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Title of Document: Fees for Residential Services Provided by the South Carolina Department of Disabilities and Special Needs (DDSN)

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Applicability: DDSN Regional Centers, DSN Boards Operating Community Based Intermediate Care Facilities for Individuals with Intellectual and Developmental Disabilities (ICFs/IID)

I. PURPOSE

DDSN's authority for charging for its services was established by:

- (1) S.C. Code Ann. § 44-20-350 (Supp. 2014);
- (2) Medicaid regulations governing amounts to be paid by Medicaid recipients for services, and,
- (3) Commission Policy.

II. APPLICABILITY

This directive addresses only fees charged for residential services provided by a DDSN Regional Center or a DSN Board operating an Intermediate Care Facility for Individuals with Intellectual and Developmental Disabilities (ICF/IID). Fees for DDSN services other than residential services are addressed in other DDSN Directives, such as 250-09-DD: Calculation of Room and

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DISTRICT II

Coastal Center - Phone: 843/873-5750
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Board for Non-ICF/IID Programs.

III. FEES

Residential services include room and board and all support services and programs provided as part of an ICF/IID program, except for certain medical services required for the health of an individual or for the medical determination of eligibility for an ICF/IID program.

The fee for residential services is a daily fee. The amount of the daily fee is the current ICF/IID per diem rate as approved in DDSN's Medicaid contract with the SC Department of Health and Human Services (DHHS). A current listing of ICF/IID per diem rates is maintained in Chapter 6 of the DDSN Finance Manual. Application of the daily fee will vary depending on the payer, as explained in Sections V, VI and VII of this directive.

IV. PAYERS

Residential services shall be billed in the following priority order:

- (1) To trusts and third party insurance;
- (2) To the individual, as resources allow, and,
- (3) To Medicaid, if the person is Medicaid eligible.

Determination of an individual's ability to pay shall be made according to the regulations governing Medicaid eligibility as outlined in the DHHS Medicaid Provider Manual. The determination shall be made based on the calculation of recurring income made by DHHS in accordance with an individual's application for Medicaid. This calculation shall be accepted without re-calculation by DDSN personnel. This amount of recurring income shall be used as the basis for DDSN billing a person unless a specific exception is approved, as described in Section VIII of this directive.

V. BILLINGS TO MEDICAID FOR ELIGIBLE PEOPLE

Medicaid shall be billed for each allowable day an individual resides in a DDSN Regional Center or community based ICF/IID. The definition of an "allowable" day is determined by the Medicaid regulations found in the Nursing Facility Services Section of the DHHS Medicaid Provider Manual. Unallowable days shall not be billed.

VI. BILLINGS AGAINST PERSONAL ASSETS FOR MEDICAID ELIGIBLE INDIVIDUALS WITH RECURRING INCOME

If an individual is eligible for Medicaid and has resources sufficient to contribute to the cost of residential services, the individual shall be billed for each month of service. (See Section VIII for an explanation of factors that may affect this monthly billing.) The amount of this billing

generally will not be adjusted on the basis of allowable days.

VII. BILLINGS TO INDIVIDUALS NOT ELIGIBLE FOR MEDICAID

Individuals not eligible for Medicaid shall be billed at a fixed monthly rate based on the current Medicaid per diem rate. This fixed monthly rate shall be adjusted whenever the current Medicaid per diem rate is adjusted.

If an individual's financial assets are held by a parent, guardian or other responsible party, the billing shall be submitted to that party. If DDSN serves as trustee for an individual's funds, the bill should be submitted to DDSN to be paid through the Regional Banking System. Should an individual have insurance that pays for residential care, the bill shall be submitted to the insurance company.

Billings to insurance companies should be for the maximum allowable payment, up to the full cost of care.

VIII. OTHER MATTERS

A. Partial Month Billings

When an individual is admitted to or discharged from a DDSN Regional Center or community based ICF/IID, the billings addressed in Sections V, VI, and VII shall be adjusted to reflect a partial month. This partial month adjustment does not apply to situations that involve therapeutic leave, as allowed by the DHHS.

B. Maximum Accumulation Level for Medicaid Eligibility

To prevent disruption of Medicaid eligibility, provider staff shall monitor each individual's available resources to ensure that their accumulated resources do not exceed the amount allowed under Medicaid eligibility guidelines. Current income limits may be found on the DHHS website: www.scdhhs.gov/incomelimitations.asp.

Regional Claims and Collections Officers should contact the individual's Program Team when his or her resources approach the maximum level. The Program Team should first determine if the individual has personal needs, such as clothing. If such a need exists, the purchase(s) should be made, thus ensuring that the individual's funds are initially expended on personal needs. If, when the personal needs have been exhausted, the available resources are still above the allowable level, billings for residential services may be adjusted upward to the extent of any under billings of full cost of care that have occurred in the past year. Some situations that could create under billings are granting of waivers and allowing personal needs funds to be calculated based on the net amount rather than on gross wages. If, after all personal needs have been exhausted and all prior under billings have been paid, and an individual still has excess

resources, the individual shall become Medicaid ineligible for a period of time. During that period, full cost of care shall be charged. The amount paid on this billing must be sufficient to bring the individual's resources to, at most, the maximum asset level. Actual amounts to be paid shall be determined by the Regional Claims and Collections Officer based on expected future accumulated resources beyond Medicaid allowable resource limits.

