



**FIRST STEPS
FAMILY COST
PARTICIPATION, PRIVATE
AND PUBLIC INSURANCE
PROCEDURES**

July 1, 2013 Missouri Department of Elementary
and Secondary Education

Topics To Be Addressed

Family Cost Participation

- a review of current rules and new worksheet

Private Insurance

- a review of new rules and form

Public Insurance

- a review of new rules and form



Based on the updated System of Payments Policy at:
<http://dese.mo.gov/se/fs/FCPmainpg.htm>

System of Payments Policy

- All parents must receive a copy of the *Missouri System of Payments Policy* to explain the determination of a monthly fee and the use of private or public insurance.
- All parents must also receive a copy of the *Parental Rights Statement* which includes a parent's right to contest their fee determination through a child complaint, due process hearing or mediation.
- All rules must be followed consistently and accurately across SPOE regions. This means:
 - All parents provide their **informed** consent.
 - All parents have **FCP and insurance** information in their file.
 - **Timely data entry** is critical for parents to receive accurate information.

Talking To Parents

The Service Coordinator explains the *System of Payments Policy* to parents:

- At the intake visit**
- At the Initial IFSP meeting**
- During regular contacts with families
- At the Annual IFSP meeting
- At any time the family indicates something changed that may impact their income or insurance information, such as a new job

FAMILY COST PARTICIPATION

State law mandates:

- Monthly fee determination
- Failure to pay
- Suspension of services

Federal regulations mandate:

- Determination of an ability to pay
- Notification to the family of a monthly fee
- Provision of no-cost services

Household Size

Every family is assessed a monthly participation fee based on their: 1) Household Size, and 2) Income. The preferred method for collecting income and household size is a federal income tax return.

1. FAMILY UNIT/HOUSEHOLD SIZE: The group of individuals in the same household including, but is not limited to, biological parents, adoptive parents, step-parents, and children (biological and adoptive).

For the purposes of determining the size of the family unit, dependency for family members must meet the dependency test applied by the federal Internal Revenue Code.

Dependency Test for Family Unit

If a tax return is not available, a dependency test is applied to determine the family unit/household size. The dependent must pass EACH of the following tests.

- Test 1: **A) Relationship**
B) Residence
- Test 2: **Support**
- Test 3: **Gross Income**

Test 1: A) Relationship

The individual meets dependency requirements if his/her relationship to the Head of Household is:

- Your child, grandchild, or great-grandchild (by blood, adoption, or state placement)
- Your stepchild (not step-grandchild)
- Your brother, sister, stepbrother, stepsister, half-brother, or half-sister
- Your parent or grandparent (not a foster parent)
- Your stepfather or stepmother (not step-grandparents)
- Your aunt, uncle, niece, or nephew (by blood only)
- Your father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law

Test 1: B) Residence

- The individual who does not meet the relationship test can still meet dependency requirements under residence if his/her residence is:
 - In your household for more than half of the tax year
 - Is not your employee (nanny, maid, caretaker, etc.)
- The dependent is considered to be a resident during periods of time when the parent or dependent is temporarily absent due to special circumstances such as: illness, education, business, vacation, custody visits, or military service.

Test 2: Support

- The individual meets dependency requirements if support is provided:
 - More than half of the calendar year.
- Support includes amounts spent to provide food, clothing, lodging, education, medical care, dental care, insurance, recreation, transportation, and other necessities.

Test 3: Gross Income

- The individual meets dependency requirements if his/her gross income is:
- Less than the dependency exemption amount (currently set at \$3,700)

Examples – Dependents?

- **College Student** – Your son lives at home six months out of the year, and has a part-time job and earns \$3,000 a year = DEPENDENT
- **Fiancée** – Your fiancée lives in the home with you, the child in First Steps, and a sibling and earns \$36,000 per year = NO DEPENDENT
- **Grandmother** – Your mother lives in the home with you, the child in First Steps, and a sibling and has no income = DEPENDENT

Income

- ❑ **EARNED INCOME:** The total income from employment sources before payroll deductions and other withholdings. Examples include salaries and wages, tips, commissions, bonuses and any other income **as required in the reporting of federal income tax.**
- ❑ **UNEARNED INCOME:** The total income from investments and other sources unrelated to employment. Examples include interest earnings, tips, alimony, dividends, annuities, rents, pensions, disability/survivor benefits, workers compensation, unemployment, retirement benefits, and any other income **as required in the reporting of federal income tax.**

FCP Worksheet

Assessment of Family Cost Participation

(To be completed at the Initial FSP, Annual FSP, and any time income/household size changed)



Child Name /Date of Birth	Head of Household	Service Coordinator	Date Completed

This worksheet is used in lieu of maintaining a copy of the family's income documentation in the child's file. The Service Coordinator must enter information in section 1 and 4 below. Section 2 or 3 is completed when applicable.

