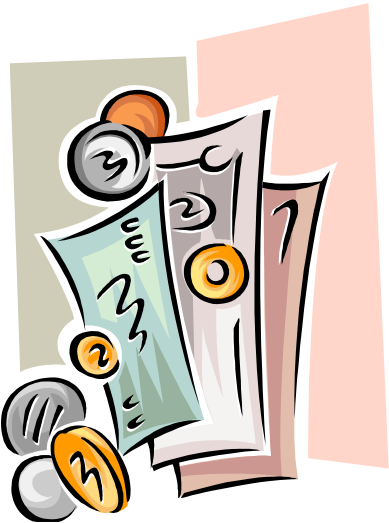


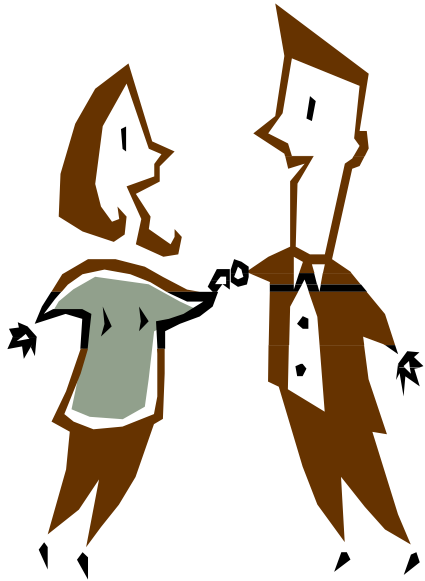


Consumer Contributions Policy and Procedures



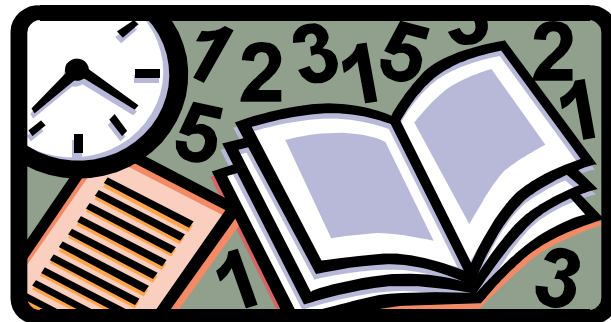
North Carolina Division of Aging and Adult Services

Welcome and Goals for the Day



- Understand the importance of consumer contributions.
- Gain a clear explanation of the Consumer Contributions Policy and Procedures.
- Learn how to administer the policy in your agency.
- Give you an opportunity to ask questions and leave with answers.

Agenda



- ✓ History of Cost Sharing
- ✓ Policy Review and Implementation
- ✓ Break
- ✓ Policy Review and Implementation
- ✓ Best Practices & “How to do it”
- ✓ Questions/Answers
- ✓ Adjourn

