
POLICY TRANSMITTAL NO. 05-46	DATE: NOVEMBER 15, 2005
AGING SERVICES DIVISION	DEPARTMENT OF HUMAN SERVICES OFFICE OF PLANNING, POLICY & RESEARCH

TO: ALL OFFICES

SUBJECT: MANUAL MATERIAL

OAC 340:105-7-2, and 105-10-114.

EXPLANATION: **Policy revisions were approved by the Commission and the Governor as required by the Administrative Procedures Act.**

Revisions to Subchapters 7 and 10 of Chapter 105 update and clarify requirement guidelines to: (1) bring rules into compliance with current practices, procedures, and federal guidelines; and (2) modify Oklahoma Department of Human Services (OKDHS) Aging Services Division (ASD) financial management procedures.

340:105-7-2 is revised to require all state funded adult day services participants be determined ineligible for the ADvantage Waiver Adult Day Health program. Only consumers with a letter of denial on file from the ADvantage program will be allowed to continue in OKDHS funded adult day services. OKDHS funded adult day services continue for the consumer while waiting for a determination of eligibility; and if determined not eligible for the ADvantage program, the consumer is allowed to continue in the state funded program.

340:105-10-114 is revised to provide written procedures for determining the disbursement amounts to each subrecipient. ASD is required to review and reconcile area agencies on aging (AAAs) actual monthly expenditure reports for the prior month and adjust for discrepancies in the following month's payments to keep expenditures within the budgeted funding amounts.

Original signed on 9-21-05

Carey Garland, Interim Director
Aging Services Division

Sharon Neuwald, Co-Interim Administrator
Office of Planning, Policy & Research

WF # 05-05 (NAP)

INSTRUCTIONS FOR FILING MANUAL MATERIAL

OAC is the acronym for Oklahoma Administrative Code. If OAC appears before a number on an Appendix or before a Section in text, it means the Appendix or text contains rules or administrative law. Lengthy internal policies and procedures have the same Chapter number as the OAC Chapter to which they pertain following a “DHS” number, such as personnel policy at DHS:2-1 and personnel rules at OAC 340:2-1. The “340” is the Title number that designates DHS as the rulemaking agency; the “2” specifies the Chapter number; and the “1” specifies the Subchapter number.

The chronological order for filing manual material is: (1) OAC 340 by designated Chapter and Subchapter number; (2) if applicable, DHS numbered text for the designated Chapter and Subchapter; and (3) all OAC Appendices with the designated Chapter number. For example, the order for filing personnel policy is OAC 340:2-1, DHS:2-1, and OAC 340:2 Appendices behind all Chapter 2 manual material. Any questions or assistance with filing manual material will be addressed by contacting Policy Management Unit staff at (405) 521-3611.

REMOVE

340:105-7-2

340:105-10-114

INSERT

340:105-7-2, pages 1-7, revised 11-8-05

340:105-10-114, pages 1-2, revised 11-8-05

340:105-7-2. Eligibility for adult day services**(a) Application process.**

(1) An application for adult day services is initiated by a request from an adult wishing to participate, a person responsible for the care of such an adult, or by a referral from an adult day services vendor. The application is documented on Form ADS-RA-1, Adult Day Services Referral/Application.

(2) All adult day services participants must be determined ineligible for the ADvantage Waiver Adult Day Health program. ■ 1

(A) If the participant is not determined ineligible in four months, the participant may not continue in Oklahoma Department of Human Services (OKDHS) funded adult day services. The authorization is closed and services are terminated.

(B) An exception or extension of the four months rule must be requested. ■ 1

(3) The service opening date is no earlier than the date on Form ADS-RA-1 or the date of the oral request. If the client does not sign Form ADS-RA-1 at the time of request, a staff member completes the form and explains on the signature line why the client did not sign, such as an oral request. ■ 1

(A) If the services are court-ordered and there is no Form APS-1, Adult Protective Services Referral, the service opening date is the date of the court order.

(B) If the day services facility makes the referral by sending Form ADS-RA-1, the service opening date is the date the form is stamped "received" in the county office.

(4) An application must be processed within 30 days for public assistance cases and 45 days for non-public assistance cases. The application is:

(A) certified or approved when a client is determined eligible;

(B) denied when a client is determined ineligible; or

(C) canceled when a client requests cancellation prior to other disposition.

(5) In determining eligibility for adult day services, clients must:

(A) receive services in a facility that holds a valid contract with OKDHS for provision of adult day services; and

(B) meet need, age, and income requirements.

(b) **Need for adult day services.** Adult day services are appropriate for persons who are physically or mentally unable to function totally independently but do not require 24-hour care.

(1) To qualify for adult day services, one of the conditions in (A) and (B) of this paragraph must be met.

(A) Adult day services provide respite or time needed to maintain employment for an adult's primary caregiver.

(B) Adult day services provide beneficial socialization and access to needed therapy for a functionally impaired adult.

(2) If the client is receiving state-funded 24-hour care, adult day services are not approved.

