

INFORMATION ABOUT THE PARENTAL COST SHARE SYSTEM FOR THE BIRTH TO 3 PROGRAM

Background

In 2002, the Department of Health Services (DHS) established rules for a system of parental cost share payments for early intervention services. Multiple sources of funds are necessary to support the cost the Birth to 3 Program services. The rules described in this document create a Parental Cost Share System that recognizes parental capacity to contribute toward the costs of early intervention services.

The Parental Cost Share System is based on expectations that:

- Early intervention services are valued by families.
- Parents who are financially able should share responsibility for the costs of services.
- Parental contribution would generate increased revenue.
- Private insurance would be accessed to the maximum extent possible.

Getting Started

County Administrative Agency Responsibilities

The county administrative agency for the Birth to 3 Program is responsible for administering the Parental Cost Share (PCS) System. The county administrative agency may designate another agency to be responsible for determining the parental cost share and collecting payments. For purposes of this document, the term “county administrative agency” will refer to the county administrative agency or its designee.

The Parental Cost Share System replaces the Uniform Fee System in Wisconsin Administrative Code [DHS 1](#). County Birth to 3 Programs are required to administer the Parental Cost Share System even if they previously received an exemption from DHS to implement the former Ability to Pay System.

Parents should be informed of the Parental Cost Share System when they are given initial information about the Birth to 3 Program. The statewide Parental Cost Share System brochure and Statement of Income form are available on the DHS Birth to 3 Program [forms website](#) for distribution to families.

Process for Determining the Parental Cost Share Amount

Parents are responsible for the unreimbursed costs of services on the Individualized Family Service Plan (IFSP) up to the amount of their annual parental cost share. The determination of the cost of services and calculation of a family’s annual parental cost share are concurrent processes. Programs may begin to gather fiscal information from the family upon referral to the Birth to 3 Program; the PCS system only applies if a child is eligible for the Birth to 3 Program. The steps to determine a family’s parental cost share are described below.

1. Establish the parental income

The agency must obtain a signed statement of current annual income from the parent(s) or legal guardian(s). The form [F-22550](#) for obtaining the income information is provided on the Birth to 3 Program [forms website](#).

The parents' signed statement of income is sufficient documentation to verify their income. The county administrative agency has the option to review the statement, determine whether the information is accurate and follow up to verify any potential inaccuracies.

Families who participate in any other county programs that have financial eligibility at or below the guidelines for the Birth to 3 Program Parental Cost Share System will not have an annual parental cost share. Such programs include:

- FoodShare Wisconsin;
- Foster Care or Kinship Care;
- Women, Infants, and Children (WIC)(unless the child receives WIC through the Katie Beckett Program);
- Wisconsin Works (W-2);
- Free or reduced lunch at school, unless provided to all children; or
- Supplemental Security Income (SSI).

The Statement of Parental Income ([F-22550](#)) includes a section for parents to indicate their participation in these programs, which verifies that they are not currently liable for an annual parental cost share for the Birth to 3 Program.

2. Calculate the parental adjusted income

DHS prepares Birth to 3 Program Parental Cost Share (PCS) Tables annually to be used in determining the parental cost share by using the annual income and family size. These tables are available from the Wisconsin DHS Birth to 3 Program. Contact your state lead for copies of the current tables.

The annual income* of the parent(s) is established according to the steps above and then the amount is adjusted by the allowance of \$3,300 for each member of the family participating in the Birth to 3 Program and for each child under 19 years of age with a disability as defined in Wisconsin Administrative Rule [DHS 65.02 \(5\)](#) for the Family Support Program; this is considered the “parental adjusted income.” The parental adjusted income and family size are used to determine the percent that the family’s income is above or below the Federal Poverty Threshold. The Federal Poverty Guidelines are adjusted annually.

3. Calculate the annual parental cost share

The annual parent cost share is assigned based on the Federal Poverty Threshold for the family.

Use the Birth to 3 Program Parental Cost Share Tables to determine the annual parental cost share. These tables are revised and distributed annually by the Wisconsin DHS Birth to 3 Program after the Federal Poverty Guidelines are published. The tables auto calculate allowances for children in the family who are enrolled in the Birth to 3 Program and/or who have disabilities. The tables use the annual parental income and family size to determine the annual parental cost share.

