

**New Jersey Department of Human Services
Division of Aging Services**

**INSTRUCTIONS FOR COMPLETING THE
COST SHARE WORKSHEET (AL-3)**

BACKGROUND

What is Cost Share?

The Global Options (GO) services of Assisted Living (AL) and Adult Family Care (AFC) require that the “available income” of Medicaid participants receiving home and community-based services be applied against the cost of care.

Who is Affected?

Participants whose income is Supplemental Security Income (SSI) will not have a Cost Share because their income will be the sum total of the Room and Board amount and Personal Needs Allowance (PNA).

Assisted Living and Adult Family Care service providers shall reduce their charge to Medicaid (via Molina) by the amount of the individual’s Cost Share liability. Waiver participants are responsible to pay the provider the Cost Share calculated by the Care Manager, in addition to any Room and Board charge.

How is the Care Manager Involved?

The Care Manager shall explain the Cost Share policy to each newly enrolled Waiver participant, the representative (if one exists), and any other person who may be assisting with the participant’s finances. This explanation should include the responsibility of the participant to retain their Personal Need Allowance, and the responsibility of the participant to pay the Room and Board as well as any applicable Cost Share directly to the provider. The explanation should also include the date the first payment will be due, the responsibility of the participant to promptly inform the Care Manager of changes in income and permitted deductions and to provide verification of income and deductions upon request.

The Care Manager is responsible for preparing all Cost Share Worksheets (CSW). The Care Manager reviews the Referral Package to determine the participant’s total monthly income and for information on possible allowable deductions to assist in the determination of the participant’s available income subject to Cost Share liability. There is **no** Cost Share due for the **first** month that a participant is enrolled and receives Medicaid Waiver services.

Once completed, the AL/AFC service provider shall be given the original Cost Share Worksheet. A copy of the CSW shall be given to the participant/representative by the Care Manager and a copy is to be retained in the participant’s file at the care management site. Any and all actions, supporting documentation, and communications related to the Cost Share Worksheet are to be documented by the Care Manager in the participant’s file on the Monitoring Record (WPA-3).

If the Waiver participant receives service for less than a full month, the cost of service may be less than the amount of the Cost Share. If this occurs, the Care Manager will remind the provider that the Waiver participant is to be billed only for the actual cost of services, not the entire Cost Share amount. The Care Manager shall document this contact in the participant’s case file.

When annually updating the Cost Share Worksheets, a standardized letter by the care management site can be sent in December to GO Waiver participants using this service, their representative or guardian to ascertain updated financial information for the next calendar year’s Cost Share calculations. The resident and/or appropriate party should be advised to report ALL changes in income, assets, and deductions. If there are any changes in income, the Care Manager should contact the County Welfare Agency/Board of Social Services or Regional Office of Community Choice Options (OCCO) to discuss possible effects on participant eligibility.

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DIRECTIVES

- Adult Family Care and Assisted Living Care Managers are responsible for completing, reviewing and updating Cost Share Worksheets (CSW) – form (AL-3).
- Cost Share Worksheets are updated annually and reviewed/revise as necessary, but at least every six months.
- Care Managers are to inform the participant of the amount the participant is responsible for paying (Room & Board and Cost Share) to the Assisted Living Facility/Adult Family Care Sponsor Agency.
- Care Managers are to give the original CSW to the Facility/Agency as advisement of the amount that is owed to the provider directly from the participant. A new CSW is given each time it is reviewed/revise. At the time the Care Manager secures the signature from the Facility/Agency, the Care Manager must not only give the completed CSW to the provider, but also obtain and give a copy of the CSW to the participant/representative, and retain a copy in the participant’s file at the care management site.
- Care Managers are to use monthly amounts in the Cost Share Worksheet. The standard deductions used in this form were effective **January 2014**. Updated Cost Share Worksheet Instructions are distributed annually when Federal standard deduction amounts are issued. Allowable standard deductions that may change the amount of Cost Share include:
 - (1) Room and Board Rates (January)
 - (2) Personal Needs Allowance (January)
 - (3) Spousal Deduction (July)

INSTRUCTIONS FOR COMPLETING THE CSW (AL-3)

1. Enter the effective dates for this Cost Share.
2. Enter the full Name (first and last) of the participant.
3. Enter the name of the Assisted Living Facility or Adult Family Care Agency. Indicate whether the Facility/Agency is an:
 - Assisted Living Residence (ALR)
 - Comprehensive Personal Care Home (CPCH)
 - Adult Family Care (AFC)
4. Enter the 12-digit Medicaid number of the participant.
5. Enter the participant’s date of birth (month, day, and year).
6. Enter the County in which the participant resides.
7. Indicate if the participant receives Supplemental Security Income (SSI) which can be verified through the Regional Office of Community Choice Options. The Cost Share Worksheet should be completed to illustrate that the amount of Cost Share for SSI participants is zero (\$0).

