

Center for Medicaid and State Operations/Survey and Certification Group

Ref: S&C-09-47

DATE: July 10, 2009

TO: State Survey Agency Directors

FROM: Director
Survey and Certification Group

SUBJECT: Intermediate Care Facilities for the Mentally Retarded (ICF/MR): Clarification of Protection of Client's Rights at 42 CFR §483.420(a)(4) - Ensure Right to Manage Financial Affairs

Memorandum Summary

- **Citing Deficiencies:** Surveyors currently cite a deficiency during the ICF/MR survey process if every client in the facility does not have a formal money management program in place.
- **Regulatory Provisions:** The regulations at 42 CFR 483.420(a)(4) state that clients in the ICF/MR must be allowed to manage their financial affairs and be taught to do so to the extent of their capabilities.
- **Determination of Compliance:** The determination as to the appropriateness of a formal money management program for an ICF/MR client is based upon the results of a comprehensive functional assessment and a consensus by the interdisciplinary team.

Background

Currently, surveyors cite a deficiency during the survey process if every client in an ICF/MR does not have a formal money management training objective included within their Individual Program Plan (IPP). For any instance where a client does not have a formal objective in place, regardless of the determination of appropriateness by the team, a citation is written at 42CFR 483.420(a)(4).

Discussion

42 CFR 483.420(a)(4) states that the facility must, "Allow individual clients to manage their financial affairs and to teach them to do so to the extent of their capabilities." The regulation is clear that in those cases where a client already possesses the skills necessary to independently manage their own financial affairs, the facility will allow the client to continue to do so. Formal training in financial management must be provided for all other clients in the facility to the *extent of their capabilities*. The regulation places the responsibility for determining the extent of the client's capabilities in this matter upon an assessment and interdisciplinary process within the facility.

To reach a determination as to whether a money management program is appropriate, the facility interdisciplinary team (IDT) uses the comprehensive functional assessment (CFA) to evaluate the ability of each client to participate in such a program. Under 42 C.F.R. 483.440(c)(3), the team evaluation must establish, through documentation, that the IDT considers all of the objective data within the assessment in reaching their determination, especially the identification of client skills which can be used across training programs. Assessment findings to be considered by the team include skills that can be cross-utilized in training programs such as:

1. Fine motor coordination;
2. The ability to make choices;
3. The ability to identify preferences; and
4. Cognitive abilities including tracking, attention span, communication, and the individual's understanding of cause and effect. (The individual's understanding of cause and effect is significant in the determination.)

During surveyor observations note any client who is of the chronological age to utilize money management and exhibits the skills necessary to be on a formal money management program. Through observation and interview, determine the extent of any financial management program in which the client is involved. Review the client's CFA to confirm that the program is consistent with the findings of the assessment. The IPP must include measurable, individualized objectives to meet the various training goals consistent with the findings of the CFA and the IDT determination. The programs and strategies used to meet objectives should be detailed, understandable, and readily available for review and updating by staff in order to ensure a client's progress toward self-determination, choice, and independence. Such programs and strategies used to meet objectives may be established through documentation.

If the client is not on a formal money management program, the surveyor must review the IDT evaluation to determine whether the team addressed the results of the CFA and the identification of skills which can be cross-utilized in training programs. If this cannot be confirmed through documentation, a citation may be written.

Money management includes a broad spectrum of programs with varying levels of participation by the client ranging from the use of choice in money expenditures, to an understanding of the concept of money, and ultimately to actual money handling and budgeting. The IDT must not conclude that a money management program is inappropriate based solely upon the level of retardation or physical disability of the client.

The CFA must be reviewed at least annually per 42 C.F.R. 483.440(f)(2). As a part of this annual review, a client's ability to participate in money management will also be reviewed. The annual review should always include an update to the CFA and take into consideration any changes in the individual's circumstances since the last IDT.

Conclusion

The need for a formal money management program must be addressed in every client's IPP by the IDT on an annual basis.

The determination of the appropriateness of a formal money management program is made by the IDT and must be based upon a CFA. The IDT discussions resulting in that determination must be established through documentation in the client's IPP.

Surveyors will question and cite any IDT team decision that a formal money management program is not appropriate when the client clearly exhibits and the CFA supports the skills needed to implement such a program.

If you have any additional questions, you may contact Kelley Tinsley, either by phone at 410-786-6664 or via e-mail at Kelley.Tinsley@cms.hhs.gov.

Effective Date: This clarification is effective immediately. Please ensure that all appropriate staff are fully informed within 30 days of the date of this memorandum.

/s/

Thomas E. Hamilton

cc: Survey and Certification Regional Office Management