The History of Cost Sharing

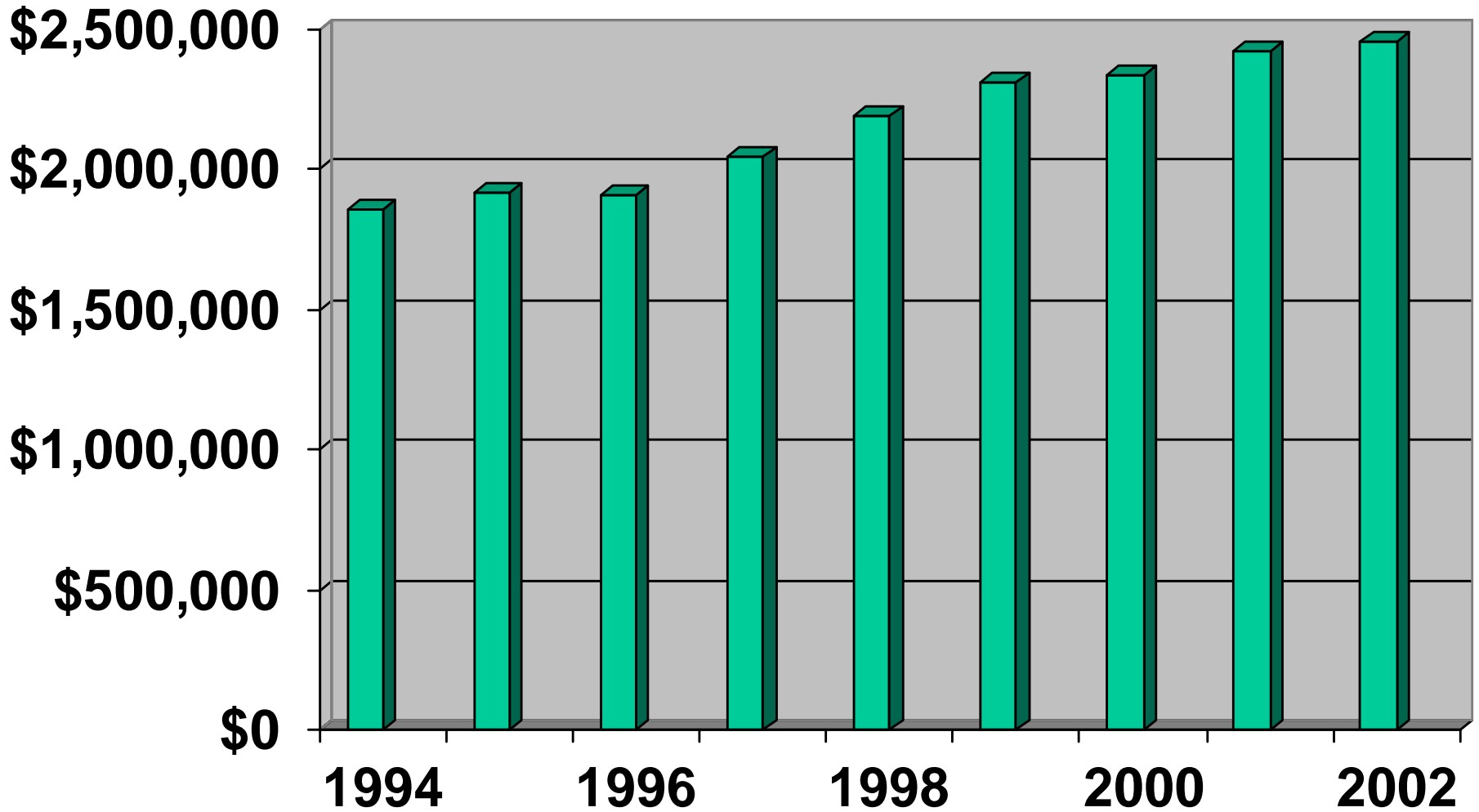


Cost Sharing in NC



- ✓ Implemented in 1992 as part of the HCCBG Process.
- ✓ Two parallel policies – one with DSS and one with DOA.
- ✓ Policy was updated as a result of the reauthorization of the Older Americans Act.
- ✓ Though titled “Cost Sharing” the policy was indicative of voluntary contributions.

Cost Sharing Revenues in North Carolina 1994-2002



North Carolina Division of Aging and Adult Services

Consumer Contributions is good business for everyone.



2003-2004 Cost Sharing revenues totaled \$2.4 million dollars.

All revenues expand services beyond federal, state and local funding.

Why Consumer Contributions?



- ✓ Federally, the reauthorized OAA allows for basic two options for consumer contributions:
 1. Voluntary Contributions and
 2. Cost Sharing by using a sliding fee scale
- ✓ With either option, the decision to contribute remains voluntary.
- ✓ However, the OAA has specific guidelines and requirements for specific services.

Why Change the Policy?

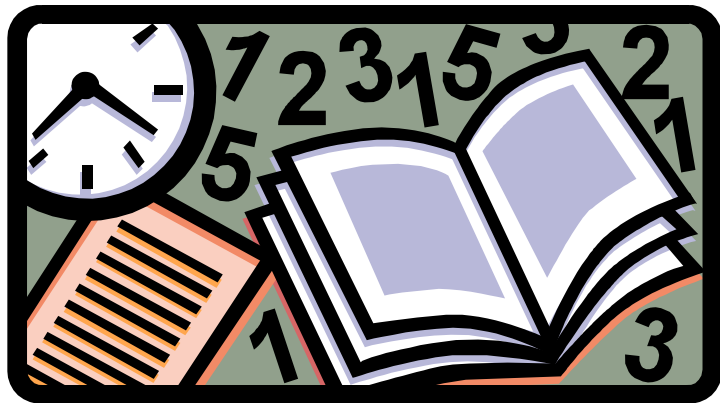


- ✓ The OAA has specific requirements under Consumer Contributions for specific services.
- ✓ The merger of Aging and Adult Services.
- ✓ To streamline burdensome administrative requirements within the policy.
- ✓ To update the Recommended Contribution Schedule to begin at 100% of poverty.
- ✓ To solicit only voluntary contributions from persons at or below the Federal Poverty Level.

Main Goals of the Policy



- ✓ To maintain the current level of revenue received to expand services.
- ✓ To the extent possible, increase consumer contribution revenues to address waiting list needs and unmet needs in NC.
- ✓ To provide clear guidelines for administering the Consumer Contributions Policy.