INITIAL COST SHARE: (Income paid to facility for enrollment month only)

This section of the Cost Share Worksheet is completed **only** for the first month that Cost Share is calculated for newly enrolled Medicaid Waiver participants. The Cost Share amount for the first month of enrollment in the

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Medicaid Waiver program is zero (\$0). Care Managers, however, are required to complete the rest of the same Cost Share Worksheet for the initial month and all subsequent months of enrollment.

If the Cost Share is not for the initial month of enrollment, check N/A.

8. For the amount due to the facility/agency, for the Initial Month Only, enter the month, day and year the participant was enrolled in the Medicaid Waiver program.

- 8a Enter the amount of the calculated room and board for the enrollment month. If the participant enrolls in the Medicaid Waiver and resides in, or moves to, the facility after the first of the month, the Room and Board cost will be pro-rated.

Again, the Cost Share amount for the first month of enrollment in the Medicaid Waiver program is zero (\$0).

- 8b Enter the Total amount the participant is to pay directly to the Facility for the month of enrollment.

MONTHLY COST SHARE: (Income paid to facility after month of enrollment)
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9. Enter the participant's Monthly Gross Income. Income shown should be the amount verified either by the County Welfare Agency (CWA) on the Long Term Care Referral Form (CP-2) or a copy of the SINQ from the Regional Office of Community Choice Options (OCCO) for SSI recipients. If no verification of income information was provided in the Referral Packet, the Care Manager must request a CP-2 from the CWA or a SINQ from the OCCO as instructed above. Care Manager should also obtain any and all additional information, as necessary from the participant and/or family members.

10. In each line (10a-10f) indicate the amount of the applicable 'Allowable Deduction.' Enter \$0 if the participant does not qualify for the deduction.

Note: There must be receipts to document all Allowable Deductions except for Room & Board and PNA. Acceptable documentation includes receipts issued by vendors, money orders, cancelled checks, bank statements, and/or a letter from a vendor signifying an automatic debit to a participant's bank account.

The Care Manager shall not authorize a deduction from income for payments made for any Medicaid covered service. For example, an office visit to a physician who is not Medicaid-enrolled, out-of-pocket purchase of a walker, or out-of-pocket purchase of diapers would not be an Allowable Deduction because these are services that would have been covered by Medicaid.

The Care Manager shall authorize only the following deductions from income in determining a Waiver participant's Cost Share. Actual out-of-pocket expenses for the following:

- 10a **PNA** (personal needs allowance) for year 2014: - enter **\$107.00**
The PNA amount is announced by DAS and based on the allowance calculated by the New Jersey State Department of Human Services. It is indexed annually to the Social Security cost-of-living. The PNA is distinct from Cost Share. PNA should not be used in order to pay for AL services covered by Medicaid and participant Cost Share.

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- 10b **Room and Board** for year 2014:
ALR/CPCH participants - enter **\$764.05**
AFC participants - enter **\$645.25**
- 10c Enter the monthly amount paid by the participant for a **Medical Insurance** policy including third party medical insurance premiums, deductibles, and coinsurance.

If the Waiver participant pays health insurance, the amount of the insurance premiums shall be deducted. If the premium is billed other than monthly, the amount of the premium shall be prorated and deducted accordingly. For example, if charged \$200 quarterly, the monthly Cost Share deductible allowed would be \$66.67 ($\$66.67 \times 3 = \200); if charged \$500 every 6 months, the monthly Cost Share deductible allowed would be \$83.33 per month ($\$83.33 \times 6 = \500).

If the insurance premium covers other individuals in addition to the Waiver participant, only that portion of the premium attributable to the Waiver participant shall be deducted.

