

Andrew M. Cuomo, Governor



Laurie A. Kelley, Acting Commissioner

NYS Office For People With Developmental Disabilities

# Putting People First

## Personal Allowance Training 2014

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## Welcome

- Please sign in
- Please mute cell phones
- Familiarize yourself with exits, vending machines, restrooms
- Technical assistance: 518-381-2200 or 2100



## Revenue Support Field Offices (RSFO)

- Develop benefits (OPWDD-operated)
- Medicaid
  - District 98
  - Statewide Medicaid system
- Training and technical assistance
  - Individuals, families, advocates, etc.
  - State and voluntary provider staff



## Course Objectives

After this training session, you should have a better understanding of

- What personal allowance is
- How it should be used
- How to stay in compliance
- How to calculate personal allowance





## OPWDD PA Regulations

- 14 NYCRR 633.15
- Access NYS Regulations through the Department of State website (<http://government.westlaw.com/linkedslice/default.asp?SP=nycrr-1000>)



## Personal Allowance

***Personal allowance (PA)** is the portion of a person's income that is available to the person on a monthly basis to provide for his or her personal and recreational wants and needs.*





## Personal Allowance is Big Money!!!

In NYS, OPWDD providers manage more than \$100 M in personal allowance funds at any given time.





## Residential Provider Responsibilities

- Personal Expenditure Plan (PEP)
- Money Management Assessment (MMA)
- Calculate countable income for working individuals and collect allowable rent
- Ensure that individuals maintain eligibility for government benefits





## Residential Provider Responsibilities

- Must have written policy and procedures
  - Security
  - Accountability
  - Record keeping
  - Usage
  - Monitoring
  - Safeguarding



## Residential Provider Responsibilities

- Monitor funds to which an individual has access
  - Cash
  - Earnings
  - Funds in a person-owned bank account
- Maintain ledger cards or equivalents for each person



## Residential Provider Responsibilities

- Credit Personal Allowance to the Personal Allowance Account within 3 business days of receipt of income that includes personal allowance monies
- Funds in the personal allowance fund in the residence must be given to the person as soon as possible, but no later than 24 hours after the request is made.



## Residential Provider Responsibilities

- Records regarding the personal allowance account must be made available for review upon request from:
  - the person
  - his or her legal guardian and/or advocate
  - the Representative Payee
  - the benefit paying agency



## Guiding Principles of PA



- Choice
- Personal benefit
- Community involvement



## Guidelines

- Personal allowance spending must
  - Reflect the person's preferences, choices, and needs
  - Involve the person
  - Be planned to meet personal wants & needs
- ***Personal allowance may never be withheld from the person for any reason.***



## Considerations for Spending Choices

- Person's unique qualities, skills, values
- Person's favorite places
- Important people in the person's life
- Things that make the person happy
- Sensory opportunities the person enjoys
- Preferences for dining out



