

Income Documents and Calculation Examples

Hospital Discounted Care

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Department of Health Care
Policy & Financing

Objectives

- Income Documents
 - Employed
 - Self Employment
 - Unearned
- Calculation Examples
 - Unemployment
 - Short Term Disability
 - Self Employment
- Questions

Income Documents



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Income Sources

- Facilities may NOT require income documentation different from what is listed in the Operations Manual
- Patients who are experiencing homelessness are exempt from the documentation requirements
 - Allowed to use self-attested information for both the screening and the application

Employment Income Documentation

- For employed household members:
 - Paycheck stubs
 - Payroll history
 - Wage records
 - Letter from employer
 - Facility can call to verify payment information

Cash Income Documentation

- For household members who work for cash:
 - Bank receipts showing cash deposits
 - Ledgers (account book, list of income and expenses, etc.) or other documentation of payments from clients/customers
 - Letter from employer
 - Does not need to be notarized
 - Self attested information

Question 1

- If a patient gets paid in cash and wants to write a letter to self attest their income, does the letter have to be notarized?
 - A. Yes
 - B. No

Self-Employment Income Documentation

- For self-employed household members:
 - Paycheck stubs
 - Payroll history
 - Wage records if they pay themselves as an employee of the business
 - Business financial records
 - (P&L, ledger, business bank statement showing deposits & withdrawals, invoices & receipts, etc.)
 - Most recent business tax return

Unearned Income

- Unearned income includes:
 - Social Security Income (SSI)
 - Social Security Disability Insurance (SSDI)
 - Tips, Bonuses, and Commissions
 - Short Term Disability
 - Monthly pension payments
 - Monthly payments from retirement accounts
 - Lottery winnings disbursements
 - Monthly payments from trust funds
 - Unemployment income
- SSI and SSDI income is not allowed to be counted for minors or adults with disabilities who are still under the care of their parents or guardians

Worksheet 1

Payment Sources	Monthly Income			Annualized Income
Earned Income:				
Employment Income	\$0.00			\$0.00
Monthly Unearned Income Sources:				
		Documented	Self-Declared	
Social Security Income (SSI)		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Social Security Disability Income (SSDI)		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Disbursement from Retirement Accounts		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Pension Payments		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Payments from Trust Funds		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Disbursement from Lottery Winnings		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Annual or One Time Income Sources:				
Bonuses (enter full amount of bonuses included on pay stubs)				\$0.00
Short Term Disability (enter full amount of remaining payments from STD)				\$0.00
Unemployment Income (use calculator to right)	\$0.00			\$0.00
Tips and Commissions (only if not normal on pay stub)				\$0.00
Infrequent Overtime				\$0.00
	Earned Income Total			\$0.00
	Unearned Income Total			\$0.00
Total Income:				\$0.00

Unearned Income Documentation

- For household members receiving unemployment benefits, their unemployment compensation documentation
- Short Term Disability payment information
- For adult household members with no income, a letter attesting they have no income

Bonuses, Tips, and Commissions

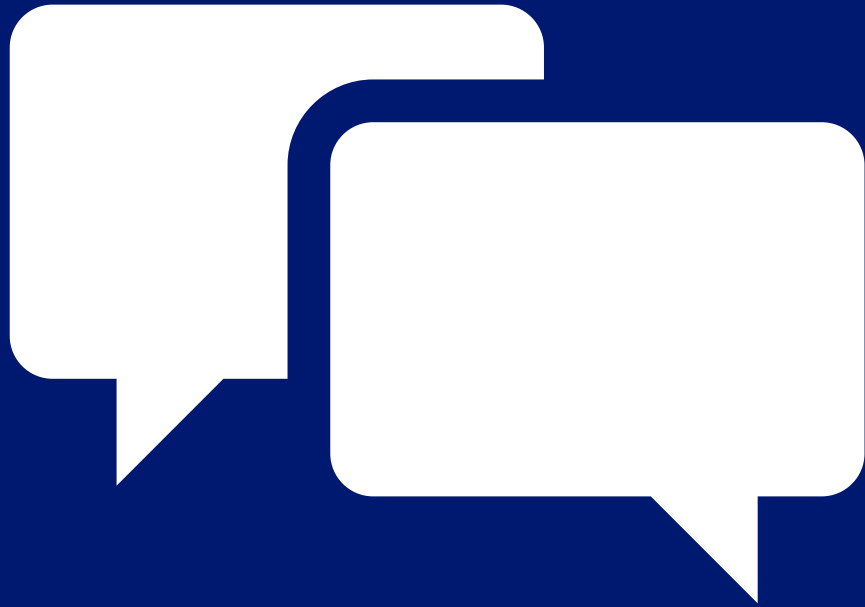
- Bonuses, tips, or commissions that are **not** on every paycheck should have that information entered in the **unearned** lines
- Bonuses, tips, or commissions that are on every paycheck or are recurrent should be included in the monthly income calculation

Overtime

- Frequent or consistent work over 40 hours per week should be included in regular calculation
- Inconsistent work over 40 hours per week should be included in the Infrequent Overtime line
 - This line does not annualize
 - Only includes amount entered as annual amount

Question 2

- Are FAMLII payments counted as income?
 - A. Yes
 - B. No



Questions?