Policy Review: Consumer Contributions Policy and Procedures



Important Information

➤ The effective date for this policy is **now September 1, 2005.**

➤ Time Line:

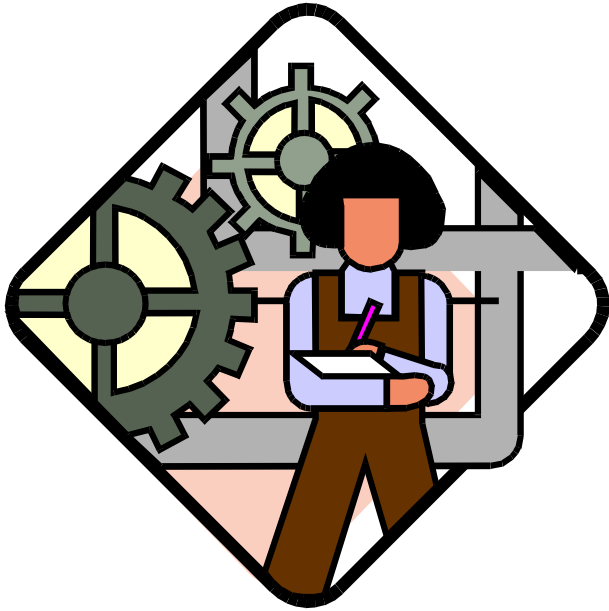
(Implementation and TA Period)

September 1, 2005 ————— June 30, 2006

(Begin Monitoring Period of Consumer Contributions)

July 1, 2006 ————— June 30, 2007

Policy Layout



1. Items in **Bold** are the requirements.
2. Practice Guidelines in Appendix A are not requirements, rather suggestions and best practices.
3. A definitions section is included.
4. Services are categorized according to the administrative requirements.

Policy Layout-Specific Requirements for Certain Services

➤ Factors:

- ✧ The regulatory or legal restrictions on seeking contributions for a particular service.
- ✧ Services that are provided directly to service recipients or to groups of service recipients.
- ✧ The feasibility of administering the policy efficiently based on the delivery system of the service.

Section I. General Policy & Procedures Information



- A. Purpose – to extend the availability of in-home and community based services.
- B. Legal Base – laws and regulations.
- C. Services Impacted – combines the prior parallel DSS and DOA policies into one policy.
- D. Background – The main goal is to increase consumer awareness of contributing voluntarily toward the cost of the service and providing service recipients the opportunity to voluntarily contribute.



Section I: General Policy & Procedures Information

E. Relevant Definitions:

- **Consumer contributions:** This term is used as the title of this policy which accurately reflects the intent. The act of making a contribution is always voluntary. However the method of solicitation and communication with the service recipient will vary depending on the service and the economic status of the service recipient.

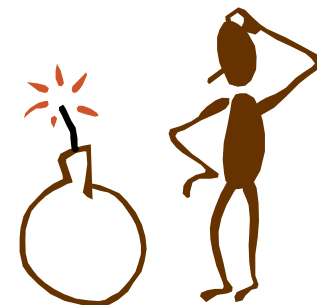


Section I: General Policy & Procedures Information

E. Relevant Definitions continued:

The purpose of the definitions section is to clarify the terms used throughout the policy. For example: The terms must/shall/will are required and reflect the requirements in the NC APA Rules. The terms may/should are suggestions but not requirements.

Section II. Exclusions & Prohibited Activities

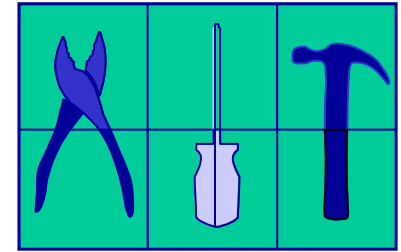


A. Exclusions (by law/regulation):

- ✧ Adults or children receiving services as part of a Protective Services Plan are excluded for 12 months from this policy.
- ✧ Individuals who receive Transportation services funded through the SSBG and funds administered by the NC DSS are excluded.
- ✧ Individuals participating in the Senior Companion Program are also excluded.



Section II. Exclusions & Prohibited Activities



A. Exclusions continued:

- ✧ Children in foster care,
- ✧ Children approved to receive adoption assistance,
- ✧ Clients receiving Work First assistance, and/or
- ✧ Clients applying for or receiving SSI are exempt from the Consumer Contributions Policy when receiving:
 - 1) Adult Day Care
 - 2) Adult Day Health
 - 3) Housing and Home Improvement
 - 4) In-Home Aide Services
 - 5) Personal and Family Counseling
 - 6) Preparation and Delivery of Meals (SSBG funding only).



Section II. Exclusions & Prohibited Activities

- B. Prohibited Activities (by law/regulation):
- 1) Do not share the Recommended Contribution Schedule with persons at or below poverty.
 - 2) You cannot consider assets, savings or other property owned in regard to the policy.
 - 3) There is no means-testing and denial of services for not contributing is prohibited.



Section II. Exclusions & Prohibited Activities

B. Prohibited Activities-continued:

- 4) Use of a Recommended Contribution Schedule is not permitted for individuals receiving:
 - ✓ I & A, outreach, benefits counseling or care management;
 - ✓ Ombudsman services, elder abuse prevention, legal assistance or other consumer protection services;
 - ✓ Congregate and home delivered meals, or senior companion or
 - ✓ Any services delivered through tribal organizations.

