

STATE OF MICHIGAN



JOHN ENGLER, Governor

DEPARTMENT OF COMMUNITY HEALTH
JAMES K. HAVEMAN, Jr., Director

OFFICE OF SERVICES TO THE AGING

LYNN ALEXANDER, Director
P.O. Box 30676, Lansing, MI 48909-8176
Phone (517) 373-8230 FAX (517) 373-4092
TDD (517) 373-4096 www.miseniors.net

Elwin M. Johnson, Chairperson
Commission on Services to the Aging

393

MEMORANDUM

APR 22 10:10

DATE: March 26, 2002
TO: Directors, Area Agencies on Aging
FROM: *LA*
Lynn Alexander, Director
SUBJECT: Office of Services to the Aging Revised Cost Sharing Policy

TRANSMITTAL LETTER #393

Enclosed is the revised Office of Services to the Aging Cost Sharing Policy to be implemented immediately upon receipt. The Commission on Services to the Aging approved the revised policy at its March 15, 2002 meeting.

Please contact the field representative assigned to your planning and service area if you have questions or need assistance.

LA/HS/bg

Enclosure

MICHIGAN OFFICE OF SERVICES TO THE AGING

COST SHARING POLICY

1. A provider of services to older persons may seek to implement the practice of cost sharing by requesting, in writing, approval from the respective area agency on aging. The area agency on aging may grant approval when it determines that the provider has the capacity to effectively manage such a practice and that it will enhance the provider's ability to maintain and/or expand service levels in the project area. Cost sharing policies for services provided in the following categories cannot be approved if such services are supported, in whole or in part, by Older Americans Act funds:
 - Outreach
 - Case management
 - Case coordination and support
 - Congregate meals
 - Home delivered meals
 - Ombudsman
 - Information and assistance
 - Benefits counseling
 - Elder abuse prevention programs
 - Consumer protection services
 - Services provided by tribal organizations
 - Legal assistance

2. Recipients of service approved by the respective area agency on aging for the practice of cost sharing will participate in sharing the cost of services received on the following basis:
 - a. The amount of cost to be shared is determined by the total income from all sources for the individual requesting service. The amount of cost to be shared for respite and other services provided to the caregivers of eligible service recipients is determined by the total income from all sources of that service recipient.
 - b. Assets, savings, or other property owned by the service recipients shall not be included in the calculation of total income for cost sharing purposes.
 - c. The level of income shall be determined by the written confidential self-declaration of each service recipient eligible to receive the respective service or his/her primary caregiver. No verification of income is necessary.
 - d. Service recipients who are covered by Medicaid shall not be required to share in the cost of services provided to them. In addition, service recipients that have income of 150% or less of the poverty income guidelines established by the Health and Human Services Administration shall not be required to share in the cost of services provided to them. However, all service recipients must be provided the opportunity to voluntarily contribute to the cost of the service received in accordance with section 2.h below.

- e. Each provider approved for the practice of cost sharing shall establish a sliding scale for the service recipient's share of service cost based on reasonable gradations of income consistent with the standard of living in the service area. The scale must be submitted to the respective area agency on aging for written approval. Approval by the area agency on aging must be granted prior to implementation.
 - f. The total service cost upon which the service recipient's share is to be determined shall be comprised of all grant funds, matching funds, and program income used to operate the service program.
 - g. Any service recipient or caregiver may volunteer to share in the cost of a service in an amount above that required by the approved sliding scale established for that service.
 - h. Service recipients who refuse to voluntarily contribute to the cost of the service provided or participate in an approved cost sharing program for services funded in whole or in part by the Older Americans Act may not be denied service based on non-contribution. Area agencies on aging shall develop a policy for disclosure of the approved cost sharing policy that includes:
 - (i) the purpose of the cost sharing policy;
 - (ii) procedures governing the agency's cost sharing policy including how payment is to be obtained and how to file a complaint;
 - (iii) a clear statement that services will not be denied to those who do not choose to participate in cost sharing, and
 - (iv) a statement of confidentiality regarding income information that may be provided.
3. Cost sharing, in accordance with the provisions set forth above, is required for adult day and/or respite care clients subsidized with escheat and tobacco settlement funds in programs approved by the respective area agency on aging.
 4. Service recipients of AAA Care Management Programs that receive federal reimbursement through participation in the Medicaid Targeted Case Management Program are required to cost share in accordance with locally established sliding fee scales.
 5. Area agencies on aging shall develop policies that ensure fair and equitable implementation of a cost sharing program in the planning and service area. Cost sharing policies must be approved by the Office of Services to the Aging prior to implementation.
 6. All revenue generated, as a result of an approved cost sharing policy must be utilized to expand the service from which it was generated. Service providing agencies shall not be reimbursed at less than the established unit of service or vendor rate in anticipation of cost sharing revenue.