C. Personal Needs Allowances

Each individual, whether he or she is Medicaid eligible or not, shall retain a portion of unearned income from Social Security, Supplemental Security Income, and other sources for personal needs. This is referred to as "personal needs allowance." An individual's monthly resources, up to the personal needs maximum, must not be applied to residential or other DDSN billings.

D. Individuals with Earned Income

If an individual has earned income from work activities or other sources during a month, that individual may retain his or her total income (from both earned and unearned sources) up to the earned income maximum allowance level. The current max income allowance levels may be found on the DHHS website (www.scdhhs.gov/incomelimitations.asp). An individual's monthly income, up to this level, may not be applied to residential or other DDSN billings.

In calculating the funds to be retained by an individual, earned income after taxes and other withholdings shall be used. (NOTE: This is different from DHHS calculations.) This will result in smaller billings, but it is consistent with the intention of the policy which is to encourage each individual to realize monetary benefit from work efforts. As a result of using net wages to determine the amount of funds to be retained, income tax returns shall be filed for all individuals who have had income taxes withheld. DDSN Facility Administrators shall assign responsibility for the completion of personal income tax returns for these individuals. The amount of refunded taxes, up to the difference in billings created by using net wages, shall be billed to the individual after his or her tax refund has been received.

E. Receipt of Social Security Back Payments

When an individual receives a Social Security "back payment," the funds shall be used first to maximize the individual's personal needs allowance for the past 12 months. (See table below for examples of maximizing a personal needs allowance.) Second, if there is any outstanding care and maintenance receivable balance, the back payment shall be applied to that balance. If after correcting personal needs allowances and paying any back care and maintenance the entire SSI back payment is not used, the individual shall retain the remaining balance. If this balance gives the individual sufficient resources so that he or she may be determined Medicaid ineligible, the resources shall be used in accordance with Section VIII B.

EXAMPLE OF MAXIMIZATION OF AN INDIVIDUAL'S PERSONAL NEEDS ALLOWANCE				
MONTH	TYPES OF INCOME THIS MONTH	MAXIMUM PERSONAL NEEDS ALLOWANCE	PERSONAL NEEDS ALLOWANCE RETAINED	DIFFERENCE
12	Unearned only	\$30.00	\$30.00	\$0.00
11	Unearned only	\$30.00	\$25.00	\$5.00
10	Earned & Unearned	\$100.00	\$43.00	\$57.00
9	Earned & Unearned	\$100.00	\$58.00	\$42.00
8	Earned & Unearned	\$100.00	\$100.00	\$0.00
7	Earned & Unearned	\$100.00	\$100.00	\$0.00
6	Earned & Unearned	\$100.00	\$98.00	\$2.00
5	Earned & Unearned	\$100.00	\$100.00	\$0.00
4	Unearned	\$30.00	\$0.00	\$30.00
3	Unearned	\$30.00	\$0.00	\$30.00
2	Unearned	\$30.00	\$0.00	\$30.00
1	Unearned	\$30.00	\$30.00	\$0.00
			TOTAL	\$196.00

In this case, due to back payment received, \$196.00 would be given to the individual to “maximize” his/her personal needs allowance.

(Note: This model uses a personal needs maximum of \$30.00 as an example. The current maximum personal needs allowance should be inserted as applicable)

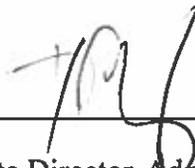
F. DDSN as Representative Payee

In cases where a parent or other responsible party has been designated by the Social Security Administration (SSA) as Representative Payee for an individual entering a DDSN Residential Program, it is DDSN’s policy and the intent of the SSA that the entire benefit amount received be spent for the benefit of the individual. If a Representative Payee cannot demonstrate to the Program Team the proper use of these funds for the individual’s benefit, DDSN shall request to become Representative Payee for the individual.

G. Waiver of Fees

Each DDSN District Director is authorized to vary the amount of residential service fees if there

is programmatic need for additional funds associated with a planned move of an individual to another residential setting. If an adjustment to waive all or a portion of residential fees is required, a request for a waiver with justification should be forwarded by the Program Team through the Regional Claims and Collection Officer to the District Director. The waiver shall be limited to a maximum of six (6) months. Upon DDSN District Director approval, the waiver request should be returned to the Claims and Collections Officer, who shall in turn forward a copy to the appropriate unit to be placed in the individual's permanent file. The program plan supporting the waiver should be reviewed by the Program Team and the Regional Claims and Collections Officer every six (6) months while the waiver is in effect to determine if there is a continued need.



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(Approved)

RELATED POLICIES:

250-09-DD: Calculation of Room and Board for Non-ICF/IID Programs