**RSM 3  
FINANCIAL POLICIES & PROCEDURES MANUAL  
SECTION 1400**

# FINANCIAL NEED & PARTICIPATION OF THE

# INDIVIDUAL IN COST OF SERVICES

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To operate table of contents with a screen reader, use links list.

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[1401 Participation of the Individual in Cost of Services 1](#_Toc49520861)

[1402 Determination of Financial Need 2](#_Toc49520862)

[1402.01 Amount of Annual Financial Participation 2](#_Toc49520863)

[1402.02 Responsibility for Payment 3](#_Toc49520864)

[1403 Exemption from Contribution to the Cost of Services 3](#_Toc49520865)

[1403.01 Recipients of Specific Benefits 3](#_Toc49520866)

[1403.02 Services that Do Not Require an Annual Participation 3](#_Toc49520867)

[1404 Services Provided during Assessment 4](#_Toc49520868)

[1405 Notification of the Individual of Financial Need Policy 4](#_Toc49520869)

[1406 Calculation of Amount of Financial Participation 5](#_Toc49520870)

[1406.01 Financial Statement and Supporting Documentation 5](#_Toc49520871)

[1406.02 Calculation of Available Income 5](#_Toc49520872)

[1406.03 Financial Participation Schedule 5](#_Toc49520873)

[1407 Payment by the Individual 6](#_Toc49520874)

[1408 Required Documentation 6](#_Toc49520875)

[1409 Reassessment of Financial Need/Participation 7](#_Toc49520876)

[1409.01 Change in Financial Status 7](#_Toc49520877)

[1409.02 Plan Review 7](#_Toc49520878)

[1410 Litigation Involving an Applicant or Eligible Individual 7](#_Toc49520879)

[1410.01 Notification of Litigation Agreement Policy 7](#_Toc49520880)

[1410.02 Reimbursement 7](#_Toc49520881)

**Attachments:**

[1400-1 Guidelines for Determining Individual/Family Responsibility](http://dors.maryland.gov/resources/RSM/RSM3_1400-1.docx)

[1400-2 Financial Responsibility Scale](http://dors.maryland.gov/resources/RSM/RSM3_1400-2.docx)

## 1401 Participation of the Individual in Cost of Services

1. The applicant or eligible individual shall participate annually in the cost of vocational rehabilitation services in accordance with DORS policy and state regulation, except those services listed in [Section 1403.02](#_1403.02__Services).
2. Any other person (“representative”) who:
   1. Claims the applicant or eligible individual as a dependent for federal tax purposes, or
   2. Is required to provide financial information on the eligible individual’s Free Application for Federal Student Aid (FAFSA) in accordance with the Higher Education Act of 1965, as amended (see [RSM 2, Section 1500](http://dors.maryland.gov/resources/RSM/RSM2_1500.docx))

shall also participate in the cost of vocational rehabilitation services in accordance with DORS policy and state regulation, except for recipients of specific benefits identified in [Section 1403.01](#_1403.01__Recipients) and those services listed in [Section 1403](#_1403__Exemption).

1. When an eligible individual, or their representative, chooses not to participate in determination of financial need, submit supporting documentation, or contribute financially as required, services dependent upon financial need shall not be provided.
2. DORS bases its rates of financial assistance on provision of the least-cost good or service which meets the rehabilitation needs of the individual, with consideration of informed choice. Therefore, an individual identified in [Section 1403.01](#_1403.01__Recipients) who otherwise would be exempt from contribution to the cost of services may be required to pay the difference if he/she chooses a more expensive good or service if a less expensive good or service would meet their needs.

## 1402 Determination of Financial Need

Financial need and participation of the applicant/eligible individual or their representative will be determined through an assessment conducted by the Division prior to the purchase of any service subject to DORS financial need policy or inclusion of such service on an Individualized Plan for Employment (IPE) or Independent Living Plan (ILP).

