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

Revised April 1, 2021

## D-203: Purchasing Decisions

…

### 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 $5,520. If the customer is under BLR, they will not be required to contribute toward the $5,520. However, the customer will be required to contribute to the remaining amount over the maximum limit which in this example is $1,480.

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.
 |
| 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.
 |

#### Payments

When feasible, 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 the customer exceeds BLR and the amount they are required to pay towards the cost of services is in excess of the contracted cost for hearing aids and accessories, 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;
* draft a memo that includes the customer's identifying information, including case i.d. and specific details that explain the purpose of the funds and the date received in the field office and mailed to TWC Revenue and Trust Management;
* make a paper copy of the check or money order and the memo;
* file copies in the customer's paper casefile; and
* mail the original check or money order and the memo to:

Texas Workforce Commission
Revenue & Trust Management
PO Box 149261
Austin, TX 78714

For questions, contact TWC Revenue and Trust Management Depository section at (512) 463-2611.

#### 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.

**…**

## D-204: The Purchasing Process

**…**

### D-204-6: Changing a Provider on a Service Authorization

The selected provider on an existing service authorization (SA) may need to be changed under certain circumstances. The ability to make these changes to the SA is limited to specific RHW user roles, including the medical services coordinator and the unit purchasing specialist.

Changing the provider on an existing SA is only allowed in the following circumstances:

* For medical services;
* For medical records;
* If the provider has changed their status, such as going from a sole provider (Dr. Smith) to an incorporated provider (ABC Medical Services) or vice versa; or
* If the provider merged or was acquired by another provider.

The new provider on the SA must meet all the criteria that were in place for the existing SA. Refer to [VRSM B-504-4: Planned Services](https://twc.texas.gov/vr-services-manual/vrsm-b-500#b504-4) and other relevant content throughout this manual for additional information.

**…**

## D-206: Purchasing Restrictions

…

### D-206-1: Paying Professional Dues

VR does not pay dues to a professional association or trade union, unless the purchase is justified as critical to the success of the customer's employment.

VR funds cannot be paid to organizations that financially support a lobbyist.

If the VR counselor believes that payment of professional dues is critical to the success of the customer's employment, the VR counselor must enter a case note in RHW that explains the justification for the decision.

The VR Manager must approve payment of any professional association or trade union dues or fees and may consult with TWC Office of General Council as needed to determine if use of VR funds is allowed.

…

### D-206-3: Out-of-State Purchases

The code of federal regulations (CFR) §361.50 (b)(1) allows TWC-VR "to establish a preference for in-state services, provided that the preference does not effectively deny an individual a necessary service. In compliance with CFR §361.50 (b)(2) TWC-VR does not prohibit the provision of out-of-state services." However, "if the individual chooses an out-of-state service at a higher cost than an in-state service, if either service would meet the individual's rehabilitation needs, TWC-VR is not responsible for those costs in excess of the cost of the in-state service."

The term "out-of-state" is defined as a provider whose point-of-service address or place of doing business is located outside Texas. This term is not intended to describe, define or include providers whose brick and mortar business operations are within Texas but for whom the payment (remit) address of record is outside Texas.

#### Out-of-State Training Services

The purchase of any training services or related support services from out-of-state providers requires VR Manager approval. This includes online or correspondence training purchased from providers that are not physically located in Texas. For additional information about policies, procedures, and requirements, refer to [C-414: College, University, and Technical Training](https://twc.texas.gov/vr-services-manual/vrsm-c-400#c414).

Purchasing an out-of-state training service that is ordinarily regulated in Texas, but is not regulated in the state where the service is provided, requires consultation with state office program specialist and VR Manager approval. Note: This includes out-of-state proprietary and vocational training. For specific information about licensing requirements, refer to [C-415: Training from Proprietary or Certified Schools](https://twc.texas.gov/vr-services-manual/vrsm-c-400#c415) and [C-418: Training by Paid Instructor](https://twc.texas.gov/vr-services-manual/vrsm-c-400#c418).

#### Out-of-State MAPS Services

Out-of-state MAPS services must also be purchased from providers who are properly credentialed. To ensure that a provider is properly credentialed, consult with the state office program specialist for MAPS provider services.

Consultation with the state office program specialist for MAPS provider services is required to purchase MAPS services from an out-of-state provider.

#### Records from Out-of-State Providers

The purchase of medical records or training transcripts from out-of-state providers does not require out-of-state approvals.

#### Contracted Out-of-State Goods and Services

Goods or services purchased under contract from an out-of-state provider do not require additional out-of-state approvals. However, all other required processes and procedures specific to that good or service including those in [D-205: Purchasing Thresholds](https://twc.texas.gov/vr-services-manual/vrsm-d-200#d205) must be applied unless the good or service is specifically exempted from the requirement.

#### Noncontracted Out-of-State Goods or Services

Purchase of any good or service from an out-of-state provider that that is normally purchased under a contract, but the out of state provider does not have a contract for that good or service with TWC-VR requires consultation with state office program specialist assigned to the specific good or service and VR Manager approval.

Once approved, a contract exception must be completed. For information about the contract exception process, refer to [D-210: Exceptions to Contracted Fees and MAPS Fees](https://twc.texas.gov/vr-services-manual/vrsm-d-200#d210). Purchases of any other non-contracted goods or services from an out-of-state provider that are not specifically referenced in this section requires VR Manager approval prior to purchase.

