

**Department of Health and Family Services (DHFS)  
Children's Long-Term Support (CLTS) Parental Payment Limit System**

**Frequently Asked Questions**

**Parental Payment Worksheet Information**

**1. *What is adjusted gross income?***

The CLTS Parental Payment Limit system uses adjusted gross income as reported to the Internal Revenue Service (IRS). Adoption subsidies do not count as income. If a family has filed for an extension on their taxes, the "reported amount" that they included on their extension filing should be used until the official return has been filed.

**2. *Whose income should be considered for determining the CLTS Parental Payment Limit?***

The income of the person(s) legally responsible for the applicant child living in the household of consideration and all other adults over the age of 18 who are included in the family size of the household. See Question #3 regarding who is to be included in the calculation of family size.

**3. *Who should be included in the calculation of family size?***

Everyone living in the household. Adults living in the household who are not legally responsible for the applicant child may be excluded from the family size, in which case their income would not be considered per Question #4. Any adult over the age of 18 included in the family size must have their income included when determining the Parental Payment Limit.

**4. *What if we know a family will not have a Parental Payment based on their eligibility for income-based programs?***

If a family is currently receiving income-based support such as Medicaid through SSI, BadgerCare, Healthy Start, or other income-based sources, or Food Stamps, W-2, or WIC, (not including Katie Beckett MA or BadgerCare Plus), a county may automatically exclude this family from the Parental Payment Limit calculation, as their income will be below the 330% Federal Poverty Level threshold established for the CLTS Parental Payment Limit system. The county should document in the child's file and service plan that the parental payment limit is not applicable.

**5. *What if there is a joint custody situation?***

Use the following questions to establish which household is the child's household of consideration (taken from Wisconsin Medicaid Eligibility Handbook):

**Joint Custody**

When the natural or adoptive parents of a child do not live together, and have joint custody (through a mutually agreed upon arrangement or court order), act as follows:

1. Determine if the agreement or court order awarding joint custody designates a "primary caretaker." A parent designated as the primary caretaker is the primary person.

2. If one parent is not designated, ask the parents to decide which one is the "primary caretaker." If they decide within the 30-day processing, act on the application as based on what they decided.
3. If no decision is made within the 30 days of the application date, review the parents' activities and responsibilities to determine which parent is the primary caretaker. Use the list below:
  - a. If the parents reside in different school districts, where does the child attend school? Who selected the school?
  - b. Who assists the child with homework or school-related tasks?
  - c. Are there tuition costs for the child's education? If so, who pays those costs?
  - d. If the child is enrolled in day care, who arranges for and pays these costs?
  - e. Who is responsible for taking the child to and from school and/or day care?
  - f. Which parent is listed as the contact for emergencies at the child's school or day care provider?
  - g. Who arranges medical and dental care for the child? Who selects the physician and dentist? Who maintains the child's medical records?
  - h. Who initiates decisions regarding the child's future?
  - i. Who responds to medical or law enforcement emergencies involving the child?
  - j. Who spends money on food or clothing for the child when the child visits the absent parent?
  - k. Who disciplines the child?
  - l. Who plays with the child and arranges for entertainment?
  - m. Are more of the child's toys, clothing, etc., kept at one parent's home than the others?

This list is not all-inclusive, and there may be situations where additional criteria will apply. There are cases in which these questions may be answered positively for both parents. However, in reviewing parental responsibilities and roles, usually you will find one parent more often identified. Identify this parent as the primary person for purposes of determining the CLTS Parental Payment Limit. Document your decision in the case record.

#### **6. How must a family verify their income?**

A county administrative agency should use a "Declaration of Income" form (a sample form provided by the DHFS is available online as part of the Medicaid Home and Community-Based Waivers Manual at <http://dhfs.wisconsin.gov/bdds/waivermanual/index.htm>, but counties may make their own form as long as all of the information requested on the Declaration of Income form is obtained on the local version), The agency may also request a copy of all families' previous year tax returns. For married couples filing jointly, only one Declaration of Income form and/or tax return is required. For all other adults whose income is being considered for the CLTS Parental Payment Limit, a separate Declaration of Income form and/or tax return is needed per tax filing.

#### **7. Are there step-by-step instructions for county administrative agencies using the CLTS Parental Payment Automated Worksheet?**

Yes, the instructions are located online at <http://dhfs.wisconsin.gov/bdds/clts/ppl>.

## **Family Information**

### **8. *Who is affected by the CLTS Parental Payment Limit?***

Children under 18 years old participating in Children's Long-Term Support (CLTS) Programs, including the Community Options Programs (COP), the Family Support Program (FSP) and/or Medicaid Home and Community-Based Services (HCBS) Waivers (CIP 1A, CIP 1B, COP-W, CLTS Waivers).

### **9. *When should the CLTS Parental Payment begin for a family?***

The CLTS Parental Payment begins on the service plan start date.