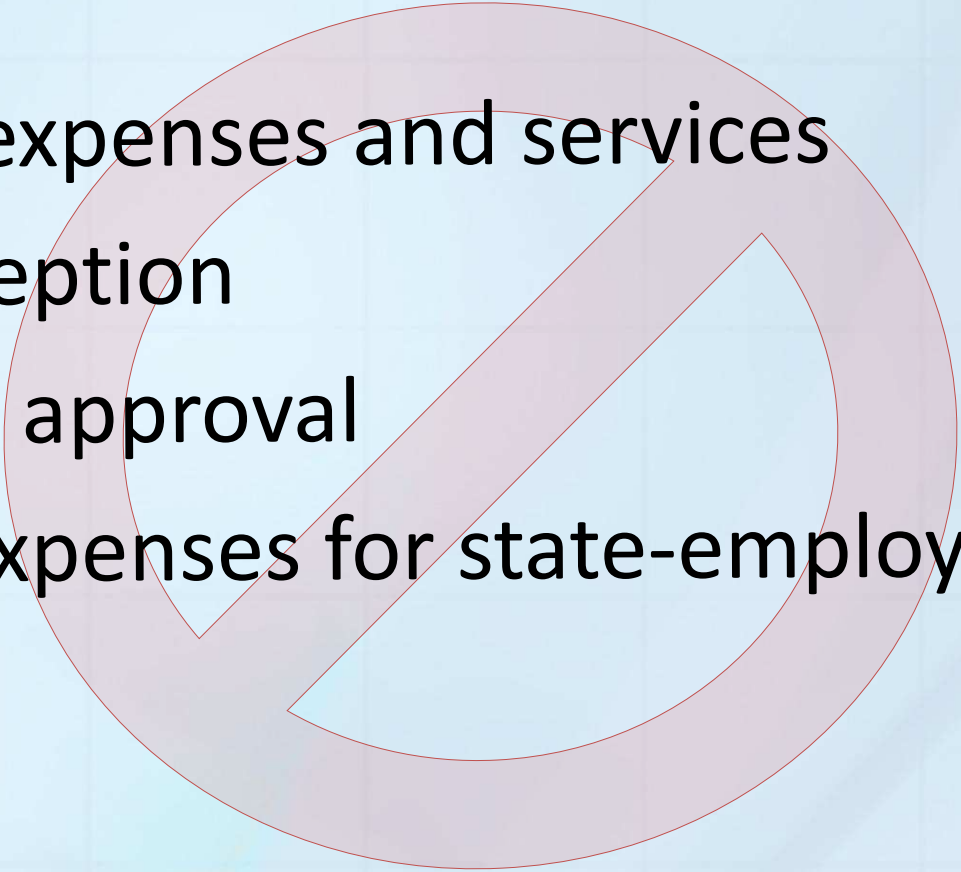
## Prohibited Expenditures

- Mandated expenses or supplies
- Supplies and services that are agency or government provided/paid for
- Necessary medical/dental/clinical supplies or services
- Funded items/items in the residence rate
- Transportation to mandated services





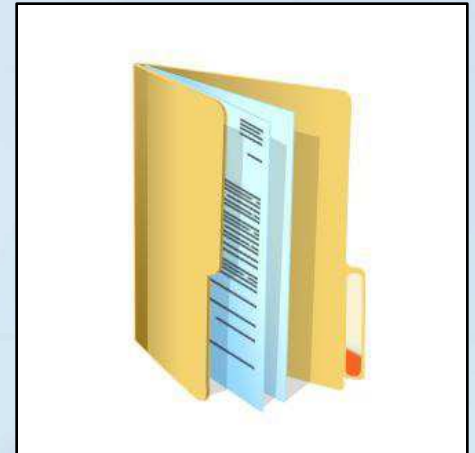
## Prohibited Expenditures

- Staff expenses and services
    - Exception
    - SSA approval
  - Any expenses for state-employed staff
- 
- A large, semi-transparent red prohibition sign (a circle with a diagonal slash) is overlaid on the list, indicating that the items listed are prohibited.



## Personal Expenditure Plan (PEP)

- 12-month personal spending projection
- Develop via team process
- Must be in writing
- Applies to agency payees only