(c) **Age.** Adult day services are available to impaired adults age 60 years and older. An age waiver may be requested, and is granted by Aging Services Division (ASD) for a person younger than 60 if one of the conditions in (1) and (2) of this paragraph is met.

(1) The adult is suffering from Alzheimer's disease, any other form of dementia, or another degenerative condition, either physical or mental.

(2) The adult has recently sustained a stroke, fracture, paralysis, or other incapacitating condition and the services offered in an adult day services program aids the adult in maintaining or returning to as much of an independent lifestyle as possible, avoiding institutionalization. ■ 2

(d) **Income.** Sources of income considered, verification, and computation of income for the adult day services program are described in this subsection. Co-payment and maximum allowable income are shown on OKDHS Appendix M-105, Eligibility Schedule/Rates for Adult Day Services. OKDHS Appendix M-105 reflects the sliding fee scale based upon the United States (U.S.) Bureau of Census, National Poverty Guidelines, as printed in the Federal Register. The schedule is subject to change.

(1) **Predetermined eligible.** Persons are predetermined eligible based on receipt of Public Assistance, Supplemental Security Income (SSI), or Refugee Assistance. If

services are requested by Adult Protective Services (APS), the client is universally approved for 60 days only without regard to income. For APS clients, no co-payment is considered during the 60 calendar days.

(2) **Income eligible.** Income eligibility determination is based upon the amount of the family's gross income and family's size. Family income includes income from predetermined eligible members. ■ 3

(A) Anticipated income is never included in determining eligibility until it is available to and under the control of the client.

(B) Income is computed on a monthly basis. If income is received every two weeks, the weekly rate is determined and multiplied by 4.3 to compute the monthly income. When income is received twice a month, for example, 1st and 15th, it is multiplied by two.

(C) Any income that is received regularly, but in amounts that vary greatly, or income received irregularly is averaged over a six-month period. Examples are overtime pay, sporadic second jobs, irregular child support, and other occasional changes in the monthly gross child support or other monthly gross income. ■ 4

(D) When one or both persons of a married couple is in adult day services, the total gross income of both is considered and eligibility is computed based on one half of the total income.

(3) **Determination of co-payments for individuals not predetermined eligible.** In determining the co-payment for individuals not predetermined eligible, the guidelines are:

(A) married couples, one spouse in adult day services, the total gross income of both spouses is considered, with the co-payment computed on one half of the total income;

(B) married couples, both in adult day services, the total gross income is divided equally between the two, with the co-payment for each based on the computed individual amount of income; or

(C) single individual in adult day services, the total gross income of that individual only is considered.

(4) **Sources of income considered.** The sources of income considered in determining monthly gross income are:

(A) wages, such as total money earnings received for work performed as an employee, including armed forces pay, commissions, tips, piece-rate payments, on-the-job training programs, cash bonuses, bonds, pensions, union dues, credit union payments, garnishments, and similar purposes. Tips are not considered part of the wages for Temporary Assistance for Needy Families (TANF) recipients who are participating in the Work Supplementation Program;

(B) net income from self-employment, farm and non-farm, determined by taking 50 percent of the gross income. ■ 5 When a client:

(i) rents a house to someone else, the net income amount considered is 50 percent of the rent. The other 50 percent is allowed for expenses;

(ii) rents a room in his or her house to someone else, the net income amount considered is 75 percent of the rent; and

(iii) provides room and board in his or her home, the net income amount considered is 50 percent of the gross amount charged;

(C) pensions, SSI, survivors' benefits, and Social Security Administration permanent disability insurance, prior to deductions for medical insurance, and Railroad Retirement Insurance;

(D) dividends, interest, and income from estates, trusts, and mineral rights. If this income varies or is received irregularly, it is averaged over six months;

(E) pensions and annuities or retirement benefits paid to a retired person or his or her survivors by a former employer or by a union, either directly or through an insurance company, and periodic receipts from annuities or insurance;

(F) unemployment compensation received from government unemployment insurance agencies or private companies during periods of unemployment and any strike benefits received from union funds;

(G) workers' compensation received periodically from private or public insurance companies for injuries incurred at work. The cost of this insurance must have been paid by the employer and not by the client;

(H) alimony;

(I) child support;

(J) veterans' compensations and pensions paid periodically by Veterans Affairs to disabled members of the armed forces or to survivors of deceased veterans, as subsistence allowances paid to veterans for veterans' education and on-the-job training, and to ex-servicemen as GI insurance premiums called refunds;

(K) contributions in the form of money received regularly from anyone; and

(L) income of minor children. If the adult in an adult day services program has minor children living in the same home, the children's income is considered. ■ 6

(5) Sources of income not considered. The sources of income not considered monthly gross income are:

(A) per capita payments to or funds held in trust for any individual in satisfaction of a judgment of the Indian Claims Commission of the Court of Claims;

(B) payments made pursuant to the Alaska Native Claims Settlement Act, to the extent that such payments are exempt from taxation under Section 21(a) of the Act;

(C) money received from sale of a resource, such as stocks, bonds, land, house, or car. If the person is in the business of selling such property, the net proceeds are counted as income from self-employment;

(D) withdrawals of bank deposits;

(E) tax refunds, including the Earned Income Credit Advance payment which is received monthly;

(F) gifts or money received occasionally, such as at birthdays, anniversaries, and Christmas;

(G) lump sum inheritances, insurance payments, or one-time lump sum payments;

(H) capital gain;

(I) the value of the food benefit allotment under the Food Stamp Act of 1977, as amended;

(J) any payment received under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

(K) loans and grants obtained and used under conditions that preclude their use for current living costs;

(L) money received as reimbursement for expenses because of participation in a component of the TANF Work Program;

(M) home produce utilized for household consumption; and

(N) the income of adult children or other relatives residing in the same home as the adult day services participant. ■ 7

(e) **Resources.** Resources are not considered in determining eligibility for adult day services.