#### Noncontracted Out-of-State Goods or Services Greater Than One Thousand Dollars ($1,000)

The purchase of goods or services from an out-of-state provider that cost greater than one thousand dollars ($1,000) per service authorization requires VR Manager approval. All other required approvals including those in [D-205: Purchasing Thresholds](https://twc.texas.gov/vr-services-manual/vrsm-d-200%22%20%5Cl%20%22d205) must be applied. Processes and procedures specific to that good or service must also be applied.

**…**

## D-211: Setting Up and Paying Providers

Part of the process to set up and pay providers requires VR staff to ensure that the vendor, customer, or individual:

* has the necessary qualifications, credentials, and/or licenses;
* is established in ReHabWorks (RHW) as a provider; and
* is linked to the appropriate specifications.

After the steps above have been taken, VR staff should:

* commit to a specific service from a vendor, customer, or individual;
* generate a service record; and
* issue a service authorization.

If the service provider, customer, or individual is not already established as a provider, VR staff (generally the unit purchasing specialist) sends the [TWC Substitute W9 and Direct Deposit Form (VR1020)](https://twc.texas.gov/forms/index.html) with [instructions](https://twc.texas.gov/forms/index.html) to the potential vendor for its completion.

VR staff explains that the purpose of the VR1020 is to gather information required to establish the provider as a vendor with the State of Texas, enabling VR staff to:

* establish the provider in ReHabWorks;
* issue service authorizations and payments; and
* complete IRS Form 1099, which documents the amount paid to the vendor for tax purposes.

The prospective vendor returns the completed form to the providing VR staff member.

If it is necessary to enter data about customers, parents, and/or guardians into RHW to enable payment of maintenance, periodic transportation, customer airfare, and the like:

* VR staff provides the customer (parent or guardian, if applicable) with the [Consumer or Parent/Guardian Information and Direct Deposit Form (VR1021)](https://twc.texas.gov/forms/index.html) with the [instructions](https://twc.texas.gov/forms/index.html); and
* the customer (or parent or guardian) returns the completed form to the VR staff member.

The Unit Purchasing Specialist (UPS) or VR staff member reviews the forms for completeness and accuracy of data to the extent possible. If the form is incomplete or inaccurate, the UPS or VR staff member returns it to the prospective vendor or customer (or parent or guardian) and requests that the form be corrected and resubmitted.

As applicable for purchased goods and services, the UPS works with the requesting staff member to verify that the provider has the necessary qualifications, credentials, and/or licenses before requesting the vendor be set up and linked. Refer to the applicable policy for the good or service for qualification requirements, such as C-400: Training Services for licensure and accreditation requirements for schools or C-700: Medical Services and Equipment for credential requirements for therapeutic providers.

The UPS or VR staff member emails the appropriately completed form to VR RHW Provider Services and includes the RHW specification-level codes and descriptions to which the vendor or customer should be linked.

VR RHW Provider Services or other state office program specialists will ensure that the provider has the required qualifications, credentials, and/or licenses for the service and RHW specification-level code requested. If additional information is needed, VR RHW Provider Services will work with the UPS or VR staff member to obtain the required information.

VR RHW Provider Services staff checks WRAPS, Texas Comptroller of Public Accounts (for taxpayer identification numbers (TINS)), and RHW according to the information from the VR1020 and VR1021.

If the information is not listed in any of the three databases or shows discrepancies in WRAPS, TINS, or RHW, an email copying the requesting UPS or VR staff member is sent to VndrSetupMaint\_W9requesting the processing of the attached VR1020 or VR1021. TWC Vendor Setup then processes the VR1020 or VR1021 by entering required information into the databases to establish the vendor and set up direct deposit, as appropriate.

Upon completion of the requested setup:

* Vendor Setup Management emails VR RHW Provider Services to inform them that the vendor setup is complete; and
* the vendor information is downloaded overnight into RHW from WRAPS.

The VR RHW Provider Services unit verifies all information entered from the VR1020 or VR1021, creates the physical location, and establishes the requested goods and services link in RHW.

VR RHW Provider Services emails to the UPS or VR staff requester the newly established full VID number with notification that the requested vendor setup is complete.

VR1020 and VR1021 include additional instructions for completing and submitting the forms to establish the vendors in RHW.

Note: State law prohibits the Texas Comptroller of Public Accounts from paying funds directly to anyone who owes the state because of certain taxes, student loans, or child support.

Refer to [D-206-2: Payee Restrictions](https://twc.texas.gov/vr-services-manual/vrsm-d-200#d206-2) for additional policies and procedures regarding restrictions related to the provider's association with the VR customer and how this may impact the purchase of goods and services.

Note: VR staff sends all vendor-related forms and inquires to the VR RHW Provider Services mailbox. VR RHW Provider Services acts as a clearinghouse for RHW vendor-related information and requests and will route all forms or inquiries to the appropriate office.

**…**

## D-213: Other Types of Payments and Purchases

…

### D-213-8 Scheduling of Payments Greater than $5,000

In accordance with the obligations and responsibilities established by Texas Government Code §2155.382(d), the Texas Comptroller requires the scheduling, rather than immediate processing, of individual payments greater than $5,000. As a result, single payments that are greater than $5,000 will be scheduled to process on "the last day on which payment can be made without accruing interest under the prompt payment law", or just less than 30 days. For reference and additional context, see VRSM [D-507-2: Prompt Payment Act](https://twc.texas.gov/vr-services-manual/vrsm-d-500%22%20%5Cl%20%22d507-2).

**…**

## D-215: Service Authorizations When ReHabWorks Is Not Available

When staff are notified by State Office that ReHabWorks is not available, VR management or its designee will provide staff members with direction regarding the continuation of purchasing processes and procedures.

**…**