The following services are subject to the Annual Financial Participation, as applicable:

1. Home Modifications (except assessments)
2. Vehicle Modifications (except assessments and training)
3. Rehabilitation Technology Equipment, including personal computers, (assessments, training, and adaptive software are exempt)
4. Higher education at any college or university leading to a degree or post-graduate certificate
5. Education at a proprietary school or the Workforce & Technology Center for a vocational/ occupational skills training program that leads to attainment of an industry-recognized credential upon completion
6. Support services such as transportation and childcare (except when needed to participate in assessment services)

### 1402.01 Amount of Annual Financial Participation

The amount of the individual’s annual financial participation in the cost of rehabilitation services shall be based upon available income and family unit size. The calculation of available income shall take into consideration documented medical, dental or disability-related expenses purchased by the applicant/eligible individual or by other financially responsible individuals in behalf of the applicant/eligible individual during the 12 months prior to completion of the [Financial Statement (RS-5d)](http://intranet.dors.hq/RS_Manuals/RSM4.htm#rs5d), and shall be determined in accordance with the Division’s Financial Participation Schedule ([Attachment 1400-2](http://dors.maryland.gov/resources/RSM/RSM3_1400-2.docx)).

### 1402.02 Responsibility for Payment

The eligible individual or their representative (see [Section 1401(b)](#_1401__Participation)) shall pay the annual financial participation amount toward rehabilitation services included on the individual's IPE or ILP, as applicable, less any portion of the annual financial contribution paid prior to Plan for services provided by DORS. The individual's financial contribution will be applied to the cost of services.

## 1403 Exemption from Contribution to the Cost of Services

### 1403.01 Recipients of Specific Benefits

An individual receiving Medicaid, Temporary Cash Assistance (TCA), Temporary Disability Adult Program (TDAP), Supplemental Nutritional Assistance Program (SNAP) or Supplemental Security Income (SSI) disability payments based on his/her own disability, and/or Social Security Disability Insurance (SSDI) based on his/her own disability, shall not be required to participate financially in the cost of Vocational Rehabilitation services unless he/she chooses a more expensive good or service when a less expensive good or service would meet their rehabilitation needs.

These individuals shall complete Parts 1 and 4 of the [Financial Statement (RS-5d)](http://intranet.dors.hq/RS_Manuals/RSM4.htm#rs5d) and the counselor shall ensure benefits documentation (e.g., report through SVES, copy of SSA Ticket to Work, copy of the SSA form Benefits Planning Query, an award letter or recent benefits check, copy of Medicaid, TCA, TDAP or SNAP documentation) is attached.

Individuals receiving Independent Living Older Blind services, including those who are recipients of SSI and/or SSDI, SNAP, Medicaid, TCA or TDAP, are subject to the financial need policy and may be required to participate in cost of services.

### 1403.02 Services that Do Not Require an Annual Participation

The Division’s financial need policy will apply to the provision of all services with the exception of the following. Prior to authorizing these services, comparable benefits shall be considered.

1. Assessment for determining eligibility, priority for services, or vocational rehabilitation or independent living needs.
2. Vocational rehabilitation counseling, guidance and referral services.
3. Interpreter services, reader services and other communication aids and services when such services are required by an individual to undertake and fully benefit from vocational rehabilitation services (see [RSM 2, Section 706](http://dors.maryland.gov/resources/RSM/RSM2_0700.docx#a706)).
4. Personal assistance services, pursuant to [RSM 2, Section 717.01](http://dors.maryland.gov/resources/RSM/RSM2_0700.docx#a71701).
5. Services provided by teachers for the blind.
6. Services provided by certified orientation and mobility instructors.
7. Maintenance support services such as transportation and childcare when needed to participate in assessment services.
8. Placement services, including job coaching, which may include job development and on-the-job training, which may include on-site or off-site training on assistive technology purchased to enable an individual to complete job tasks.
9. Work Adjustment Training (WAT) or Employee Development Services (EDS).
10. Pre-Employment Transition Services.
11. Vocational and occupational training programs funded by DORS and provided at the Workforce and Technology Center (WTC) or by a Community Rehabilitation Program (CRP) when completion of the training program does not lead to attainment of an industry-recognized credential.
12. GED training program (all providers).
13. Assessments for Potential Home Modification.
14. Assessments and training related to Vehicle Modifications and Adapted Driving.
15. Rehabilitation Technology assessments and training.
16. Education at a proprietary school for a vocational/occupational skills training program that does not lead to attainment of an industry-recognized credential upon completion.
17. Non-credit classes directly related to the consumer’s employment goal, taken at a community college, which may or may not lead to attainment of a certificate of completion.
18. Adaptive software needed for participation in post-secondary education, vocational training, or employment.

## 1404 Services Provided during Assessment

Services provided to an individual in application, Trial Work or Extended Evaluation, or in eligible status prior to plan are not automatically exempt from the financial need policy. Only those services listed in [Section 1403.02](#_1403.02__Services) may be provided without determination of financial need.