Section III. Screening, Eligibility, and Service Categories

Screening and Eligibility Determination:

There is no formal policy on screening, however each agency should have a procedure to:

- Step #1 – Complete intake for services.
- Step #2 – Obtain the self-declared economic status of the service recipient (i.e. at or below poverty).
- Step #3 – Determine the service(s) to be provided.





Section III. Screening, Eligibility, and Service Categories

B. Service Categories: **Type I**

- Solicit and accept voluntary contributions.
- Complete the Provider Assurance Form.
- Provide the Recommended Contribution Schedule to only those persons above poverty.

Note: Housing and Home Improvement – twice only.

Vignette A: Type I Services

Mr. Smith is a 61 year old male who had a stroke 2 years ago. Mr. Smith owns his own home but has been living with his adult son since his discharge from the rehabilitation center. His daughter-in-law has been providing his care and supervision during the day while his son works. She now has a job opportunity but is concerned about leaving Mr. Smith alone all day. Mr. Smith is eligible for Adult Day Care services to enable him to have supervision and socialization during the day for the couple to be able to work.

Vignette A: Type I Services

1. Can the provider agency ask Mr. Smith to participate in voluntary contributions?
2. What are the Administrative Requirements for this Type I service?
3. Can you give this participant a recommended contributions schedule?
4. What documentation is required to be completed by the provider agency?

Vignette B: Type I Services

Ms. Jones is a 70 year old female living with her daughter and her family. She receives \$1,250 Social Security a month. Ms. Jones is physically unable to safely walk up or down the steps into her home. She has requested assistance to build a ramp through the Housing and Home Improvement Program.

Vignette B: Type I Services

1. Does the fact that Ms. Jones is not economically needy determine whether you solicit contributions or not?
2. What are the Administrative Requirements for this Type I service?
3. Can you give this participant a recommended contributions schedule?
4. How often would you attempt to solicit contributions?
5. What documentation is required to be completed by the provider agency?

Vignette C: Type I Services

Mr. Cox is a 35 year old male who was injured in a car wreck 2 years ago. He receives \$1000 a month social security disability. He was living with his parents and his mother provided his care and supervision during the day while his father worked. His mother died recently and the father has been leaving him home alone. APS became involved and set up a plan that included Adult Day Care.

Vignette C: Type I Services

1. Mr. Cox has self-declared as being economically needy based on his income. Can the provider agency ask him to participate in a voluntary contribution? Why?
2. What are the Administrative Requirements for this Type I service?

Vignette D: Type I Services

Ms. Hertz is an 80 year old female who lives alone. She receives SSI. She has arthritis and experiences difficulty performing ADLs and IADLs. Her cousin does her personal care at night and in the morning before she leaves for work. Due to the deterioration of Ms. Hertz's condition the cousin became concerned that she was not meeting her needs during the day and applied In-Home Aide Services. She was approved for assistance 3 days per week.

Vignette D: Type I Services

1. Does the fact that Mrs. Hertz is economically needy determine whether you solicit contributions or not? Why?
2. What are the Administrative Requirements for this Type I service?
3. Can you give this participant a recommended contributions schedule?



Section III. Screening, Eligibility, and Service Categories

B. Service Categories: **Type II**

Regardless of the level of income, the provider will:

- Solicit and accept voluntary contributions.
- Complete the Provider Assurance Form.

Vignette E: Type II Services

Home Delivered Meals:

Mrs. Jackson is an 80-year-old woman who lives alone and has COPD. She is no longer able to fix meals for herself. Her family lives out of state and she has no social support. She is a retired schoolteacher and is not economically needy.

Vignette E: Type II Services

1. Does the fact that Mrs. Jackson is not economically needy determine whether you solicit contributions or not?
2. What are the Administrative Requirements for this Type II service?
3. Can you give this participant a recommended contributions schedule?
4. How might you solicit contributions from a new participant?
5. How often would you attempt to solicit contributions?



Section III. Screening, Eligibility, and Service Categories

B. Service Categories: **Type III**

Regardless of the level of income, the provider will:

- Solicit and accept voluntary contributions.
- Maintain written documentation of how service recipients/designated representatives were informed. (*See Practice Guidelines – Appendix A*)

Vignette F: Type III Services

Congregate Meal Program:

Mrs. Johnson is a 72-year-old widow who has just recently lost her spouse. She is suffering from depression and has been eating poorly. She comes to the nutrition site for socialization and a well-balanced meal. She has self-declared as being economically needy.

Vignette F: Type III Services

1. Does the fact that Ms. Johnson is economically needy determine whether you solicit contributions or not?
2. What are the Administrative Requirements for this Type III service?
3. Can you give this participant a recommended contributions schedule?
4. How might you solicit contributions from a new participant?
5. How often would you attempt to solicit contributions?



