



Cost Sharing & Voluntary Contributions Guidelines

Purpose:

This document serves as a guideline for Older Americans Act Title III service provider's in developing and implementing cost sharing and voluntary contributions policies and procedures. It clarifies regulations mandated by the Minnesota Board on Aging (MBA) in accordance with Section 315(a) of the Older Americans Act.

Background:

In March 2011, MBA approved an updated Title III policy regarding cost sharing and volunteer contributions. Implementation of the new policy is to begin in the 2012 project year.

Cost Sharing Policies:

Cost sharing is required for all Older Americans Act Title III funded services except:

- Information and assistance, outreach, benefits counseling, or other case management services;
- Ombudsman, elder abuse prevention, legal assistance, or other consumer protection services;
- Congregate and home delivered meals; and
- Any service delivered through tribal organizations.

Cost sharing should be applied to all individuals receiving any Title III required to implement cost sharing, except individuals:

- With incomes at or below 100 percent of the federal poverty level;
- Receiving services through a Medicaid Waiver Program (Community Alternative for Disabled Individuals (CADI), Community Alternative Care (CAC), Developmental Disabilities (DD), Elderly Waiver (EW) or Traumatic Brain Injury (TBI) or the Alternative Care Program (AC).

The Older Americans Act (Sec. 315a) and MBA guidance requires that Title III service providers have written cost sharing policies and procedures that describe how they will implement and administer the cost sharing policy, including how the provider will:

1. Protect the privacy and confidentiality of each individual, specifically with respect to the declaration or non-declaration of individual income and to any share of costs paid or not paid by an individual;
2. Establish appropriate procedures to safeguard and account for cost sharing payments;
3. Use cost sharing payments collected to expand the service for which the payment was given;

4. Account for cost sharing funds under a separate accounting in the general ledger and not co-mingle the funds with funds received under any other agreement;
5. Determine the unit of service cost as the basis for the cost sharing sliding scale;
6. Establish a sliding scale so as not to impose cost sharing for an individual whose income is at or below 100 percent of the Federal poverty guidelines, but provides them with an opportunity to make a voluntary contribution;
7. Inform individuals of their rights and responsibilities in relation to cost-sharing including cost of the service, recommended level of cost sharing, availability of the cost sharing sliding scale and information on availability of services if payment is not made due to inability or unwillingness to pay;
8. Determine eligibility for cost sharing based solely on a confidential declaration of gross income, with no requirement for verification;
9. Determine income level solely on the gross income of the individual who is 60 years and older, not considering assets, savings, or other property owned by an older individual, to determine whether cost sharing is permitted (In the case of a caregiver service, the income level will be based on the care receiver's income; where the caregiver and the care receiver live together and one is 60 years and older, use the two person household income and apply the two person household column on the sliding scale.);
10. Determine when cost sharing participation shall be waived for extreme hardship (e.g. high medical or living expenses) as determined by the AAA and the provider; and
11. Notify individuals of current cost sharing amount due (Cost sharing "statements" may be provided but must not carry forward a balance due amount.).

Cost Sharing Sliding Scale

MBA recommends a 50% cost sharing level of the service cost, or higher. For individuals unable or unwilling to cost share at the 50% level, the cost share amount is to be determined using a cost sharing sliding fee scale. The State of MN recommended scale is established on 10-25-50-100% of the cost of the service and applicable to the individual's income level at: greater than 100%, greater than 150%, greater than 200%, and greater than 250% of the Federal Poverty Guidelines (see Title III Cost-Share Sliding Scale Example). Providers must establish the scale based solely on the gross income level of the individual and cost of the service.

Providers must submit a copy of the sliding fee scale (s) and related client education and notification materials to MNRAAA for review, comment and approval. Variations in the scale that comply with the intent of the cost share policy and encourage financial contributions by users are allowed. Scales that vary from the recommended scale must be approved by MNRAAA prior to implementation.

Voluntary Contributions Policies:

All other Title III services, including those for which cost sharing is not required, are to establish and implement a voluntary contribution policy.

The Older Americans Act (Sec. 315a) and MBA guidance requires that providers will:

1. Provide individuals with an opportunity to voluntarily contribute to the cost of a service;
2. Clearly inform each individual that service will not be denied due to inability or unwillingness to pay;

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3. Protect the privacy and confidentiality of each individual with respect to their contribution or lack of contribution;
4. Establish appropriate procedures to safeguard and account for all contributions;
5. Have in place a schedule of suggested contributions; and
6. Use all collected contributions to expand the service for which the contributions were given.

Providers who utilize voluntary contribution policies cannot:

- Mandate a fee or rate; or
- Means test for any service.

Note: MBA is allowing Area Agencies to phase in the implementation of Cost Sharing Policies. See MNRAAA Cost Sharing Implementation Timeline for when specific Title III services will begin implementation.