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## Grant Computation and Issuance - Introduction

Once non-financial requirements are met and the individual's net countable income is determined, financial eligibility must be determined for non-SSI individuals and the grant amount must be computed for all. This chapter addresses the non-SSI individual's financial eligibility, the computation of the payment and information about issuing AG payments.

The AG payment is computed by deducting the individual's net countable income from the AG Limit for the locality in which the ALF or AFCH is located. The result is the amount of the AG payment. The limit is computed by adding the Personal Needs Allowance to the rate the ALFs and AFCHs are permitted to charge AG recipients.

AG payments are issued in the name of the individual recipient and are mailed to the recipients address.

<b>STEPS</b>	<b>GRANT DETERMINATION PROCEDURE ACTIONS</b>
<b>Step 1</b>	Determine the individual's net countable income.  For SSI recipients, see Chapter D  For non-SSI individuals, see Chapters H and I
<b>Step 2</b>	Determine the individual's AG Limit by adding the appropriate rate for his/her locality to the Personal Needs Allowance. The result is the AG Limit.
<b>Step 3</b>	Subtract the individual's net countable income from the AG Limit.
<b>Step 4</b>	Round the remainder to the nearest dollar. The result is the AG payment amount.

### 1. Non-SSI Individual's Income Eligibility

The process to determine a non-SSI individual's income eligibility is the same as the grant calculation procedure, subtracting the net countable income from the AG Limit. If the result is \$.01 or higher, the individual is income eligible. If the result is zero the individual is ineligible for AG due to excess income.

## **2. AG Limit**

The AG Limit is the amount an individual needs to assure he has enough income to pay the ALF/AFCH rate and to retain money to meet his/her personal needs. The limit is computed by adding the VDSS established ALF/AFCH rate to the amount an individual is allowed to keep for his/her personal needs, the personal needs allowance (PNA). The individual's net countable income is subtracted from the AG Limit to determine the additional amount of income the individual needs, this is the AG payment amount.

## **3. ALF/AFCH Rate**

The Department for Aging and Rehabilitative Services (DARS) publishes the maximum rate an ALF/AFCH can charge an AG recipient. Two rates are set, one for ALFs and AFCHs that are located in Planning District 8 and another for all other areas of the state. The rate established for Planning District 8 is higher than that for other areas due to the high cost of living there. The established rates are adjusted at least annually. Most adjustments occur in January to coincide with the increase in SSI benefit levels.

### **3.1. Covered Services**

The Virginia Administrative Code identifies the services that are to be provided for the established rate. The established rate must be accepted as full payment for those services. The Auxiliary Grants payment covers the following services:

- Room and Board.
  - Provision of a furnished room;
  - Housekeeping services based on the needs of the recipient;
  - Meals and snacks required by licensing regulations, including extra portions of food at mealtime and special diets; and
  - Clean bed linens and towels as needed by the recipient and at least once a week.
- Maintenance and Care.
  - Minimal assistance with personal hygiene including bathing, dressing, oral hygiene, hair grooming and shampooing, care of clothing, shaving, care of toenails and fingernails, arranging for haircuts as needed, and care of needs associated with menstruation or occasional bladder or bowel incontinence;

- Medication administration as required by licensing regulations including insulin injections;
- Provision of generic personal toiletries including soap and toilet paper;
- Minimal assistance with the following:
  - Care of personal possessions;
  - Care of funds if requested by the recipient and residence provider guidelines allow this practice,
    - The deposit of the recipient's Auxiliary Grant payment into the provider's financial account is prohibited. The recipient or his personal representative is responsible for cashing or depositing the recipient's check;
  - Use of the telephone (not to include long-distance calls);
  - Arranging transportation;
  - Obtaining necessary personal items and clothing;
  - Making and keeping appointments;
  - Assisting with correspondence;
- Securing health care and transportation when needed for medical treatment;
- Providing appropriate social and recreational activities as required by licensing regulations; and
- General supervision for safety.

### 3.2. Verification of Established Rate

Updates to the current rate are published by means of the Broadcast system that is part of the Local Agency Website. The most current Broadcast will be displayed under DARS Adult Protective Services section in the Broadcast Archives. The published rates apply to both ALF and AFCH residents.

[http://spark.dss.virginia.gov/broadcasts/most\\_recent.cgi](http://spark.dss.virginia.gov/broadcasts/most_recent.cgi).