Section III. Screening, Eligibility, and Service Categories

B. Service Categories: **Type IV**

➤ The service provider will accept voluntary contributions only.

✧ Note: These services are provided to groups of individuals or in a manner other than face to face contact. Solicitation is encouraged but not required.

Vignette G: Type IV Services

Medication Management:

A pharmacist was paid through Title III D Health Promotion/Disease Prevention funds to conduct brown bag medication reviews at the senior center.

Q – What type of solicitation would be appropriate to inform participants that voluntary contributions are accepted?



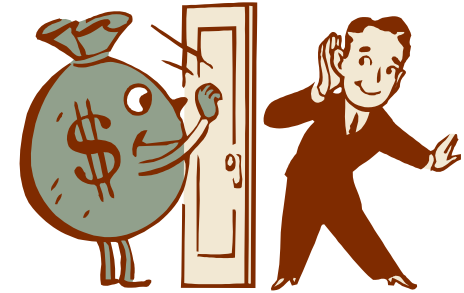
Section III. Screening, Eligibility, and Service Categories

B. Service Categories: **Type V**

- There are no administrative requirements for Senior Companion or Transportation (SSBG and funds administered by the NC DSS only).

Remember: contributions cannot be solicited or accepted.

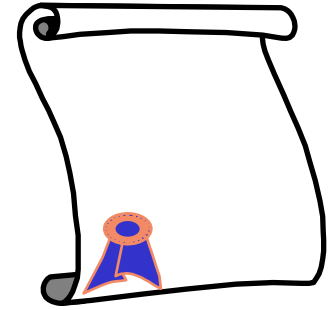
Section IV. Solicitation of Consumer Contributions



Ultimately, the decision to contribute and in what amount is up to each service recipient.



Section IV. Solicitation of Consumer Contributions

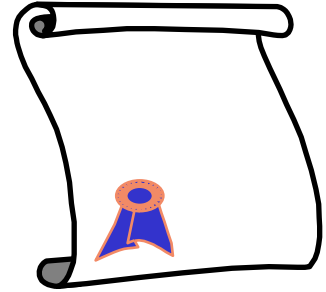


A. Recommended Contribution Schedule:

- now starts at 100% of Poverty to meet federal requirements.
- is simply a communication tool for those above the federal poverty line.
- is updated annually and available at:
www.dhhs.state.nc.us/aging/arms/csupdat2.htm
- see Appendix B



Section IV. Solicitation of Consumer Contributions



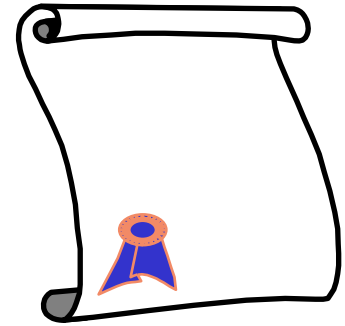
A. Recommended Contribution Schedule:

Self declaration of Income: Service recipients should only consider:

- ✧ Wages, pensions, retirement benefits;
- ✧ Dividends/interest from savings, bonds, & stocks;
- ✧ Income from estates, trusts, royalties, and rental property;
- ✧ Unemployment/Worker's Compensation; and
- ✧ Alimony



Section IV. Solicitation of Consumer Contributions



A. Recommended Contribution Schedule:

Service recipients should consider costs that would adjust the income downward:

- ✧ Medical expenditures;
- ✧ Prescription drug costs; and
- ✧ Special needs costs (i.e. medical equipment, home modifications, caregiving costs, etc.)



Section IV. Solicitation of Consumer Contributions

B. Solicitation of Consumer Contributions:

- Method of solicitation cannot be coercive.
- Monthly or quarterly notices are allowable but not required.
- A Model Letter (Appendix C) and the Model Group Discussion (Appendix E) are examples of appropriate communication.



Section IV. Solicitation of Consumer Contributions

B. Solicitation of Consumer Contributions:

Materials must include:

- ✧ Contributions collected will be used to expand services.
- ✧ There is no obligation to contribute and the contribution is entirely voluntary.
- ✧ Services will not be reduced or terminated for failure to contribute
- ✧ Contact information (including telephone #) if there are questions.
- ✧ Confidentiality will be maintained.



Section IV. Solicitation of Consumer Contributions

C. Provider Assurance Form:

- Appendix D may be employed or providers can design their own as long as the required information is included.
- The form must be signed and dated by an agency representative to document that the information has been shared with the service recipient.
- The documentation will remain in the client file and updated annually.

Section V. Reporting



- Providers either report consumer contributions through:
 1. **Aging Resources Management System (ARMS). OR**
 2. **County procedures found in the DSS Fiscal Manual, Section III.E.7.**

Section V. Reporting



- Providers have the option of deducting any “reasonable and necessary” costs incurred to generate consumer contribution revenues.
- *Note: documentation must be maintained by the provider to verify the amount of the deduction taken.*



Section V. Reporting

B. Utilization of Consumer Contributions Revenues:

- The net amount of revenue collected is retained by the provider and deducted from the monthly reimbursement.
- Collection of consumer contributions allows providers to meet needs of unserved clients by expanding services beyond the federal, state and local funds received.



