

## PROGRAM INCOME:

### **COST SHARING, VOLUNTARY CONTRIBUTIONS AND OTHER PAYER SOURCES\***

► The following information references Title III however it is also applicable to all CARES Act awards. ◄

Program income, as defined in 45 CFR 75 (see §75.307 Program Income), includes, but is not limited to, cost share revenue, voluntary contributions and other income received by or due to the grantee/contractor organization, as a result of activities wholly or partially supported by funds from the Title III award. Grantee/contractor organizations must report all program income to MNRAAA.

#### Cost Sharing

In March 2011, MBA approved an updated Title III policy regarding cost sharing and voluntary contributions. This policy extends cost sharing to include all allowable Title III funded services. In accordance with Section 315(a) of the OAA, AAAs shall assure the maintenance and self-sufficiency of services by using cost sharing. A Title III Cost Sharing Tool Kit, which outlines cost sharing in detail and includes sample documents, is available at <https://mnraaa.org/wp-content/uploads/2019/06/Cost-Sharing-Tool-Kit-for-Title-III-Service-Providers.pdf>.

MNRAAA requires cost sharing for all Title III-B, D and E services, except those prohibited by the OAA and Special Access services. (Note: The cost sharing exemption for Special Access services requires annual approval by MBA.)

The OAA prohibits cost sharing for:

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

Cost sharing should be applied to all individuals receiving any Title III-funded service required to cost share except:

1. Persons at or below the federal poverty level.
2. Persons receiving services through a Medicaid Waiver Program (CADI, CAC, DD, EW, TBI) or the Alternative Care Program.

Title III service providers must have written cost sharing policies and procedures that describe how they will implement and administer the 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. Include the sliding fee scale in materials given to prospective and/or new clients;
8. 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;
9. Determine eligibility for cost sharing based solely on a confidential self-declaration of gross income;
10. Determine income level solely on the gross income of the individual, not considering assets, savings, or other property owned by an older individual, to determine whether cost sharing is permitted;
11. Determine when cost sharing participation shall be waived for extreme hardship (e.g. high medical or living expenses), on a case-by-case basis with approval from MNRAAA, and how the waiver will be documented in client files; and
12. Notify individuals of current cost sharing amount due (cost sharing “statements” may be provided but must not carry forward a balance due amount).

For those services for which cost sharing is required:

- The *recommended* level of cost sharing is 50%. For those individuals unable to cost share at the 50% level a cost share sliding fee scale – based solely on gross income levels and cost of delivering services – shall be used to determine the level of cost sharing. Each grantee/contractor must identify their unit of service cost as the basis for the sliding fee scale. Following is an example of a sliding fee scale (income amounts are based on 2020 FPGs):

% of Federal Poverty Guidelines (FPG)	1 person 60 years + in a single or multiple person, <i>non-spousal</i> household		2 person <i>spousal</i> household (at least 1 person is 60 years +)		Cost Share as % of Unit Price or Budget Amount	*Sample: Cost Share for a \$20 Unit Price or Budget Amount
	ANNUAL INCOME	MONTHLY INCOME	ANNUAL INCOME	MONTHLY INCOME		COST SHARE AMOUNT
Up to 100%	\$12,760 & Below	\$1,063 & Below	\$17,240 & Below	\$1,437 & Below	<b>Voluntary Contribution</b>	Voluntary Contribution
>100% to 150%	\$12,761 - \$19,140	\$1,064 - \$1,595	\$17,241 - \$25,860	\$1,438 - \$2,155	<b>10%</b>	\$ 2.00
>150% to 200%	\$19,141 - \$25,520	\$1,596 - \$2,127	\$25,861 - \$34,480	\$2,156 - \$2,873	<b>25%</b>	\$ 5.00
>200% and ≤250%	\$25,521 - \$31,900	\$2,128 - \$2,658	\$34,481 - \$43,100	\$2,874 - \$3,592	<b>50%</b>	\$10.00
>250%	\$31,901 & Above	\$2,659 & Above	\$43,101 & Above	\$3,593 & Above	<b>100%</b>	\$ 20.00

- Variations to the sliding fee scale that comply with the intent of the policy and encourage financial contributions by users are allowed. For example, if a grantee/contractor has been successful in generating higher levels of cost sharing using a different scale, the grantee/contractor may continue to use that scale. Scales that vary from the MNRAAA provided scale must be approved by MNRAAA prior to implementation.
- For Title III-B and D services, the participant income level will be based on self-reported gross income of the older adult service recipient. If the person is in a two-person

spousa/ household, where at least one person is age 60+, the participant income level will be based on their combined, self-reported gross income.

- For Title III-E caregiver services, the participant income level is based on the self-reported gross income of the care-receiver. In the case where the caregiver and care-receiver are married (in a two-person spousal household) where at least one person is age 60+, the participant income will be based on their combined, self-reported gross income.
- A means test shall not be utilized to determine eligibility.
- The grantee/contractor may not deny service to any individual unable or unwilling to cost share for service.

Title III providers must submit a copy of their cost sharing policies, sliding fee scale and related client education and notification materials to MNRAAA within the first month of the project year, and annually thereafter, for review, comment and approval.

#### Voluntary Contributions

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. 315(a) 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;
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.

\*Excerpt from Title III Provider Handbook, Rev. 06.2019.