

# Trellis Cost Share and 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 service.

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 (OAA) 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](#).

Program Income, as defined in [45 CFR Part 75.307](#), 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 the Metropolitan Area Agency on Aging, Inc., dba 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 (OAA) 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
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), Telephone Reassurance* 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 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 must publish the cost share sliding scale and advise clients of the opportunity to contribute towards the cost of the service. The Grantee 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 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 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 shall have written policies and procedures on how they will implement and administer the cost-sharing policy.
11. The Grantee shall establish and maintain separate fund codes established through the general ledger for the funds provided through Title III and income generated by the Title III-funded Project. The funds shall not be comingled with funds received under any other agreement. The Grantee 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](#).

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 ([§1321.67 Service contributions](#)).



## Sample Cost Sharing Policy and Sliding Contribution Schedule:

Note: In some cases, the samples below include figures that must be updated on an annual basis (e.g. Federal Poverty Level).

### TITLE III COST-SHARE SLIDING SCALE (2021)

% of 2020 Federal Poverty Guidelines (FPG)	Annual Income 1 person 60 years +  In a single or multiple person, <i>non-spousal</i> household	Annual Income 2 person <i>spousal</i> household (at least 1 is 60 years +)	Individual Cost Share as Percentage of Service Unit Price or Budget Amount	SAMPLE Cost Share for a \$100 Service Unit Price	
				Title III Funded Amount	Individual's Cost-share Amount
≤ 100%	\$12,880	\$17,420	0%	\$ 100	\$ 0
>100% to 150%	\$12,761 - \$19,320	\$17,421– \$26,130	10%	\$ 90	\$ 10
>150% to 200%	\$19,321 – \$25,760	\$26,130– \$34,840	25%	\$ 75	\$ 25
>200% to 250%	\$25,760 – \$32,200	\$34,840 - \$43,550	50%	\$ 50	\$ 50
>250%	\$32,201	\$43,551	100%	\$ 0	\$ 100

For Title III, the cost-share percentage is based on the gross annual income of the qualifying older person(s) defined as a percentage of FPG and the price of the service unit and/or amount of a self-directed services budget. It does not consider any assets, savings, or other property owned by older person. A sample service price of \$100 is used as an example.

2021 Federal Poverty Guidelines Reference: [Poverty Guidelines | ASPE](#)



## Sample Cost Sharing and Voluntary Contributions Policy and Procedure:

The sample policies outlined below are intended for use as a template. Service providers who choose to use these documents should customize these templates for actual program costs and service contribution structures.

*[XYZ Organization] – Policies and Procedures: Cost Sharing and Voluntary Contributions*

*Subject: Cost Sharing for \_\_\_\_\_ Services*

### Need for the Policy

The number of older adults needing help is growing and public resources used to pay for this help are diminishing. To help sustain [XYZ Organization] services for a growing aging population and to comply with grant funders requirements (Minnesota Board on Aging and/or Trellis) individuals participating in [XYZ Organization Services], will be asked to share in the cost of the service – or a portion of the cost, based on ability to pay.

### Cost-Share Sliding Scale and Basis of Service Contribution

Cost-sharing contributions will be based on the person’s gross income as well as household size (and relationships) using the following cost share sliding scales and by using the following service costs:

Service Name	Cost of Service
<i>[Example: Chore Service]</i>	<i>[Example: \$25.00 per hour]</i>

*Note to Providers: Your organization has flexibility in deciding how you want to structure your service contributions – this is just one example. They should be based either on the actual unit costs or on what you think the market will bear. Title III-funded agencies are encouraged to set the rate at the actual per unit cost of service, when possible. If you do not use the actual unit cost, you may want to consider telling your program participant what the real unit cost is and explain that some- but not all - of that cost is subsidized by other funding source. This conversation allows you to educate your program participants about the real cost of the service.*



**[SERVICE NAME]- \$XX.XX/HOUR IS BASIS FOR CONTRIBUTION STRUCTURE**

Contribution as a Percent of Cost of Service	Percent of Federal Poverty Guidelines	Monthly Income 1 Person 60 years plus in a single or multiple person, <i>non-spousal</i> household	Monthly Income <i>spousal</i> household (at least 1 is 60+)	Recommended Service Contribution – Based on cost of \$25 per hour
0 %	100% of Poverty Level	\$12,880	\$17,420	Voluntary Contribution
10 %	101-150%	\$12,761 - \$19,320	\$17,421–\$26,130	\$2.50/Hour
25 %	151-200%	\$19,321 – \$25,760	\$26,130–\$34,840	\$6.25/Hour
50 %	201- 250%	\$25,760 – \$32,200	\$34,840 - \$43,550	\$12.50/Hour
100 %	More than 250%	More than \$32,201	More than \$43,551	\$25.00/Hour

**Determining Income**

Cost sharing participation will be based solely on the gross income of the person served. Personal assets, savings, or other property will not be considered when determining income levels. Income will be determined solely by confidential declaration of income by the individual with no requirement for verification.

**Low Income and Cost Sharing**

Cost sharing will not be implemented for an individual whose income is at or below the federal poverty line. In such cases, the individual will be given the opportunity to make a voluntary contribution to the program.

**Collection of Cost Share Contributions**

Individuals eligible for cost sharing will receive a mailed reminder of cost share contributions due.

Mailings will state that no one will be denied service based on inability or unwillingness to pay. [XYZ Organization] will not carry forward any balance due from one period to the next.

[XYZ Organization] will assure that cost share payments are made and can be accounted for in a confidential manner.

## Collection of Voluntary Contributions

Program participants will be notified of the full cost of service and asked to make a recommended donation to help offset program costs. Voluntary contributions will be made in a manner consistent with Federal law and MBA policy including the collection, safekeeping, and accounting of all funds.

*Note to Providers: Be sure to adjust the monthly income columns each year to reflect the current federal poverty rate guidelines.*

*Service providers also have flexibility in setting up the sliding contribution scale. The 10-25-50-100% of contribution scale is recommended, but you may submit other versions to Trellis for approval.*

## Accounting for Cost Sharing and Voluntary Contributions

[XYZ Organization] will account for cost share contributions separately from voluntary contributions, as required by funders (Minnesota Board on Aging and Trellis). Cost share and voluntary contributions will be reported to the program funders in the manner stipulated in the grant agreement/contract.

## Use of Cost Sharing Contributions and Voluntary Contributions

All cost share and voluntary contributions received by [XYZ Organization] will be used to or expand program services.

## When to Inform the Participant of Cost Sharing / Voluntary Contribution Policy

Participants will be informed of [XYZ Organization]'s Cost Sharing and Voluntary Contribution Policies at in-take or as close to in-take as deemed appropriate by agency professionals working with the program participant. Policies will be explained verbally and in print.

## No Denial of Service

Individuals who are unable or unwilling to pay specified contributions based on the cost share sliding scale or who do not wish to make a voluntary contribution to the program will not be denied service. This will be explained verbally and in print to participants at the same time other contribution information is reviewed with the prospective program participant.

