

POLICY: RESIDENTIAL LIVING ALLOWANCE

POLICY STATEMENT: The State Line Residential Living Allowance (RLA) is intended to address the basic needs of the individual to enable him/her to live and participate in the community and to promote financial independence from RLA. An RLA is requested when State Line dollars are required to support an eligible, individual in his or her own residence in the community.

DETAILED POLICY STATEMENT:

It is the policy of the Bureau of Developmental Disabilities Services (BDDS) to provide Residential Living Assistance (RLA) to an individual when the total sum of the BDDS defined Residential Living Expenses of an Individual cannot be met by the total sum of the BDDS defined income and benefits of an individual to the extent that state funds are available.

The individual and/or legal representative is expected to apply for all entitlements and benefits (Medicaid, Social Security, etc.) for which the individual may be eligible. The provider responsible for assisting the individual in managing his/her resources and/or the case manager is expected to assist the individual in applying for these benefits. In most cases, State Line funds cannot be used if an individual is eligible for residential benefits but chooses not to apply for said benefits.

The household expenses must be shared by all adult persons living within the home, whether an eligible individual or not. A budget must reflect only the amount that is the responsibility of the individual.

All documentation must be retained according to the Provider Standards found in the Indiana Administrative Code (460 IAC 6) and may be requested for review by BDDS at any time. The documentation detail should provide an audit trail that begins with the Individualized Support Plan (ISP) and culminates with the claim for services rendered and/or costs incurred.

RESIDENTIAL LIVING ALLOWANCE FUNDS

1. RLA funds are a means tested funding:
 - a. authorized by the BDDS under IC 12-11-1.1-2(c);
 - b. managed and allotted through the State Line Item (SLI) program;
 - c. reimbursed to an approved and authorized BDDS RLA Provider, on behalf of an eligible individual;

- d. covering residential living expenses, as authorized through the individual's State Line Item budget form;
 - e. utilized to support an eligible individual when all other possible resources are unavailable.
2. RLA funds are subject to the availability of State funding.

RESIDENTIAL LIVING ALLOWANCE PROVIDER QUALIFICATIONS

To be approved to provide Residential Living Allowance, an Applicant shall:

1. be approved by BDDS to provide Residential Habilitation and Support;
2. have no familial relationship by blood, marriage or adoption, or other significant personal relationship with the eligible Individual or with the immediate family members of the eligible Individual, and;
3. agree to request, maintain, and disburse any RLA funds:
 - a. on behalf of only the authorized individual;
 - b. only after application of any and all other sources of Income and Benefits for the authorized individual; and
 - c. in compliance with requirements of current BDDS Policy and Procedures.

RESIDENTIAL LIVING ALLOWANCE DELIVERY STANDARDS

1. To be eligible to request a Residential Living Allowance, an individual must meet all of the following conditions:
 - a. be determined eligible for supported living services pursuant to IC 12-11-2.1-1;
 - b. reside in his/her own home with a lease or rental agreement;
 - c. not reside in his/her parent's or other family member's home;
 - d. receive residential services funded through the BDDS Autism or DD waivers;
 - e. have no more than one thousand five hundred dollars (\$1,500) in assets;
 - f. have personal and community resources inadequate to maintain the individual's BDDS defined Residential Living Expenses;
 - g. in most cases, apply for, accept, and maintain any and all entitlements and benefits for which the individual may be eligible; and
 - h. agree to and apply any and all possible resources towards the individual's BDDS defined Residential Living Expenses (RLE) prior to requesting or utilizing RLA assistance.
2. All requests for RLA assistance and funding must be made by the RLA provider on behalf of the individual:
 - a. using the appropriate State Line Item budget form(s);
 - b. through the Individual's Case Manager;
 - c. in compliance with BDDS Policies and Procedures.

