



DIVISION OF DEVELOPMENTAL DISABILITIES  
Olympia, Washington

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TITLE: CLIENT RESPONSIBILITY POLICY 6.06

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Authority: 42 CFR 435.726  
RCW 71A.12.070  
WAC 388-106-0225  
WAC 388-475-0880  
WAC 388-513-1301  
WAC 388-515-1510  
WAC 388-825-096  
WAC 388-845-3095

**BACKGROUND**

Division of Developmental Disabilities (DDD) Policy 6.06, *Client Participation*, was rescinded on February 16, 2006 and replaced by the use of Management Bulletins. This policy supersedes Management Bulletins 06-031 and 07-013.

**PURPOSE**

This policy establishes guidelines for determining who is responsible to pay toward the cost of Room and Board and the Cost of Care authorized by DDD as well as the rules for determining how much a division client is responsible to pay toward those costs. This policy also describes the responsibilities of DDD case resource managers (CRM) in notifying clients of their liability for room and board and participation costs.

**SCOPE**

This policy applies to all adult division clients who meet certain income criteria and reside in licensed residential settings with services authorized by DDD.

Note: Adults receiving In-Home Chore services must also pay participation. CRMs will refer to the *Long Term Care Manual, Chapter 7*, for instructions.

**DEFINITIONS**

**Client Responsibility** means the total amount the individual is required to contribute for participation and room and board in a DDD 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; 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 a categorically needy (CN) scope of care. See [WAC 388-475-1000](#).

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

**Participation** means the amount the individual is required to contribute to the cost of care for DDD authorized residential 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.

**SSI** means Supplemental Security Income for the aged, blind or disabled ([20 CFR 416.101](#)).

**SSI Eligible** means receiving Supplemental Security Income (SSI) or deemed eligible for SSI per [WAC 388-475-0880](#). This includes 1619(b), SSI Related DAC, and Pickle adjustment clients.

**Unearned Income** means income that is not earned income, including annuities, pensions and other periodic payments such as private pensions, Social Security benefits, disability benefits, veterans benefits, worker's compensation, railroad retirement annuities and 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.

## **POLICY**

Individuals who live in community based, licensed residential facilities must contribute to the cost of their care. Client responsibility is established based on the person's income and resources as well as whether or not she/he is receiving Medicaid funded services.

This policy does not address eligibility for these DDD authorized programs. The assumption is that Medicaid eligibility has been reviewed and determined by the Community Services Office (CSO) Financial Worker and verified by the DDD CRM.

## **PROCEDURES**

### A. Client Responsibility Determination

1. All residents of licensed facilities are required to contribute to the cost of their room and board.
  - a. The room and board rate is set annually and is communicated via Management Bulletin (MB) from DDD Central Office.
  - b. Contribution toward the cost of room and board is calculated based on total income. Certain expenses may be deducted from total income before room and board is calculated. These are:
    - i. Payee fees; or
    - ii. Court ordered guardianship fees; and
    - iii. Administrative costs directly related to the establishment or maintenance of guardianship, and
    - iv. Medical expenses not covered by Medicaid or other third-party payers.
2. Residents of licensed facilities who are SSI eligible are only required to contribute toward the cost of room and board.
3. Residents of licensed facilities who are enrolled in the HWD program are only required to contribute toward the cost of room and board.

4. Residents of licensed facilities whose financial eligibility is based on the facility's state contracted rate (identified as GO3 status by ACES) must contribute all of their income toward the cost of services after deducting:
  - a. A PNA of \$60.12; and
  - b. Payee or court ordered guardianship fees.
5. Residents of licensed facilities who are not SSI eligible and not GO3 must contribute the balance of their income toward the cost of DDD authorized services after the following deductions have been made from their total income (in the order listed):
  - a. Disregard of \$20;
  - b. A PNA of \$40.12;
  - c. Total of expenses described in A.1.b (above);
  - d. Room and Board rate, which is paid to the provider; and
  - e. If there is earned income and anything remains after the above deductions, the following deductions shall also be taken:
    - i. The first \$65 of earned income; and
    - ii. One-half of the remaining earned income.

**B. Client Responsibility Determination for Partial Months**

1. When a division 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. DDD will pay the entire cost of services for the first partial month. Client Responsibility is calculated beginning the first full month the client lives in the facility.
2. When a division 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 returned to the client.
  - a. If the client is SSI eligible and only responsible for room and board, multiply the current Room and Board daily amount (which is determined

by dividing the monthly Room and Board rate by 30.4) by the number of days in the facility, excluding the day the client leaves or dies.

- i. If this total is equal to or greater than the total Room and Board already paid, no reimbursement is made to the client.
  - ii. If this total is less than the total Room and Board already paid, the provider must repay the difference to the client (or the client's estate).
- b. If the client is not SSI eligible and is responsible for cost of care as well as Room and Board, multiply the client's daily rate by the number of days in the facility, excluding the day the client leaves or dies.
- i. If this total is equal to or greater than the total Client Responsibility already paid, no reimbursement is made to the client.
  - ii. If this total is less than the total Client Responsibility already paid, the provider must repay the difference to the client.
- c. If either of the clients described in sections a. or b. above moves directly into another community based residential facility, the previously refunded amount must be paid to the new provider.