### **10. *What medical and dental expenses can be claimed on the tax return?***

The Internal Revenue Service (IRS) has a web-based guide to assist taxpayers in identifying which expenses may be claimed on Schedule A, Itemized Deductions of the 1040 form. Please see IRS Publication 502 at the following address:  
<http://www.irs.gov/publications/p502/index.html>.

### **11. *Why is there a \$3,300 deduction or medical/dental expense deduction allowed?***

The CLTS Parental Payment Limit system recognizes that having a child with a disability yields additional expenses in a family's budget. The \$3,300 deduction is based on the Department of Health and Family Services (DHFS) standard allowance for having a child with a disability in the family; it is a standard allowance used in other CLTS Programs. A family has the option of using this standard deduction OR deducting their actual medical/dental expenses from the previous year's tax return under Schedule A, Itemized Deductions.

### **12. *What if a family's income changes? Should the CLTS Parental Payment Limit be recalculated?***

Families may request a recalculation if their income changes significantly from the adjusted gross income reported on the most recent tax return. In this situation, a family may estimate their newly changed income on a new Declaration of Income form.

### **13. *What if a family will not provide their income or other required information?***

A county may assess the highest percentage of the CLTS Parental Payment Limit (41%) for the costs of that child's service plan.

### **14. *What if there are multiple children with disabilities in the family?***

A family has the option of using an additional standard deduction of \$3,300 per each additional child with a disability in the family OR deducting their actual medical/dental expenses from the previous year's tax return under Schedule A, Itemized Deductions. Example: a family with three children with disabilities (where only one child is receiving services that would be eligible for the CLTS Parental Payment Limit) could have a deduction of \$9,900. Each additional child with a disability must meet eligibility standards for the Katie Beckett Program, an HCBS Waiver, or a Disability Determination threshold to qualify for the additional standard deduction. There is no deduction for adults with disabilities in the family.

**15. What if multiple children in a family receive services subject to the CLTS Parental Payment Limit?**

If a family has more than one child participating in programs where the CLTS Parental Payment Limit applies, the family will be liable for the CLTS Parental Payment Limit for each child separately. (Thus a family with two children would have two CLTS Parental Payment Limits). A county may consider individual waivers or reductions of multiple Payment Limits if the county can document a hardship.

**16. What is the age limit for a child to have a CLTS Parental Payment Limit?**

The age limit is 18. This is true even though a child may be participating in a CLTS program after the age of 18. Thus, upon a child's 18<sup>th</sup> birthday, the CLTS Parental Payment Limit would no longer apply.

**17. Can someone include the CLTS Parental Payment Limit in their employer's health savings account?**

Items that could be deducted under Medical and Dental Expenses on Schedule A, Itemized Deductions of a tax return may be included in a contribution to an employer-sponsored health savings account. Please see IRS Publication 502 at the following address for a review of eligible medical/dental expenses: <http://www.irs.gov/publications/p502/index.html>.

Upon request by the family, county administrative agency staff may provide a letter (see DHFS sample online in the Waiver Manual) to a family detailing the nature of the CLTS services that are being provided, if the family would like to work with their employer to have the CLTS Parental Payment included in their health savings account.

**18. What if a family cannot or will not pay the CLTS Parental Payment Limit?**

The CLTS Parental Payment Limit is based on a family's ability to pay, with an amount determined based on income and family size. If a family cannot or will not pay their individually assessed CLTS Parental Payment Limit, the county administrative agency should take the following steps:

1. Work with the family to identify why the CLTS Parental Payment Limit has not been paid. Assess if there has been a significant change in family income or size, or cost of plan to see if the CLTS Parental Payment Limit should be recalculated. If this is done and the family cannot or will not pay, proceed to step 2.
2. A county administrative agency may assess the situation and may reduce or waive the family's CLTS Parental Payment Limit if there are significant extenuating circumstances (including health and safety concerns). The reduction or waiver of the CLTS Parental Payment Limit must be documented in the child's service plan, along with the original CLTS Parental Payment Limit assessment. A county may consult with their Regional CSS for guidance on extenuating circumstances. If a Payment Limit reduction or waiver is not appropriate, proceed to Step 3.
3. The county administrative agency may reduce the Parental Payment Limit to a "judgment" amount, and then institute either county collections or garnishment of wages.

**Service Plan Information****19. Are the costs to be entered for the service plan based on planned or actual expenses?**

The costs to be entered for the service plan are based on planned costs, unless there is a substantial difference between the planned costs and the actual.

**20. What if a child's service plan costs change? Should the CLTS Parental Payment Limit be recalculated?**

The Payment Limit should be recalculated if the service plan costs change significantly. For example, when a child transitions from Intensive In-Home Treatment Services to ongoing services, a recalculation should be performed as this is a significant change in service plan costs. \*IMPORTANT: This type of transition, whenever it can be anticipated, should be averaged in the Payment Limit calculation and pro-rated across the calendar year.

**21. Would a family with only a one-time service plan cost still have a Parental Payment?**

Yes.

**22. Are the Administrative Costs included with the service plan cost in the Parental Payment Limit worksheet?**

No, the county administrative agency does not include any administrative costs in the calculation of the Parental Payment Limit worksheet. The only costs included in the worksheet are the services on the child's service plan(s).