RESIDENTIAL LIVING ALLOWANCE DOCUMENTATION STANDARDS

1. In addition to all other documentation required by 460 IAC 6, a RLA Provider shall maintain documentation for each separate Individual supported.
2. All RLA budgets must be submitted using the current version of the SLI budget form.
3. Any RLA requests not in compliance with 460 IAC 6 must be accompanied by documentation of medical need or imminent danger that supports the noncompliance.
4. Providers responsible for the development of the Residential Living Allowance Budget must submit and receive approval for the budget prior to the initiation of supports.
5. All supports within a Residential Living Allowance Budget must be related to the health and safety of the individual.
6. Failure to submit a budget will result in no reimbursement for the Residential Living Expenses.
7. Documentation of the individual's Income and Benefits shall be maintained by the RLA Provider and made available to the Individual's Case Manager and BDDS, upon request, including but not limited to:
 - a. Social Security Income;
 - b. Social Security Disability Income;
 - c. Earnings from work;
 - d. Earnings from assets, including trusts;
 - e. Other sources of income and benefits, including self and family contributions.
8. Documentation is subject to audit. Incorrect reporting may result in disqualification from the program.
9. Documentation of the individual's Residential Living Expenses shall be maintained for each budget period by the RLA Provider and made available to the Individual's Case Manager and BDDS, upon request, including but not limited to:
 - a. copy of lease or rental agreement;
 - b. copy of insurance statement;
 - c. copy of court ordered payments;
 - d. documentation regarding trusts;
 - e. an organized summary of utility expenditures and receipts for the period covered by the previous budget;
 - f. a copy of the Individual's ISP; and
 - g. documentation of any other items noted on the State Line Item Budget.
10. Refusal by the Provider or the Individual or, if indicated, the Individual's legal representative to supply information requested by the Case Manager or BDDS may result in:
 - a. a State Line Item Budget not being approved; or
 - b. the cessation of existing RLA funding.

11. All documentation shall be in compliance with BDDS policy.
12. Retention and maintenance of all documentation by the provider shall be in accordance with 460 IAC 6.

RESIDENTIAL LIVING ALLOWANCE INCOME STANDARDS

Dependents

1. Income received specifically for the support of children residing with an individual, such as Temporary Assistance for Needy Families (TANF), Child Support, Social Security, etc. should not be included in the budget for the adult individual.
2. Living expenses for a dependent should not be included on the Budget.

Earned Income Incentive

3. Earned Income Incentive (EII) allows the individual to increase the amount of discretionary income for use to purchase items not funded under monthly living expenses.
4. The use of EII should be based upon the Person Centered Planning (PCP) process and reflected in the ISP.
5. The EII amount is calculated as the first \$16 of earned income plus 50% of all earned income over \$16.
 - a. The EII shall not exceed \$416.

Net Earned Income

6. Net Earned Income is the total monthly net earned income of the individual. Net earned income is based upon monthly payroll records and may be averaged, using the previous three months of payroll records as the basis.
7. Net Earned Income minus the Earned Income Incentive (EII) results in the Income Balance, which must be used toward the individual's monthly expenses.

Personal Discretionary Funds

8. Personal Discretionary Funds are funds that an individual has earned or been gifted (exempting RLA funds) and that may be used at the individual's discretion.
9. Earned Income Incentive is considered to be Personal Discretionary Funds.
10. Use of Personal Discretionary Funds must be discussed with the Individualized Support Team (IST) and should be spent to improve the individual's quality of life and to promote financial independence from RLA.
11. While BDDS does not require an individual to use the Personal Discretionary Funds to assist with the Residential Living Expenses or services, an individual may choose to use Personal Discretionary Funds to assist with his/her Residential Living Expenses.
12. Personal Discretionary Funds are not to be spent by staff.

13. Personal Discretionary Funds are not to be used to buy gifts for or to loan to staff.

Monthly Income and Benefits

14. All Monthly Income and Benefits must be recorded in the budget form.
 - a. EBT/SNAP Food Stamp benefits are not to be included in the calculations for Monthly Income and Benefits.
15. If the individual chooses to contribute any portion of the Personal Discretionary Funds to the residential living expenses, the amount is considered to be “Other” income.
16. If family members contribute regularly to the expenses of an individual, this amount is considered to be an “Other” Income and Benefit.

RESIDENTIAL LIVING ALLOWANCE EXPENSES STANDARDS

An individual’s monthly Residential Living Expenses (RLE) should not be more than 150% of poverty level for a single individual for the current year as published in the Congressional Federal Register.

The RLA provider is responsible for monitoring the monthly expenses and allocating the funds in the month that the cost is incurred.

Household Expenses

1. This amount should be the total amount of the monthly rent or mortgage, utilities, telephone that is the fair share owed by each individual, and the cost of the individual’s property insurance.
2. Any housing supplements or coupons are not to be subtracted from this amount, but are listed on the Income and Benefits screen as a “HUD/Section 8 Supplement” or “Other”.
3. All household expenses are to be shared equally among all adult persons residing in the home.
4. Individuals are expected to participate in utility company budget plans, if available.
5. The purchase and/or maintenance of major appliances with RLA funds is not permitted.
6. Housing must include a refrigerator, stove, furnace/heating units and other major appliances.
7. Housing costs may include air conditioner and/or washer/dryer, snow removal and lawn mowing, if they are included in the rental agreement.
8. All maintenance to the property is the responsibility of the landlord.
9. Each individual must have a signed agreement, deed, or lease for his/her residence, even when family or friends own the residence.
10. Each individual must have a signed agreement, deed, or lease for his/her residence between roommates in regard to shared property.