Calculation Examples



Unemployment Example

- The uniform application added an Unemployment Calculator that automatically sets the end date for the household's determination to coincide with when the unemployment payments are expected to end
- Use the patient's original or current unemployment bank amount
 - Original would be the max benefit amount
 - Current would be max minus any payments they've received prior to the date the bank amount is verified

Worksheet 1

UNIFORM APPLICATION				
Worksheet 1 - Earned and Unearned Income				
Payment Sources	Monthly Income	Annualized Income		
Earned Income:				
Employment Income	\$0.00	\$0.00		
Monthly Unearned Income Sources:		Documented	Self-Declared	
Social Security Income (SSI)		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Social Security Disability Income (SSDI)		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Disbursement from Retirement Accounts		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Pension Payments		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Payments from Trust Funds		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Disbursement from Lottery Winnings		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Annual or One Time Income Sources:				
Bonuses (enter full amount of bonuses included on pay stubs)				\$0.00
Short Term Disability (enter full amount of payments from STD)				\$0.00
Unemployment Income (use calculator to right)	\$0.00			\$0.00
Tips and Commissions (only if not normal on pay stub)				\$0.00
Infrequent Overtime				\$0.00
Earned Income Total				\$0.00
Unearned Income Total				\$0.00
Total Income:				\$0.00



Calculator Box

Unemployment Income	
Amount in Unemployment Bank at check/validate date	<input type="text"/> *Required
Total Weekly Payment	<input type="text"/> *Required
Date Unemployment Bank checked/validated	<input type="text"/> *Required
Date of last received payment	<input type="text"/> Optional, gives better estimate of payment end
Date of last expected payment	
Total amount to include in application	\$0.00

Unemployment Calculation

- In in the next example, you can see that the amount that is calculated to include in the application is twice the original max benefit amount
- Unemployment is granted for six months, so even using the full amount over the normal calculation would result in the FPG being halved
- To ensure correct FPG is used, have to double max benefit

Unemployment Example

Unemployment Income	
Amount in Unemployment Bank at check/validate date	\$ 20,306.00
Total Weekly Payment	\$ 781.00
Date Unemployment Bank checked/validated	11/12/2023
Date of last received payment	4/21/2024
Date of last expected payment	5/12/2024
Total amount to include in application	\$40,612.00

Original bank amount and effective date


Unemployment Income	
Amount in Unemployment Bank at check/validate date	\$ 2,343.00
Total Weekly Payment	\$ 781.00
Date Unemployment Bank checked/validated	4/21/2024
Date of last received payment	4/21/2024
Date of last expected payment	5/12/2024
Total amount to include in application	\$40,612.00


Current/more recent bank amount and validation date

Calculation Example

- Weekly amount = \$781
- Monthly amount = $\$781 \times (52/12) = \781×4.333
= \$3,384.33