- 10d For newly enrolled participants, enter the **Medicare Part B Premium** amount paid by participant, if any. Note: As a Medicaid beneficiary, a Waiver participant in assisted living is eligible to have his or her Medicare Part B monthly premium paid by Medicaid. For persons who were receiving Medicaid in the community, this adjustment will likely already have taken place. For persons *new to Medicaid*, there will be a 'buy-in' of Medicare benefits. Although the buy-in is *effective* as of the enrollment date for those on SSI and two months after the enrollment date for all other participants, this buy-in typically takes about 3-4 months to be reflected in the person's monthly social security check.

During the time buy-in is being processed, the participant's Cost Share Worksheet will need to reflect that the Waiver participant is still out-of-pocketing the Medicare Part B premium cost. This is necessary because the income paying for the premium is unavailable as Cost Share. When the buy-in is complete, the participant will receive a reimbursement check for the money out-of-pocketed for Part B premiums while he was Medicaid eligible. When that reimbursement money is received, the Cost Share for that month should reflect this additional lump sum of income. This lump sum of retroactive money will be in a separate check.

A participant must be advised to notify the CM when the Medicare buy-in has occurred. If the CM has not been notified approximately 8 months after enrollment, he/she should check with the participant and then contact Mr. Charles B. Vella at 609-588-3077 or e-mail him at: Charles.Vella@dhs.state.nj.us to check on the status of the Medicare buy-in.

Once the buy-in has occurred, the cost of the Medicare premium is no longer an allowable Cost Share deduction. If it has not occurred, the CM should continue to deduct the Medicare premium from the Cost Share, ask the participant during Monthly Contacts whether the amount of his/her social security check has increased which could indicate buy-in, and check on the status of the claim with Charles B. Vella.

Specified Low Income Medicare Beneficiary (SLIMB) and Cost Share:

If a participant is Medical Assistance Only (MAO) or NJCare, the CM should ask if they are a SLIMB recipient. SLIMB is the government program for individuals with income greater than 100% and less than or equal to 120% of the Federal Poverty Level (FPL) and for SLIMB Q1, income up to 135% of FPL. Medicaid pays either all (SLIMB) or part of (SLIMB Q1) the Medicare Part B premium for qualified individuals. Care Managers need to be aware if the Waiver participant is a recipient of this program so that the Cost Share reflects no or partial out-of-pocket payment for the Medicare Part B premium. If participants receive SLIMB benefits, Medicaid is already paying for Medicare Part B.

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Similarly, if a Waiver participant was receiving regular community Medicaid benefits prior to enrolling in the Waiver, then his Medicare Part B premium is likely already being paid by Medicaid. Therefore, no Cost Share deduction allowance would be necessary.

To verify the SLIMB status of a participant, the SLIMB unit can be contacted at 609-588-7281.

- 10e Enter the total amount of **Medical Expenses** paid each month by the participant. This is calculated using the box below. Note: Copies or documentation of a doctor’s order and receipts/prescriptions/proof of payment must be submitted to the Care Manager and maintained in the participant’s file at the care management site. Over-the-counter Medications and Vitamins: These items are not covered by Medicaid but are permissible deductions from Cost Share liability. In order to receive a deduction in Cost Share, Medicaid Waiver participants must present receipts for all prescribed over-the-counter (OTC) medications and vitamins they have purchased. These receipts can be held, “bulk processed” and reconciled at the semi-annual Cost Share Review.

Either a physician’s prescription *or* documentation in the participant’s facility file including prescriber’s name, the date and the initials of the party making the documentation suffice as proof of an OTC being prescribed. With this flexibility, OTC medications called-in by a physician or nurse practitioner, etc. would qualify for the Cost Share deduction.

Itemized Medical Expenses – Line 10e	
i.	Enter the monthly amount of payments being paid by the participant for past medical/dental services rendered prior to Medicaid eligibility. This does not include debts to the AL/AFC facility accrued prior to Waiver enrollment.
ii.	Enter amount for any over-the-counter medications/vitamins, supplies, and/or present medical services prescribed by a physician, not covered by Medicaid or another third party payer, and for which there are receipts. The costs are averaged and projected for six months, until the next CSW review or as needed.
iii.	Enter the TOTAL of lines i and ii in the box and enter this figure on line 10e .

