

## Children's Long-Term Support (CLTS) and Children's Community Options Program (CCOP) Parental Payment Limit (PPL) Frequently Asked Questions

### About PPL

**1. What is the PPL formula based on?**

The formula is based on [DHS Ch. 1.065](#) and considers the size of the family, parental income, and applicable federal poverty guidelines. The [Worksheet for Determination of Parental Payment Limit \(F-01337\)](#) was developed to estimate PPL in accordance with DHS Ch. 1.065.

**2. Who is affected by PPL?**

Parents of children under 18 years old participating in CLTS. This is true even though a youth may be participating in CLTS after age 18. Upon a youth's 18<sup>th</sup> birthday, the CLTS PPL no longer applies. The PPL also applies to parents of participants receiving services or funding through CCOP only. The CCOP PPL applies through age 22 if the parent meets the definition outlined in [DHS ch. 1.02\(8\)](#).

### Determining PPL

**3. How is PPL estimated and billed?**

The CWA uses the [Worksheet for Determination of Parental Payment Limit \(F-01337\)](#) to determine the parental liability percentage. CWAs use the parental liability percentage (parent share of the ISP cost) from F-01337 to determine the PPL due. CWAs may bill PPL based on the cost of actual claimed services or use planned costs if reconciled with actual claimed costs. The estimated PPL is listed in field 13 of the [Individual Service Plan \(F-20445\)](#).

If CWAs bill PPL based on planned costs, the CWA must reconcile with actual costs and determine a plan to process overpayments. If the CWA bills PPL based on planned costs and reconciles with actual costs, the CWA cannot bill parents for additional PPL if actual costs exceed planned costs.

**4. What if the participant is in CLTS or CCOP and another human services system? What if the participant is in CLTS or CCOP and the Birth to 3 Program?**

A family would pay *either* the cost share for the other human services program(s) *or* the CLTS and/or CCOP PPL, whichever is higher. For example, if a child is in an out-of-home placement through Child Protective Services, and the child is receiving CLTS Waiver Program services, the family would pay the higher of the two assessed programs.

If a child is in the Birth to 3 Program and CLTS and/or CCOP, the Birth to 3 Program parental cost share ends when the child is enrolled in CLTS and/or CCOP.

**5. If the participant has a CARES cost share, do they pay the CLTS/CCOP PPL and the CARES cost share?**

Yes. The cost share calculated the CARES system is a function of Medicaid eligibility necessary to be participating in the Medicaid Program. The CLTS and/or CCOP PPL is a long-term support payment. The two liabilities are for separate purposes, and both must be paid unless the CLTS/CCOP PPL is waived due to financial hardship.

### PPL Worksheet Information

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

The CLTS/CCOP PPL system uses adjusted gross income, which is defined by the Internal Revenue Service (IRS) as gross income minus adjustments to income. See Question #8 for how parents must verify their adjusted gross income. Adoption subsidies do not count as income.

**7. Whose income should be considered for determining PPL?**

The income of the parent(s) shall be considered for determining PPL. "Parent" is defined as the following per [DHS ch. 1.02\(8\)](#).

- A person who has legal custody under Wisconsin law of a minor client who receives services, or who had legal custody under Wisconsin law of a minor at the time services were provided, unless a court determined or ordered that the person is not liable or otherwise responsible for their payment.
- A resident of the state appointed guardian of a child by a foreign court who brought a child into this state for the purpose of adoption.

**8. How must CWAs verify parental income?**

CWAs must use an income declaration form to verify parental income. DHS has a sample form for CWAs to verify parental income, [CLTS and CCOP PPL Income Declaration Form \(F-01338\)](#). CWAs may use their own form if all the information requested on the CLTS and CCOP PPL Income Declaration Form is obtained on the local version. Parents most commonly find their adjusted gross income on their most recent federal tax return. However, parents can determine their adjusted gross income using other sources, as needed. CWAs are prohibited from requiring or using tax documents, pay stubs, or W-2 documents to verify income. If parents live in separate households, a separate income declaration form must be filled out for each household.

An income declaration form should be collected annually when recalculating PPL. If parental income decreases between annual calculations, a new income declaration form should be completed, and PPL should be recalculated. If the family is receiving income-based assistance and is automatically excluded from the PPL calculation, they do not need to complete an income declaration form. See Question #10 for more information on the income-based assistance exclusion.

**9. What if a parent will not verify their income or provide other required information?**

A CWA may assess the highest percentage of the PPL (41%) for the costs of that participant's ISP.