* *Wis. Admin. Rule [DHS 90.06 \(1\) \(a\)](#) defines annual income as “total income of the legally responsible parent or parent’s as reported on the parent’s most recent federal individual tax return.”*



Once the family’s annual parental cost share is determined, the information is shared with the family and is documented as a payment source on the IFSP. The payment source of Parental Cost Share should be documented, but the actual dollar amount of the PCS is not required to be documented on the IFSP.

Chart 1 indicates the monthly payment based on the adjusted income as determined through the use of the Birth to 3 Program Parental Cost Share Tables.

Chart 1
Assignment of Parental Cost Share

Adjusted Income	Monthly Cost Share Payment
At or below 250% of the Federal Poverty Guidelines (FPG)	None
Over 250% of the FPG and at or below 300% of FPG	\$25 per month.
Over 300% of the FPG and at or below 350% of FPG	\$35 per month.
Over 350% of the FPG and at or below 400% of the FPG	\$50 per month.
Over 400% of the FPG and at or below 500% of the FPG	\$75 per month.
Over 500% of the FPG and at or below 600% of the FPG	\$100 per month.
Over 600% of the FPG and at or below 700% of the FPG	\$125 per month.
Over 700% of the FPG	\$150 per month.

Determining the Cost of Services on the IFSP

The annual cost of the services on the IFSP is estimated by using the amount and type of services identified on the IFSP. The cost of the plan is calculated by using the charge for each service, the units of service to be delivered, and the number and frequency. After the IFSP is developed, the service coordinator, or a county fiscal person, summarizes services on an early intervention services summary sheet. The cost of the plan should be prorated if the length of the plan is less than 12 months. Federal and state statutes require that certain early intervention services must be provided at no cost to families.

The core services listed below are **not** included in the cost of the plan.

- Child find
- Evaluation and assessment
- Development of the IFSP
- Procedural safeguards
- Service coordination

Collecting the Annual Parental Cost Share

The county administrative agency is responsible for determining how payments will be collected from families. Counties have discretion in establishing payment procedures and determining a payment schedule. Monthly payments are the typical billing process. Individual families may request a reduction of payments; a county administrative agency may reduce the amount of the required payment or allow for an extended payment schedule.

In general, the funds collected through the Parental Cost Share System must be used for early intervention services at the county level; payments from parents for the Parental Cost Share

System do not go to the State. Each family's annual parental cost share is used to support the cost of services for the particular family's child's services.

Appendix 1: Frequently Asked Questions Regarding the Parental Cost Share System

Whose income is counted?

The Parental Cost Share System looks at the parent(s)' income only. The rules for the cost share system define "parent" as a child's adoptive or biological mother or father who has legal responsibility for the child. Do not include the income of person(s) in the home who are not legally responsible, e.g., stepparents.

What income is used to determine the annual parental cost share?

The parent(s)' gross annual income is used.

What about divorced or separated parents?

When the legally responsible parents live in separate households, and the child eligible for the Birth to 3 Program resides in part in both households, the family size is determined for each household. There is a separate parental cost share for each household. The maximum parental cost share is \$1,800 per year without regard to the number of children in the family participating in the program. When the legally responsible parents live in separate households, combined cost shares cannot exceed \$1,800. The cost shares shall be divided between the parents based on the parents' relative income. Child support is not included as "income."

What if the family has two children in the Birth to 3 Program?

When a family has two or more children in the Birth to 3 Program, the Birth to 3 Program staff will use the appropriate tab on the Birth to 3 Program Parental Cost Share Tables to determine **each child's** cost share amount. The tables auto-calculate allowances for children in the family who are enrolled in the Birth to 3 Program and/or who have disabilities. The maximum parental cost share is \$1,800 per family per year without regard to the number of children in the family participating in the program. When a family has two or more children in the Birth to 3 Program, the combined cost shares cannot exceed \$1,800.

How is family size determined?

Currently, the rules for the Parental Cost Share System define "family" as the people who share a residence, and are any of the following:

- A child eligible for the Birth to 3 Program,
- The parent of a child eligible for the Birth to 3 Program, or
- A minor of the residence for which a person is legally responsible.

"Parent" means a child's adoptive or biological mother or father who has legal responsibility for the child. For a child that resides in two residences, only the family with "primary physical placement" may claim the child as a resident in determining the Parental Cost Share. If the child resides in a 50/50 placement, BOTH families can claim the child, as they are sharing the "physical placement."



When a teen parent (under age 18) lives with her/his parent(s), whose income is counted?

Include the income of the child's biological mother and father, not the income of the grandparents. The Parental Cost Share System does not consider household income.

