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VERNOR



GEMA G. HERNANDEZ, D.P.A.  
SECRETARY

Date: May 9, 2001

To: AAA Executive Directors, PSA's 1-11

From: Marshall E. Kelley, Director

Subject: Use of Voluntary Contributions Under Title III of the Older American's Act and Use of Copayments in Community Care for the Elderly

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The purpose of this memo is to transmit a finding and recommendation made by the Office of the Inspector General (OIG), Department of Health and Human Services, (see attached) which was clarified in a meeting with the Administration on Aging (AOA), held in Atlanta on April 26<sup>th</sup>, and to issue a statement clarifying the use of copayments in the Community Care for the Elderly (CCE) program.

#### **Use of Voluntary Contributions and Cost Sharing Under Title III of the Older American's Act**

The OIG report states, "The Voluntary contributions are not to be used for cost sharing or matching. Accumulated voluntary contributions are to be used prior to requesting Federal reimbursement. Voluntary contributions and related interest earned are program income and must be used to expand services." A copy of the report issued by the OIG is attached to this memo for your review. Each AAA must implement this policy upon receipt of this transmittal.

The determination has been made that AOA regulations in 45 CFR 1321.67 (b) and 1321.73 are inconsistent with section 307(a)(13)(C)(ii) of the Older American's Act (OAA) which allowed voluntary contributions to be used as match. AOA is submitting revised regulations to make clear that voluntary contributions cannot be used for cost sharing or matching, and must be used to expand services.

Although cost sharing in Title III has not yet been implemented in Florida, section 315(a)(5)(C) of the Older American's Act requires that cost sharing payments must be used to expand the service for which such payment was given.

#### **Use of Copayments in Community Care for the Elderly**

In order to be consistent with Federal regulations, copayments collected in the CCE program must be used to expand services and can not be used as part of the local match. Voluntary contributions received in the CCE program may be used to meet the local match requirements.

