# **Vocational Rehabilitation Services Manual D-200: Purchasing Goods and Services**

Revised February 1, 2022

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## **D-203: Purchasing Decisions**

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### D-203-4: Customer Participation in the Cost of Services

A customer's eligibility for VR services does not depend on the customer's income or liquid assets; however, if the customer's net income or liquid assets exceed the basic living requirements (BLR), the customer must participate in the cost of services.

For a list of services that explains when BLR is or is not applied, refer to [E-400: Applying Basic Living Requirements (BLR) to VR Services](https://twc.texas.gov/files/partners/vrsm-e-400.docx).

The monthly net income and liquid assets levels that are used to calculate the customer's required contribution to the cost of services are available on the [VR Basic Living Requirements (BLR) intranet page](http://intra.twc.state.tx.us/intranet/vrs/html/basic-living-requirements.html).

**Exception**

A customer whose net income or liquid assets exceed the BLR is not required to help pay for services, if:

* the customer is eligible for Social Security disability benefits—that is, Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI); or
* the VR Supervisor grants an exception because the customer's participation would prevent the customer from receiving a necessary service.

The VR counselor must inform the customer that failure to provide complete and accurate financial information:

* violates federal and Texas law; and
* may result in a denial or delay of services that are not exempt from customer contribution requirements.

**Determining the Customer's Requirement and Ability to Participate**

To determine whether a customer must participate in the cost of services and his or her financial ability to do so, the VR counselor uses the following four-step procedure.

1. Determine whether the customer is required to participate in the cost of services

When determining whether the customer is required to participate in the cost of services, VR staff:

* + considers the monthly net income and liquid assets of the customer;
	+ considers the monthly net income and liquid assets of the customer's spouse (if applicable); and
	+ considers the monthly net income and liquid assets of the parent or legal guardian if the customer is claimed as a dependent for purposes of federal income taxes; and
	+ compares the total monthly net income and liquid assets BLR levels.

NOTE: When completing the Monthly Financial Information screen in RHW, the customer's net income must be entered in the Economic Resources section to get an accurate BLR calculation.

1. Obtain documented proof of the all income and expenses.

When an individual applies for services, the VR counselor requests documented proof of all:

* + income (excluding any payment in-kind, such as food stamps or housing subsidies);
	+ liquid assets (cash plus assets that are easily converted to cash);
	+ expenses; and/or
	+ any allowable additions to the BLR.

A customer who is eligible for Social Security disability benefits (SSI or SSDI) provides only proof of Social Security eligibility. The law exempts recipients of Social Security disability benefits from the requirement to participate in the cost of VR services regardless of income, so no additional proof of income or expenses is required.

1. Calculate the customer's contribution.

When the customer's liquid assets exceed the BLR level after including any allowable BLR additions, the customer must contribute an amount equal to the excess toward the cost of goods and services.

For each month in which VR pays for goods and/or services, the customer must contribute the difference between the customer's monthly net income and the BLR level after including any allowable BLR additions.

The customer's contribution must not exceed the cost of the good and/or service.

A customer whose net income or liquid assets is under the BLR is not required to contribute to their VR services. However, maximum amounts and rates published in the VRSM still apply.

For example:

The cost for a customer to attend a 4-year college or university may cost $7,000 for 15 credit hours. The VR tuition and fees maximum limit for 15 hours is $5,835. If the customer is under BLR, they will not be required to contribute toward the $5,835. However, the customer will be required to contribute to the remaining amount over the maximum limit which in this example is $1,165.

The total amount that the customer is required to pay must be received prior to any service authorization being issued. For more information, refer to "Payments" in this section.

Note: Exceptions may be made to this policy as stated above under "Exception".

1. Review, periodically, the customer's proof of income and expenses.

At least annually, the VR counselor:

* + reviews the customer's income, liquid assets, and expenses; and
	+ documents the review results in a RHW case note.

If the customer's income, liquid assets, or expenses change significantly during the life of the case, the VR staff

* reassesses whether the customer must participate in the cost of services;
* documents proof of the changes (and, if documentation is not available, notes the reason in a case note);
* updates the financial information in RHW; and
* documents the reason for the change in the comment section of the financial information page at the time of the update (this will create a case note in RHW when the changes to the page are saved).

If the customer's IPE is developed before proof of income and expenses is received, the VR counselor does not include services that require the customer's participation in the cost (see list of service exempt from customer participate below).

When proof of income and expenses are received, the VR counselor amends the IPE as needed.

**Types of Income, Liquid Assets, and Required Proof**

The table below lists the types of income and corresponding proof required of the customer, spouse, and parent (if the customer is claimed as a dependent).

|  |  |
| --- | --- |
| **Income** | **Proof Required** |
| Net wages and net income from other enterprises | Requires:* a check stub;
* a bank statement; or
* an earnings statement.
 |
| Social Security disability benefits (SSI or SSDI) received by the customer for their disability | No proof is required for the actual income amount of the customer's SSI or SSDI checks; however, proof of eligibility for SSI or SSDI benefits must be in the customer's casefile. |
| All other Social Security benefits (for example, survivor or retirement benefits received by the customer or the customer's spouse or parents, Social Security disability received by the customer's spouse or parents, and so on) | Requires:* an award letter;
* a check stub;
* an income tax return; or
* a bank statement.
 |
| The following income received by the customer:* Public support payments
* VA income benefits
* Unemployment compensation income
* Workers' Compensation income
* Private disability insurance
* Annuities
 | Requires:* an award letter;
* a check stub;
* an income tax return; or
* a bank statement.
 |
| Child support payments received by the customer | Requires:* an award letter;
* a check stub;
* an income tax return;
* a court order; or
* a bank statement.
 |

|  |  |
| --- | --- |
| **Liquid Assets** | **Proof Required** |
| Cash and assets from savings or other accounts. | Account statements |