- 1. HOUSEHOLD SIZE (required for all families):** _____
 if tax return is available: Form 1040 – use line 6d; Form 1040A – use line 6d; Form 1040NR – use line 7d
 if no tax return is available: Use the dependency test.

2. INCOME INFORMATION FROM FEDERAL TAX RETURN (if applicable)

Filing Status: Single Married Filing Jointly Head of Household
 Married filing separately (complete two income documentation forms)

Adjusted Gross Income: _____
Form 1040 – use line 37; Form 1040A – use line 21; Form 1040NR – use line 34
 if another form is used, find the line that states "adjusted gross income."

3. INCOME INFORMATION FROM PAYCHECK STUBS AND/OR OTHER INCOME (if applicable)

A. Earned Income - Employer: _____

- Start date with employer: ____/____/____
- Pay period: ____/____/____ to ____/____/____
- Year-to-date gross amount: \$ _____
- Average monthly amount: \$ _____

To estimate the monthly average, divide the year-to-date total by the number of months included.

B. Other Income, including Earned or Unearned Income

- Source: _____
- Amount: \$ _____
- Frequency: Weekly Monthly Annual Other: _____

TOTAL INCOME (A + B): Average annual amount: \$ _____ (This is the estimated AGI)

4. PARENT SIGNATURE (required for all families)

I attest the financial information stated above is an accurate representation of my current income.
OR
 I decline to provide my financial information. I understand this will result in an increased monthly fee.
OR
 I attest the First Steps child/family has Medicaid, SSI, Food Stamps, or the First Steps child is in foster care.

Parent Name: _____ Date: ____/____/____
Print Signature

Assessment of Participation Fee

Each eligible child and family participating in First Steps must be assessed for family cost participation and classified as having **the ability or the inability to pay.**

Ability to Pay

ABILITY TO PAY: The determination of a family's financial ability to contribute to the cost of First Steps services. Placement on the scale at the minimum family participation rate (greater than \$0) indicates an ability to pay.

NOTE: The fee scale is updated annually on July 1st if changes occur in the federal poverty guidelines. The current fee scale is available on the web at:

<http://dese.mo.gov/se/fs/FCPmainpg.htm>

Inability to Pay

INABILITY TO PAY: The determination a family is not able to financially contribute to the cost of First Steps services provided by Missouri First Steps.

The family is determined to have the inability to pay if:

- Their income and household size places them on the sliding fee scale at \$0,

OR

- The child/family is enrolled in Medicaid, SSI, Food Stamps or the child is in foster care.

REMINDER: Encourage families to enroll in programs for which they may be eligible (e.g., Medicaid).

Monthly Fee Determination

- If the family has the ability to pay, they will be charged a monthly fee for participation in First Steps.
- The Service Coordinator collects information for the family's income and household size. The information is entered into **WebSPOE** by the Service Coordinator.
- **INCOME VERIFICATION:** The requirement to review family income and household size at the Initial and Annual IFSP meetings, other times as the family's income or household size changes.

Increased Fee Amount

If the family is determined to have an ability to pay but one of the following situations occur, an **increased monthly fee** (\$100.00) is charged:

- Parent declines to provide financial information to the SPOE in order to calculate the monthly fee
- Parent provides false or misleading information

In the event the child/family **does not** receive \$100 worth of services in a month, the fee is adjusted to ensure that the family **is not** charged more than the actual cost of services.

Insurance and Fee Amount

Effective July 1, 2013

- There is **no** increased fee charged to the family if the child/family has Medicaid or private insurance but the parent declines to provide consent.
- The monthly fee is calculated based on the family's income and household size.