11. Per the Provider Standards (460 IAC 6), the individual's RLA provider must assist an individual to obtain insurance at the individual's expense to protect the individual's assets and property.
12. A new budget will not be approved by BDDS to break a lease unless an individual's health and safety are jeopardized or significant cost savings in living expenses and services will occur. BDDS prior approval is necessary before breaking a lease occurs.
13. When RLA funds are needed, the Household expenses (Housing, Utilities, Telephone and Property Insurance) will not exceed the following guidelines:
 - a. No roommates - \$658.00/month
 - b. One roommate - \$478.00/month/individual
 - c. Two roommates - \$402.00/month/individual
 - d. Three roommates - \$356.00/month/individual

Medical, Not Covered Expenses

14. Only items prescribed or services provided by a medical professional with whom the individual has a doctor-patient relationship, such as a primary care physician doctor or nurse practitioner, are to be included in this field.
15. Documentation that the Individualized Support Team (IST) has agreed to all items and services included in this field must be documented in the individual's ISP and in the individual's BDDS file.
16. Detailed description of the items and services in this field must be included in the budget.
17. Non-prescribed medications, including Over-the-Counter medications, and equipment should not be included in this field.
18. Dental work requires justification which include:
 - a. A description of what work is needed for this individual and why.
 - b. Documentation that the IST has discussed and agreed to the necessity of the dental work should be included in the ISP and in the individual's BDDS District Office file.
 - c. Proof of Medicaid State Plan or private insurance denial must be included.
 - d. A description of plans for prevention of future re-occurrence.
19. RLE that are not paid on a monthly basis (e.g., non-covered medical expenses or quarterly insurance premiums) are to be equally divided across the duration of the budget. The provider is responsible for monitoring the monthly expenses and allocating the funds in the month that the cost is actually incurred.
20. Medical, Not Covered expenses paid by RLA funds will not exceed \$40.00/month.

Personal Necessities Expenses

21. Personal Necessities are miscellaneous personal items that an individual may require on an occasional basis, such as underwear, socks, haircuts, shampoo, soap, toothpaste,

- deodorant, nail clippers, toilet paper, dish detergent, paper towels, glass cleaner, toilet bowl cleaner, non-prescriptive vitamins, food supplements, laundry expenses, etc.
22. Non-prescribed medications and equipment, preventative aid supplies, etc. should be included in this field. Examples include first aid kits, band-aids, laxatives, antacids, and cold medicine.
 23. Personal Necessities that are not paid on a monthly basis (e.g., non-prescriptive vitamins, pain relievers, first aid kits, band-aids, laxatives, etc) are to be equally divided across the duration of the budget.
 24. Personal Necessities paid by RLA funds will not exceed \$80.00/month.

RESIDING IN HOME/ROOMMATE/HOUSEMATE

1. A person is considered to be residing in the home if the continued presence in the home exceeds seven consecutive days and nights.
2. All persons residing within the home, whether receiving BDDS services or not, must equitably share in the monthly living expenses, which includes housing, utilities, phone, and other shared household costs.
3. BDDS requires an individual to justify not having a roommate or housemate when that individual is requesting RLA funds.
4. A roommate or housemate means an individual who is not related to the other residents within the living quarters, and who shares living quarters primarily to share expenses.
 - a. An exception is if the relatives are both waiver recipients.

NON-PERMISSIBLE BUDGET EXPENSES

The following expenses are not permitted using State funding and must NOT be included on a budget.

State Line funds cannot be used if an individual is eligible for Medicaid or private insurance but chooses a provider that does not accept Medicaid or private insurance.

If the following items are included on a submitted budget, the budget will be denied.

1. State Line funds cannot be used to assist with alimony or palimony payments.
2. State Line funds cannot be used to purchase or replace major appliances such as refrigerators or stoves.
3. State Line funds cannot be used to purchase or lease an automobile, nor will a budget be approved that includes any expenses for repairs, maintenance, fuel, or insurance.
4. State Line funds will not reimburse deductions for burial trusts. Burial requests for individuals are supported using resources in the community such as township trustees, etc.
5. State Line funds cannot be used to purchase cable TV.