**Refusal to Provide Financial Information**

Customers have the right not to disclose their financial information. However, when a customer declines to provide the information, VR assumes that the customer has resources that exceed the BLR level, after including any allowable BLR additions. In such a case, the customer must fully participate in the cost of planned services, except in the case of the services listed in "Services Exempt from the Customer's Cost Participation" below.

**Calculating Customer Participation**

The customer's required contribution to the cost of services is referred to as the Basic Living Requirements (BLR).

RHW is designed to automatically calculate a customer's participation based on:

* 200 percent of the United States Health and Human Services Poverty Guidelines; and
* the customer's income, family status, and economic need, as entered in RHW.

See the U.S. Department of Health and Human Services Poverty Guidelines for the current fiscal year and see VR's BLR tables; these tables are available to the public upon request.

RHW determines the amount that a customer must contribute to the cost of services, based on the customer's net monthly income and family size as related to the poverty guidelines for the current fiscal year.

The amount is calculated as monthly but is applied only in the months that a service or good is provided that requires participation in cost of services.

**Allowable Additions to BLR**

The total monthly costs of the allowable additions below are automatically added to the BLR when entered in RHW.

|  |  |
| --- | --- |
| **Allowable Additions** | **Proof Required** |
| Monthly home mortgage or rental payments | Required:* statement;
* canceled check;
* money order stub;
* contract; and
* lease.
 |
| Prescribed diet and medicines used by the customer | Required:* itemized receipts; or
* canceled checks.
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| Debts imposed by court order | Court record |
| Medical costs and disability-related expenses of the customerBased on 34 CFR §361.54(b)(2) | Required:* itemized statements; or
* canceled checks.
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**Payments**

When feasible, except for MAPS and contract services, a customer who is participating in the cost of goods and/or services pays the service provider directly. When direct payment to the provider is not feasible, the VR counselor arranges for the customer to submit the required amount to TWC-VR by check or money order.

However, if authorizing the purchase of hearing aids, accessories, or hearing aid service charges and the customer exceeds BLR, the customer must submit the required amount to TWC-VR by check or money order.

When paying TWC-VR, the total amount that the customer is required to pay must be received prior to any service authorizations being issued.

When receiving a payment from a customer to meet BLR requirements, the VR counselor or RA:

* documents the receipt of the check or money order in a case note in RHW;
* files copies of the check or money order in the customer's casefile; and
* follows the process documented in [VRSM D-505-1: Refunds](https://twc.texas.gov/vr-services-manual/vrsm-d-500#d505-1).

**In-kind payments**

The customer may pay "in kind" for certain services listed on the IPE; for example, paying for transportation to receive services, or paying for uniforms, textbooks, and the like.

**Services Exempt from the Customer's Cost Participation**

The VR counselor reviews with the customer the customer's agreement to pay for the cost of services.

For a list of services that explains when BLR is or is not applied, refer to [E-400: Applying Basic Living Requirements (BLR) to VR Services](https://twc.texas.gov/files/partners/vrsm-e-400.docx).

Services exempt from the customer's cost participation include the costs for:

* the assessment for determining the customer's eligibility;
* the assessment for determining the customer's VR needs, including associated maintenance and transportation;
* VR counseling and guidance and referral for other services;
* in-house services provided directly by VR staff;
* job-related services, including job search and placement assistance, job retention services, follow-up services, and follow-along services;
* personal attendant services;
* any auxiliary aid or service (for example, interpreter services) that a customer with a disability requires to participate in the VR program;
* diabetes education services;
* orientation and mobility services;
* Pre-Employment Transition Services (Pre-ETS); and
* other VR services that directly support Pre-ETS, like transportation, maintenance, and personal assistant services (applicable for VR eligible students only).

This policy must be applied uniformly to all customers in similar circumstances.

**SSI and/or SSDI Recipients**

Customers eligible for SSI or SSDI because of a disability are exempt from the cost participation requirement. Limitations on payments (for example, on payment of tuition and fees) are also not applied; however, VR policy on the use of best value and comparable services and benefits must be followed for all VR customers.

**Potentially Eligible Customers**

BLR does not apply to services that are provided directly to potentially eligible VR customers; however, policy on the use of best value and comparable services and benefits must be followed for all VR customers.

**Students or Youth with Disabilities**

The BLR does not apply to:

* the cost of participation in training seminars and GSTs for students or youth with disabilities (see [C-1307-1: Student Participation in the Cost of Training Seminars and GSTs](https://twc.texas.gov/vr-services-manual/vrsm-c-1300#c1307-1)); or
* the cost of parents or legal guardians to participate in the training seminars and GSTs for students or youth with disabilities (see [C-1307-2: Family Participation in Training Seminars and GSTs](https://twc.texas.gov/vr-services-manual/vrsm-c-1300#c1307-2)).

VR policy on the use of best value and comparable services and benefits must be followed for all VR customers.

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