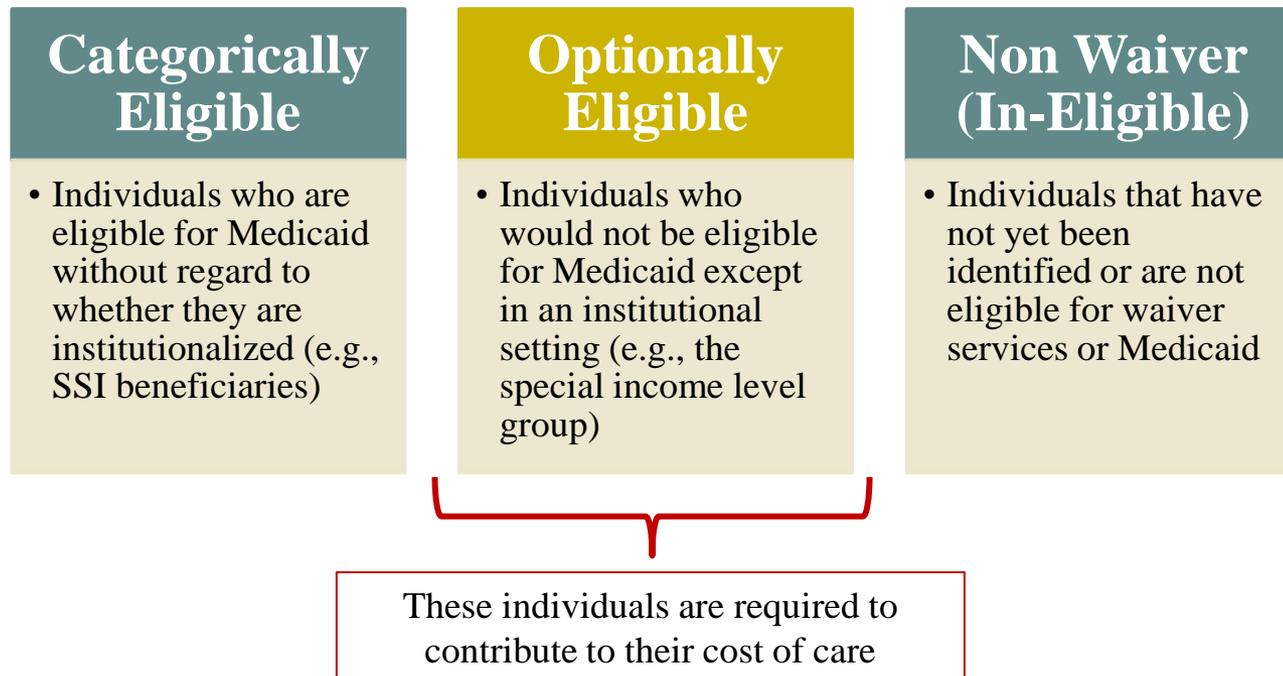
- Simplify the calculation so that it is completed consistently and understood by all parties