What if the family's income or expenses change?

The Parental Cost Share (PSC) can be recalculated at any time there is a significant change in a family's income or expenses. If there are major changes in a family such as increased or decreased income or the birth of a baby, the family or agency can request a recalculation of the cost share. A family may also request a re-determination of their Annual Parental Cost Share.

What if the family feels the annual parental cost share is too high?

Under the Parental Cost Share System, a family can ask for reductions in payments or for redetermination of their liability. The county administrative agency has discretion in how it determines what if any adjustments are made. County administrative agencies should define the policies and process for making such a determination.

Can the IFSP be revised to reduce costs?

The cost of services does not affect the annual Parental Cost Share (PCS). The annual PCS determination is based on family income and family size, not services. Parents may refuse consent for some services and still receive others. This will not affect their annual Parental Cost Share (PCS).

What if collecting charges from families would create other issues that would interfere with the provision of Birth to 3 Program services?

The county administrative agency may waive the annual Parental Cost Share in part, or in whole, if the county administrative agency determines the goals of an early intervention service would be significantly impaired by the imposition of a Parental Cost Share. The payments may be delayed or extended. County administrative agencies should define the policies and process for making such a determination.

What if parents refuse to give financial information?

The parents would be liable for the maximum annual Parental Cost Share amount of \$1,800 per year.

What if a family refuses to pay? Do Birth to 3 Program services stop?

Services continue unless the family withdraws consent for them. State statutes require county agencies to provide services but give no authority to deny services as a remedy for non-payment. Counties do have authority to collect payments under the Birth to 3 Program Wisconsin Administrative Code [DHS 90](#). It is encouraged that all methods of payment are evaluated before going forward with the collection process.

Does the Parental Cost Share apply to all human service programs used by the family, or only to those used by the child?

The county administrative agency may not assess an annual Parental Cost Share for the Birth to 3 Program if the parents have financial liability for other services, subject to the Uniform Fee System under Wisconsin Administrative Code [DHS 1](#), provided to the child(ren) in the Birth to 3 Program. For example, when a child is placed in Foster Care or Kinship Care, the natural parents will not have a Parental Cost Share for the Birth to 3 Program because they have already been

assessed a cost share under the Uniform Fee System. When a child participates in the Birth to 3 Program and the Family Support Program, only one Parental Cost Share is collected. Agencies should develop agreements that define which program will determine the Parental Cost Share and how collections will be distributed.

The parents may have financial liability for services from the human service agency received by other family members.

What if the county administrative agency is not a human service agency?

County administrative agencies that are not in the human service system (e.g., a lead agency that is a Health Department) must coordinate with the Family Support Program and the Community Options Program (COP). There is only one Parental Cost Share determination that may apply to more than one program for the child. Again, agencies should develop agreements that define which program will determine the Parental Cost Share and how collections will be distributed.

How does the use of family insurance relate to the annual parental cost share? How is the annual Parental Cost Share affected by insurance payments?

Federal law requires that Birth to 3 Programs obtain the parent's consent for the use of insurance. Counties may not require parents to allow use of their insurance as a condition for determining an annual Parental Cost Share.

Parents are responsible for the unreimbursed costs of services on the IFSP up to their annual Parental Cost Share. Since the annual Parental Cost Share is based on family income, insurance payments will not have an effect unless the total income received for a child is more than the cost of the plan. If reimbursement from insurance and the Parental Cost Share payments exceed the cost of the services, the parents' cost share is reduced. Birth to 3 Programs will not collect more than the costs of services on the IFSP. County administrative agencies should take into account that the cost of services includes not only the direct services, but also cost of provider travel, costs for meetings (not including IFSP meetings), and administrative costs.

A county should not apply payments made for insurance premiums toward a family's annual Parental Cost Share. If there is a special rider policy, specifically purchased for therapy coverage of the child enrolled in Birth to 3 Program services to meet the child's special needs, then you may count the premium payments as part of the cost share.

Is there a cost share if a child is only receiving service coordination?

If a child is only receiving service coordination from the Birth to 3 Program, due to the fact that service coordination is a core service, the family would have no Parental Cost Share determined during the time period of the year when only services coordination was provided. The family's annual Parental Cost Share would be prorated for the annual basis based upon the number of months within the year that they participated and received services in addition to service coordination.

Technical Assistance: If you have questions about how to apply the Parental Cost Share System for families in the Birth to 3 Program, please call your [DHS Birth to 3 Program State Lead](#).