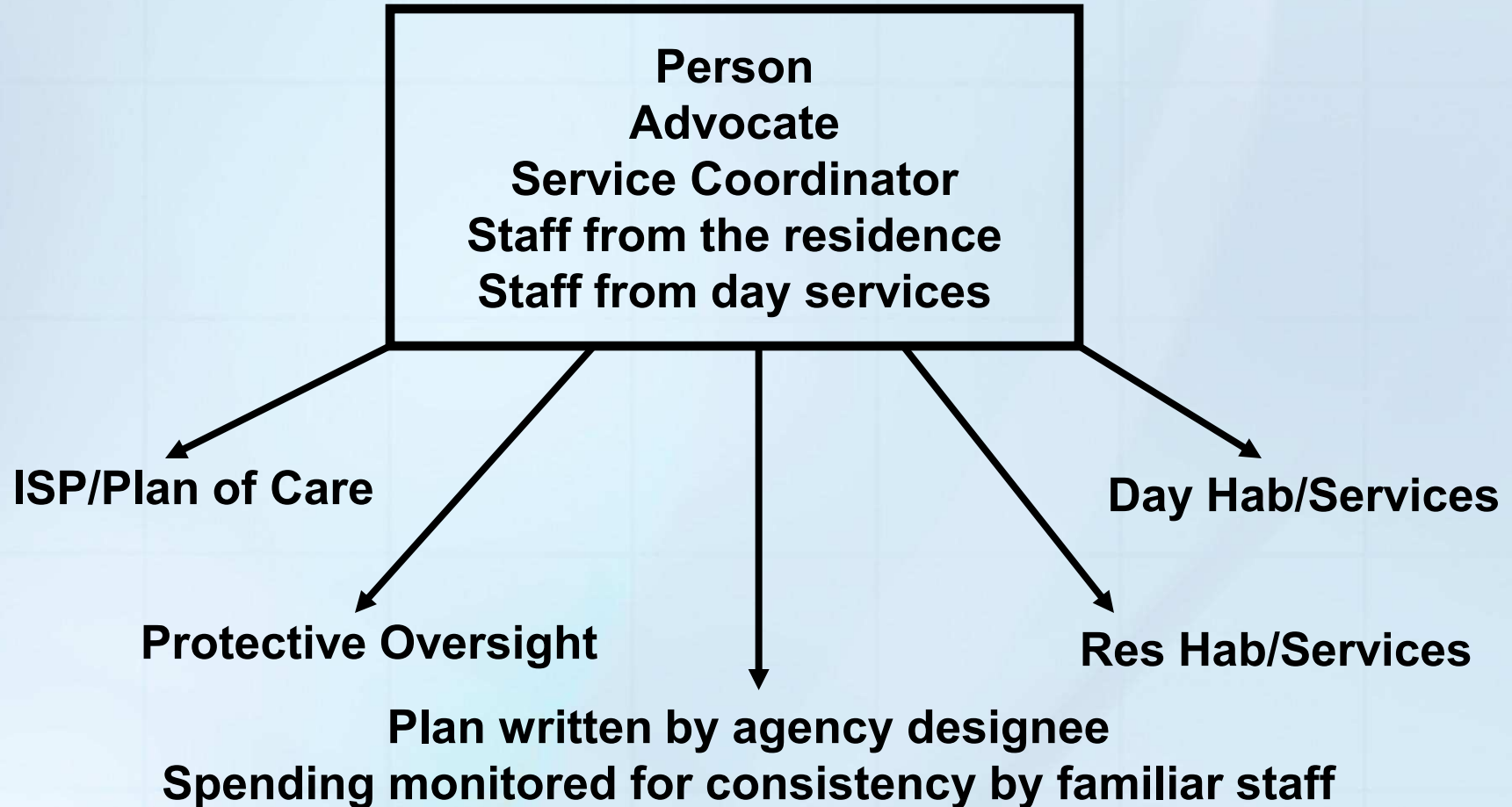


# **Personal Expenditure Planning**

The use of a person's personal allowance must take into account all other personal and recreational spending choices for the person throughout the year.



## Personal Expenditure Plan





## Personal Expenditure Planning

Things to remember...

- Spending must benefit the person, not OPWDD or the provider
- People must have access to their monies to purchase items of their choice
- Items purchased with personal allowance are the property of the person
- Personal allowance must not be withheld



# Personal Expenditure Plan

Suggested form:

<http://www.opwdd.ny.gov/node/751>



## Money Management Assessment

- Part of PEP
- Written assessment
  - Amount
  - Frequency
- Supporting documentation





## Money Management Assessment

- Support conclusions about the individual's ability to manage funds
- Specify amount of funds the person can safely manage independently
- Reference frequency with which funds should be provided to the person





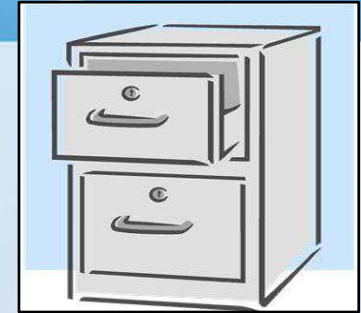
# Money Management Assessment

Suggested form:

