



Cost Share and Voluntary Contribution Policy

Purpose

This document serves as a guideline for Older Americans Act Title III service providers in developing and implementing cost sharing and voluntary contributions policies and procedures. It clarifies regulations mandated by the Minnesota Board on Aging (MBA) in accordance with Section 315(a) of the Older Americans Act.

The Older Americans Act requires that area agencies on aging shall assure that each service provider (also referred to as a 'grantee/contractor' in this document) shall provide each older person ('program participant' or 'client') with an opportunity to voluntarily contribute to the cost of service¹.

The document also provides a sample cost share sliding contribution scale and a sample voluntary contribution policy.

Background

Service providers funded under the Older Americans Act are encouraged to earn income to defray program costs where appropriate. Program income is defined in the [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards](#)².

Program Income, as defined in [45 CFR Part 75.307](#)³, includes, but is not limited to, program participant donations, cost share revenue and other income received by or due to the grantee/contractor organization, as a result of activities wholly or partially supported by funds from the contract. Service providers must report all program income to Trellis. This document refers specifically to program income generated through cost share revenue and program participant donations [IM #08-11 Title III Cost Sharing Implementation Guidelines].

The Older Americans Act describes two ways for program participants to contribute to the cost of services: cost sharing and voluntary contributions. OAA states [service providers must]:

1. Provide each older person with an opportunity to voluntarily contribute to the cost of the service;
2. Protect the privacy of each older person with respect to his or her contributions; and

¹ Older Americans Act Regulations: https://www.ecfr.gov/cgi-bin/text-idx?SID=d80aca7a2beb7bd10ba3f28eb96d1498&mc=true&node=pt45.4.1321&rgn=div5#se45.4.1321_157

² Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=a478ecb99f660289e651f26c480e637c&mc=true&n=pt45.1.75&r=PART&ty=HTML#se45.1.75_1306

³ Electronic Code of Federal Regulations: https://www.ecfr.gov/cgi-bin/text-idx?SID=0cd599a28cb4cea0ac897a09c9c27de4&mc=true&node=se45.1.75_1307&rgn=div8

3. Establish appropriate procedures to safeguard and account for all contributions.
4. Each service provider shall use supportive services and nutrition services contributions to expand supportive services and nutrition services respectively. To that end, the State agency (In, Minnesota, the 'State Agency' is the Minnesota Board on Aging) shall:
 - a. Permit service providers to follow either the addition alternative or the cost sharing alternatives as stated in 45 CFR 75.307(e)(2) and (3); or
 - i. A combination of the two alternatives.
 1. Each service provider under the Older Americans Act may develop a suggested contribution schedule for services provided under this part. In developing a contribution schedule, the provider shall consider the income ranges of older persons in the community and the provider's other sources of income. However, means tests may not be used for any service supported with funds under this part. State agencies, in developing State eligibility criteria for in-home services under section 343 of the Act, may not include a means test as an eligibility criterion.
 2. A service provider that receives funds under this part may not deny any older person a service because the older person will not or cannot contribute to the cost of the service.

Cost sharing contributions are based on a program participant's income and the cost of the service provided to that individual. Funds provided by the program participant are intended to supplement the cost of the service while allowing the service provider to expand services. Generally, cost sharing follows a sliding contribution schedule that provides a range of suggested contributions based on income.

Cost sharing is required for all OAA Title III-funded services except:

1. Information and assistance, outreach, benefits counseling, or other case management services. Ombudsman, elder abuse prevention, legal assistance (including legal education), or other consumer protection services.
2. Congregate and home delivered meals.
3. Any services delivered through tribal organizations.
4. To persons at or below the federal poverty level
5. Persons receiving services through a Medicaid Waiver Program (CADI, CAC, DD, EW, TBI) or the Alternative Care Program.

Voluntary contributions are funds provided by program participants as a 'free will donation' toward the cost of the provided service. Service providers must use these funds to supplement the cost of the service and expand services.

A service provider that receives funds under the Older Americans Act may not deny any eligible older person a service because the older person will not or cannot contribute to the cost of the service.

In most cases, service providers must develop two policies: 1) a cost sharing policy; and 2) a voluntary contributions policy. Service providers share these policies with participants in order to grow and support program services.

| | Cost Sharing | Voluntary Contributions |
|---|--|--------------------------------|
| Title III-B Supportive Services | Required – Except where it is prohibited (see above) and Special Access Providers* | Required |
| Title III-C: Nutrition Services | Not Allowable | Required |
| Title III-D: Evidence-based Disease Prevention and Health Promotion | Required | Required |
| Title III-E: National Family Caregiver Support Program | Required | Required |

* This exception requires annual approval by the Minnesota Board on Aging.