Applicability of COC to Certain Medicaid Eligibility Groups

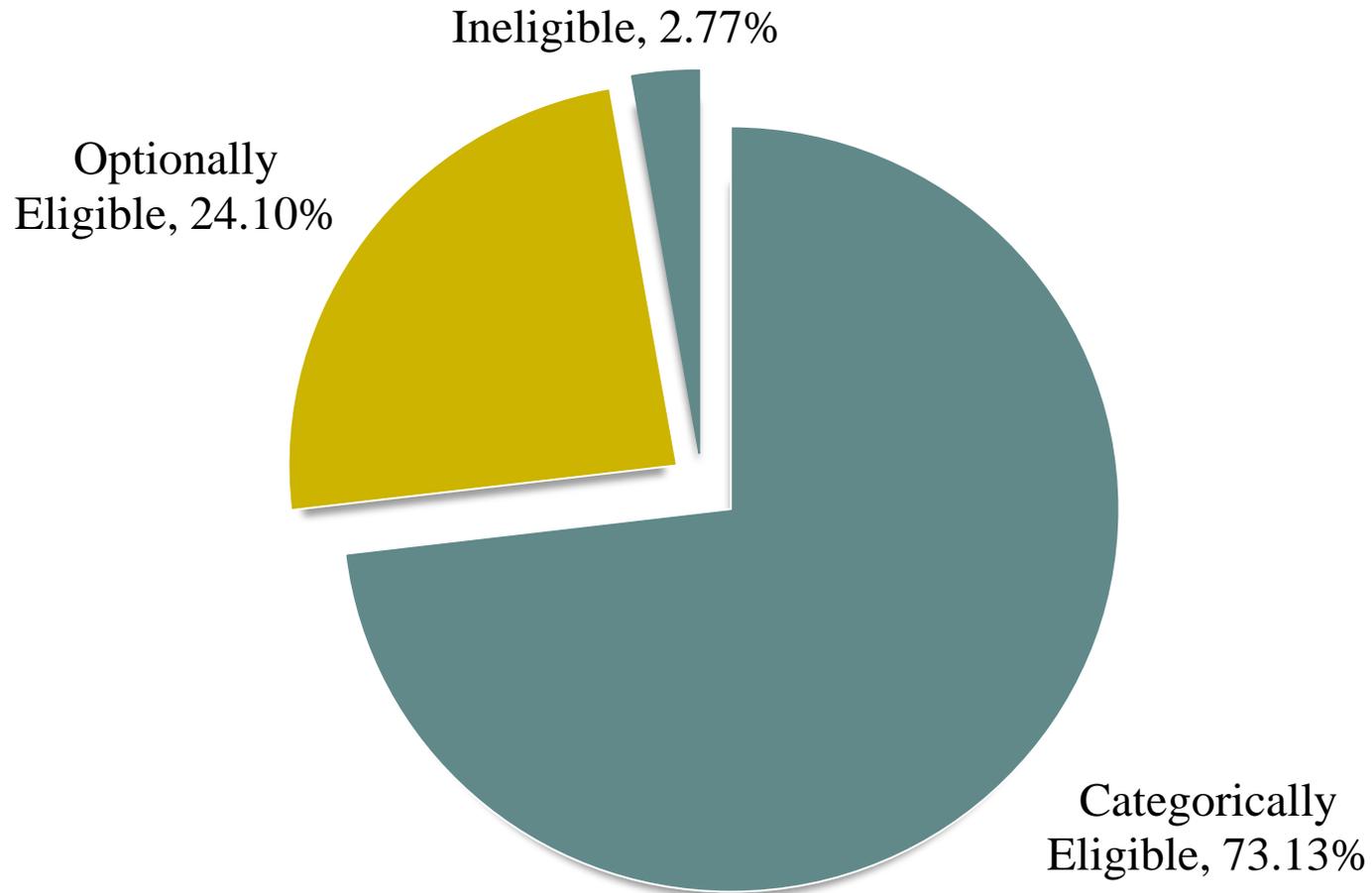
DDA COC Changes

1/31/2014

In accordance with 42 CFR §441.303(e), contribution to cost of care must be completed when the State furnishes waiver services to individuals in the special home and community-based waiver group under 42 CFR §435.217. In the context of the Home and Community Based Services (HCBS) waiver program, Medicaid eligibility groups fall into two broad categories: categorically eligible and optionally eligible. The optionally eligible group is referred to as the “special home and community-based services waiver eligibility group” as provided in 42 CFR §435.217.