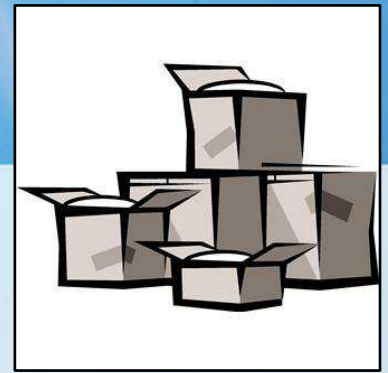
<http://www.opwdd.ny.gov/node/752>



## Compliance



- PA records must be retained for 4 years
- Agency cannot charge fees to manage funds
- Agency cannot advance funds to person
  - No “loaning” funds by staff or agency
  - Exception for new admissions waiting for benefits to catch up



## Move out of Residence

- Conserved SSI or SSDI funds must be returned to SSA within 10 business days of move out of residence operated by current residential provider
- If individual is moving to a certified residence operated by another agency, may send one month's personal allowance with the individual



## Non-Residential Providers

- If a non-residential provider (a day program) wants to use an individual's personal allowance, it must agree to manage the PA according to the OPWDD regs and
  1. Follow the PEP
  2. Maintain a ledger and receipts
  3. Send a copy of the ledger to the residence quarterly



## Using Personal Allowance





## Entertainment & Diversion

- Admission and expenses related to concerts, theater, movies, amusement parks, zoos, sporting events, etc.
- Dining out
- Costs related to participation in other leisure time activities per individual choice and preference



## Room Décor

### Things to consider

- The person's interests
- His or her favorite color
- Types and styles of collectibles he or she has
- His or her participation in sports
- His or her hobbies





## Vacations, Home and Family Visits

- Individual costs for day, weekend, extended trips
- Expenses to visit family or friends
- Family costs to visit the individual







## Associational Life

- Hobby supplies & fees
- Magazine subscriptions
- Health club or other memberships
- Costs of activities with religious/service affiliation

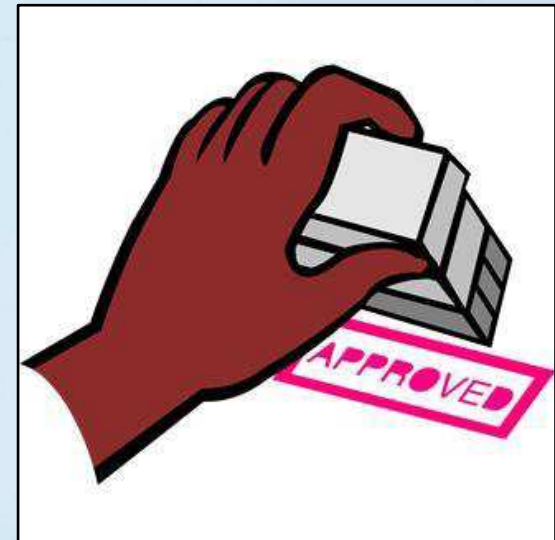




## Prior Approval

Voluntary agency representative payees must obtain written prior approval from SSA for:

- Group purchases
- Out-of-pocket staff expenses of \$100 or more





## Transportation

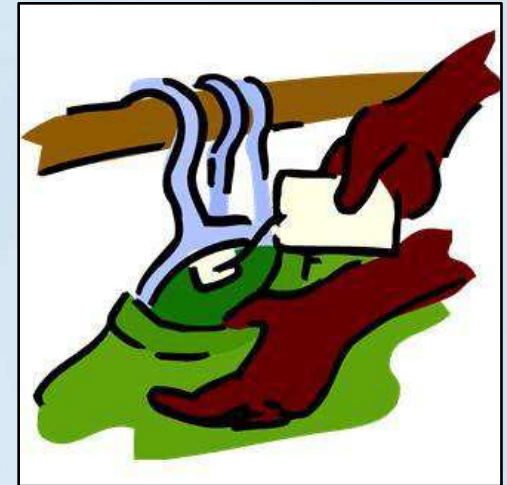
In general, personal allowance cannot be used for transportation.