Cost Sharing Sliding Scale

Cost share policy requirements are set by the Older Americans Act and by the Minnesota Board on Aging (MBA). For those providers who are subject to cost sharing requirements, MBA guidance states [IM #08-11 Title III Cost Sharing Implementation Guidelines]:

1. The Minnesota Board on Aging (MBA) recommended level of cost sharing is 50% of the cost of the service provided. Participant income level will be based on self-reported gross income of the older individual service recipient. Personal assets, savings, and/or other property are not to be considered. Income verification is not required. A means test shall not be used to determine eligibility for services. For those individuals unable to cost share at the 50% level, a cost-share sliding scale—based solely on gross income levels and cost of delivering services—provided by Trellis shall be used to determine the cost-share amount. Each grantee/contractor must identify their unit of service cost as the basis for the cost-share sliding scale. Regarding caregiver services, in cases where the caregiver and the care receiver are married and at least one is 60+ years old, both incomes will be used to determine the cost-share amount. The two-person household income column on the cost-share sliding scale will be used to determine the cost share amount.
2. The MBA has established a 10-25-50-100% sliding contribution scale applied to the older individual's income levels at: greater than 100%, greater than 150%, greater than 200% and greater than 250% of Federal Poverty Guidelines. Variations to the sliding scale that comply with the intent of the policy and encourage financial contributions by users are allowed. For example, if a provider has been successful in generating higher levels of cost sharing through use of a different scale the provider may continue to use that scale. Scales that vary from Trellis-provided scale must be approved by Trellis prior to implementation.
3. The Grantee/Contractor must publish the cost share sliding scale and advise clients of the opportunity to contribute towards the cost of the service. The Grantee/Contractor shall submit a copy of the cost share sliding scale and related client education and notification materials to Trellis within the first month of the contract for review, comment, and approval.
4. The Grantee/Contractor must protect the privacy and confidentiality of each individual (with respect to the declaration or non-declaration of individual income and to any share of costs paid or unpaid by an individual). Trellis shall assure that linkages are established with providers that have third party billing

capacity (e.g., Medicare, Medical Assistance, Elderly or CADI Waiver, Alternative Care, private insurance, etc.)

5. Providers must submit a copy of the sliding contribution scale (s) and related client education and notification materials to Trellis for review, comment, and approval on an annual basis. Variations in the scale that comply with the intent of the cost share policy and encourage financial contributions by users are allowed.
6. Third party payment shall be maximized for qualifying persons. AAAs shall assure that linkages are established with providers that have third party billing capacity (e.g., Medicare, Medical Assistance, Elderly or CADI Waiver, Alternative Care, private insurance, etc.)
7. The Grantee/Contractor may not deny service to any individual unable or unwilling to make a contribution for service.
8. The AAA may waive individuals from cost-sharing participation for extreme hardship on a case-by-case basis. Exemption decisions should be documented in client files.
9. Co-payment "statements" may be provided to clients but must not carry forward a balance due amount.
10. The Grantee/Contractor shall have written policies and procedures on how they will implement and administer the cost-sharing policy.
11. The Grantee/Contractor shall establish and maintain separate fund codes established through the general ledger for the funds provided under this Agreement and income generated by the Project. The funds shall not be comingled with funds received under any other agreement. The Grantee/Contractor is responsible for regular deposit of program income.
12. Cost-sharing revenue shall be used to expand the service for which the payment was given.

Voluntary Contributions

As noted above, voluntary contributions are free will contributions a grantee/contractor receives from participants. These contributions qualify as program income and are subject to the rules outlined in the [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards](#)⁴.

Voluntary contributions are allowed for all OAA services. Voluntary contributions, however, do not replace the cost sharing policy outlined above. Such contributions shall be encouraged for individuals whose self-declared income is at or above 200% of the poverty line, at contribution levels based on the actual cost of service.

The Grantee/Contractor shall publish a schedule of suggested contributions and shall advise clients of the opportunity to contribute towards the cost of the service. In no case shall the Grantee/Contractor deny the provision of service to a consumer who is unable or unwilling to make a contribution. Voluntary contributions shall be used to expand the service for which the contribution was given [IM #08-11 Title III Cost Sharing Implementation Guidelines].

A service provider that receives funds under this part may not deny any older person a service because the older person will not or cannot contribute to the cost of the service.⁵

⁴ Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=a478ecb99f660289e651f26c480e637c&mc=true&n=pt45.1.75&r=PART&ty=HTML#se45.1.75_1306

⁵ Older Americans Act Regulations: https://www.ecfr.gov/cgi-bin/text-idx?SID=d80aca7a2beb7bd10ba3f28eb96d1498&mc=true&node=pt45.4.1321&rgn=div5#se45.4.1321_157