- 10f. Enter any **Other allowable** deduction, as per current Division of Aging Services (DAS) operational protocols, manuals, and policies, for the participant such as:
 - Guardianship fees - Note: A Power of Attorney is not equivalent to a court-appointed guardian, and proper documentation of guardianship should be maintained in the participant’s file. If a guardian is appointed by the court for an individual adjudicated incapacitated to make decisions about his property, his person, or both, the expense of maintaining guardianship is a permitted medical expense. A 6% income commission for guardians is allowed by Statute (Title 3B of NJ Statutes PL 1989 c. 248, effective 1/2/1990). While the Statute is silent on any waiving of the fee, the Office of the Public Guardian has opted to waive the commission for individuals receiving Supplemental Security Income (SSI). If the guardian is court appointed from the private sector, he is bound by the Statute. The guardian may also claim other fees of up to \$100 a year without court approval. Any amount in excess of the \$100 fee is subject to court approval. Because a person who has been declared incapacitated cannot legally receive income, the guardians’ fee is considered a cost of obtaining the income and is deducted in the post-eligibility treatment of income calculated by the Care Manager. Care Managers must obtain a copy of the “Letters of Guardianship” from the person that identifies him or herself as a guardian before it is permissible to deduct any guardian’s fee from the Cost Share amount. If the individual is a SSI beneficiary and has a Public Guardian, there will be no commission

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paid and therefore, no deduction is reported on the CSW. In all other instances, the commission paid to a guardian, as allowed by Statute or set by the court, is an allowable deduction to be subtracted from an individual's Cost Share liability.

- ❑ Basic phone connection cost - Only if an ALR or CPCH employs an Emergency Response System (ERS) that requires telephone service. The cost of the basic monthly phone connection is an allowable deduction. One receipt is sufficient to determine the standard monthly deduction; if the standard monthly charge changes, the participant should present a new receipt in order to have the Cost Share deduction adjusted. Any and all call charges remain the participant's responsibility and are not an allowable deduction.
- ❑ Spousal Maintenance Deduction - If participant has a spouse living in the community, the spouse may be eligible for spousal support. There are two distinct ways that income is handled in Waiver programs. One is in the eligibility process and the other is in calculation of Cost Share. Individual income and a couple's asset/resource eligibility are determined by the County Welfare Agencies/Boards of Social Services. The Care Manager, however, is responsible for the post-eligibility treatment of income of Waiver participants in AL/AFC. This means that if a Waiver participant has a spouse in the community, there may be a spousal allowance deduction on the Cost Share Worksheet. Note: The Community Spouse Resource Allowance changes in January, the Basic Community Spouse Deduction changes in July, and the Standard Utility Allowance changes in October. Please contact your local BSS for current amounts and for further information regarding spousal support.
- ❑ Court Ordered Child Support – Child Support ordered by a Court is an allowable deduction for individuals in Assisted Living or Adult Family Care. Since this deduction is addressed in the post-eligibility treatment of income, the Care Manager includes the Court ordered amount as an allowable deduction in the *10f. Other* section of the Cost-Share Worksheet (AL-3).

Note: Waiver eligible individuals **must** always retain enough income for their own Personal Needs Allowance and Room & Board. Income that exceeds that amount is available for the support of the community spouse. If the Waiver-eligible individual does not have sufficient income to provide for payment of the allowable spousal deduction once Room & Board and PNA are paid, Waiver enrollment/placement may not be the most suitable arrangement.

11. Enter the total of all the ALLOWABLE DEDUCTIONS (lines 10a through 10f).
12. Enter the amount of Cost Share that the participant is responsible for paying to the Facility/Agency every month. To calculate this number, the Care Manager must subtract the amount of Total Deductions on line 11 from the Gross Monthly Income amount on line 9. The result is the Participant's Cost Share.
13. The Care Manager and Facility/Agency are to remind the participant of his or her responsibility to pay the Facility/Agency for both Room & Board and Cost Share.
Enter the total monthly amount for which the participant is financially responsible (calculated by adding the Room & Board 'Line 10b' and the amount of the Cost Share 'Line 12').

SIGNATURES

- All Cost Share Worksheets (CSW) are to include at least two signatures (Care Manager and Facility Administrator/Designee). The Care Manager should also obtain the signature of the participant/representative on the Cost Share Worksheet. If this is not possible, the CSW is to be given to the Facility/Agency Administrator or Designee, with or without the participant/representative's signature, at the earliest possible date, but no later than the month after the month in which it has been calculated.