ALF rates are to be verified by accessing the *DARS Guidance, Procedures & FAQ* page on SPARK. All facilities that are both licensed and approved to

accept AG recipients are listed there. If the ALF is not listed there, the residents of the ALF are not eligible for AG.

<http://spark.dss.virginia.gov/divisions/dfs/as/procedures.cgi>

### 3.3. Proration Of Rate

If an individual enters an ALF or AFCH after the first of the month or the individual enters and leaves the ALF/AFCH in the same month, the rate must be prorated based on the number of days the individual is in the facility/home.

**Note:** The rate is not prorated for the month of discharge when the month of discharge is later than the month of entry.

<b>PRORATION OF RATE PROCEDURE</b>	
<b>STEPS</b>	<b>ACTIONS</b>
<b>Step 1</b>	Divide the full monthly rate by 30 to obtain the daily rate  <b>Note:</b> 30 is the number of days used regardless of the actual number of days within the month of entry.
<b>Step 2</b>	Multiply the daily rate by the number of days the client resided in the home  <b>Note:</b> The number of days includes the day of entry but not discharge  The result is the prorated rate for the month of entry.
<b>Step 3</b>	Add the result to the full personal needs allowance  The result is the AG limit for the month of entry.

#### **Example 1:**

*Mrs. Apple, an aged SSI recipient, enters ABC Home for Adults, an assisted living facility, on October 20 and applies for AG on October 24. The daily rate of \$40.70 is computed by dividing the monthly rate of \$ 1,221 by 30 days. Since Mrs. Apple was there 12 days in October, the prorated rate is \$488.40 (12 x \$40.70). \$488.40 plus \$82 personal needs allowance = \$570.40, the AG limit for the month of October. (Client continues at the facility).*

#### **Example 2:**

*Mr. Banana applied for AG on July 16 after being admitted to the DEF Assisted Living Facility on July 12. On July 31, he left the home. The daily rate \$40.70 is computed by dividing the monthly rate of \$ 1,221 by 30 days. Since Mr. Banana was in the home 19 days prior to his departure, the prorated rate for the period is \$773.30 (19 X \$40.70). \$773.30 plus \$82 personal needs allowance = \$855.30, the AG limit for the month of July. (Don't count the date of discharge)*

#### **4. Personal Needs Allowance (PNA)**

The Personal Needs Allowance is a portion of the AG payment that is reserved for meeting the individual's personal needs. The PNA is the same amount for all recipients. The PNA is not adjusted annually.

The personal needs allowance is expected to cover the cost of the following categories of items and services:

- Clothing;
- Personal toiletries not included in those to be provided by the assisted living facility or adult foster care provider or if the recipient requests a specific type or brand of toiletries;
- Personal items including tobacco products, sodas, and snacks;
- Hair salon services;
- Over-the-counter medication, medical co-payments and deductibles, insurance premiums;
- Other needs such as postage stamps, dry cleaning, laundry, direct bank charges, personal transportation, and long-distance telephone calls;
- Personal telephone, television, or radio;
- Social events and entertainment offered outside the scope of the activities program; and
- Other items agreed upon by both parties except those listed below. The personal needs allowance **shall not** be encumbered by the following:
  - Recreational activities required by licensing regulations (including any transportation costs of those activities);
  - Administration of accounts (bookkeeping, account statements);

- Debts owed the assisted living facility or adult foster care provider for basic services that are not required to be covered by the AG rate; or
- Assisted living facility or adult foster care provider laundry charges in excess of \$10 per month.

#### **4.1. Provider Requirements**

- These funds shall not be co-mingled with the funds of the assisted living facility or adult foster care provider.
- The personal needs allowance for the recipient shall not be charged by the assisted living facility or adult foster care provider for any item or service not requested by the individual.
- The assisted living facility or adult foster care provider shall not require an Auxiliary Grants recipient or his representative to request any item or service as a condition of admission or continued stay.
- The assisted living facility or adult foster care provider must inform the individual or his representative of a charge for any requested item or service and the amount of the charge.

## **5. Grant Computation**

The AG payment amount is computed by subtracting the individual's net countable income from the appropriate AG Limit, as computed above. The result is rounded to the nearest dollar and the payment is issued to the client.