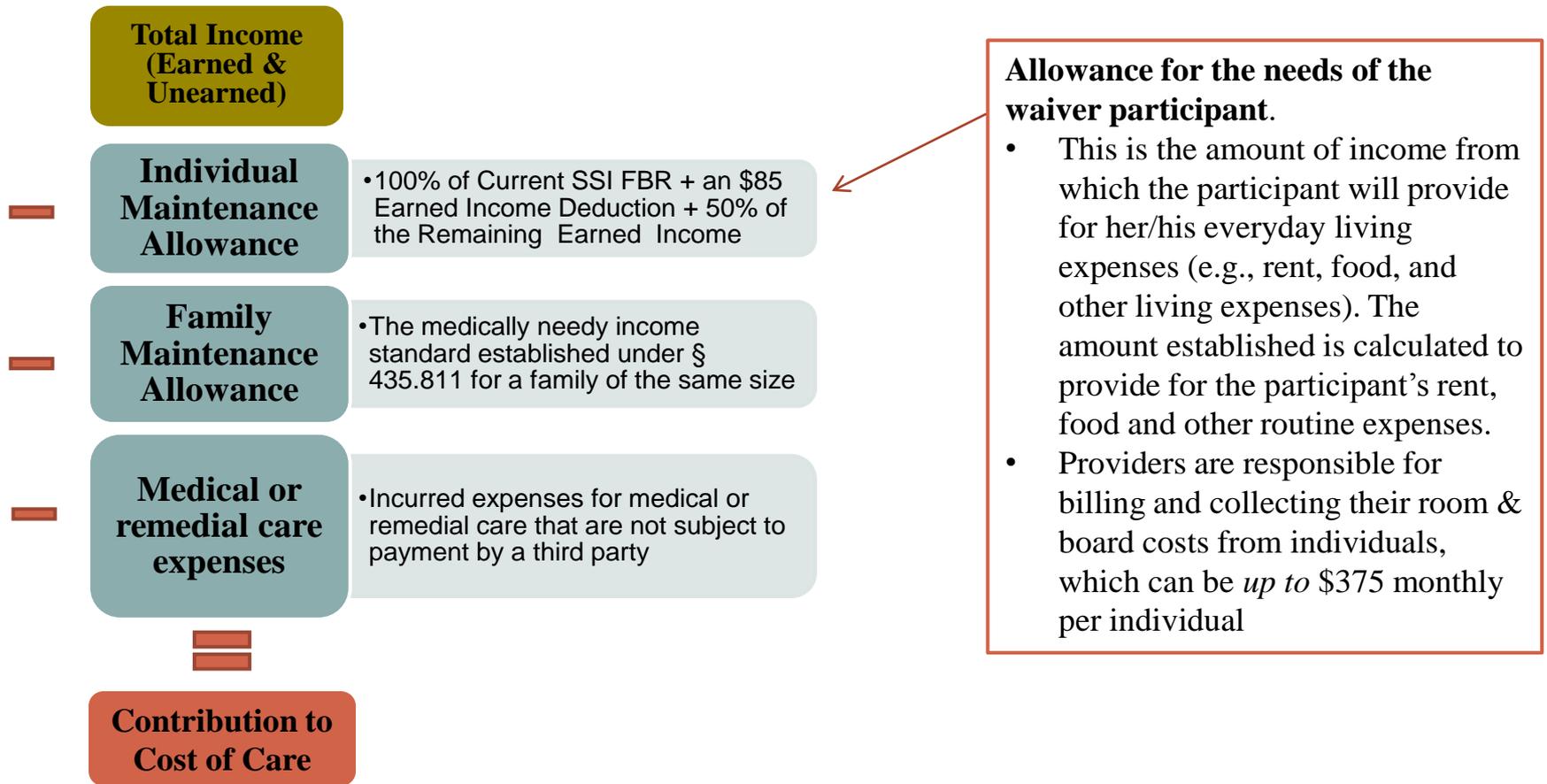


DDA Residential Population Eligibility Breakdown



Updated CTC Calculation

Maryland’s 1915 (c) Home and Community Based Waivers Services (HCBS), Community Pathways and New Directions, outlines in Appendix B-5, the calculation to determine an individual’s post-eligibility treatment of income (COC). States must adhere to the post-eligibility rules in Title 42 Code of Federal Regulations §435.726. According to federal regulation §435.726, the DDA *‘must reduce its payment for home and community-based services provided to an individual, by the amount that remains after deducting the amounts listed below, in the following order, from the individual’s total income, including amounts disregarded in determining eligibility.’*



Individual Maintenance Allowance

DDA COC Changes

1/31/2014

Changes to Personal Allowances

- A Personal Needs Allowance (PNA) is provided to individuals who receive services in institutional settings to protect a small portion of their income. However, for HCBS waivers, the appropriate allowance is the Individual Maintenance Allowance. Unlike the personal needs allowance, the amount established for the individual maintenance allowance is usually higher and provides for the waiver participant's everyday community living expenses (e.g., rent, food, and other living expenses).
- From the Individual Maintenance Allowance, an individual must cover the costs of their everyday living expenses, which include room & board. Providers may collect up to \$375 from participants for room & board independent of their income levels.