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- Care Managers are to give the original CSW to the Facility/Agency as advisement of the amount that is owed to the provider directly from the participant. A new CSW is given each time it is reviewed/revised. At the time the Care Manager secures the signature from the Facility/Agency, the Care Manager must not only give the completed CSW to the provider, but also obtain and give a copy of the CSW to the participant/representative, and retain a copy in the participant's file at the care management site.
- 14. Participant's Signature and Date: The participant's signature may be the mark of an **X** as performed by the participant. If a signature is not possible, the CSW is to be given to the facility Administrator/Designee no later than the month after the month in which it has been calculated. If the participant has a representative, that person may sign for the participant upon the participant's request. The date the signature is obtained is to be indicated.
- 15. Care Manager Signature and Date: The Care Manager shall sign the Cost Share Worksheet as indication that (a) the Care Manager has completed, reviewed and updated the Cost Share Worksheet (CSW) to the best of his/her ability with the information and documentation that was provided by the participant, family, or facility, (b) the Cost Share Worksheet has been developed in accordance with appropriate Medicaid Waiver Policies and Procedures, and (c) the Care Manager will provide the facility/agency with the original and secure a copy of the CSW to be given by the CM to the participant/representative and a copy to be retained in the participant's file at the care management site. The CSW should be completed in time for the facility to initiate prompt invoices to Molina.
- 16. Facility Administrator/Designee Signature and Date: A representative from the Assisted Living Facility or Adult Family Care Home shall sign as indication that (a) he or she is aware of the Room and Board amount and the Cost Share amount owed to them monthly paid directly by the participant and (b) he or she will forward this information to the appropriate facility/agency billing department.

REVIEW OF COST SHARE AMOUNT

- The Cost Share Worksheet (AL-3) shall be completed at least every six months. It shall be completed *more frequently* for any month when one or more of the following events occur.

Events necessitating recalculation of the Cost Share Worksheet

- The Waiver participant's income changes, including the increase after Medicare buy-in takes place.
- A retroactive payment from Social Security is received because of the Medicare buy-in. The retroactive payment is considered income for the month it is received.
- There is an announced change in the Personal Needs Allowance and Room & Board.
- A permitted deduction changes.

Except as noted above, the Care Manager is not required to complete a Cost Share Worksheet *each* month. In addition to the minimum of a semi-annual CSW, the Care Manager may need to calculate additional CSWs when any of the events listed above has occurred, such as change in income.

- A participant's Cost Share will be reviewed and revised by the Care Manager, as necessary, but at least every six months. A new Cost Share Worksheet will be completed at a minimum of once per year (January). The Worksheet may be completed more frequently for any month in which there is a change in the participant's Cost Share or an allowable deduction.
- Indicate whether the Cost Share Worksheet is being revisited due to a six-month review or for another reason.

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17. Cost Share: Indicate if the Cost Share amount remains the same or the Cost Share amount has changed, which then requires a new Cost Share Worksheet (AL-3) form to be completed.
18. If the Cost Share amount remains the same, enter the dates to and from which this Cost Share will continue to be effective.
19. Care Manager Signature and Date: The Care Manager shall sign the Cost Share Worksheet as indication that (a) the Care Manager has completed, reviewed and updated the Cost Share Worksheet (CSW) to the best of his/her ability with the information and documentation that was provided by the participant, family, or facility, (b) the Cost Share Worksheet has been developed in accordance with appropriate Medicaid Waiver Policies and Procedures, and (c) the Care Manager will provide the facility/agency with the original and secure a copy of the CSW to be given by the CM to the participant/representative and a copy to be retained in the participant's file at the care management site. The CSW should be completed in time for the facility to initiate prompt invoices to Molina.

20. Facility Administrator/Designee Signature and Date:

If the Reviewed Cost Share amount *remains the same*, a representative from the Assisted Living Facility or Adult Family Care Home shall sign as indication that (a) he or she is aware of the Room and Board and Cost Share amount owed to them monthly by the participant and (b) he or she will forward this information to the appropriate facility/agency billing department.

If the Reviewed Cost Share amount *has changed*, a Facility signature will be secured on the new AL-3 form.