What Happens if Parent Delays. . .

- ❑ If the SPOE **does not** receive the financial or insurance information at the Initial or Annual IFSP meeting, send the family the letter in WebSPOE titled "Need FCP Information" and list the date/deadline for the family to send the required information.
- ❑ The letter indicates the family's fee **will be** \$100 if income information is not provided.
- ❑ If the SPOE **does not** receive the information by the deadline, document the family declined to give financial information.

The FCP Statement

- ❑ The CFO sends the parent a monthly statement and collects fees. The monthly fee is due for **any portion of a month** in which First Steps services are delivered to the family.
- ❑ **The end of "month" for FCP is the 27th.** This means data must be entered in WebSPOE by the 26th of the month in order for updates to appear on the next statement.
- ❑ Since families **are not** charged more than the actual cost of the First Steps service, the statement reflects dates of services delivered in the past.

Fee Adjustments

ADJUSTMENTS to the monthly amount for FCP are changed when the following occurs:

- 1) Change in household size
- 2) Change in income of more than 10%
- 3) **Financial hardship** in which unplanned events impact the family's financial situation and expenses:
 - ❑ loss of home
 - ❑ loss of job
 - ❑ extraordinary medical expenses
 - ❑ other event as determined by the SPOE Director

Change in Family Information

- The parent has **15 working days to report a change** to the Service Coordinator. If later than 15 days, the fee **cannot** be backdated to the time the change occurred. Once a change in information has been received, the Service Coordinator enters the new information into WebSPOE and a new fee is calculated.
- **Example:** Service Coordinator learns of a parent's new job and receives the new income information within 7 days of the parent's job. The date for the fee change is backdated in WebSPOE to the day it occurred because family gave information within 15 days.

Failure to Pay

FAILURE TO PAY: The determination the family **had** the ability to pay, but failed to pay their FCP monthly fees.

If at any time the family fails to pay, the result is the suspension of First Steps services **except** those provided at no-cost.

The family is notified by mail when monthly fees are:

- 30 days past due
- 60 days past due
- 75 days past due

No-Cost Services

There are certain times when no-cost services must continue to be provided to the family (e.g., referral, failure to pay). No-cost services include:

- Child find activities
- Evaluation and assessment activities
- Service coordination activities
- Administration and coordination activities (e.g., development, review and evaluation of the IFSP, and providing the family with parental rights)

Suspension of Household

- ❑ The FCP Aging List in WebSPOE notifies the SPOE when a family has failed to pay.
- ❑ **New definition for suspension:** FCP suspension results in an entire household account suspended.
- ❑ The 60 days past due FCP statement includes a 75-day notification letter from the CFO informing the head of household (as listed in WebSPOE) that their First Steps services (except those provided at no-cost) **will be** suspended on the 90th day of non-payment.

Suspension continued. . .

- ❑ The SPOE (e.g., Director, Service Coordinator, Admin, etc.) suspends the household on the 90th day if there is a balance due on the family's account after the CFO notifies the family.
- ❑ **New:** When entering a date to suspend, use tomorrow's date, not a past date.
- ❑ Once suspended, the child's name continues to appear on the FCP Aging List, and also appears on the Suspended List.
- ❑ A family **cannot** receive First Steps services until reinstatement criteria are met.

Reinstatement Criteria

- ❑ Suspended households (due to failure to pay the FCP monthly fee) are reinstated **upon full payment of the balance due.**
- ❑ Households are **not** reinstated when partial payments are made which do not bring the balance to \$0.
- ❑ Once reinstated, the family is **not** guaranteed the same service provider(s) who worked with the family prior to suspension.

Reinstatement continued. . .

- ❑ If **less than three months** have passed since the suspension of the household, the Service Coordinator must reassess the fee before reinstating services. The Service Coordinator collects the household size and income information to calculate a fee. If changes, then new forms are signed.
- ❑ If **more than three months** have passed since suspension of the household, the Service Coordinator must reassess **both** the fee and the existing IFSP activities before reinstating services. The Service Coordinator collects household size and income information to calculate a current fee and holds an IFSP meeting to review / update the plan, including services.