Calculation of the Individual Maintenance Allowance

1. Evaluate the total of all earned income
 - If the individual has no earned income proceed to step 2
 - If the individual has earned income equal to or less than \$85 proceed to step 3
 - If the individual has earned income greater than \$85 proceed to step 4
2. The individual maintenance allowance is calculated at 100% of the Current SSI FBR
3. The individual maintenance allowance is calculated at 100% of the Current SSI FBR + Total Earned Income
4. The individual maintenance allowance is calculated at 100% of the Current SSI FBR + \$85 + (Earned Income - \$85)/2

PCIS2 CTC Screenshot

DDA CTC Changes

1/31/2014

Name: [REDACTED] Consumer #: [REDACTED]

* Start Month/Year: mm/yyyy

Waiver Coverage Group: S02

Eligibility Category: Categorically Eligible

Contribution to Care:

Name: [REDACTED] Consumer #: [REDACTED]

* Start Month/Year: mm/yyyy

Waiver Coverage Group: H01

Eligibility Category: Optionally Eligible

Resource amount: 999

Contribution to Care:

CTC Example 1

DDA CTC Changes

1/31/2014

Current CTC Calculation			
Monthly Income			
Ref #	<i>Unearned Income</i>		
1	SSI		
2	SSDI		
3	Veteran Benefits		
4	Pension	\$ 606.00	
5	Other		
6	Subtotal (= Lines 1+2+3+4+5)	\$ 606.00	
7	<i>Earned Income</i>	\$ 485.00	
8	<i>B</i> Earned Income Deduction (= \$85 EID + (Line 7 - \$85)/2)	\$ 285.00	
9	Work/Medical Expenses and Premiums	\$ -	
10	<i>D</i> Work/Medical Expenses and Premiums Deduction (= Line 9/2)	\$ -	
11	Countable Net Earned Income (= Line 7-8-10)	\$ 200.00	
12	Total Income (= Line 6+11)	<u>\$ 806.00</u>	
13	<i>A</i> Personal Use Funds (Allowance = Current SSI FBR - R&B Costs)	\$ 346.00	
16	Individual's Contribution to Cost of Care (= Line 12-13 - R&B Costs)	\$ 85.00	
17	Individual's Contribution to Room & Board Costs	<u>\$ 375.00</u>	
18	Total Collections from Individual to Provider (= Line 16+17)	\$ 460.00	

New CTC Calculation			
Monthly Income			
Ref #	<i>Unearned Income</i>		
1	SSI	\$ -	
2	SSDI	\$ -	
3	Veteran Benefits	\$ -	
4	Pension	\$ 606.00	
5	Other	\$ -	
6	Subtotal (= Lines 1+2+3+4+5)	\$ 606.00	
7	<i>Earned Income</i>	\$ 485.00	
8	<i>Total Income (= Lines 6+7)</i>	<u>\$ 1,091.00</u>	
Deductions			
9	<i>A</i> Current SSI FBR	\$ 721.00	
10	<i>B</i> Earned Income Allowance (= \$85 EID + (Line 7 - \$85)/2)	<u>\$ 285.00</u>	
11	Individual Maintenance Allowance	\$ 1,006.00	
12	Number of Dependents	0	
13	<i>C</i> Family Maintenance Allowance	\$ -	
14	<i>D</i> Medical/Remedial Care Expenses	\$ -	
15	Total Deductions (= Lines 11+13+14)	<u>\$ 1,006.00</u>	
16	Individual's Contribution to Cost of Care (= Line 8-15)	\$ 85.00	
17	Individual's Contribution to Room & Board Costs	<u>\$ 375.00</u>	
18	Total Collections from Individual to Provider (= Line 16+17)	\$ 460.00	

CTC Example 2

DDA CTC Changes

1/31/2014

Current CTC Calculation		
Monthly Income		
Ref #	Unearned Income	
1	SSI	
2	SSDI	
3	Veteran Benefits	
4	Pension	
5	Other	\$ 400.00
6	Subtotal (= Lines 1+2+3+4+5)	\$ 400.00
7	Earned Income	\$ -
8	B Earned Income Deduction (= \$85 EID + (Line 7 - \$85)/2)	\$ -
9	Work/Medical Expenses and Premiums	\$ -
10	D Work/Medical Expenses and Premiums Deduction (= Line 9/2)	\$ -
11	Countable Net Earned Income (= Line 7-8-10)	\$ -
12	Total Income (= Line 6+11)	<u>\$ 400.00</u>
13	A Personal Use Funds (Allowance = Current SSI FBR - R&B Costs)	\$ 346.00
16	Individual's Contribution to Cost of Care (= Line 12-13 - R&B Costs)	\$ -
17	Individual's Contribution to Room & Board Costs	<u>\$ 54.00</u>
18	Total Collections from Individual to Provider (= Line 16+17)	\$ 54.00