(f) **Notification.** A ten-day notice is required for any adverse action. Notification to the client is required and is computer-generated when:

- (1) a decision regarding initial eligibility or continued eligibility is made;
- (2) there is a change in the client's income or co-payment; and
- (3) the client is no longer eligible or requests termination of adult day services.

INSTRUCTIONS TO STAFF

1. **Exceptions are referred by e-mail or memo to Aging Services Division (**ASD**), Attention: Adult Day Services. When a participant is determined ineligible for ADvantage, a notice of denial is placed in the case record.**
2. **An age waiver is requested by e-mail or memo to ASD, Attention: Adult Day Services and includes the applicant's name, case number, date of birth, worker's assessment of the applicant's condition, and the adult day services center the applicant will attend.**
3. **Amount and availability of income is verified and documented on page one of Form ADS-RA-1, Adult Day Services Referral/Application.**
4. **Irregular income. When the client is eligible after averaging the six-month income, he or she is eligible the total six-month period even when the gross income for one or two months of the period exceeds the maximum allowable**

gross income. For new applications, if income records for the past six months are not available, use whatever records are available for income averaging. If the client is certified eligible, the income is re-averaged at the point the pre-certification income plus post-certification income equal a period of six months.

(1) In calculating monthly income, cents are carried through all steps of calculation and then rounded to the nearest dollar.

(2) Income such as wages, rental income, and pensions is verified from the source of the income or by official document. Income from self-employment may be verified from documents such as tax returns.

5. If a client considers this method inaccurate, the method for determining self-employment income in the Temporary Assistance for Needy Families (TANF) program may be used.
6. The column in Oklahoma Department of Human Services (OKDHS) Appendix M-105, Eligibility Schedule/Rates for Adult Day Services, appropriate to that family size is consulted to determine the co-payment.
7. If there is no minor child in the home, the first column of OKDHS Appendix M-105 is used for a single individual as well as a couple.

340:105-10-114. Financial management standards for Area Agencies on Aging and Title III projects

(a) **Policy.** Each Area Agency on Aging (AAA) and Title III project maintains an accounting system that is in compliance with generally accepted accounting principles. All Title III funds and state and local funds expended to earn or match such funds must be accounted for in accordance with the federal standards outlined in the authorities listed in (b) of this Section.

(b) **Authority.** The authority for this Section is Part 74 of Title 45 of the Code of Federal Regulations and Federal Register Office of Management and Budget (OMB) Circulars A-87 and A-122.

(c) **Procedures.** Area Agencies on Aging (AAAs) and Title III projects implement financial management standards in accordance with the federal standards outlined in the authorities in (b) of this Section. ■ 1 On a monthly basis, the Oklahoma Department of Human Services (OKDHS) Aging Services Division (ASD) reviews and reconciles AAA actual monthly expenditure reports for the prior month and adjusts for discrepancies in the following month's payments.

(d) **Cross references.** See OAC 340:105-10-115 and 340:105-10-116.

INSTRUCTIONS TO STAFF**1. Reports.**

(1) Area Agencies on Aging (AAAs) and Title III projects complete the reports outlined in (A) through (G) of this Instruction and submit to the grantor agency as indicated.

(A) Form SUOA-S-20, Project Financial Report, is used by AAAs and Title III projects and submitted quarterly.

(B) Form SUOA-S-6-A, Monthly Summary of Cash Transactions - Federal and State Cash Only, is used by AAAs and Title III projects and submitted monthly.

(C) Form SUOA-S-8, Cash Receipts Journal, is used by AAAs and Title III projects and submitted quarterly.

(D) Form SUOA-S-10, Cash Disbursements Journal, by line item, is used by AAAs and Title III projects and submitted monthly.

- (E) Form SUOA-S-11, Cash Disbursements Journal, by allotment, is used by AAAs and Title III projects and submitted monthly.**
- (F) Form SUOA-S-84, Area Agency Quarterly Summary of Program Income, is used by AAAs only and submitted quarterly.**
- (G) Form SUOA-S-16, Equipment Inventory, is used by AAAs and Title III projects and is submitted annually.**
- (2) The grantee agency may use OKDHS forms or computer-generated versions. Any computer-generated form must:**
- (A) include all of the information on the OKDHS forms that is pertinent to the grantee agency's reporting requirements; and**
- (B) be submitted to the grantor agency for approval prior to use.**