6. State Line funds cannot be used to assist with Child Support payments.
7. State Line funds cannot be used to purchase housekeeping services.
 - a. Services such as Residential Habilitation and Support include basic housekeeping for the individual who is unable to perform these tasks personally.
 - b. The individual may also obtain homemaker services from CHOICE services, if available.
8. State Line funds cannot be used to purchase computers, cellular phones, or a second telephone line.
9. State Line funds cannot be used to assist with court costs, lawyer fees, traffic tickets, or fines.
10. State Line funds cannot be used to pay for the expenses related to events and activities that an individual attends, such as admission to movies, dining out, etc.
11. State Line funds cannot be used to reimburse agency staff, friends, or family members for the cost of expenses related to admission to events and activities that an individual attends, such as admission to movies, dining out, etc.
 - a. These are considered to be part of the administrative costs covered in the service rates or a shared experience, with each person being responsible for his/her own expenses.
12. State Line funds cannot be used for capital improvements to property owned by individuals or providers.
13. State Line funds cannot be used for general repair and maintenance of property, including repair of major appliances and HVAC systems.
 - a. Repairs and Maintenance should be included in the lease/rental agreement with the landlord.
14. State Line funds cannot be used for fees related to legal guardianship and legal guardianship reports.
 - a. Payment of this fee is an issue to be determined by the guardian and the court system.
15. State Line funds cannot be used for the purchase of homes by or for the individual.
16. State Line funds cannot be used for the premiums for life, auto, or medical/health insurance.
17. State Line funds cannot be used to purchase lawn care, snow removal or extermination services.
 - a. Lawn care, snow removal and extermination services should be part of the lease/rental agreement negotiated with the landlord.
 - b. The responsibilities of the individual's residence should be matched with his/her needs and capabilities.
18. State Line funds cannot be used to repay loans or debts.
 - a. If for any reason a lump sum or debt is to be re-paid, the RLA provider is the responsible party for assisting the individual in the repayment, not the State of

Indiana. These dollars cannot be reflected on the budget as a Residential Living Expense.

19. State Line funds cannot be used to repay another government entity for an incorrect payment.
 - a. If for any reason a lump sum or debt is to be re-paid, the RLA provider is the responsible party for assisting the individual in the repayment, not the State of Indiana. These dollars cannot be reflected on the budget as a Residential Living Expense.
 - b. The RLA provider shall be responsible for any dollars lost as a result of benefits being discontinued for lack of management or maintenance of the benefits, and not the State or the individual.
 - c. The loss of, or repayment of lost, benefits cannot be reflected on the budget as a Residential Living Expense.
20. State Line funds cannot be used for the care of pets and/or companion animals.
21. State Line funds cannot be used to provide an individual with personal spending funds or to build up a personal savings account.

DEFINITIONS

“BDDS” means Bureau of Developmental Disabilities Services as created under IC 12-11-1.1-1.

“Case Manager” means a person employed to provide Case Management services by DDRS.

“Individual” means a person with a developmental disability who has been determined eligible for by BDDS. If the term is used in the context indicating that the Individual is to receive information or is to provide agreement to some activity, the term also includes the Individual’s Legal representative.

“Individualized Support Plan” or “ISP” means a plan that establishes supports and strategies, based upon the Person Centered Planning process, intended to accomplish the Individual’s long term and short term outcomes by accommodating the financial and human resources offered to the Individual through paid Provider services, volunteer services, or both, as designed and agreed upon by the Individualized Support Team.

“Individualized Support Team” means a team of persons, including:

1. an Individual;
2. the Individual’s Legal representative, if applicable;
3. the Individual’s Providers;
4. the Individual’s Case Manager, if indicated;
5. a BDDS representative; and

6. other persons identified by the Individual or the Individual's Legal representative, if applicable,
who assist the Individual in the development and implementation of the Individual's ISP.

"Spend-down" or "deductible" means the amount a person is required to pay if a person's income is above a certain program's determined income standard. He/she may be required to pay out-of-pocket for some of the services covered by that program before the program will assist.

"Residential Habilitation" means services providing up to a full 24 day of services and supports which are designed to ensure the health, safety and welfare of the Individual, and assist in the acquisition, improvement, and retention of skills necessary to support Individuals to live successfully in the community.

REFERENCES

IC 12-11-1.1-2(c)

IC 12-11-2.1-1

460 IAC 6

Approved by: Julia Holloway, DDRS Director

A handwritten signature in black ink that reads "Julia Holloway". The signature is written in a cursive style with a long, sweeping underline.