Section V. Reporting

C. Collections Procedures and Financial Management:

- The agency responsible for authorizing services is also responsible for carrying out the Consumer Contributions Policy.
- Service providers must have written procedures to account for and safeguard all contributions. (see Practice Guidelines – Appendix A)

Appendices

A. Practice Guidelines

**B. Recommended Consumer
Contribution Schedule**

C. Model Letter

**D. Model Provider Assurance
Form**

E. Model Group Discussion

F. Log of Updates to the Policy



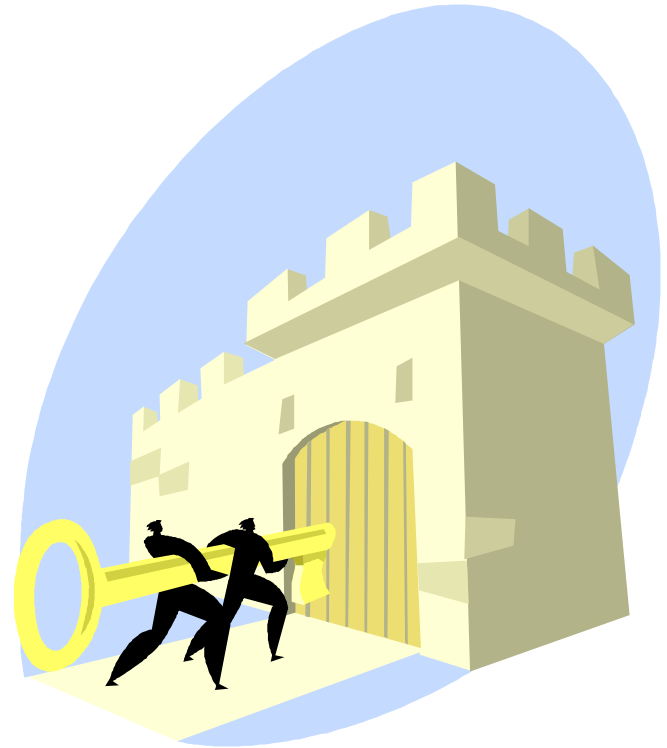
Appendix A: Practice Guidelines

- Not a list of requirements.
- Useful tools and procedures.
- Provides a guide for screening and eligibility determination.
- Gives suggested internal controls for collection procedures, recording and fiscal safeguarding.
- Introduces the concept of “private pay” for services if the client must be placed on a waiting list.



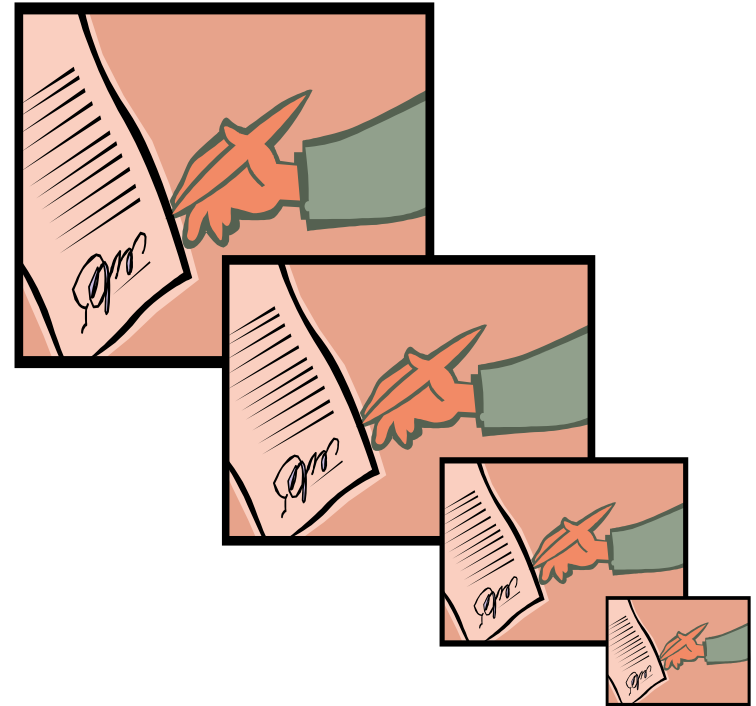
Appendix B: Recommended Consumer Contribution Schedule

- Begins at 100% of poverty and increases to 350% of poverty.
- More indicative of the financial situation of many younger older adults.
- Remember: It is only a suggestion not a required fee.
- Shown only to those above poverty.



