

2.11	Direct Financial Assistance Program (MAG)	Page 1 of 2
Issue date: 12/99	Revision date: n/a	Division Staff
Form(s): 295S, 520		

The Direct Financial Assistance Program builds and strengthens natural community support networks in ways that respect and acknowledge the critical role that family members and the community play in supporting persons with disabilities. Financial assistance payments are used to purchase supports and services identified as essential in the person's plan (e.g., Individual or Family Service Plan and **Person-Centered Plan**) that cannot be obtained through other natural supports.

Direct financial assistance shall be used only when all alternative methods to obtain supports and services have been exhausted. Supports and services should be delivered through a fiscal agent or contracted **provider** unless needs are clearly outside of the parameters of existing contracts and are not covered by an approved **Waiver**.

The provision of these funds is to enable persons over the age of 22 to continue to live with family or to supplement funds to persons living in their own home as a way to enhance the **natural support** system.

Financial assistance payments are based upon the needs and supports identified in the person's plan and are part of the person's overall total allocation. Direct financial assistance payments **are not** matchable under **Medicaid**.

Procedure

Requirements of the program are as follows:

- a. The individual must be 22 years of age or older.
- b. The individual must live with natural parents or adoptive parents, live in a non-subsidized family environment, or live independently in their own home in the community.
- c. The individual must meet the definition of eligibility for services with the **Division**.

Annual Allocations:

- a. Direct financial assistance may only be used as a last resort once all other alternatives have been considered. Direct financial assistance cannot exceed \$2,000 during a fiscal year. In addition, a person may receive no more than \$500.00 during a fiscal year to pay employees to provide direct services. All payments for direct employment require supervisory approval. Approval will be granted only if supports delivered through a fiscal agent or contracted **Provider** are unavailable.
- b. A financial assistance payment is paid directly to the person, parent or guardian. The payment is considered a Social Services Grant and, as such, is not taxable.

Payments must follow State Procurement and Purchasing Policy. Any payment exceeding \$499.99 requires documentation of two competitive bids and must show the purchase of the support or service from the supplier offering the lowest quote. Purchases under \$499.99 require submission of receipts.

A **Form 295S** (One-Time Payment) or **Form 520 (Provider Billing)** is forwarded to the

person, parent or guardian and the form must be signed and returned to initiate payment. The **Form 295S** requires a detailed description of supports and services purchased.

Accountability for Funds:

- a. The application process for financial assistance is designed to be simple, yet accountable. The person, parent or guardian signs an agreement stating the amount of funds and how the funds shall be used. After signing this agreement, the family is issued the cash assistance funds. The following month, the family provides the **Support Coordinator** original receipts for all supports and services purchased. A financial assistance log is given to the family to track funds. The family completes and forwards the log to the **Support Coordinator** each month.

Eligible Uses of Funds:

- a. All supports and services purchased must relate to the person's plan and must be included on the plan. Cash assistance may be authorized for the following uses:
 - i. individual counseling upon professional request or recommendation
 - ii. special clothing specific to the disability (e.g., no-tear clothing)
 - iii. educational aids
 - iv. transportation
 - v. medical expenses and health-related needs upon recommendation of health professional and not covered by the State **Medicaid** Plan (e.g., medical supplies, repairs to equipment, etc.)
 - vi. health insurance premiums
 - vii. diapers upon receipt of documentation of need exceeding State **Medicaid** Plan provisions
 - viii. special foods upon recommendation of health care professional
 - ix. limited respite care upon exhausting all options under contract or fiscal agent
 - x. camps, after-hours programs, adapted recreation programs, Special Olympics, and organized community recreation, which are not covered under contract
 - xi. speech or physical therapy upon professional request or recommendation, after exhausting State **Medicaid** Plan Services
 - xii. home repairs related to the individual with a disability (e.g., repairs to holes in walls)
 - xiii. day care documentation of special circumstances such as no licensed provider available, illness etc.
 - xiv. conferences, trainings, classes that address disability-related topics

Exceptions to Operating Procedure:

Exceptions to the procedure listed above are documented and made due to extenuating circumstances, lack of available resources, limited time or other pertinent information and are reviewed on a case-by-case basis by the **Region** Director.