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

If a family is currently receiving income-based assistance, such as Medicaid through Supplemental Security Income (SSI), BadgerCare Plus, FoodShare, Wisconsin Works (W-2), or Women, Infants, and Children (WIC), or other income-based sources (not including Katie Beckett MA), the CWA may automatically exclude the family from the PPL calculation, as their income will be below the 330% Federal Poverty Level threshold established for the CLTS and/or CCOP PPL system. The CWA should document on the participant's ISP that the PPL is not applicable due to the family's enrollment in an income-based program. Families who are automatically excluded from the PPL calculation because they are receiving income-based based assistance do not need to complete an income declaration form.

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

The following individuals shall be included in the family size:

- Children under age 19 living in the household.
- The natural, adoptive or step parents living in the household.
- Caretaker relatives living in the household.

**12. What if the parents live in separate households?**

If the parents live in separate households and the participant receiving services resides in both households, determine a separate PPL, family size, federal poverty level, and liability percentage for each household. The participant's Total Cost/Day amount should be divided in half and assigned to each household. CWAs may exercise discretion to amend the percentage assigned to each

household in family-specific situations. CWAs should email the [BCS Technical Assistance Center](#) or call 608-267-6767 with questions.

**13. When should the PPL begin?**

The PPL begins on the ISP start date.

**14. How is adjusted gross income offset in the PPL calculation? How are expenses verified?**

CWAs should subtract the higher of the following to offset the parental adjusted gross income: 1) DHS' standard disability allowance or 2) allowable medical or dental expenses claimed for the participant on schedule A of the parent's most recent tax form.

CWAs verify a participant's medical and dental expenses using the [CLTS and CCOP PPL Income Declaration Form \(F-01338\)](#) or equivalent local version of this form. CWAs are prohibited from requiring tax documents, pay stubs, or W-2 documents to verify a participant's allowable medical and dental expenses. The Department's standard disability allowance recognizes that having a child with a disability yields additional expenses in a family's budget. A standard disability allowance is applied for each additional child with a disability in the family, regardless of if the child with a disability is enrolled in CLTS or CCOP.

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

If a family has more than one child participating in CLTS and/or CCOP and the PPL applies, the CWA should calculate each participant's PPL separately. However, a family should receive one PPL bill for the total amount due for all participants in the family with a CLTS and/or CCOP PPL.

CWAs should subtract the standard disability allowance or allowable medical and dental expenses—whichever is higher—from the parental adjusted gross income to calculate the income for determination of PPL. A standard disability allowance is applied for each additional child with a disability in the family.

Example: a family with three children with disabilities using the standard disability allowance would have a deduction that is three multiplied by the standard disability allowance amount. Each participant uses that deduction amount to offset adjusted gross income in the PPL Worksheet.

Each additional child with a disability must meet eligibility standards for the Katie Beckett Program, the CLTS Waiver Program, CCOP, or meet a [Social Security Administration Disability Determination threshold](#) to qualify for the additional standard disability allowance. There is no deduction for adults with disabilities in the family.

Families with multiple children with disabilities may qualify for a financial hardship. See the financial hardship section of this document to determine if a financial hardship waiver is appropriate.

**ISP Information**

**16. What PPL information is listed on the ISP?**

The CWA should estimate PPL using the PPL Worksheet and list the estimated PPL in field 13 of the participant's [Individual Service Plan \(F-20445\)](#).

**17. What ISP costs are subject to PPL?**

CWAs must use the Total Cost/Day amount to determine PPL using the [Worksheet for Determination of Parental Payment Limit, F-01337](#). The Total Cost/Day description is listed in field 14 of the Children's Long-Term Support Programs Individual Service Plan (F-20445) and the ISP Instructions (F-20445I). The total cost of ongoing CLTS and/or CCOP-covered services, one-time costs, and start-up costs should be included. Administrative and Support and Service Coordination costs are not subject to PPL.

**18. What if a participant receives services/funding from the CLTS Waiver Program and CCOP?**

If a participant is enrolled in the CLTS Waiver Program and CCOP, the ISP costs of both programs should be combined to determine a single PPL for that participant. The CWA must coordinate internally to assure all applicable ISP costs are incorporated into a single calculation.

**Recalculating PPL**

**19. When should CWAs recalculate the PPL?**

CWAs should recalculate the PPL annually during the participant's recertification of eligibility. CWAs should recalculate more often if parental income decreases, or the family size increases. If the CWA is using planned costs with actual cost reconciliation, the PPL should be recalculated if the ISP cost changes significantly. CWAs should not recalculate retroactively, including when an updated worksheet is provided. An income declaration form should be collected annually when recalculating PPL.

