

Department of Mental Health
TRANSMITTAL LETTER

SUBJECT Representative Payee		
POLICY NUMBER DMH Policy 532.1	DATE November 22, 2002	TL# 18

Purpose. To establish a new policy that addresses consumer choice of representative payee, collaboration of the representative payee organization with mental health providers, guidelines for the discontinuation of representative payee-ship, and to address closing accounts of discharged or deceased consumers.

Applicability. Applies to all consumers (hospital and community based) who are incapable of managing their own funds and need a representative payee; all mental health providers that provide treatment and care to consumers who need a representative payee; organizations that act as representative payee; and the Mental Health Authority. This policy replaces any requirements in existing CMHS policies that may contain different information relating to representative payee services. Those policies shall be revised accordingly.

Policy Clearance. Reviewed by affected responsible staff and cleared through appropriate Mental Health Authority offices and DMH Policy and Planning Committee.

Implementation Plans. A plan of action to implement or adhere to a policy must be developed by designated responsible staff. If materials and/or training are required to implement the policy, these requirements must be part of the action plan. Specific staff should be designated to carry out the implementation and program managers are responsible for following through to ensure compliance. Action plans and completion dates should be sent to the appropriate authority. Contracting Officer Technical Representatives (COTRs) must also ensure that contractors are informed of this policy if it is applicable or pertinent to their scope of work. *Implementation of all DMH policies shall begin as soon as possible. Full implementation of this policy shall be completed consistent with representative payee contract requirements.*

Transfer of current DMH consumers to the representative payee organization of their choice will be monitored by Mental Health Authority (MHA) and phased in over a planned period of time beginning with consumers at the D.C. Community Services Agency and Saint Elizabeths Hospital.

Policy Dissemination and Filing Instructions. Managers/supervisors of DMH and DMH contractors must ensure that staff are informed of this policy. Each staff person who maintains policy manuals must promptly file this policy in Volume I of the blue **DMH** Policy and Procedures Manual and contractors must ensure that this policy is maintained in accordance with their internal procedures.

*If any CMHS or DMH policies are referenced in this policy, copies may be obtained from DMH Policy Support Division by calling (202) 673-7757.

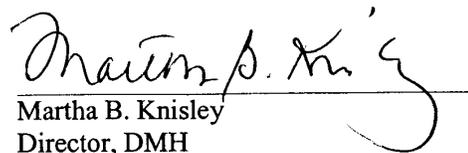
ACTION

REMOVE AND DESTROY

NONE

INSERT

DMH Policy 532.1


Martha B. Knisley
Director, DMH

Government of the District of Columbia

GOVERNMENT OF THE DISTRICT OF COLUMBIA  DEPARTMENT OF MENTAL HEALTH	Policy No. 532.1	Date November 22, 2002	Page 1
	Supersedes None		
Subject: Representative Payee			

1. **Purpose.** To establish a new policy that addresses consumer choice of representative payee, collaboration between the representative payee organization and mental health providers, guidelines for the discontinuation of representative payee-ship, and to address closing accounts of discharged or deceased consumers.

2. **Applicability.** Applies to all consumers (hospital and community based) who are incapable of managing their own funds and need a representative payee; all mental health providers that provide treatment and care to consumers who need a representative payee; organizations that act as representative payee; and the Mental Health Authority (MHA). This policy replaces any requirements in existing CMHS policies that may contain different information relating to representative payee services. Those policies shall be revised accordingly.

3. **Authority.** Mental Health Service Delivery Reform Act of 2001; Social Security Act of 1935.

4. **Policy.** It is the policy of the Department of Mental Health (DMH) that:

4a. **Consumers' funds are handled in accordance with federal and local governing financial and accounting guidelines and practices, and consistent with Social Security Administration (SSA) guidelines for developing a representative payee accounting system;**

4b. **Consumers have easy access to their available funds, account information, education to assist them in developing skills to become as independent as possible, and have the least restrictive Ninety-Day Budget and Spending Plan;**

4c. **All consumers who are determined by their treatment team (with acceptance from SSA) to be incapable of managing their own funds will be given choice of representative payee regardless of the funding source of their income. It is the position of the Department of Mental Health that all consumers are able to handle their own funds unless there is compelling evidence to the contrary; and**

4d. **SSA Guide for Organizational Representative Payees be used to govern SSI/SSDI accounts, and that it also be used as a guide, to the extent feasible, in managing other types of consumer accounts when no other governing guidelines exist.**

5. **Background.** DMH will no longer act as representative payee for consumers in the hospital or in the community and strongly discourages all current mental health providers from simultaneously acting as the representative payee while providing clinical care or housing to DMH consumers. The intent of DMH is to promote an efficient process and procedure that provides the consumer with more timely, efficient, and convenient access to his/her funds which have not been expended for the consumer's other necessary services.