Incidental goods required during assessment in applicant or eligible status prior to plan and which cost over $200 require the approval of the regional director or designee.

## 1405 Notification of the Individual of Financial Need Policy

The individual and/or their representative will be informed during the initial interview of the Division’s policies and procedures relating to the determination of financial need and participation in cost of services. The individual will also be informed that the Division will not pay for any service that is not pre-approved and authorized in writing by a DORS official, and that DORS bases its rate of financial assistance on provision of the least-cost services which meets the rehabilitation needs of the individual, with consideration of informed consumer choice. The counselor shall refer all consumers to this information which is available as part of the “Important Information about DORS” form which is attached to the Eligibility Letter and several plans in AWARE, including the Individualized Plan for Employment, the Independent Living Plan, and the Trial Work Experiences Plan.

The Division’s [Financial Statement (RS-5d)](http://intranet.dors.hq/RS_Manuals/RSM4.htm#rs5d) will be given to the individual and/or their representative at the time of the initial interview and requirements for its completion explained (see [Section 1406.01](#_1406.01__Financial)). The individual will be advised that failure to provide financial information will result in provision only of services required for the program which are listed in [Section 1403.02](#_1403.02__Services).

## 1406 Calculation of Amount of Financial Participation

### 1406.01 Financial Statement and Supporting Documentation

Prior to the purchase of any service subject to DORS financial need policy and prior to including such a service on an Individualized Plan for Employment (IPE) or Independent Living Plan (ILP), the Division's [Financial Statement (RS-5d)](http://intranet.dors.hq/RS_Manuals/RSM4.htm#rs5d) shall be completed, signed and dated by the individual and their representative, as appropriate, except when only services included in [Section 1403.02](#_1403.02__Services) will be provided

The [Financial Statement (RS-5d)](http://intranet.dors.hq/RS_Manuals/RSM4.htm#rs5d) shall be submitted to the counselor with supporting documentation such as the most recently filed IRS 1040, 1040A or 1040EZ; documentation of non-taxable income; or a pay stub, and, if applicable, receipts for medical, dental or disability-related expenses or benefits documentation.

The [Financial Statement (RS-5d)](http://intranet.dors.hq/RS_Manuals/RSM4.htm#rs5d) shall be reviewed annually (see [Section 1409.02](#_1409.02__Plan)) and revised when there is a substantial change in the individual/family’s financial resources.

Medical, dental and disability-related expenses may be subtracted from the total income if substantiated by appropriate documentation, e.g., receipt for goods or services from the past 12 months for purchases made by the applicant/eligible individual or by the Financially Responsible Persons identified in Part 1 of the [Financial Statement (RS-5d)](http://intranet.dors.hq/RS_Manuals/RSM4.htm#rs5d) in behalf of the applicant/eligible individual.

If the individual reports in Part 1 of the [Financial Statement (RS-5d)](http://intranet.dors.hq/RS_Manuals/RSM4.htm#rs5d) that he or she has not earned income or has not filed an income tax return within the past 12 months, and that he or she is not claimed as an exemption by someone else (e.g., parent, guardian or spouse), then the counselor will request a wage check by the Regional Office to confirm that the individual has no income from wages.

### 1406.02 Calculation of Available Income

Using information provided on the Financial Statement, the individual/family’s available income will be calculated by:

1. Adding the annual adjusted gross income as reported on the most recent federal tax return and current annual nontaxable income including social security, workers’ compensation, and veteran’s benefits; and
2. Subtracting medical, dental and disability-related expenses made by the applicant/eligible individual or by the Financially Responsible Persons identified in Part 1 of the [Financial Statement (RS-5d)](http://intranet.dors.hq/RS_Manuals/RSM4.htm#rs5d) on behalf of the applicant/eligible individual during the 12 months prior to the completion of the [Financial Statement (RS-5d)](http://intranet.dors.hq/RS_Manuals/RSM4.htm#rs5d).

When the current income of the individual or the person who claims the individual for federal income tax purposes is substantially different from that reported on the most recent federal tax return, the available income shall be determined using current financial information.

### 1406.03 Financial Participation Schedule

The Division’s Financial Participation Schedule ([Attachment 1400-2](http://dors.maryland.gov/resources/RSM/RSM3_1400-2.docx)) will be used in calculating the annual financial participation of the individual or any other person required to participate in the cost of rehabilitation services. The Schedule will be applied after maximum efforts have been made to obtain and use comparable services and benefits (see [Section 1300](http://dors.maryland.gov/resources/RSM/RSM3_1300.docx)).