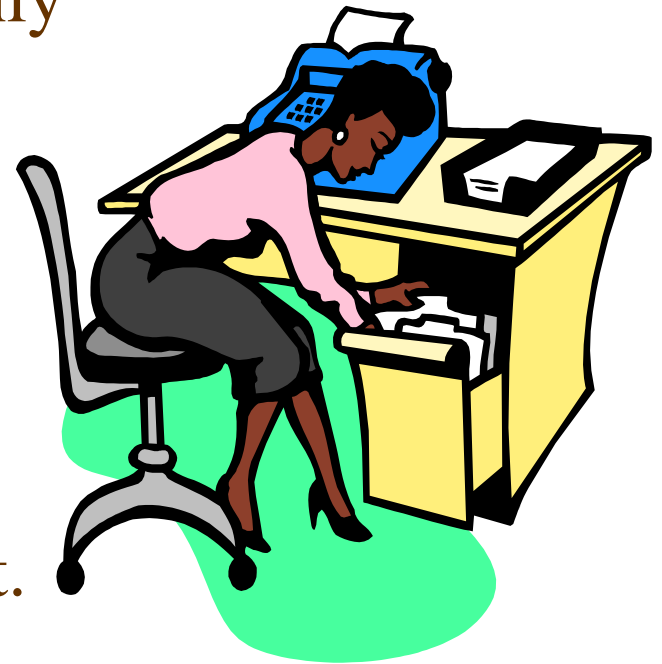
Appendix C: Model Letter

- Very appropriate for group activities, transportation, home bound older adults, etc.
- The Model Letter is a guide to help providers develop their own solicitation materials.



Appendix D: Model Provider Assurance Form

- The Administrative requirements have been simplified requiring only your signature, not the client's.
- Denotes the client's decision to contribute. Should this change?
- Provides documentation that communication has occurred between the agency and the client.
- Can be used multiple years.
- Must be maintained on file.



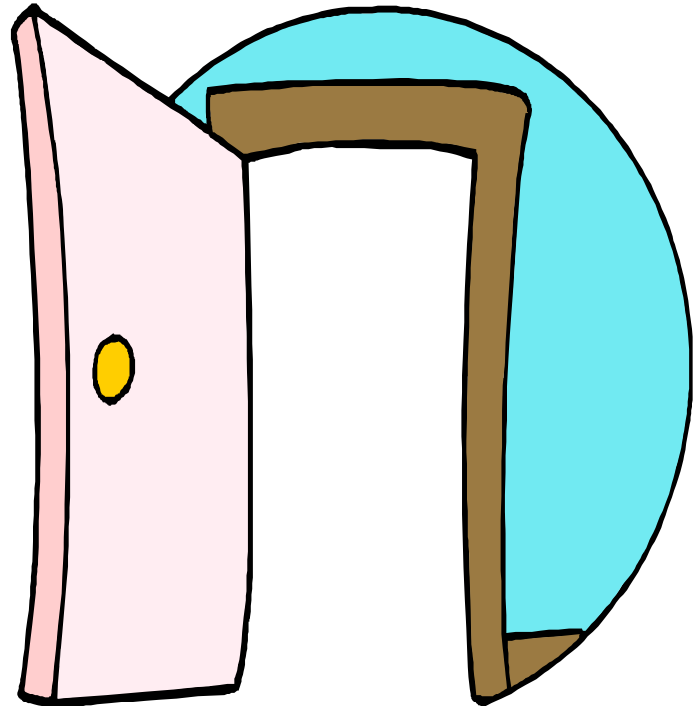
Appendix E: Model Group Discussion



- Useful for Congregate Nutrition and other group activities such as support groups, exercise groups, and other Type III services.
- The model is for agency use but can be modified to meet specific needs as long as all items are covered.