The Mental Health Authority shall contract directly with an organization or organizations to serve as representative payee to manage accounts of DMH consumers who need a representative payee. The contract representative payee organization will use commercial banks and automated banking systems (or other appropriate system approved by MHA) for the convenience of consumers who will have cash

withdrawal limits set in accordance with the consumer's Ninety-Day Budget and Spending Plan developed during individual recovery planning.

6. Definitions.

6a. **Collective Accounts** – When the representative payee places funds for more than one consumer in a single checking or savings account, it is referred to as a “collective account.”

6b. **DMH** – Department of Mental Health

6c. **Funding Source** – an organization or entity that provides a continuous stream of income for a consumer such as SSA, Veterans, etc.

6d. **Incapable** – means either:

(1) lacking the ability to manage one's own financial affairs; unable to provide regularly for his/her housing, food, and other necessities **and** cannot direct others to do so for himself/herself (e.g., does not pay rent regularly, gets evicted); **or**

(2) has a current diagnosis of substance abuse; includes alcohol abuse (this can include periods of clean time closely alternating with frequent drug/alcohol use).

6e. **Mental Health Authority (MHA)** – Mental Health Authority of the Department of Mental Health.

6f. **Mental Health Providers** - (a) any individual or entity, public or private, that is licensed or certified by the District of Columbia to provide mental health services or mental health supports, (b) any individual or entity, public or private, that has entered into an agreement with DMH to provide mental health services or mental health supports, or (c) St. Elizabeths Hospital or the D.C. Community Services Agency.

6g. **Representative Payee** – an individual or organization that receives payments from various funding sources for someone who is incapable of managing or directing someone else to manage his/her financial affairs or is a substance abuser. In this policy, the representative payee is an organization.

6h. **Social Security Administration (SSA)** - the organization that administers financial benefits to persons of low to no income who meet criteria for disability; a distinction is made between consumers who have no work history (recipients of SSI benefits) and those who have a substantial work history (recipients of SSDI benefits).

6i. **Social Security Disability Income (SSDI)** – a federal income maintenance program administered by the Social Security Administration that protects workers and their families from loss of earnings because of retirement, death, or disability.

6j. **Supplemental Security Income (SSI)** – a federal income maintenance program administered by the Social Security Administration for aged, blind, and disabled persons with little or no income or resources.

7. Responsibilities and Procedures.

7a. **Mental Health Authority.** The Mental Health Authority shall:

(1) **Contract** directly with an organization(s) to serve as the representative payee for DMH consumers.

(2) **Discourage** and not enter into contracts for representative payee services with organizations that are already certified to provide housing or treatment and clinical services to consumers.

(3) **Provide** current lists to SSA and to mental health providers and consumers that inform them of the organizations that the MHA is contracting with as representative payees for DMH consumers; and provide certain forms for documenting actions in this process (e.g., referral, budget plan).

(4) **Monitor** representative payee services to ensure consumer accounts are being managed in accordance with contract provisions and this policy.

7b. **Mental Health Providers.** Mental health providers shall:

(1) **Determine** if a consumer is incapable of managing his/her own funds and needs a representative payee.

(2) **If incapability is demonstrated, Submit** a SSA-787, Physician's/Medical Officer's Statement of Patient's Capability to Manage Benefits, signed by the treating psychiatrist to SSA for persons receiving funds from SSA (see Section 6d, above).

(3) **Provide** general information on representative payee services and **share** the listing of representative payee organizations with the consumer so that the consumer can select a representative payee (on form provided by MHA) if the consumer has not selected an individual representative payee. SSA provides final appointment of representative payees.

(4) **Assist** the consumer in keeping the appointment with SSA (or other funding source) in order to finalize the choice of representative payee.

(5) **Contact** the representative payee organization chosen by the consumer by phone, then **forward** the written referral on the form provided by MHA.

(6) **Inform** and offer choice, change, and discontinuation of representative payee-ship to consumers by using the list of representative payees provided by MHA. (Also see Section 8 below on Discontinuing Representative Payee-ship.)

(7) **Offer** choice to consumers at four points of service (1) upon incapability determination from a funding source (SSA, Veterans, etc.), (2) during service planning, (3) during discharge planning, and (4) upon consumer/guardian complaint of dissatisfaction with current representative payee services.

The consumer has the right to change representative payee whenever he/she desires, limited only by SSA guidelines/approval.

(8) **Document** the consumer's choice, change, or discontinuation of representative payee-ship, and file the original document in the consumer's clinical record.

(9) **Assist** the consumer in developing a Ninety-Day Budget and Spending Plan, which considers such things as the consumer's clinical status, current financial needs (including spending allowance, rent, and other routine bills), and money management skills. Also, advise the consumer of the benefits of establishing a burial fund account.