PRIVATE INSURANCE

State law mandates:

- ❑ Insurance carriers elect an option to help pay for First Steps services
- ❑ Coverage applicable only to Occupational Therapy, Speech/ Language Therapy, Physical Therapy, and Assistive Technology services

Federal regulations mandate:

- ❑ Parental consent before using insurance
- ❑ Notification to the family of possible ramifications

Annual Election – Option 1

- ❑ **BULK/PERCENTAGE OPTION:** The insurance carrier pays an amount equal to one-half of one percent of the direct written premium for health benefit plans as reported to the Department of Insurance on the health carrier's most recently filed annual financial statement, or five hundred thousand dollars, whichever is less.
- ❑ Individual child or service information is not billed to the insurance carrier under this option.

Annual Election – Option 2

- ❑ **DIRECT OPTION:** The insurance carrier pays the applicable Medicaid rate applied to each service billed for occupational therapy, speech/language therapy, physical therapy, and assistive technology.
- ❑ Individual child and service information is billed to the insurance carrier under this option. The family may incur ramifications for use of their private insurance.
- ❑ **NOTE:** No deductibles or co-pays are charged to the family for First Steps services.

Possible Ramifications – Direct Only

Use of private insurance to help pay for First Steps services may:

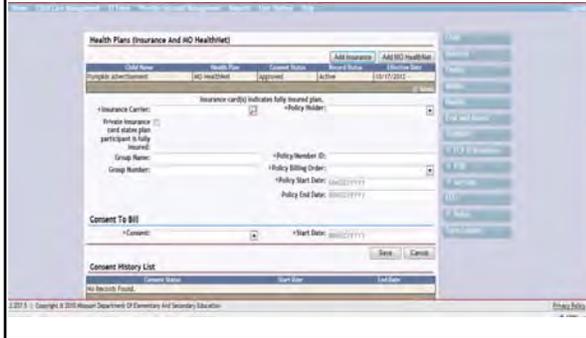
- ❑ count towards or result in a loss of benefits due to the annual or lifetime health insurance coverage caps for the child, parents, or family members.
- ❑ negatively affect the availability of health insurance to the child, parent, or family members; including being cancelled.
- ❑ be the basis for increasing the health insurance premiums for the child, parent, or family members.

Families must contact their Service Coordinator immediately if family experiences any ramifications.

Self insured or Fully insured?

- ❑ **Self insured plans:** the employer pays for claims, rather than an insurance company. These companies **are not applicable** to the state law.
- ❑ **Fully insured plans:** the insurance company pays for claims. These companies **are applicable** to the state law. These insurance cards should have a statement that indicates “fully insured” on the card.
- ❑ Regardless of the type of insurance, the Service Coordinator obtains parental consent and enters insurance information in WebSPOE.

It is important to check the box "fully insured" if the card indicates this. (Example)



Carrier Not On File?

- ❑ When entering the insurance company name in WebSPOE, you will find an option which says "Carrier Not On File."
- ❑ **Avoid** using this as the insurance name because services cannot be billed to an insurance company unless the company's name is selected from the list.
- ❑ If the company name is not found on the list, ask the SPOE Director to help you or call the CFO Help Desk at 1-866-711-2573 extension 3.

Parental Consent

- ❑ First Steps **must** obtain parental consent for private insurance before:
 - using private insurance to help pay for First Steps services
 - the initial provision of OT, PT, SLP and AT services
 - each time OT, PT, SLP or AT services increase in length, duration, frequency, or intensity
- ❑ Parent consent is obtained at the Initial and Annual IFSP meetings, other IFSP meetings as applicable.
- ❑ DESE updated the private insurance consent form to collect the parent's consent to approve or decline the use of private insurance (or document the family has no private insurance).

Consent Form for Private Insurance

Consent to Use Private Insurance

Effective July 1, 2013
New consent form posted on the web at:
<http://dese.mo.gov/se/fs/FCPmainpg.htm>

- SPOEs and Service Coordinators will update their paperwork/packets to include the **new consent form for private insurance**.
- Service Coordinators will use the **new consent form for private insurance**, along with the new *System of Payments Policy*, during IFSP meeting activities related to the use of private insurance.