C. Notification

1. 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 22-113, DDD Complaint Policy](#) brochure.
2. The CRM must provide written notification of changes in Client Responsibility to the client, his/her guardian and/or NSA representative, and the client's representative payee by the first of the month for which the payment is due.
3. Notification regarding Client Responsibility amount will be provided using form [DSHS form 18-692, Client Responsibility Notice](#).
4. The CRM is not required to send a PAN to the client or her/his representatives regarding changes in Client Responsibility amount.

**D. Determining Income and Eligibility Status**

1. Prior to authorization for service, the client will complete a [DSHS 14-238, Client Income Report](#) form and submit to the CRM. This report should be updated by the client whenever there is a change in income.
2. The CRM will complete [DSHS 15-345, CSO/DDD Communication](#) and forward it to the CSO.
3. The CRM will refer to information in ACES to determine eligibility status.
  - a. For clients not on a DDD Home and Community Based Services (HCBS) Waiver, the ACES Client Summary screen in the Coverage Group column for the Medical Assistance Program should display one of the coverage groups below:
    - i. SSI Categorically Needy (SO1);
    - ii. SSI Related Categorically Needy (SO2);
    - iii. CN Alternate Living Facility (GO3); or
    - iv. HWD (SO8).
  - b. For clients on a DDD HCBS Waiver, the ACES Client Summary screen in the Coverage Group column for the Medical Assistance Program should display “CN Waiver or Hospice Services (CO1).” For these clients, the SSI status is found on the SDX screen. The current:
    - i. SSI Monthly Assistance Payment Status will show (CO1) if the client is SSI Eligible; or
    - ii. Medicaid Eligibility Code will show (D) for SSI Related Disabled Adult Child (DAC); or
    - iii. Medicaid Eligibility Code will show (C) for SSI Related 1619(b).
  - c. For questions regarding clients who do not fall into any of these ACES categories, the CRM must contact the Central Office Program Manager for assistance to determine client eligibility category.

- d. The CRM must contact the Central Office Program Manager for:
  - i. Other client income or eligibility situations that are not addressed in this policy; and
  - ii. When a client reports resources over \$2000.

E. Reviewing Client Responsibility

Client Responsibility must be reviewed and updated:

- 1. Whenever there is a change in income type;
- 2. At twelve-month intervals for SSI recipients;
- 3. At six-month intervals for non-SSI recipients;
- 4. Monthly for individuals with earned income;
- 5. Whenever there is a change in the monthly income amount; or
- 6. When the person enters or leaves a facility.

F. Authorizing Client Responsibility

- 1. Client responsibility is entered on the same authorization as the residential service using a “Client Responsibility” code.
- 2. The amount entered on the authorization is equal to the calculated amount owed by the client using the rules above.
- 3. SSPS deducts the Client Responsibility owed by the client from the total amount owed to the provider and pays the balance to the provider.
- 4. The client pays her/his share directly to the provider

G. Correcting Client Responsibility Errors

If an error has been made in the payment of Client Responsibility, the following procedures will be used to correct the errors. See Attachment A of this policy for examples.

1. If DDD has underpaid the provider, the CRM will authorize a lump sum payment for the total amount owed to the provider.
2. If DDD has overpaid the provider by entering a Client Responsibility amount that was too low on the authorization (when the client paid the correct amount), the CRM will use the standard [DSHS 18-398A, Vendor Overpayment Notice](#).
3. If DDD entered a Client Responsibility amount that was too low and the client should have paid more to the provider, the CRM will use the DSHS 18-398, *Client Overpayment Notice*.
4. If DDD entered a Client Responsibility amount that was too high and the client paid the incorrectly authorized amount to the provider, the CRM will:
  - a. Adjust the Client Responsibility the following month if the correction can be made in one month; or
  - b. Request the DDD Central Office SSPS Program Manager authorize a reimbursement to the client through SSPS.
  - c. If a repayment of the total amount would increase the client's resources beyond \$2000, the repayment may be adjusted over several months.

### **EXCEPTIONS**

None

### **SUPERSESSSION**

DDD Policy 6.06

Issued November 15, 2007

Approved: /s/ Linda Rolfe  
Director, Division of Developmental Disabilities

Date: January 1, 2009

Attachment A: *Correcting Client Responsibility Errors*

## ATTACHMENT A

### Correcting Client Responsibility Errors – Examples

Remember:

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

#### **Situation #1 – DDD 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 forgets 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

DDD 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. DDD 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 – DDD 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. CRM 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

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

**Correction:** CRM processes a Vendor Overpayment for \$200 using DDD 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. CRM 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

DDD 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. DDD 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 using DSHS form 18-398A.

Option 2: Client does not pay the provider the additional \$200 and CRM processes a Client Overpayment using DSHS form 18-398.

### **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

DDD 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 DDD should have paid \$1611. The client paid an extra \$60 to the provider that should have been paid by DDD. DDD owes the client \$60.

### **Correction:**

Option 1: Since the amount owed to the client is small, CRM should reduce the Client Responsibility for the next month by an additional \$60. DDD will pay the extra amount to the provider and the client will keep the extra \$60, thereby allowing the client to be repaid. When the repayment is complete, the CRM should be sure to change the Client Responsibility amount to the correct monthly amount.

Option 2: If the amount owed to the client is larger than can be repaid by an adjustment the following month, the CRM will request that the DDD Central Office Program Manager for SSPS authorize a reimbursement to the client.