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To: County Department of Human Services Directors  
County Department of Social Services Directors  
County Department of Community Programs Directors  
Children's Long-Term Support Supervisors and Leads

From: Lisa Olson, Medicaid Director

**Parental Payment Limit Updates for the Children's Long-Term Support Waiver Program and Children's Community Options Program**

**Purpose**

This memo communicates updates to parental payment limit (PPL) policy for the Children's Long-Term Support (CLTS) Waiver Program and Children's Community Options Program (CCOP), hereafter referred to collectively as "CLTS programs." Clarifications outlined in this memo are designed to promote consistency across the state and transparency for families. County waiver agencies (CWAs) must operationalize PPL updates for each participant no later than each participant's annual recertification date in calendar year 2023 in accordance with standards outlined in this memo.

**Background**

Per [Wisconsin Administrative Code ch. DHS 1](#), parents of participants enrolled in CLTS programs may be liable for a certain portion of the cost of CLTS and CCOP-funded services. After the participant's individual service plan (ISP) is finalized with their support and service coordinator, the CWA uses the formula in the [Worksheet for Determination of Parental Payment Limit, F-01337](#), to establish any amount of PPL that may apply. The formula is based on Wis. Admin. Code ch. DHS 1 and considers the size of the family, parental income, applicable federal poverty guidelines, and applicable ISP costs.

**Determining PPL**

The CWA uses the [Worksheet for Determination of Parental Payment Limit, F-01337](#), to determine the parental liability percentage based on the PPL formula. CWAs use the parental liability percentage (parent share of the ISP cost) from F-01337 to determine the PPL due. CWAs may bill PPL based on the cost of actual claimed services or use planned costs if reconciled with actual claimed costs. The participant's estimated PPL is listed in field 13 of the [Individual Service Plan, F-20445](#).

If CWAs bill PPL based on planned costs, the CWA must reconcile with actual costs and determine a plan to process overpayments. If the CWA bills PPL based on planned costs and reconciles with actual costs, the CWA cannot bill parents for additional PPL if actual costs exceed planned costs.

CWAs must use an income declaration form to verify parental income. DHS has an updated sample form for CWAs to verify parental income, [CLTS and CCOP PPL Income Declaration Form, F-01338](#). CWAs may make their own form if all the information requested on the CLTS and CCOP PPL Income

Declaration Form is obtained on the local version. CWAs cannot require tax documents, pay stubs, or W-2 documents to verify income. Families receiving income-based assistance who are excluded from the PPL calculation do not need to complete an income declaration form.

CWAs should subtract the standard disability allowance or allowable medical and dental expenses—whichever is higher—from the parental adjusted gross income to calculate the income for determination of PPL.

[Wis. Admin. Code ch. DHS 1.065\(3\)\(b\)\(1\)](#) allows DHS to set the standard disability allowance. The standard disability allowance has been updated. Allowable medical or dental expenses claimed for the participant on schedule A of the parent's most recent tax return may be used in lieu of the standard disability allowance if it is higher than the standard disability allowance per [Wis. Admin. Code ch. DHS 1.065\(3\)\(b\)\(2\)](#).

CWAs verify the participant's medical and dental expenses using the [CLTS and CCOP PPL Income Declaration Form, F-01338](#), or equivalent local version of this form. CWAs cannot require tax documents, pay stubs, or W-2 documents to verify the participant's allowable medical and dental expenses.

CWAs must use the Total Cost/Day amount to determine PPL as defined in field 14 of the [Instructions – Children's Long-Term Support Programs Individual Service Plan, F-20445I](#). This is the total of the services funded by CLTS programs. Support and service coordination and administrative costs are not subject to PPL.

CWAs should recalculate the PPL annually during the participant's recertification of eligibility. CWAs should recalculate more often if parental income decreases or the family size increases. If the CWA is using planned costs with actual cost reconciliation, the PPL should be recalculated if the ISP cost changes significantly. An income declaration form should be collected annually when recalculating PPL.

### **Financial hardship**

[Wis. Admin. Code ch. DHS 1.065\(3m\)\(c\)](#) allows CWAs to consider a family's financial hardship when determining PPL. DHS has provided additional guidance to CWAs for waiving PPL due to financial hardship. A financial hardship is when there is either:

1. A situation or an expense or expenses, whether expected or unexpected, that makes it challenging for the family to pay the PPL.
2. A risk that the participant may not receive the CLTS or CCOP services on the ISP because of the PPL.

If a family has a financial hardship, PPL should be waived in its entirety. A verbal or written report from the parent is acceptable for documenting hardship. PPL should be waived until the participant's next annual recertification of eligibility. There is no limit to the number of financial hardship waiver extensions. CWAs are encouraged to identify and discuss situations with families where a financial hardship waiver may be appropriate.

### **Additional information**

The following documents have been updated:

- [Worksheet for Determination of Parental Payment Limit, F-01337](#)
- [Parental Payment Limit User's Guide for the Automated Workbook, F-01337A](#)
- [Parental Payment Limit Frequently Asked Questions, F-01337B](#)
- [CLTS and CCOP PPL Income Declaration Form, F-01338](#)
- [Children's Long-Term Support Programs Individual Service Plan, F-20445](#)
- [Instructions – Children's Long-Term Support Programs Individual Service Plan, F-20445I](#)

The [Medicaid Home and Community-Based Services \(HCBS\) Waiver Manual for the CLTS Waiver Program, P-02256](#), and [CCOP Procedures Guide, P-01780](#), will also be updated.

### **Implementation**

CWAs must operationalize PPL updates for each participant no later than each participant's annual recertification date in CY 2023.

CWAs should direct questions to their [children and family program specialist](#).