

# ECONOMIC NEED

## ***AUTHORITY***

Federal Regulations: CFR 361.53 and CFR 361.54.

State Administrative Regulation: 781 KAR 1:120 Section 11(6) and 781 KAR 1:030 Section 2.

*For the purpose of this manual, use of the terms **must** or **shall** reflect requirements of Federal law or regulation or state law or administrative regulation and must be adhered to strictly.*

## ***ECONOMIC NEED DETERMINATION***

Counselors need to ensure that the economic needs test on the application form is completed during the application process. This information is important in determining whether a consumer has excess income that can be applied to their rehabilitation program. If the consumer's income or number in household changes then counselors should update the information on the application form.

## ***BEST PRACTICE FOR DETERMINING FINANCIAL NEED***

In determining the number of people to count in a household, the counselor does have the discretion to include or exclude individuals from consideration based on the individual's household circumstances. However, if someone's income is counted, they should be counted as a member of the household.

Total monthly income refers to gross monthly income for the entire household. This may include income from salary and wages, farm income, business income, SSDI, SSI, Public Assistance (including any types of grants and/or food stamps, assistance grant such as TANF, County Welfare, etc), VA benefits, unemployment benefits, Worker's Compensation, pensions (VA, retirement, disability, etc.), income from property, interest and dividends, trust income, maintenance (alimony), child support, and all other taxable and nontaxable income, including gifts.

Counselors do have the discretion to request verification of income, if necessary.

All monthly excess income should be applied to a consumer's rehabilitation program. However, counselors need to take into consideration the services and expenses already being paid by the consumer. Acceptable uses of excess income may include any service that may contribute to the consumer's Individualized Employment Plan. Examples of such application of excess income **may** include:

- Physical restoration services, such as office visits, lab work, unreimbursed medical expenses, and prescription medications;

- Mental restoration services, such as therapy, counseling, lab work, and prescription medications;
- Medical devices/equipment, such as hearing aids, glasses, prosthetics/orthotics, wheelchairs, and repairs to such devices/equipment;
- Medical supplies;
- Transportation;
- Health insurance premiums, co-payments, deductibles; and
- Training costs, including the percentage of tuition and fees that consumers should pay, additional maintenance costs related to training, other training expenses paid by the consumer.

The counselor should note that this application of excess income should occur each month during the term of the rehabilitation program. Of course, excess income need not be applied to services that are not subject to financial needs testing.

### **Services Included In Economic Need Testing**

Provision of the following services will require an economic needs test:

- Physical and mental restoration services;
- Tuition and initial registration fees for vocational and college training;
- Maintenance other than diagnostic;
- Transportation other than diagnostic;
- Services, other than diagnostic, to members of an individual's family necessary to the adjustment or rehabilitation of the individual with a disability;
- Occupational licenses, tools, equipment, and initial stock (including livestock) and supplies;
- Post-employment services other than those listed under the *excluded* section;
- Tuition and initial registration fees for training beyond the baccalaureate level;
- Other goods and services which can reasonably be expected to benefit an eligible individual in terms of employment outcome; and
- Vehicle and property modifications in excess of \$10,000.

### **Services Excluded From Economic Needs Testing**

The following services shall be excluded from an economic needs test:

- Assessment for determining eligibility, priority for services, and vocational rehabilitation needs;

- Counseling and guidance and referral services;
- Services provided by staff at state owned and operated rehabilitation facilities;
- Placement;
- Rehabilitation technology services, other than vehicle and property modifications in excess of \$10,000;
- Communication assistance in the consumer's native language;
- Supported employment services;
- Interpreter services for the deaf;
- Reader services for the blind;
- Personal assistance services;
- Tutors, notetakers, and assistive technology educational aids;
- Other training, including: driver training, on-the-job training, job coaching, job development and training; and
- Books, supplies, tools and equipment for vocational and other training.

## ***COMPARABLE BENEFITS - GENERAL GUIDANCE***

Any funding and/or services available to consumers will be used before spending Department resources. Comparable benefits do not include awards and scholarships based on merit. Consumer's should apply for and accept available comparable benefits unless the counselor can clearly document "extreme medical risk." Extreme medical risk is defined as "probability of substantially increasing functional impairment or death if medical services, including mental health services, are not provided expeditiously." The determination of medical risk should be based upon medical information provided by appropriate qualified medical professional.

Another exception would be if, due to a delay in provision of comparable benefits, the consumer would lose an immediate job placement. When consumers refuse to apply for or accept comparable benefits, Departmental funds should not be expended for that service or benefit.

Comparable benefits should be used as they become available during the rehabilitation process. Applications of comparable benefits rules apply to cases in employability evaluation, active status, and post-employment. Before services can be provided to family members, comparable benefits available to that family member should be used.

A good resource for identifying similar benefits is the "Comparable Benefits Directory." Each district should have at least one copy available for counselor use.

## ***SERVICES EXEMPTED FROM COMPARABLE BENEFITS***

Except as provided in this section, the counselor should fully consider any comparable benefits available under any other program, to meet, in whole or in part, the cost of services.

The following services are exceptions and shall be provided without full consideration of available comparable benefits:

1. Assessment for determining eligibility and vocational rehabilitation needs;
2. Counseling, guidance, and work related placement services;
3. Referral to secure needed services from other agencies;
4. Job-related services, including job search and placement assistance, job retention services, follow-up services, and follow-along services;
5. Rehabilitation technology; and
6. Services listed in 1-5 above when provided in post-employment status.

A “comparable benefit” is not the same as “determination of economic need.” In determination of economic need, the objective is to set the conditions for equitably determining the amount, if any, consumers are expected to participate in the cost of their rehabilitation. In the area of comparable benefits, the objective is to give full consideration to alternative funding sources prior to spending vocational rehabilitation funds to purchase specific consumer services.

“Full consideration” requires:

1. The counselor to make an eligibility decision and determine the availability of appropriate comparable benefits in the community; and
2. The consumer to make formal application to appropriate programs.

The case file should document consideration of Comparable Benefits. The IPE should reflect consideration of comparable benefits. The Department will not supplement a service that is covered by Medicaid/Medicare/private insurance or other health services programs. If a vendor of medical services refuses to accept a consumer’s public or private medical coverage, the Department will locate and make a referral to a medical provider that will accept the medical coverage.

Comparable benefits may be utilized for services exempted in this section if the benefit is available. Exception to comparable benefits applies to cases in applicant status, employability evaluation, and post-employment.