

Position Statement on Parent Fees

Recommendation: The Arc of Minnesota Position Statements Task Force recommends that this revised position statement be approved in 2008.

Issue: Families with children with intellectual and related development disabilities who are eligible for private health care coverage pay a premium for that insurance. In addition, they are also assessed a Minnesota parental fee to use Medicaid programs such as TEFRA (Tax Equity and Fiscal Responsibility Act/Children's Home Health Care Option), the Medical Assistance Waiver programs, or out-of-home residential care for their child. Premiums for private health care coverage have been steadily increasing and take a higher percentage of family budgets than ever before. To make things even more difficult for these families, Minnesota parental fees were dramatically increased in 2003 and many parents who could not afford the higher fees were forced to give up needed services for their child. Despite some small reduction in fees in 2005, many families still find these fees extremely difficult to pay. Also, several administrative problems exist in the parental fee program. Often parents aren't notified of the parental fee when they apply for support services or the potential amount of the fee is not clearly disclosed. Also, those who administer the parental fee process are often unresponsive when parents question the amount of the parental fee assessed or owed or when they seek variances.

Position: The overriding consideration in setting parental fees for parents who have children with intellectual and related developmental disabilities is that each child should be able to receive all needed services in a timely manner, without forced disintegration or impoverishment of the family. Public policy must support this goal. Therefore, as a matter of public policy, parental fees should not be so high that parents are forced to drop out of programs that provide needed services for their child.

At the time of application for services and at the time of each annual fee recomputation, families must be given complete information in plain language regarding the amount of the fee assessed, details of how the fee was computed, complete information regarding all variances available, instructions about how to apply for any variance and the documentation required and, finally, a full explanation in plain language of their rights to appeal any state or county decision regarding their fee. The state or county should address any problems in variances raised due to the difference between the family's annual tax year and the state's fiscal year. All requests for variances should be acted upon within 30 days or within the time specified in the regulations if that time is shorter than 30 days.

Families must be treated in a respectful and dignified manner. Information accumulated concerning the finances of a family or individual should be treated by the county or state with appropriate confidentiality. No Minnesotan should be denied needed services by intimidation, lack of knowledge, or poor follow-through by the person receiving or processing the family's request for assistance.

Minnesota's parental fee program must allow deductions for other payments families are making for services and supports for their children with disabilities. The program must also allow variances for extraordinary out-of-pocket expenses related to any family member.

A parental fee program should also include the following components:

- There should not be income limits established for families in order for their children to be eligible for services. Children should qualify for services based on their disabilities without consideration of family income.
- Families who earn less than 300% of the federal poverty level should not be required to pay parental fees.
- When a child reaches the age of legal majority, all compulsory support from parents should end, including parental fees.
- Families must not be subjected to multiple parental fee schedules within the social services system. One statewide fee schedule should be used for all programs. Families who have more than one child with a disability should only be assessed a fee equal to that for one child.
- Fees imposed should be based on parental income rather than the disability level of the child.
- Fees should not exceed the cost of the services received. When they do the State should reimburse the family for the difference within 30 days of the end of the fiscal year.
- Fee schedules should be progressive.
- The number of family members considered within the parent fee formula should correspond to the number identified on the parents' federal income tax return form.
- The parental fee system should not be replaced with a premium-based system as used by insurance companies.
- The parental fee system must allow continued services for the child even if parental fee payments are missed or late. When parents fall behind in their parental fee payments, the Department of Human Services should develop guidelines for negotiated repayment schedules and even possible debt forgiveness based on individual circumstances. A negotiated repayment schedule should also be used when parents experience large one-time capital gains or other income increases which create higher fees for one year and are difficult to pay in subsequent years when income drops to previous levels again.

- The in-home credit used in the current parental fee scale should be substantially increased and indexed to inflation on an annual basis.

This is a draft of a proposed revised Parental Fee Position Statement – May 2008. A final draft will be submitted to delegates for their approval or rejection at The Arc of Minnesota’s State Convention in October 2008.