**Programmatic Information****23. Are families who receive straight Family Support Program funds included in the CLTS Parental Payment Limit?**

Yes, straight Family Support funds are subject to the Parental Payment Limit. County administrative agencies are required to use the Parental Payment Limit worksheet to determine the Payment Limit. The Family Support Program form DDE- 939 Ability to Pay worksheet will no longer be used As of July 1, 2008. County Administrative Agencies will be required to use the parental payment limit worksheet for families utilizing family support funds.

**24. What if a child receives services/funding from multiple CLTS programs (for example, both straight Family Support Program and the CLTS Waivers)?**

If a child is participating in more than one program where the CLTS Parental Payment Limit applies, the service plan costs of all the programs should be combined in order to determine a single Parental Payment Limit for that child. The separate children's long-term support programs within a county are expected to coordinate internally to assure all service plan costs are incorporated into a single calculation.

**25. What if a child receives less than \$3,000 in support from other human service programs?**

The CLTS Parental Payment Limit will apply to all CLTS programs described in Question #1 regardless of the service plan costs.

**26. What if a child is participating in both CLTS programs and other non-CLTS Human Services systems? Do they pay the cost share for other programs and the CLTS Parental Payment Limit?**

A family would pay *either* the cost share for the other program(s) *or* the CLTS Parental Payment Limit, whichever is higher. For example, if a child is in an out-of-home placement through Child Protective Services, and the child is receiving Family Support funds, the family would pay the higher of the two assessed programs.

**27. What if the family has a CARES cost share. Do they pay the CLTS Parental Payment Limit and the CARES cost share?**

Yes. The cost share established by County Economic Support through the CARES system is a function of Medicaid Eligibility necessary to be participating in the Medicaid Program. The CLTS Parental Payment Limit is a long-term support payment. The two liabilities are for separate purposes, and both must be paid.

**28. What if I see new Federal Poverty Guidelines have been published for the new year?**

The federal government publishes new Poverty Guidelines in late January or early February of each year. County administrative agencies should continue to use the current CLTS Parental Payment Limit Workbook until revised versions are issued by DHFS, based upon the newly published Federal Guidelines. The county CLTS lead contact will be notified by e-mail when a revised workbook is available.

**29. When should county administrative agencies recalculate the parental payment limit?**

County administrative agencies should recalculate annually. If a family requests a recalculation based on a significant change in family income or service plan costs, the county administrative agency should recalculate the parental payment limit for that child’s services. Otherwise, county administrative agencies should recalculate annually. County administrative agencies should not recalculate retroactively when updated worksheets are provided.

**30. Where can I find more details?**

<http://dhfs.wisconsin.gov/bdds/clts/ppl/index.htm>.

**Parental Payment Limit Formula Information**

**31. What is the formula used to determine the Parental Payment Limit?**

The formula is based upon the following schedule:

Adjusted Gross Income (% of FPL)			Percentage of Service Plan Cost
Less than 330% FPL			0.0%
330%	to less than	355%	1.0%
355%	to less than	380%	1.8%
380%	to less than	405%	2.6%
405%	to less than	430%	3.4%
430%	to less than	455%	4.2%
455%	to less than	480%	5.0%

480%	to less than	505%	5.8%
505%	to less than	530%	6.6%
530%	to less than	555%	7.4%
555%	to less than	580%	8.2%
580%	to less than	605%	9.0%
605%	to less than	630%	9.8%
630%	to less than	655%	10.6%
655%	to less than	680%	11.4%
680%	to less than	705%	12.2%
705%	to less than	730%	13.0%
730%	to less than	755%	13.8%
755%	to less than	780%	14.6%
780%	to less than	805%	15.4%
805%	to less than	830%	16.2%
830%	to less than	855%	17.0%
855%	to less than	880%	17.8%
880%	to less than	905%	18.6%
905%	to less than	930%	19.4%
930%	to less than	955%	20.2%
955%	to less than	980%	21.0%
980%	to less than	1005%	21.8%
1005%	to less than	1030%	22.6%
1030%	to less than	1055%	23.4%
1055%	to less than	1080%	24.2%
1080%	to less than	1105%	25.0%
1105%	to less than	1130%	25.8%
1130%	to less than	1155%	26.6%
1155%	to less than	1180%	27.4%
1180%	to less than	1205%	28.2%
1205%	to less than	1230%	29.0%
1230%	to less than	1255%	29.8%
1255%	to less than	1280%	30.6%
1280%	to less than	1305%	31.4%
1305%	to less than	1330%	32.2%
1330%	to less than	1355%	33.0%
1355%	to less than	1380%	33.8%
1380%	to less than	1405%	34.6%
1405%	to less than	1430%	35.4%
1430%	to less than	1455%	36.2%
1455%	to less than	1480%	37.0%
1480%	to less than	1505%	37.8%
1505%	to less than	1530%	38.6%
1530%	to less than	1555%	39.4%
1555%	to less than	1580%	40.2%
1580% and above			41.0%