Consumer Contributions

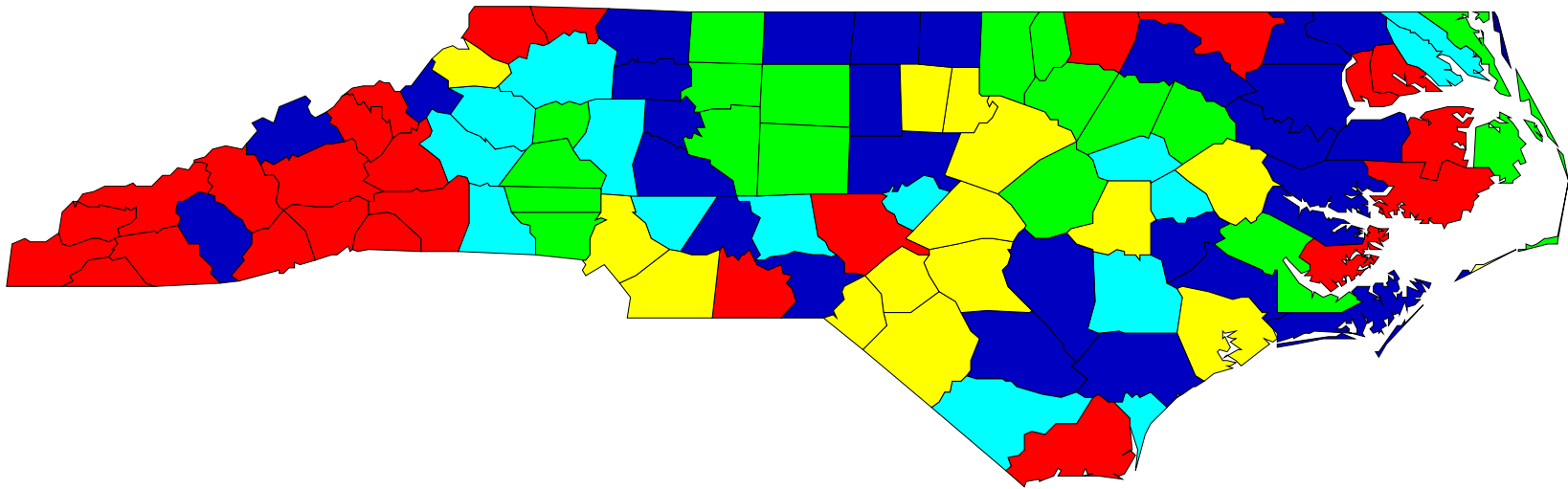
Having a strong consumer contributions program is an open door of opportunity to expand programs in a time of limited funds and resources in our state with an ever growing aging population.



Remember: The Baby Boomers are coming...



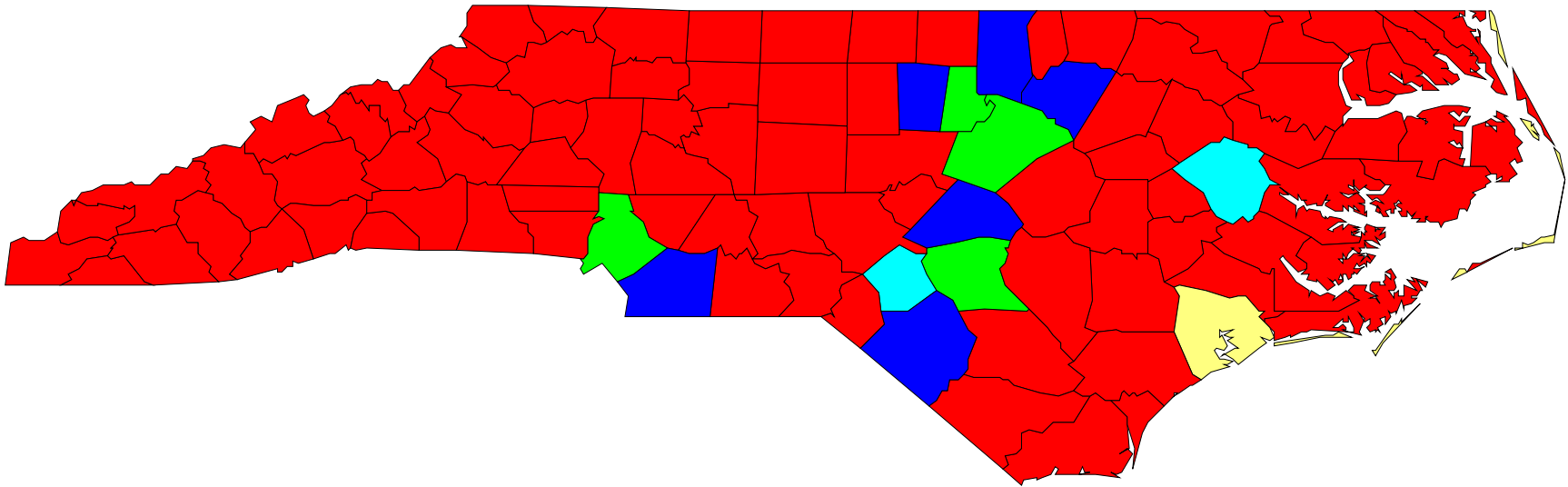
Population Age 65+ in 1996



Percent of population age 65+	
Yellow	12.0% or less
Green	12.1% to 13.0%
Cyan	13.1% to 14.4%
Dark Blue	14.5% to 15.9%
Red	16% or more

Red-colored counties have 16 or more persons age 65 or older per 100 residents.

Population Age 65+ in 2020



Percent of population age 65+

- 12.0% or less
- 12.1% to 13.0%
- 13.1% to 14.4%
- 14.5% to 15.9%
- 16% or more

Red-colored counties have 16 or more persons age 65 or older per 100 residents.

Questions & Answers



- If you are unsure about something, it is likely someone else has the same question.
- Questions and answers are an important part of the learning process.
- There are no wrong questions.
- If we do not have the answer, we will find the answer.