**20. What if parental income changes?**

CWAs should recalculate PPL between annual calculations if parental income decreases from the adjusted gross income reported on the most recent income declaration form. In this situation, a parent may estimate their newly changed income on a new income declaration form. Then, PPL should be recalculated.

**21. What PPL information should be entered into the ForwardHealth Portal Waiver Enrollment Wizard?**

After the PPL is estimated, CWAs should enter the estimated monthly amount into the ForwardHealth Portal Waiver Enrollment Wizard in accordance with the [EES User Guide \(P-01991\)](#). If the PPL does not apply or there is a financial hardship, enter \$0 in the monthly parent fee field. The parental payment fee panel in EES must be updated annually during the participant's recertification of eligibility.

**Financial Hardships**

**22. What is a financial hardship?**

A financial hardship is when there is

1. a situation or an expense or expenses, whether expected or unexpected, that makes it challenging for the family to pay the PPL, or
2. risk that the participant may not receive the CLTS/CCOP services on the ISP because of the PPL.

If a family has a financial hardship, PPL should be waived in its entirety. If the parental income decreases, PPL should be recalculated.

**23. What are examples of a financial hardship?**

The following are common examples where finances are often affected and should be considered for a financial hardship waiver. The following list is intended to be illustrative and not exhaustive:

- The household received a shut-off notice from a utility company.
- The death of a household member.
- The household experienced a fire, flood, or other natural or human-caused disaster.
- The household experienced an increase in necessary expenses, such as a hospital bill or car repair.
- PPL applies to multiple children in the household.
- There is a state of federal-declared emergency, including public health emergencies, that affects the participant or household's financial situation.

Participants in out of home care or in the process of adoption meet the definition of financial hardship, and PPL must be waived.

**24. How can a financial hardship be reported to the CWA?**

A verbal or written report from the parent is acceptable for documenting hardship.

**25. How long should a financial hardship waiver last?**

PPL should be waived until the participant's next annual recertification of eligibility. There is no limit to the number of financial hardship waiver extensions.

**26. What if a parent cannot or will not pay the PPL?**

If a parent cannot or will not pay their PPL, the CWA should take the following steps:

1. Work with the parent to identify why the PPL has not been paid. Determine if a PPL recalculation is needed. Determine if a financial hardship waiver should be applied. If this is done and neither are appropriate, proceed to step 2.
2. The CWA should determine when the account is delinquent in accordance with DHS ch. 1.06(2). The CWA may enter into agreement or settlement with a liable person or issue an order to compel payment.
3. The CWA may **not** disenroll the participant from CLTS or CCOP as a result.

**Other Information**

**27. Are there other reasons PPL may be waived besides financial hardship?**

The CWA may waive PPL if it is administratively unfeasible to collect or if assignment of liability would prevent accomplishing the purpose of the service per [DHS ch. 1.02\(9\)\(f\)](#).

**28. What information are CWAs required to provide to families during PPL determination and billing?**

CWAs must provide the PPL standardized family material to parents subject to PPL annually. CWAs must provide parents verbal and written explanations of their PPL.

CWAs are required to provide the following information to the family in accordance with [DHS ch. 1.065\(4\)](#):

- The date of the implementation of the parental financial obligation.
- The annual amount due with a breakdown of monthly minimum requirements.
- Procedures offered by the CWA for reconsideration of PPL.

CWAs must provide families a copy of their annual PPL amount paid upon request.

**29. Can PPL be included in an 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](#) for a review of eligible medical/dental expenses.

Upon request by the parent, CWA staff may provide a letter to a parent detailing the nature of the CLTS and/or CCOP services that are being provided, if the parent would like to work with their employer to have the parental payment included in their health savings account.

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

The federal government publishes new Federal Poverty Guidelines annually. CWAs must continue to use the current [Worksheet for Determination of Parental Payment Limit, F-01337](#) until a revised

version is issued by DHS. CWAs will be notified when a revised workbook is available. CWAs should not recalculate retroactively when an updated worksheet is provided.

**31. *What happens when a participants disenrolls from CLTS and/or CCOP?***

The CWA should review claims submitted at disenrollment and provide the parent(s) their final PPL billing statement. There is no liability for claims submitted after the date of disenrollment for dates of service when the participant was enrolled in CLTS and/or CCOP.