### **5.1. Rounding**

When the payment amount is less than a full dollar amount, the amount must be rounded to the nearest dollar. Amounts ending in \$.01 through \$.49 are to be rounded down to the next lowest dollar; from \$.50 through \$.99 to the next higher dollar. When the budgetary deficiency is \$.49 or less, no payment is to be made. A payment of less than \$1.00 may not be issued.

Examples:

If amount = \$64.45, then the payment = \$64.00

If amount = \$64.56, then the payment = \$65.00

If amount = \$.45, then the payment = \$0

**Note:** When an otherwise eligible individual is not entitled to a payment because the grant amount does not equal or exceed \$1, due to rounding, the individual is AG eligible and is enrolled as such. He/she is also Medicaid eligible based on his/her AG eligibility.

## 6. Changes

### 6.1. Individual Moves To Another ALF/AFCH

When an individual moves from one ALF/AFCH to another, the payment amount is not adjusted for the month of change unless the rate in the second home is higher.

#### 6.1.1. New Rate Is Lower

If the rate in the second home is lower, no adjustment will be made. The individual is entitled to the amount he received based on the rate in the first home.

#### 6.1.2. New Rate Is Higher

If the new home's rate is higher, the grant for the month of change must be recomputed using the second home's rate. Any difference between the old grant amount and the new grant amount is prorated to determine the supplemental amount payable to the recipient. The proration is based on the number of days the individual was in the new home.

STEPS	COMPUTATION OF SUPPLEMENT
	ACTIONS
<b>Step 1</b>	Determine the rate for the new home.
<b>Step 2</b>	Add the result to the full personal needs allowance The result is the AG Limit for the month of change.
<b>Step 3</b>	Subtract the individual's net countable income. The result is the new payment amount.



<b>Step 4</b>	Subtract the initial payment amount from the new payment amount.
<b>Step 5</b>	Divide the difference by 30 to determine the daily amount.  <b>Note:</b> 30 is the number of days used regardless of the actual number of days within the month of entry.
<b>Step 6</b>	Multiply the daily amount by the number of days in the new home.  The result is the amount of supplement to be issued to the individual.

**Example:**

*Ms. Cranberry leaves GHI on May 22 and enters JKL. The approved rate at GHI is \$1,221 while at JKL it is \$1,404. (It is in Planning District 8.) Since Ms. Cranberry's net countable income is \$700 a month, her grant at GHI was \$603 a month. At JKL she will be eligible for \$786 a month. \$786 minus \$603 is \$183. Therefore, she will receive a supplemental check of \$61 (\$183 divided by 30 = \$6.10 times 10 days in the new facility).*

**6.2. The Approved Rate Increases**

When DARS publishes an increase the ALF/AFCH rates, the increase must be reflected in the payment for the month in which the rate increased. If action is not taken in time to impact the monthly issuance a supplement must be issued.

**7. Reconciling Payments**

AG is a needs based program and the amount of the assistance issued to eligible individuals must be based on their actual income.

This presents a problem as ongoing AG payments are issued at the first of the month to cover the individual's needs for that month. This early issuance cycle requires that the payment be based on projected income. Projection of income may result in the counting of more or less income than the individual will actually receive. To meet the federal mandate of basing the monthly payment on the income actually received within the month, it is necessary to periodically reconcile all payments issued based on projected income. Reconciliation requires the verification of the income actually received, the recomputation of prior months' payment amounts and the correction of any over or underpayments.

The reconciliation frequency is determined by the stability of the amount of income received. If the amount of income is stable, payments are reconciled annually. If the income amount fluctuates, the payments are reconciled every three months.

## **7.1. Reconciliation Periods**

The period that is to be reviewed and reconciled is called the reconciliation period. The frequency of the required reconciliation and the reconciliation period is determined by whether the individual's income is stable or fluctuates.

### **7.1.1. Stable Income**

To meet the definition of stable income, the source and amount received must be the same each month. Stable income must be reconciled annually at redetermination. The reconciliation period is the 12 months prior to the redetermination date. At redetermination the worker will review the actual income received in the last 12 months and recompute the payment amount for any month in which the actual income differed from the projected income.

**Note:** The income received in the reconciliation period is also used to project the income to be received through the month of the next scheduled redetermination.

#### **7.1.1.1. Verification**

Verify the actual income received within the last 12 months. If the verification is available online, it is not necessary to request the verification from the individual. Use the verification methods specified in the manual for the appropriate income type.