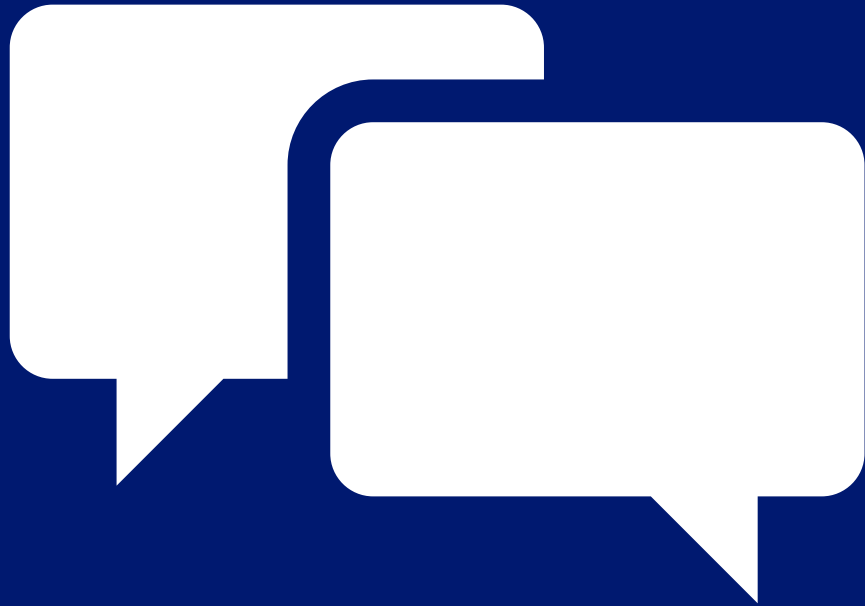
FPG Calculation Example

	CICP Colorado Indigent Care Program	Hospital Discounted Care and CICP Federal Poverty Guideline Calculator	
Monthly Household income:	\$3,384.33	OR	Annual Household income:
Household size:	2		Household size:
FPG Rate:	199		FPG Rate:

	CICP Colorado Indigent Care Program	Hospital Discounted Care and CICP Federal Poverty Guideline Calculator	
Monthly Household income:	\$3,384.33	OR	Annual Household income:
Household size:	2		Household size:
FPG Rate:	199		FPG Rate:

Question 3

- When should a household who has a member collecting unemployment have their eligibility end dated?
 - A. At the end of the calendar year
 - B. 365 days from the date of the application
 - C. 365 days from the date of service
 - D. The day the unemployment payments are calculated to end



Questions?

Short Term Disability (STD)

- Household members who are collecting short term disability payments are unique cases, and therefore different guidance applies to them
- Short term disability is temporary, and only pays a percentage of normal income
- Income for these household members should be calculated using a combination of their short term disability income and their normal income to make up the full 52-week year

Short Term Disability Calculation

- A household member is being paid bi-weekly and will be on short term disability for six weeks. Their income should be calculated using six weeks of short term disability payments and 23 bi-weekly pay periods of their normal income
- 23 bi-weekly pay periods = 46 weeks + 6 weeks short term disability = 52 total weeks = 1 full year
 - Short term disability weekly amount: \$500
 - Normal bi-weekly income: \$1,600
 - $(\$500 \times 6 \text{ weeks}) + (\$1,600 \times 23 \text{ pay periods}) = \$3,000 + \$36,800 = \$39,800$ annual income

Short Term Disability Example

UNIFORM APPLICATION				
Worksheet 1 - Earned and Unearned Income				
Payment Sources	Monthly Income	Annualized Income		
Earned Income:				
Employment Income	\$3,066.67			\$36,800.00
Monthly Unearned Income Sources:		Documented	Self-Declared	
Social Security Income (SSI)		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Social Security Disability Income (SSDI)		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Disbursement from Retirement Accounts		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Pension Payments		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Payments from Trust Funds		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Disbursement from Lottery Winnings		<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
Annual or One Time Income Sources:				
Bonuses (enter full amount of bonuses included on pay stubs)				\$0.00
Short Term Disability (enter full amount of remaining payments from STD)	\$3,000.00			\$3,000.00
Unemployment Income (use calculator to right)	\$0.00			\$0.00
Tips and Commissions (only if not normal on pay stub)				\$0.00
Infrequent Overtime				\$0.00
Earned Income Total	\$3,066.67			\$36,800.00
Unearned Income Total	\$3,000.00			\$3,000.00
Total Income:				\$39,800.00

Normal Income Portion of Short Term Disability Calculation

- Short Term income = \$3,000 (\$500 x 6 weeks)
- Bi-weekly income = \$1,600 (23 pay periods)
 - \$1,600 in Year-to-Date Methodology box =
\$3,466.67 monthly income \neq \$36,800 annual
- Two ways to enter into monthly income box:

Combined Earned Monthly Gross Income	
Patient/Guardian	=36800/12
	=1600*(23/12)

Prior Short Term Disability

- If an applicant has received STD payments in the current calendar year, providers will need to take that into account when calculating income
 - This does NOT mean that previous STD should be included in the calculation
 - Using the Average Pay Method (APM) may be a better option, although the Year-to-Date (YTD) can be used if it can be determined how many pay periods were STD instead of normal income

Question 4

- If a patient has six weeks total of short term disability payments and begins their application after they've gotten two weeks of short term disability payments, how many weeks of short term disability payments should be counted in their income calculation?
 - A. Six weeks
 - B. Four weeks
 - C. Depends on their pay period frequency

Self-Employment

- Worksheet 2 must be included for any household member who owns their own business, with a few exceptions:
 - Household members who pay themselves as any other employee (income can be entered in Worksheet 1)
 - Household members using personal taxes as their documentation (total annual income/12 can be entered in Worksheet 1)
- Businesses that are losing money should still have all information included, they will be counted at \$0 not at the negative amount
 - The Uniform Application automatically reverts to \$0 if the expenses outweigh the income