## Clothing

- PA may be used to purchase a person's clothing supply only in certain limited situations
- The last \$100 of a person's available personal allowance cannot be spent on clothing





## Clothing

- Personal allowance can be used to buy clothing and accessories that
  - Are trendy
  - Are from a favorite store
  - Show individual preferences or affiliations
  - Are needed for a special event
  - Expresses ethnic, linguistic or cultural heritage



# Burial Planning

- All current and foreseeable needs and wants of the person must be met first
- One of the lowest priorities for personal allowance



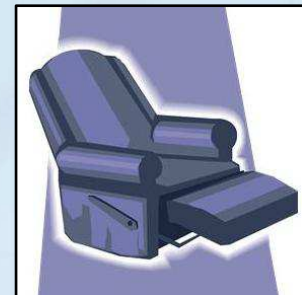
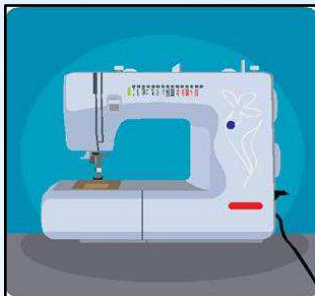
## Personal Restitution for Damages

- Person must
  - understand why he or she is responsible
  - understand that he or she will have less money
- The following must agree
  - People involved in the person's care
  - Representative payee
  - PEP team



## Group Purchases

- SSA must approve
- Must meet common/specific needs & enhance each person's life
- Cost must be divided proportionally
- Everyone decides & agrees







## Other Criteria for Group Purchases

- Maintain PA balance equal to ***two months of benefits***
- No unmet needs
- PA not needed for something else
- No one moving out of the residence soon
- Not something provider should supply



# **Other Influences on Personal Needs Allowance**



## SSA Payments & Overpayments

- Social Security benefits are countable income in the month of receipt
- SSI retroactive payments are not countable income in the month of receipt
- Both are excluded by Medicaid & SSI as a resource for 9 months after the month in which the lump sum check is received



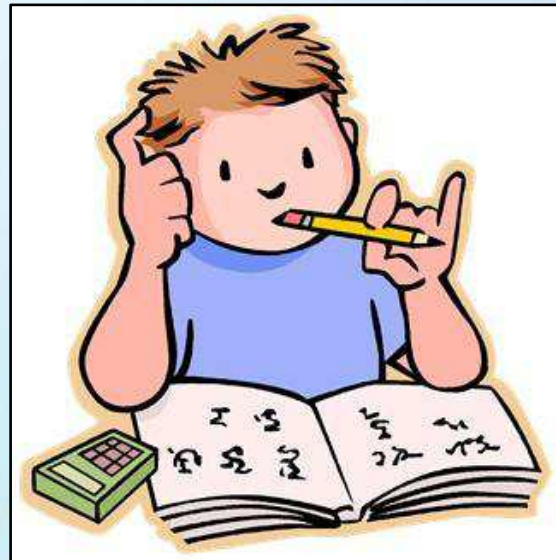
## Medical Expenses

PA may be used for medical expenses only in the following situations

- Conserved PA monies (resources) that exceed the Medicaid limit can be spent on medical expenses to make person Medicaid eligible
- Excess countable income can be spent on medical expenses (income)



# Calculating Personal Allowance





## Calculating Personal Allowance

To calculate personal allowance amount:

- Determine **statutory personal allowance amount** for the person's living arrangement
- Distinguish between **unearned income and earned income**
- Apply unearned and earned **income disregards**, as applicable



## Calculating Personal Allowance

- Statutory PA amount depends on living arrangement
- 2014 PA amounts
  - Family Care = \$139
  - Individualized Residential Alternative (IRA) or Community Residence (CR) = \$160
  - Intermediate Care Facility (ICF) = \$35
  - OPWDD-certified School = \$190



## Calculating Personal Allowance

- 2015 PA amounts
  - Family Care = \$141
  - Individualized Residential Alternative (IRA) or Community Residence (CR) = \$163
  - Intermediate Care Facility (ICF) = \$35
  - OPWDD-certified School = \$193





## Calculating Personal Allowance

- Unearned income sources
  - SSI payments
  - SSDI benefits
  - Pension
- Earned income sources
  - Wages
  - Salary
  - Tips