### **7.1.2. Fluctuating Income**

To meet the definition of fluctuating income, the amount received must vary from month to month.

Fluctuating income must be reconciled every three months. The worker will review the actual income received and recompute the payment amount for each month in the reconciliation period.

**Note:** All earned income is treated as fluctuating income.

#### **7.1.2.1. Reconciliation Cycle**

The reconciliation cycle for fluctuating income begins with the application month. Income is projected for the month

of application and the three following months. The individual is instructed to save his/her income verification for the first three months and submit it in the fourth month. In the fourth month the worker will use the actual income to reconcile the payments that were issued for the prior three months and to project the amount of income to be received for the next three months. The four month cycle will continue as long as the individual receives fluctuating income. (Three months of projected income followed by the income reporting month, the fourth month)

**Example:**

January = Month of Application

Income Is Projected January – April

April = Income Reporting Month for January – March  
Reconciliation Period

Reconciliation Completed

Income Is Projected for May – July

July = Income Reporting Month for April - June  
Reconciliation Period

Reconciliation Completed

Income Is Projected for August – October

Repeat Every Three Months

**7.1.2.2. Verification**

**7.1.2.2.1. Non-SSI Individuals**

Instruct the individual to retain all of his/her pay stubs or other acceptable income verification and submit them either monthly or at the end of the three month income reconciliation period.

Verification of the actual amount of income received within the reconciliation period must be submitted to the worker by the 5<sup>th</sup> day of the month following the last month of the

review period. Use the verification methods specified for the appropriate income type.

**Note:** If income verification is submitted monthly, the worker may hold the verification until the end of the reconciliation period and reconcile all three months at once.

#### **7.1.2.2.2. SSI Recipients**

An SSI recipient's income is to be verified through SVES. Use the gross SSI amount and the net earned and unearned income amounts shown there.

### **7.2. Reconciliation Computation**

On receipt of the verification of the actual income received during the reconciliation period, recompute the individual's countable income for each month in that period. Use the actual income received within the month to determine the correct grant amount. Do not convert the income to a 4.3 weeks month. Determine if the individual received the right amount or was over or underpaid.

**Note:** The overpayment policy in Chapter L does not apply to overpayments that occur due to projected income.

#### **7.2.1. Offset Overpayments With Underpayments**

If the individual was overpaid in one or more months and underpaid in another, reduce the amount of the overpayment by the underpayment.

##### **7.2.1.1. Overpayment**

If an overpayment balance remains after offsetting, deduct one-third of the overpayment amount from each of the following three months' payments.

If the recoupment alone reduces the grant to zero, the individual remains eligible for AG and Medicaid. No payment is issued.

An advance notice of action is required.

### 7.2.1.2. Underpayment

If an underpayment balance remains after offsetting, issue the balance in the next payment.

Use the Notice of Action to notify the individual of the temporary increase and the reason for it.

## 8. Payment Issuance

AG payments are issued by check directly to the individual unless an authorized payee has been designated. If an authorized payee has been designated, the check shall be issued to the authorized payee. An authorized payee may be the individual's court appointed conservator or guardian or the person with a valid power of attorney with the authority to accept funds on behalf of the individual. It is the individual's or the individual's payee's responsibility to use the money to pay the ALF/AFCH. The check cannot be issued in the name of the facility or home.

**Exception:** A vendor payment may be made directly to the ALF/AFCH when an eligible individual leaves the home while his Auxiliary Grant application is pending Contact AG consultant for other circumstances that may occur outside of the initial application processing.

### 8.1. Issuance Method

All checks, including the initial payment, are to be mailed to the individual at the individual's address.

**Exception:** If the individual has a justifiable reason, he/she may be permitted to pick up the check at the LDSS office or may ask that the check be delivered to his/her home. Such reason should be stated by the recipient in writing and the written request should be filed in the case record. Approval to deliver a check to a home must be approved by the agency director or his or her designated representative.

A receipt should be secured for any checks delivered personally in the office or in the home.

### 8.2. Issuance Timeframes

Initial payments should be issued as soon as administratively possible after official agency action is taken to approve the case. Regardless of the date of agency action, the initial payment will include the payment amounts due for the month of entitlement through the processing month. See Entitlement Begins Chapter B – 7.4.3.1.

Ongoing AG payments are to be mailed to be received on the first of each month and will cover the individual's needs for that month.