

STATE OF WISCONSIN  
Department of Health and Family Services  
Division of Long Term Care

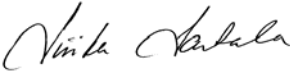
**DLTC Action Memo Series 2007-14**  
**Date:** August 14, 2007

**Index Title:** Individualized Service Plan  
Services Funded by Other Funding  
Sources

To: Listserv

For: Area Administrators/ Human Services Area Coordinators  
Bureau Directors  
Board of Aging and Long Term Care  
Community Integration Specialists  
County Aging Unit Directors  
County Departments of Community Program Directors  
County Departments of Developmental Disabilities Services Directors  
County Departments of Human Services Directors  
County Departments of Social Services Directors  
County Developmental Disabilities and Long Term Support Coordinators  
Division of Hearings and Appeals  
Licensing Chiefs/Section Chiefs  
Tribal Chairpersons/Human Services Facilitators

From: Sinikka Santala  
Administrator



Subject: The Application of Waiver Policy to Services Funded by Non-waiver Sources

### Document Summary

**This memo provides clarification regarding the funding of services included in a person's waiver Individualized Service Plan (ISP) for which funding is not available under the waiver. Including a service in the person's Individualized Service Plan (ISP) does not necessarily mean that the service must be paid for with public funds, unless the service is of a type that qualifies for funding under the waiver.**

**The memo establishes that the use of public funds is not required for services not covered by the particular waiver merely because the services are included in the person's Individualized Service Plan (ISP).**

Recent fair hearing decisions have concluded that services not funded by the waiver but included in an ISP must be paid for by other public funding sources. In one case, the decision required a county to pay for a local rent subsidy for a person because the subsidy was listed in the person's Individualized Service Plan (ISP), regardless of the fact that waiver funds may not be used for room and board.

Since the inception of the Home and Community-based Medicaid Waivers, the Department has required that assessments and individualized service plans include all services and supports needed to meet the participant's needs and achieve the participant's desired outcomes, regardless whether those services and supports may be paid for with waiver funding. The reasons for including these supports and services in the ISP are to develop a comprehensive plan for the individual, to ensure the waiver is not funding something that it does not and cannot cover (e.g. room and board), to ensure that the participant's health

and safety needs are being adequately addressed and to determine whether the participant's life in the community is achieving his or her desired outcomes (e.g. recreational opportunities).

The expectation to include these non-waiver services in the ISP can be found in the Medicaid Waivers Manual Chapter VI, Section 6.02.E [page VI-6]. While requesting this information, it was not the department's intent either to treat these services as waiver services or to require that they be paid for from other public funding sources. Other funding sources separate from the waivers specify the purposes for which these other funds may be used.

Waiver laws and policies do not apply to non-waiver services listed in a participant's ISP. They apply only to the services and supports for which funding is available under the specific waiver in which the person is enrolled. Waiver funding includes the funds that make up both the federal and nonfederal share of Medicaid funds and include all of the local funds that may be used as the nonfederal share for locally matched slots and for costs above state per diems. Waiver laws and policies apply to the expenditure of local public funds only when those funds are used as the nonfederal share of the cost of waiver-funded services.

The department lacks the authority to require other funding sources to pay for non-waiver-funded services identified in an ISP. It has never been the department's intent to subject services not funded by or fundable by the waivers to the same rules as we impose on waiver-funded services. Waiver policies do not mandate the funding of services that the waiver does not cover.

REGIONAL OFFICE CONTACTS:

Community Integration Specialists

CENTRAL OFFICE CONTACT:

Ken Golden, Quality Assurance, and Community Services Manager  
Developmental Disabilities Services Section  
Bureau of Long Term Support  
Division of Long Term Care  
1 W. Wilson St., Room 418  
Madison, WI 53703-7851  
(608) 266-1520  
[goldektl@dhfs.state.wi.us](mailto:goldektl@dhfs.state.wi.us)

MEMO WEB SITE: [http://dhfs.wisconsin.gov/dsl\\_info/](http://dhfs.wisconsin.gov/dsl_info/)

cc Lou Dunlap, Division of Hearings and Appeals