## \$20 General Income Disregard

- Applied only once
  - Not applied if SSI income only
  - Applied to unearned income if
    - unearned income only
    - unearned income and SSI
    - both unearned income and earned income
  - Applied to earned income if
    - earned income only
    - earned income and SSI
- Not applicable for person in ICF/DD or Specialty Hospital



## Unearned Income Exclusions

- Interest & dividends paid on countable resources and certain excluded resources
  - Disregarded interest and dividends belong to the individual
  - These disregards are not included in personal allowance calculation



## Earned Income Exclusions

Exclusions from gross monthly earned income:

- All or any part of the \$20 general income disregard that could not be applied to unearned income
- The first \$65 of gross monthly earned income
- One-half of the remaining gross monthly earned income



## Earned Income Exclusions

- The disregard and exclusions from earned income are intended to help pay expenses incurred while working
- Examples of these expenses are:
  - Transportation to & from work
  - Income & FICA taxes
  - Uniform costs
  - Union dues



## Blind Work Expenses (BWE)

- BWEs are costs a blind person incurs when he or she works
- Expenses do not need to be related to the person's blindness
- Expenses may be excluded from earned income for calculating monthly SSI payment





## Impairment-Related Work Expenses (IRWE)

- IRWEs are costs of impairment-related items a disabled person needs to work and are paid by that person
- Items can also be used for non-work activities
- Expenses excluded from earned income for calculating SSI payment





## Personal Allowance Calculation

Income Situation: SSI Only

*An individual living in an upstate VOIRA receives  
SSI of \$1,126.00.  
She has no other income.*

Statutory personal allowance (IRA)	<u>\$160.00</u>
<b><i>Total personal allowance</i></b>	<b><i>\$160.00</i></b>





## Personal Allowance Calculation

Income Situation: Wages (Earned Income) Only

*An individual living in a Family Care home has monthly gross wages of \$1,950.00. He has no other income.*

Statutory personal allowance (FC)	<b>\$139.00</b>
General income disregard	\$ 20.00
Disregard from wages	\$ 65.00
One-half the balance	<u>\$932.50</u>
<b><i>Total personal allowance</i></b>	<b><i>\$1,156.50</i></b>



## Personal Allowance Calculation

Income Situation: SSI & Wages (Earned Income)

*An individual living in a downstate VOIRA receives SSI of \$1,146.00 and has monthly gross wages of \$105.00. She has no other income.*

Statutory personal allowance (IRA)	<b>\$160.00</b>
General income disregard	\$ 20.00
Disregard from wages	\$ 65.00
One-half the balance	<u>\$ 10.00</u>
<b><i>Total personal allowance</i></b>	<b><i>\$255.00</i></b>



## Personal Allowance Calculation

Income Situation: SSI & SSDI (Unearned Income)

*An individual living in an upstate VOIRA receives SSDI of \$580.00 and SSI of \$557.00. He has no other income.*

Statutory personal allowance (IRA)	<b>\$160.00</b>
General income disregard (SSDI)	<u>\$ 20.00</u>
<b><i>Total personal allowance</i></b>	<b><i>\$180.00</i></b>



## Personal Allowance Calculation

Income Situation: SSI & SSDI (Unearned Income) & Wages (Earned Income)

*An individual living in an Upstate VOIRA receives SSDI of \$336.00 and SSI of \$790.00 and has monthly gross wages of \$105.00. He has no other income.*

Statutory personal allowance (IRA) (SSI)	<b>\$ 160.00</b>
General income disregard (SSDI)	\$ 20.00
Earned income exclusion (wages)	\$ 65.00
One-half the balance	<u>\$ 20.00</u>
<b><i>Total personal allowance</i></b>	<b>\$ 265.00</b>



