

**STATE OF CONNECTICUT
DEPARTMENT OF DEVELOPMENTAL SERVICES**

Directive No.: I.F.DR.004

Issue Date: August 17, 2006

Subject: Use of Consumer Funds to Procure Prescription and Non Prescription Medications, and Outpatient Services

(Originally issued as I.F.ADV.004)

Section: Human Rights and Legal Responsibilities

Revision Date: July 19, 2010

Approved: /s/Peter H. O'Meara/KdP

A. Purpose

This directive establishes the asset limit for use of DDS consumer funds to pay for prescription and non-prescription medications, and outpatient services.

B. Applicability

This directive applies to all DDS consumers residing in non-ICF/MR programs. For consumers living in licensed settings, eligible medications are only those ordered by the consumer's physician.

C. Definitions

Consumer: For the purpose of this directive, consumer refers to individuals receiving services from the Department of Developmental Services in licensed non-ICF/MR settings.

Consumers Funds: Funds belonging to the consumer, held by either the consumer, or by their residential Private Provider, on behalf of the consumer. These funds are also referred to as Personal Funds.

Earned Income: This is money made available to the consumer from payment for work related activities.

Earned Income Disregard: This is money that is for the personal use of the consumer, and not counted toward the cost of room and board.

Unearned Income: Includes income from sources such as Supplemental Security Income (SSI), Social Security benefits, Veterans benefits and pensions.

Unearned Income Disregard: Unearned income that is for the consumer's personal use and not counted toward the cost of room and board.

Sufficient Assets: Assets which exceed \$500.

D. Implementation

1. The Department has income and asset limits for use of consumer funds to pay for prescription and non-prescription medications. Eligible medications are only those ordered by the consumer's physician. The maximum expenditure was limited to \$30 per calendar month for prescription drug co-payments, non-prescription medication purchase,

and/or outpatient services, regardless of asset balances. If the consumer did not have sufficient income to pay for the costs, state funds could be used for this purpose.

2. Contributions from consumer personal funds will be based on the consumer's unearned and earned income level and defines the term sufficient assets.

a. Unearned income: The unearned income disregard for room and board calculations is specified by DSS. The contribution from this allowance for medication and/or outpatient services is limited to 1/2 (one half) of the unearned income disregard rounded to the nearest dollar per calendar month if, at the time of the payment, the consumer's total asset balance (personal income and assets) exceeds \$500. The consumer may be charged for bills from the previous month as long as the total being paid for that month does not exceed the 50% limitation on the use of the consumer's unearned income from the month in question. The consumer's money should not be applied to any carryover balance that exceeds the amount of money they had available in the previous month to apply to the cost of these medications.

b. Earned income: Substantial earned income is defined as income exceeding \$65 per month. Consumers who have substantial earned income can contribute 1/2 (one half) of their earned income in excess of \$65 toward medication and/or outpatient services. The consumer may be charged for bills from the previous month as long as the total being paid is for that month does not exceed the 50% limitation on the use of the consumer's earned income from the month in question.

i. Example: a consumer with a \$184 unearned income disregard would be expected to contribute a maximum of \$92 toward medications and/or outpatient services not covered by Medicaid or Medicare. This assumes the consumer has over \$500 in assets. If the consumer earns \$95 per month a contribution of 1/2 of the amount over \$65, or \$15 would also be expected. In total, the consumer would be expected to contribute a maximum of \$107 toward uncovered medications and services and would retain \$172 for personal use.

ii. Spend Down: consumers who have an asset level that requires a spend down plan may include the costs of prescription and non prescription medications or outpatient services in this plan.

c. Exception

i. If the consumer's Planning and Support Team and/or guardian feel that the medical costs are reasonable, and should be paid using the consumer's personal funds, this should be discussed and decided at a team meeting. This decision must be documented in minutes from the meeting. The Planning and Support Team review and approval of the expense to be paid using the consumer's personal funds must be documented prior to the consumer incurring the expense. Additionally, the details of the expense allowance must also be documented, i.e. if this is an on-going approval versus a one-time approval and types of expenses approved by the team to be paid by the individual.

E. References

State of Connecticut Department of Developmental Services/Department of Social Services Operating Manual for Parent Organizations Providing Residential and Day Programs For Individuals With Mental Retardation, Section 4.5: Guidelines For Handling Consumer Funds.