

Implementation Task Force:  
Family Cost Share Subgroup

June 16, 2009

**MINUTES**

Participants: Sophia Nelson, Tracy Miller, Kathy Pierson, Debra Holloway, Carol Burke, Heidi Faustini, Joanne Boise, Mary Ann Discenza, Karen Durst, David Mills, Kyla Patterson

Review of changes to family cost share practices from last meeting

- There were no questions or concerns raised about the revisions to the practices based on decisions made at the previous subgroup meeting.

Reconsideration of family cost share when family indicates they are unable to pay, refuses to pay or account is more than 60 days in arrears

- The group continued the discussion started at the last meeting, focusing on what expenses should be taken into account during the reconsideration step. **Consensus was reached on including the following:**
  - Child care expenses - for all children in the family, not just the enrolled child
  - Educational expenses - with no limit on the amount
  - Job-related necessities – this may include when the wage earner must purchase his or her own job necessities that the employer does not furnish or reimburse. Only purchases made in the past 12 months are allowed. This may include tools, equipment, materials, or uniforms. This does not include job-related expenses when the individual is self-employed.
  - Relevant expenses that are allowed by the IRS as tax exemptions or credits. Kyla will research what other standard and itemized exemptions and credits are allowed on tax returns to determine whether there are other expenses that should be taken into account during reconsideration.
  - Tie to percent of income: Add all allowed expenses together then determine if those expenses are at least  $x$  percent of the family's income. If that percentage is met, then the total amount of the expenses is deducted from the family's income and the fee scale is used to determine a new monthly cap for the family fee based on the revised income figure. Kyla will run numbers to see what percent ensures that the family's monthly cap would be reduced by at least some but not by an excessive amount. The group recommended the percent be one that is easy to calculate, either 5% or 10%.
- There was considerable discussion but no consensus on whether the list of expenses to be listed for reconsideration should include "Other," allowing the family to tell us about any other expenses they feel impact their ability to pay. Those in favor of including "other" felt it was important to ensuring we do not deny services based on a family's inability to pay. Those opposed were concerned that it would be impossible to ensure consistency in decisions even if these other expenses were considered at the state level. Some group members were on the fence on this issue. **Decision:** The Part C Office will consider all points of view on this issue and decide whether or not to include "other."

- Will this step occur at the state or local level? While there was some concern about consistency if this step occurs at the local level, most people were in favor of this being a local process. **Consensus:** In order to monitor consistency, any time a local system decides there will be no adjustment to the monthly cap based on reconsideration, there will be an automatic review by the State Lead Agency. It will also be important to collect data on how many people request reconsideration. High numbers will mean we need to review and revise our practices.
- How is the request for reconsideration made? To whom? **Consensus:** The request for reconsideration will be made to the service coordinator and the family will not be required to put their request in writing. The service coordinator documents the family's request for reconsideration in a contact note.
- Who at the state/local level will participate in the reconsideration process? There was discussion about allowing service coordinators to do the reconsideration since there will be a form with guidelines to use in determining expenses. On the other hand, there was recognition that statewide consistency is improved if there are fewer people involved. **Consensus:** Local – Each local system will designate one person (or two in a larger system) who will be responsible for completing reconsiderations. Reconsideration decisions that come to the State will be reviewed by a 2-person team comprised of a State Part C staff person and an ARC-FIP staff person.
- What documentation will be reviewed and what will be recorded? Local system representatives states that right now they ask families to provide as many receipts, bills, canceled checks, etc. as they can show. They will sometimes take a family's word for some expenses. **Decision:** Kyla will look at what the Virginia Department of Health requires and, based on that, draft practices to address this issue.
- Within what time period must the decision be made and the family notified of the decision? **Consensus:** 5 business days from the date you receive expense documentation from the family
- There was a suggestion that families be allowed to request to go to the reconsideration step immediately after the monthly cap is calculated. **Consensus:** Do allow this since it will allow families to go into the IFSP meeting knowing that the most they'll have to pay each month fits within their family's ability to pay.

#### Adjusting family income based on extraordinary expenses

- After finishing the discussion about what expenses would be taken into account during reconsideration, the group revisited the draft practice language we had discussed at the last two meetings related to extraordinary expenses that are deducted from the family's income up front.
- Questions to answer:
  - Are any revisions needed? No
  - Will consideration of health insurance costs, deductibles remain here? Yes
  - Do we need to clarify any of the "other extraordinary expenses"? There was considerable discussion about what constitutes an unpaid legal liability. There was agreement that we need to better define this, but not agreement about how. Kyla shared a possible definition from Connecticut: "Mandatory payments on large accumulated debt – court ordered payments, written payment plans negotiated with various creditors, payments negotiated with a debt counseling service. Does not include making regular payments on credit card balances, mortgage or rent payments, car payments or payments to a line of credit or other bank loans." Some group members liked this definition because they felt it clearly put these expenses into the extraordinary expense category. Others

shared their concern that a family could have a high level of credit card debt without having negotiated payments with the creditor or through debt counseling service (steps that could negatively impact their credit rating), and that this debt would still be an extraordinary expense. **Decision:** The Part C Office will consider all of the input provided and the importance of ensuring access to services and come back to the group with a suggested definition of “unpaid legal liabilities.”

#### How will the monthly fee be handled when a family moves from one local system to another mid-month

- **Decision:** The sending local system and receiving local system will work together to ensure the family pays, in total, no more than their monthly cap. The sending system is responsible for letting the receiving system know how much the family has already paid toward their cap for that month.

#### Flexible spending accounts

- A group member explained that some flexible spending accounts are set up so that the health insurance company automatically takes the deductible, co-pay, etc. out of the family’s flexible spending account and sends payment directly to the provider. Sometimes what they send is above what the family owes based on the family’s monthly cap in Part C. They aren’t able to just refund the extra to the family because it’s pre-tax dollars.
- The group determined that this issue cannot be settled with a Part C policy. Mary Ann Discenza will discuss this with the State Corporation Commission - Bureau of Insurance as she works with them on early intervention rates.

#### Declining use of insurance because insurance is being used to cover private services

- The group determined that this is really an IFSP and teaming issue not a family cost share issue.

#### How to assist the family in determining the potential impact of using their insurance for Part C

- Local representatives on the group expressed concern about an expectation that they are able to assist a family in understanding the impact of using their private insurance for Part C since there are many factors beyond Part C and even beyond their individual insurance policy that impact lifetime cap, premiums, and loss of coverage.
- **Decision:** Delete the sentence on page 1 of the practices that starts “Assist families in determining ...”

#### Next Steps, including additional meeting date(s) if needed

- Kyla will make revisions to the practices based on today’s decisions
- Kyla will draft a Family Cost Share Agreement form
- The group will meet one more time, on July 20, 1:00 – 3:00, to address the following:
  - Any input on the revised practices
  - Family Cost Share Agreement form
  - Roll-out and training plan
  - Plans for development of “Facts About Family Cost Share” brochure for families