## 1407 Payment by the Individual

After determining to which service(s) the individual’s payment will be applied, the counselor and eligible individual shall discuss procedures for payment.

1. In instances where the consumer’s annual financial participation is to be applied to devices or equipment funded by DORS, but not required to be procured through bid process, the financial participation will be applied directly to that purchase.
2. In instances where the consumer’s annual financial participation is to be applied to services or equipment that requires DORS to contract with a vendor, DORS will pay vendors in full for services procured through the bid process. DORS will then arrange for reimbursement of the consumer’s annual financial participation with the individual or Financially Responsible Person for payment up to the required annual financial participation amount, less any portion previously paid. Responsibility for payment will be included on the IPE or ILP.

Arrangements for DORS payment will be arranged by the Program Income Unit. The consumer or Financially Responsible Person will receive a document which clearly states the payment arrangement, billing, and payment instructions. After payment arrangements are agreed upon, the consumer or Financially Responsible Person will sign the document and begin making monthly payments to satisfy their financial participation once the service has begun. A copy of the payment arrangement agreement will be attached to the consumer’s electronic file.

Responsibility for payment will be included on the IPE or ILP. Arrangements for DORS payment will be arranged by the Program Income Unit in accordance with [Section 1000](http://dors.maryland.gov/resources/RSM/RSM3_1000.docx) and [Section 1100](http://dors.maryland.gov/resources/RSM/RSM3_1100.docx).

## 1408 Required Documentation

Financial need/participation in cost of services will be documented in the record of services as follows:

1. The IPE/ILP will indicate the source of funding for each service.
2. The [Financial Statement (RS-5d)](http://intranet.dors.hq/RS_Manuals/RSM4.htm#rs5d) and supporting documents as appropriate (see [Section 1406.01](#_1406.01__Financial)):
3. Will be present in all records of individuals for whom services were provided other than those excepted from the financial need policy (see [Section 1403.02](#_1403.02__Services)); and
4. Will be completed annually for individuals who have had a financial contribution for services.
5. For training services in institutions of post-secondary education, the [Determination of DORS Financial Assistance for Post-Secondary Education (RS-5b)](http://intranet.dors.hq/RS_Manuals/RSM4.htm#rs5b) form will indicate the eligible individual’s participation amount to be applied to post-secondary education expenses.
6. Other financial information, reports and statements will be present in the record as appropriate and required.

## 1409 Reassessment of Financial Need/Participation

### 1409.01 Change in Financial Status

Individuals shall be advised that substantial change in their financial status or in that of their representative must be reported to the Division. The procedures in [Section 1406](#_1406__Calculation) will be followed in such situations and individual/family financial participation adjusted accordingly including, as appropriate, amendments to the IPE/ILP.

### 1409.02 Plan Review

Annually during the provision of services under an IPE/ILP, the counselor shall contact the individual and, as appropriate, other financially responsible person(s) to review/verify the financial status, including whether the individual is, or continues to be, exempt from DORS financial need policy (see [Section 1402.01](#_1402.01__Amount)). This financial review is a part of the annual review of the IPE. Unless the individual is exempt, the [Financial Statement (RS-5d)](http://intranet.dors.hq/RS_Manuals/RSM4.htm#rs5d) will be completed and signed and the procedures in [Section 1406](#_1406__Calculation) followed:

1. When the individual/family has had a financial contribution for services in the past; and/or
2. When there is a substantial change in the financial status of the individual/family.

## 1410 Litigation Involving an Applicant or Eligible Individual

Applicants or eligible individuals who have any legal claims arising out of an accident or injury shall request payment for the costs of their rehabilitation services as part of their legal claim.

### 1410.01 Notification of Litigation Agreement Policy

When an applicant or eligible individual has a legal claim arising out of an accident or injury, the counselor shall review the Division’s litigation policy with the individual. Prior to the purchase of services by the Division, the individual, counselor, and if appropriate the individual’s representative, shall review and sign the [Client Litigation Agreement (RS-9c)](http://intranet.dors.hq/RS_Manuals/RSM4.htm#rs9c).

### 1410.02 Reimbursement

Individuals receiving legal settlements which include payment for rehabilitation costs shall reimburse the Division for the costs of such rehabilitation services that were provided under an approved Individualized Plan for Employment or Independent Living Plan.