

DEVELOPING THE INDIVIDUALIZED WORK BUDGET

The idea behind “cash and counseling” is that consumers are given “cash” and Independent Living Counselors provide “counseling” to help them set up develop budgets. Although our Assessment Contractor uses hours in the formula to determine the amount of the monthly allocation, this number of hours is not necessarily the number of hours that will be used by the consumer. Consumers are allowed to purchase services in alternative ways, and this will change the number of personal attendant hours used.

The role of the IL Counselor is to assist consumer in developing the WORK Individualized Budget. KATCO’s role is to assist the consumer and Independent Living Counselor with figures such as the fiscal management fee, payroll taxes, and the Workers Compensation fees.

In assisting in the development of a WORK Individualized budget, and based on the Assessment and the Plan for Independence, you and the consumer should accomplish the following:

- determine what help is needed, when, and how much assistance;
- determine whether any of this assistance can be purchased in an alternative way;
- determine the cost of alternative services;
- determine what alternative services they want to purchase;
- decide how these alternative services affects their need for an attendant;
- determine the number of hours of attendant services, and how many attendants will be providing them;
- determine monthly expenses such as the fiscal intermediary fee, and with the assistance of KATCO, payroll deductions and Worker’s Compensation fees; and
- based on the remainder (after fixed expenses and alternative services have been deducted) determine the hourly wage for each attendant and, with the assistance of KATCO, their payroll deductions; and
- decide how savings will be utilized if any accrue; and
- obtain approval for the Individualized Budget.

You and the consumer can now begin to develop the Individualized Budget, contacting KATCO for technical assistance as needed.

1. Need for Attendant Services Based On Assessment and Plan for Independence

Begin by reviewing the Assessment and Plan for Independence forms, and discuss the following:

- With what daily activities does the consumer need assistance?
- When does the consumer need assistance?
- How many hours of assistance does the consumer need?
- How many individuals will be needed to provide the assistance?

For example:

Bathing – 1 hour/day
Dressing – 30 minutes/day
Toileting Assistance – 20 minutes/day
Transferring – 1 ¼ hours/day
Meal preparation – 1 hour/day
TOTAL per day – 4 hours

- 4 hours x 7 days = 28 hours

Laundry – 5 hours/week
Shopping – 2 hours/week
TOTAL per week – 7 hours

- 28 hours/week + 7 hours/week = 35 hours/week

The Assessment and Plan for Independence reflect approximately 35 hours of attendant services per week. It appears that this consumer needs approximately four hours per day for personal care and meal preparation (28 hours per week) plus an additional 5 hours per week for laundry and 2 hours per week for shopping (total 7 hours) throughout the week.

2. Monthly Allocation

- Use the Monthly Allocation as the starting figure.
- Fill in the Monthly Allocation figure on the Individualized Budget form.

3. Fiscal Management Services (8% monthly of total allocation)

- Monthly Allocation x .08 = Self-Directed Monthly Fiscal Management Fee
- Monthly Allocation x .03 = Agency-Directed Fiscal Management Fee
- Fill in the Fiscal Management Fee on the Individualized Budget form.
- Keep in mind that consumers or their representatives may perform their own fiscal management once they have completed the training and passed the assessment. In this case there would be no Fiscal Management fee.

4. Alternative Services

- Discuss whether there are cost-effective, alternative methods for purchasing human assistance.
- Make sure that the service that you are considering is an alternative to a service that an attendant is providing. For example:
 - Laundry may be the responsibility of an attendant and can be purchased in an alternative way; however dry cleaning is not done by an attendant and is therefore not an alternative service. It is the consumer's responsibility to pay for his/her own dry cleaning.
 - A riding lawn mower may allow the consumer to mow his/her own lawn and may be an alternative service; however a lawn mower for the attendant to use is not an alternative service. It is the consumer's responsibility to provide household and yard appliances for the attendants use.
- Decide what Alternative Services will be purchased, and enter on the Individualized Budget form, indicating whether it is a one-time or monthly fee.