New CTC Calculation		
Monthly Income		
Ref #	Unearned Income	
1	SSI	\$ -
2	SSDI	\$ -
3	Veteran Benefits	\$ -
4	Pension	\$ -
5	Other	\$ 400.00
6	Subtotal (= Lines 1+2+3+4+5)	\$ 400.00
7	Earned Income	\$ -
8	Total Income (= Lines 6+7)	<u>\$ 400.00</u>
Deductions		
9	A Current SSI FBR	\$ 721.00
10	B Earned Income Allowance (= \$85 EID + (Line 7 - \$85)/2)	<u>\$ -</u>
11	Individual Maintenance Allowance	\$ 721.00
12	Number of Dependents	0
13	C Family Maintenance Allowance	\$ -
14	D Medical/Remedial Care Expenses	<u>\$ -</u>
15	Total Deductions (= Lines 11+13+14)	<u>\$ 721.00</u>
16	Individual's Contribution to Cost of Care (= Line 8-15)	\$ -
17	Individual's Contribution to Room & Board Costs	<u>\$ 375.00</u>
18	Total Collections from Individual to Provider (= Line 16+17)	\$ 375.00

CTC Example 3

DDA CTC Changes

1/31/2014

Current CTC Calculation		
Monthly Income		
Ref #	Description	Amount
<i>Unearned Income</i>		
1	SSI	
2	SSDI	
3	Veteran Benefits	
4	Pension	\$ 700.00
5	Other	
6	Subtotal (= Lines 1+2+3+4+5)	<u>\$ 700.00</u>
7	<i>Earned Income</i>	\$ 485.00
8	B Earned Income Deduction (= \$85 EID + (Line 7 - \$85)/2)	\$ 285.00
9	Work/Medical Expenses and Premiums	<u>\$ 100.00</u>
10	D Work/Medical Expenses and Premiums Deduction (= Line 9/2)	\$ 50.00
11	Countable Net Earned Income (= Line 7-8-10)	\$ 150.00
12	Total Income (= Line 6+11)	<u>\$ 850.00</u>
13	A Personal Use Funds (Allowance = Current SSI FBR - R&B Costs)	\$ 346.00
16	Individual's Contribution to Cost of Care (= Line 12-13 - R&B Costs)	\$ 129.00
17	Individual's Contribution to Room & Board Costs	<u>\$ 375.00</u>
18	Total Collections from Individual to Provider (= Line 16+17)	\$ 504.00

New CTC Calculation		
Monthly Income		
Ref #	Description	Amount
<i>Unearned Income</i>		
1	SSI	\$ -
2	SSDI	\$ -
3	Veteran Benefits	\$ -
4	Pension	\$ 700.00
5	Other	\$ -
6	Subtotal (= Lines 1+2+3+4+5)	<u>\$ 700.00</u>
7	<i>Earned Income</i>	\$ 485.00
8	Total Income (= Lines 6+7)	<u>\$ 1,195.00</u>
Deductions		
9	A Current SSI FBR	\$ 721.00
10	B Earned Income Allowance (= \$85 EID + (Line 7 - \$85)/2)	<u>\$ 285.00</u>
11	Individual Maintenance Allowance	\$ 1,006.00
12	Number of Dependents	0
13	C Family Maintenance Allowance	\$ -
14	D Medical/Remedial Care Expenses	<u>\$ 100.00</u>
15	Total Deductions (= Lines 11+13+14)	<u>\$ 1,106.00</u>
16	Individual's Contribution to Cost of Care (= Line 8-15)	\$ 89.00
17	Individual's Contribution to Room & Board Costs	<u>\$ 375.00</u>
18	Total Collections from Individual to Provider (= Line 16+17)	\$ 464.00