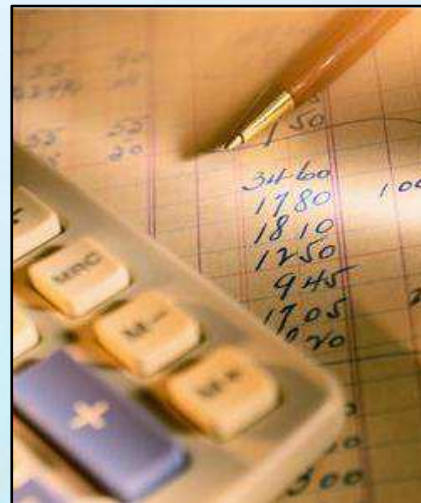
## Required Documentation





## Accounts in Regulation

- Personal allowance accounts
- Person-owned accounts
- Cash accounts in residences





## Documentation

- Ledger cards
- Electronic spreadsheets
- Receipts





## Ledger Card

- Record of all transactions
  - Deposits
  - Interest
  - Withdrawals
  - Expenditures
- Brief description of each transaction
- Receipts







## Ledger Card Sample

DATE	EXPLAN- ATION	DEPOSIT	WITH- DRAWAL	BALANCE	STAFF	RESIDENT
1/1/14	Balance Forwarded	120.00		120.00	DMD	KMC
1/2/14	Movie and Dinner		30.00	90.00	DMD	KMC
1/3/14	Flowers for room		15.00	75.00	DMD	KMC
				0.00		
				0.00		



## Electronic Spreadsheets

- Easy to read
- Avoid math errors
- Once set up, easy to use
- Can provide additional controls





## Receipts

- Must clearly identify item purchased, amount of the purchase, date, and vendor
- Should correspond to ledger entry
- Not needed for money given directly to an individual





## Receipts

- Not required for single transaction, *related to recreation*, under \$15
  - BUT still must be entered in ledger
- NOT required when person spends his or her own money
- Providers can set more stringent rules, but cannot require the person to return receipts (can encourage)



## Receipts

- Any rewards/gift certificates/coupons issued as a result of purchase made with an individual's funds must be attached to receipt and:
  - Maintained for use of individual (or on behalf of) only
  - Rewards Number and Amount should be entered in transaction description
  - Be kept with the receipt until used for individual's benefit
  - Safeguarded like any other personal property and available for audit
  - ***Staff are prohibited from using for themselves or giving to anyone else to use***



## Cash Cap

- 2014 Statutory cap is \$210 per individual
  - Applies to all OPWDD-certified residences
  - Changes the first of each year if Congregate Care III minimum PA amount changes
- 2015 Statutory cap is \$213 per individual
- Cash cap announced as part of annual COLA information from OPWDD (available on OPWDD website)
- PEP documents upper limit for each person, up to statutory cap



## Cash Cap

- Cap may be exceeded for specific purpose for up to 14 calendar days if documented
- No cap on person-owned accounts
- Debit/Gift/Purchase/ATM cards with cash value are part of cash limit if in hands of staff
- Supportive apartment exception for rent/utility checks



## Audits

- Annual audits required
  - 25% of all PA accounts except Family Care
  - 10% of all PA accounts in Family Care







## Audit Issues





## Loss or Theft

- OPWDD authority to investigate loss or theft
- Person made whole at earliest possible moment
- Agency must follow benefit-paying entity reporting rules & ensure minimal impact of repayment on person's benefits



## Common Audit Findings

- Personal allowance not separated from countable income within 3 days of receipt
- House ledgers
  - Cash transactions not entered timely
  - Notations as to whether purchases were by staff or the individual were missing
  - Poorly-maintained or non-existent ledgers
  - Math errors in ledger calculations



## Common Audit Findings

- Missing/inadequate PEPs
- No receipts
- Failure to do annual account reviews
- Cash in residence in excess of cap
- Missing funds
- Inappropriate expenditures (e.g., local phone service, prescriptions)
- No written internal procedures for handling of personal allowance



## Helpful Resources

- Personal Allowance Manual  
(<http://www.opwdd.ny.gov/node/750>)
- Revenue Support Field Offices  
([http://www.opwdd.ny.gov/opwdd\\_resources/benefits\\_information/revenue\\_support\\_field\\_offices](http://www.opwdd.ny.gov/opwdd_resources/benefits_information/revenue_support_field_offices))
- Deirdre Dugan (518-402-4339)  
(Fax# 518-473-1874)



## Questions