Timeline

<p>In October of each year, DESE provides the SPOE with a list of the carriers and their elections. Any changes in carrier election categories will be noted on the list.</p>	<p>In Oct/Nov of each year, the SPOE shares the list with Service Coordinators and identifies* any families affected by a change in their carrier election.</p> <p><i>*Use the Insurance Carrier report in WebSPOE</i></p>	<p>In Nov/Dec of each year, the Service Coordinator specifically talks to families with a change in carrier election category and explains* the ramifications of the election of bulk, percentage and direct options.</p> <p><i>*Use the System of Payments Policy</i></p>
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End of the Calendar Year

- ❑ Before December 31 of each year, the Service Coordinator **must** obtain parental consent for the upcoming calendar year if the:
 - Carrier category changes for upcoming calendar year
 - Family's insurance company changes for upcoming calendar year
 - Parents decide to change the use of their private insurance.
- ❑ Remember, a new consent date must be on file before private insurance can be used to help pay for First Steps services.

PUBLIC INSURANCE (MEDICAID)

Interagency Agreement states:

- ❑ No ramifications to use Medicaid to help pay for First Steps services
- ❑ Medicaid helps pay for services listed on the child's IFSP, and evaluations completed after the IFSP is developed

Federal regulations mandate:

- ❑ Accessing Medicaid means personally identifiable information is shared
- ❑ Parental consent must be obtained before accessing Medicaid

Interagency Agreement

DESE and DSS have in place a state-level agreement, which identifies the following services Medicaid will help pay for when listed in the child's IFSP:

Assistive Technology	Occupational Therapy
Audiology	Physical Therapy
Counseling	Psychology
Dietary/Nutrition	Social Work
Health	Speech/Language Pathology
Medical	
Nursing	Vision

Interagency Agreement continued. . .

The agreement says First Steps families who consent to use their Medicaid will not have:

- A decrease in their available lifetime coverage or any other insured benefit for the child or parent.
- The child's parents paying for services which would otherwise be covered by Medicaid.
- An increase in premiums or discontinuation of public benefits or insurance for that child or that child's parents.
- A loss of eligibility for the child or parents for home and community-based waivers.

Parental Consent

- First Steps **must** obtain parental consent for Medicaid before using the family's Medicaid information to help pay for First Steps services.
- New:** the Medicaid consent form is only signed one time by the parent (at the initial IFSP), unless the family's Medicaid status changes.
- DESE updated the Medicaid consent form to collect the parent's consent to approve or decline the use of Medicaid (or document the family does not have Medicaid).

Consent Form for Medicaid

MISSOURI DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
OFFICE OF SPECIAL EDUCATION- FIRST STEPS PROGRAM

CONSENT TO USE MO HEALTHNET/MEDICAID

NAME OF CHILD: _____ DATE OF BIRTH: _____ MEDICAID NUMBER/DOB: _____ STATE RESIDENCE: _____

INSTRUCTIONS

Parent consent is required before personally identifiable information is released to MO HealthNet/ Medicaid in order to bill for First Steps services.

A copy of the Missouri System of Payments Policy is provided to the parent before consent is obtained for use of Medicaid to help pay for First Steps services and before consent is obtained for First Steps services.

With parent consent, Medicaid will help pay for the following First Steps services:
Assistive Technology, Audiology, Counseling, Dietary/Nutrition, Health, Medical, Nursing, Occupational Therapy, Physical Therapy, Psychology, Social Work, Speech/Language Therapy and Vision

The parent must sign and date this form and then return it to the Service Coordinator before Medicaid can be used to help pay for First Steps services. The Service Coordinator contact information is included below.

CONSENT

I confirm I have received a copy of the Missouri System of Payments Policy. After a review of the policy, I choose the following option:

I give consent to use Medicaid. I refuse consent to use Medicaid.

NA, I do not have Medicaid.

PARENT SIGNATURE: _____ DATE: _____

Consent to Use Medicaid

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<http://dese.mo.gov/se/fs/FCPmainpg.htm>

- SPOEs and Service Coordinators will update their paperwork/packets to include the **new Medicaid consent form**.
- Service Coordinators will use the **new Medicaid consent form**, along with the **new System of Payments Policy**, during IFSP meeting activities related to the use of Medicaid.

For More Information:

Contact the Office of Special Education at:
Website
<http://dese.mo.gov/se/fs/FCPmainpg.htm>
Email
sefirststeps@dese.mo.gov