Home Businesses

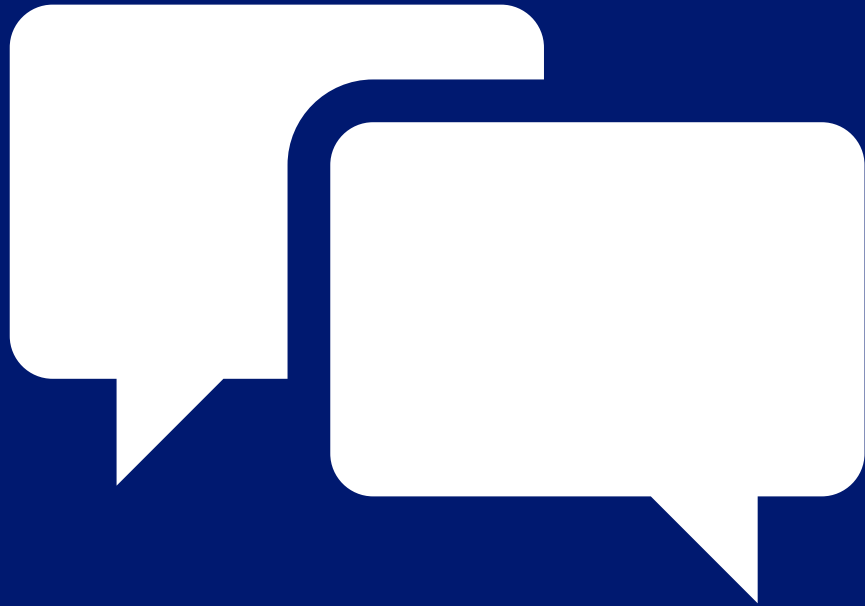
- Household members who run their business out of the house can include a portion of the mortgage/rent, utilities, etc. as an expense
 - Must select “Yes” in the first box
 - Follow by filling in the next three boxes for the percentages to be calculated correctly
 - These are the same things that are used in business taxes to calculate countable expenses

Worksheet 2

UNIFORM APPLICATION			
Worksheet 2 - Net Self-Employment Income			
Does the self-employed household member operate their business from their home?		Yes	
Square footage of household's home:			
Square footage used for household member's home business:			
Hours per week household member works out of their home:			
		Monthly	Annualized
Revenue:	Gross Business Income		\$0.00
Business Property Expenses:	Mortgage/Rent of Business Property		\$0.00
	Utilities		\$0.00
			\$0.00
			\$0.00
Other Expenses:	Advertising		\$0.00
	Business Phone		\$0.00
	Business Taxes (non-personal)		\$0.00
	Fuel for Business-related Travel		\$0.00
	Gross Wages		\$0.00
	Insurance		\$0.00
	Legal Fees		\$0.00
	License/Certification Fees Paid		\$0.00
	Merchandise/Cost of goods		\$0.00
	Office Supplies		\$0.00
	Repairs/Upkeep of Equipment		\$0.00
	Tools/Equipment		\$0.00
			\$0.00
			\$0.00
Total Expenses:		\$0.00	\$0.00
Net Profit		\$0.00	\$0.00

Question 5

- Which worksheet(s) must always be included in the completed household application?
 - A. Worksheet 1
 - B. Worksheet 1 & 2
 - C. Worksheet 1 & 3
 - D. Worksheet 1, 2, & 3
 - E. None are always required
- Note: Worksheet 1 is Income, Worksheet 2 is Self-Employment, and Worksheet 3 is Deductions



Questions?

Additional Training

- Income Documents & Calculation Examples
 - May 21, 9:00 to 11:00 a.m.
 - June 3, 12:00 to 2:00 p.m.
- Screening & Decline Screening Forms
 - May 22, 1:00 to 3:00 p.m.
 - June 10, 9:00 to 11:00 a.m.
- Hospital Data Reporting Template
 - May 20, 12:00 to 2:00 p.m.
 - June 4, 10:00 a.m. to 12:00 p.m.
- Q&A
 - June 18, 9:00 to 11:00 a.m.

Contact Us

- Questions should be sent to:
HCPF_HospDiscountCare@state.co.us
- Hospital Discounted Care Website:
<https://hcpf.colorado.gov/hospital-discounted-care>
 - Operations manual, FAQs, flowcharts, and much more
- Office Hours
 - Every other Wednesday at 9:00 a.m. through June
 - Third Wednesday of each month beginning July
 - Meeting link and call-in information available on the Hospital Discounted Care website, no need to register