

KANSAS MEDICAID STATE PLAN

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30-10-208 (1)

30-10-208. ICF-MR personal needs fund. (a) At the time of admission, ICF-MR providers shall furnish that client and the representative with a written statement that:

(1) Lists all services provided by the provider, distinguishing between those services included in the provider's per diem rate and those services not included in the provider's basic rate, that can be charged to the client's personal needs fund;

(2) states that there is no obligation for the client to deposit funds with the provider;

(3) describes the client's rights to select one of the following alternatives for managing the personal needs fund:

(A) The client may receive, retain and manage the client's personal needs fund or have this done by a legal guardian, if any;

(B) the client may apply to the social security administration to have a representative payee designated for purposes of federal or state benefits to which the client may be entitled;

(C) except when paragraph (B) of this subsection applies, the client may designate, in writing, another person to act for the purpose of managing the client's personal needs fund;

(4) states that any charge for these services is included in the provider's per diem rate;

(5) states that the provider is required to accept a client's personal needs fund to hold, safeguard, and provide an accounting, upon the written authorization of the client or representative, or upon appointment of the provider as a client's representative payee; and

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(6) states that, if, in the opinion of the professional interdisciplinary team, the client becomes incapable of managing the personal needs fund and does not have a representative, the provider is required to arrange for the management of the client's personal funds as provided in K.A.R. 30-10-208(j).

(b) (1) The provider shall upon written authorization by the client, accept responsibility for holding, safeguarding and accounting for the client's personal needs fund. The provider may make arrangements with a federally or state insured banking institution to provide these services. However, the responsibility for the quality and accuracy of compliance with the requirements of K.A.R. 30-10-208 shall remain with the provider. The provider may not charge the client for these services, but shall include any charges in the provider's per diem rate.

(2) The provider shall maintain current, written, individual records of all financial transactions involving each client's personal needs fund for which the provider has accepted responsibility. The records shall include at least the following:

- (A) The client's name;
- (B) an identification of client's representative, if any;
- (C) the admission date;
- (D) the date and amount of each deposit and withdrawal, the name of the person who accepted the withdrawn funds, and the balance after each transaction;
- (E) receipts indicating the purpose for which any withdrawn funds were spent; and
- (F) the client's earned interest, if any.

(3) The provider shall provide each client reasonable access to the client's own financial records.

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(4) The provider shall provide a written statement, at least quarterly, to each client or representative. The statement shall include at least the following:

- (A) The balance at the beginning of the statement period;
- (B) total deposits and withdrawals;
- (C) the interest earned, if any, and;
- (D) the ending balance.

(c) Commingling prohibited. The provider shall keep any funds received from a client for holding, safeguarding and accounting separate from the provider's operating funds, activity funds, client council funds and from the funds of any person other than another client in that facility.

(d) Type of accounts; distribution of interest.

(1) Petty cash. The provider may keep up to \$50.00 of a client's money in a non-interest bearing account or petty cash fund.

(2) Interest-bearing accounts. The provider shall, within 15 days of receipt of the money, deposit in an interest-bearing account any funds in excess of \$50.00 from an individual client. The account may be individual to the client or pooled with other client accounts. If a pooled account is used, each client shall be individually identified on the provider's books. The account shall be in a form that clearly indicates that the provider does not have an ownership interest in the funds. The account shall be insured under federal or state law.

(3) The interest earned on any pooled interest-bearing account shall be distributed in one of the following ways, at the election of the provider:

- (A) Pro-rated to each client on an actual interest-earned basis; or
- (B) pro-rated to each client on the basis of the client's end-of-quarter balance.

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(e) The provider shall provide the clients with reasonable access to their personal needs funds. The provider shall, upon request or upon the client's transfer or discharge, return to the client, the legal guardian or the representative payee the balance of the client's personal needs fund for which the provider has accepted responsibility, and any funds maintained in a petty cash fund. When a client's personal needs fund for which the provider has accepted responsibility is deposited in an account outside the facility, the provider, upon request or upon the client's transfer or discharge, shall within 15 business days, return to the client, the legal guardian, or the representative payee, the balance of those funds.

(f) When a provider is a client's representative payee and directly receives monthly benefits to which the client is entitled, the provider shall fulfill all of its legal duties as representative payee.

(g) Duties on change of provider.

(1) Upon change of providers, the former provider shall furnish the new provider with a written account of each client personal needs fund to be transferred, and obtain a written receipt for those funds from the new provider.

(2) The provider shall give each client's representative a written accounting of any personal needs fund held by the provider before any change of provider occurs.

(3) In the event of a disagreement with the accounting provided by the previous provider or the new provider, the client shall retain all rights and remedies provided under state law.

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(h) Upon the death of a client, the provider shall provide the executor or administrator of a client's estate with a written accounting of the client's personal needs fund within 30 business days of a client's death. If the deceased client's estate has no executor or administrator, the provider shall provide the accounting to:

- (1) The client's next of kin;
- (2) the client's representative; and
- (3) the clerk of the probate court of the county in which the client died.

(i) The provider shall purchase a surety bond in the name of the provider on behalf of the clients or employee indemnity bond, or submit a letter of credit or individual or corporate surety, to guarantee the security of clients' funds when the amount in the aggregate exceeds \$1,000.00. The guarantee shall be sufficient to secure the highest quarterly balance from the previous year.

(j) If a client is incapable of managing the client's personal needs fund, has no representative, and is eligible for SSI, the provider shall notify the local office of the social security administration and request that a representative be appointed for that client. If the client is not eligible for SSI, the provider shall refer the client to the local agency office, or the provider shall serve as a temporary representative payee for the client until the actual appointment of a guardian or conservator or representative payee.

(k) Client property records.

(1) The provider shall maintain a current, written record for each client that includes written receipts for all personal possessions deposited with the provider by the client.

(2) The property record shall be available to the client and the client's representative.

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(l) Providers shall keep the funds in the state of Kansas.

(m) Personal needs fund shall not be turned over to any person other than a duly accredited agent or guardian of the client. With the consent of the client, if the client is able and willing to give consent, the administrator shall turn over a client's personal needs fund to a designated person to purchase a particular item. However, a signed, itemized, and dated receipt shall be required for deposit in the client's personal needs fund envelope or another type of file.

(n) Receipts shall be signed by the client, legal guardian, conservator or responsible party for all transactions. Recognizing that a legal guardian, conservator or responsible party may not be available at the time each transaction is made for or on behalf of a client, the provider shall have a procedure which includes a provision for signed receipts at least quarterly.

(o) The provider shall provide and maintain a system of accounting for expenditures from the client's personal needs fund. This system shall follow generally accepted accounting principles and shall be subject to audit by representatives of the agency. The effective date of this regulation shall be October 1, 1991. (Authorized by and implementing K.S.A. 1990 Supp. 39-708c; effective, T-30-10-1-90, Oct. 1, 1990; effective Jan. 30, 1991; amended Oct. 1, 1991.)