Examples of Alternative Services:

- Meals-on-Wheels or meals prepared by neighbor (preparation and delivery only)
- Microwave (eliminates the need for an attendant at every meal)
- Laundry service or neighbor
- Lawn care service or neighbor mowing lawn

- Lawn mower purchase that consumer can operate independently (without the assistance of an attendant)
- Household or yard appliances, for example a front loading washer/dryer or riding lawn mower, that the consumer can operate independently (without the assistance of an attendant)
- Transportation (bus passes, taxi, paying someone to transport you, paying someone for gas who is transporting you)
- Pre-packaged daily medication
- Reminder device for taking medication
- Emergency alert installation and monthly fee

Alternative Services do not include:

- Dry-cleaning (dry-cleaning is not a service provided by an attendant)
- Household or yard appliances, such as a vacuum cleaner or lawn mower, for the attendants use (the consumer is not using this independently, thus it is not considered an alternative service)
- Home renovations unrelated to the disability, i.e., a new roof
- Automobile repairs
- College courses
- *Working Healthy* premiums

5. Attendant Hours

- Once alternative services have been decided upon, determine how many hours of attendant services are needed per week.
- Number of hours per week x 4.33 = Total number of hours per month. For example:

The consumer decides to use Meals-on Wheels, reducing the need for attendant to prepare meals each day. There is still a need for an attendant 3 hours per day, or 21 hours per week. The consumer still needs help with shopping 2 hours per week. The consumer plans to use a laundry service, therefore he/she no longer needs an attendant to do the laundry 5 hours/week; thus reducing weekly attendant hours to 23 hours per week.

$23 \times 4.33 = 99.59$ (approximately 100 hours per month)
- Determine how many attendants the consumer will hire to provide services, how many hours each will work, and how much each will be paid.

6. Worker's Compensation

- Worker's Compensation requires a one-time start-up fee of \$200, no matter how many workers. This amount should be reflected on the Individualized Budget under **E. Possible Remaining Funds**. It will be taken out of savings by KATCO once \$200 has accrued.
- Workers Compensation will be either \$160 or \$350 annually per worker, depending on the number of hours worked.
- Contact KATCO to determine the monthly Worker's Compensation amount per attendant.
- Enter the Worker's Compensation deduction for each attendant on the Individualized Budget form.

7. Attendant Wages and Payroll Deductions

- Once the fiscal management fee, alternative service costs, hours of assistance needed, number of attendants decided upon, and Worker's Compensation fees determined, hourly wages can be determined taking into account how much is remaining each month.
- Remember that attendants may be paid a different hourly wage depending on the type of services being provided. For example, the attendant providing assistance with personal services such as bathing and dressing might be paid a higher hourly wage than an attendant who assists with shopping.
- Enter each attendants demographic information, number of hours each will work, and proposed hourly wage on the Individualized Budget form.
- Payroll taxes vary. For initial budgeting purposed assume approximately 10% of the monthly wage. Contact KATCO to obtain the actual monthly payroll deduction for each attendant. **KATCO will provide the actual figure once they process all of the paperwork, and the budget can be adjusted accordingly.**
- Enter the payroll deduction for each attendant on the Individualized Budget form.

8. Total

- At this point the budget should be complete. **The amount of funds used each month should be as close to the Monthly Allocation figure as possible.**
- If the monthly budget amount is more than the Monthly Allocation, review the budget with the consumer to determine where it can be reduced; for example, the hourly wage for each attendant.
- If the monthly budget amount is significantly less than the monthly allocation, look at the hourly wage of each attendant and consider increasing it.
- **If the consumer accrues too much savings each month, their Assessment and Plan for Independence will be reviewed because the allocation may be too high.**

9. Possible Remaining Funds

- *WORK* allows consumers to carry-over a limited amount of funds each month which are then placed in a savings account. However, carry-over funds each month should be minimal. **If a consumer carries over ¼ of their allocation for 4 months in savings, or accrues a full month's allocation in his/her savings, they will not receive an allocation the following month and will be expected to use their savings for that months services.**
- The Individualized Budget form should specify what the consumer would like to use the carry-over funds for, if any accrue.
- Use of carry-over should reflect needs established during the Assessment and included in the Plan for Independence.
- As this is not a fixed expense, the budget does not have to reflect the actual amount paid out, but an idea of the cost. For example, if the savings is designated for Emergency Back-up Care, the amount may be reflected as "hourly wage of attendant". If the actual cost is known, for example a piece of equipment, the actual cost can be reflected.

- KATCO will also deduct the Worker's Compensation one time start-up fee of \$200 during the first months of the program. That fee should be reflected on the Individualized Budget form.

Examples of Possible Designations for Savings

- Emergency Back-up Care
- Emergency Transportation
- Background checks
- Newspaper advertisements for attendants
- Paid Sick or Vacation Leave for Attendants
- Diabetic Shoes
- Lift Chair
- Snow removal
- Yard work
- Automobile repairs (if needed to go to and from work)

10. Approval and Signatures

- Have the consumer sign the Individualized Budget.
- Assist the consumer in obtaining the approval and signature of the *WORK* Program Manager.
- Assist the consumer to adjust the budget if it is not approved.
- If approved, the *WORK* Program Manager will send the approved Individualized Budget to KATCO.