(10) **Develop** Ninety-Day Budget and Spending Plans based on the individual recovery plan (IRP) and review the spending plans during IRP planning; changes can be requested then

and at other times if needed. The Ninety-Day Budget and Spending Plan shall be a component of the IRP.

(11) **Establish**, with the consumer's input, predetermined, individualized cash/check withdrawal limits as appropriate.

(12) **Document** that the spending of the consumer meets the consumer's wishes consistent with the preferences and needs cited in the consumer's Ninety-Day Budget and Spending Plan.

(13) **Forward** a copy of the Ninety-Day Budget and Spending Plan, signed by the consumer, to the representative payee organization within two (2) business days after forwarding the referral.

(14) **Re-evaluate** and **re-determine** at least annually, whether each consumer still needs a representative payee, while working with the consumer towards his or her highest level of independence.

(15) **Ensure** that the consumer is provided assistance as needed by the clinical team in all matters pertaining to representative payee-ship, including providing educational opportunities to develop skills for the least restrictive Ninety-Day Budget and Spending Plan.

(16) **Implement** a corrective action plan when alerted by the representative payee organization of a consumer account in jeopardy (e.g., cash amount over SSA limit which threatens loss of benefits).

(17) **Document** the consumer's clinical record as appropriate on all matters regarding representative payee.

(18) **Collaborate** with the representative payee and the funding source as needed to expedite exchange of needed information to facilitate an efficient process.

(19) **Notify** the representative payee, in writing, within five (5) business days when a consumer is discharged or dies (see Section 9 below).

(20) **Develop** policies that address, but are not limited to, the following:

- (a) requirement that the clinical team be trained and familiar with their roles and the role of the representative payee;
- (b) training that will be provided on representative payee-ship and SSA guidelines;
- (c) interaction/collaboration between the mental health provider and the representative payee to accomplish the consumer's choice and other required actions;
- (d) process for providing the consumer information on representative payee services and for offering the consumer choice, change or discontinuation of representative payee services;
- (e) clinical record documentation;
- (f) notifications to representative payee on changes in consumer status that impact SSI or other benefits (including re-hospitalization, incarceration, family

circumstances, living arrangements, consumer employment, missing person, other income sources, etc.);

- (g) assistance that will be provided to the consumer, when needed, in completing certain required reporting documents, e.g., continuing disability reviews, work related reports;
- (h) collaboration between the mental health provider and representative payee to expedite exchange of needed information such as copies of medical record material consistent with release of mental health information guidelines, including time frames for response; and
- (i) specific actions and steps required by the clinical team to ensure that coordination with the representative payee is a seamless process, such as establishing the consumers' Ninety-Day Budget and Spending Plans and discharge planning.

7c. Responsibility and Role of the Representative Payee.

- (1) **Receive** referrals made by the clinical team and arrange a face to face meeting with each consumer to explain the role and responsibilities of the representative payee, related rights and responsibilities of the consumer, and to discuss the Ninety-Day Budget and Spending Plan, etc.
- (2) **Collaborate** closely with the clinical team to provide education to consumers in developing money management skills that lead to independent money management and self-sufficiency.
- (3) **Provide** general money management education to consumers, families, and mental health provider staff at least annually.
- (4) **Serve** as liaison between the consumer and their funding source (e.g., Social Security Administration, Veterans, etc.).
- (5) **Establish** an interest bearing, direct deposit, checking or savings bank account in accordance with SSA guidelines and serve as liaison between the consumer and the commercial banking institution that manages the consumer's funds.
- (6) **Title** bank accounts to show the consumer as the owner in accordance with SSA guidelines.
- (7) **Educate** and advise the consumer about the account (e.g., what type, how to access information), use of ATMs, SSI, and other funding sources, etc.
- (8) **Perform** the functions required of a representative payee as outlined in the Social Security Representative Payment Program (e.g., determining continuing eligibility for benefits), and in accordance with this policy and DMH contract provisions.
- (9) **Collaborate** and **coordinate** with the clinical team and the funding source to expedite exchange of needed information to facilitate an efficient, seamless process.
- (10) **Provide** monthly statements to the consumer and, at the consumer's request/approval, to the mental health provider's clinical team of the consumer's account activity, account balance, and maintain a record of same for three (3) years. Also provide account balance statements to the consumer upon consumer request.

(11) **Notify** the consumer and the clinical team when the consumer's account is in jeopardy (e.g., the balance in the consumer's account is either over the SSA cash allowance limit or too low to meet the consumer's support needs).

(12) **Provide** an annual report of each consumer's account as required by SSA (or other funding sources if applicable). Consumers may get a copy of the report upon request and may request that a copy be given to the clinical team.

(13) **Ensure** that each consumer's regularly scheduled bills are paid direct to the respective landlord/vendor unless the Ninety-Day Budget and Spending Plan specifies other arrangements.

(14) **Ensure** that funds of DMH consumers are kept separate from agency accounts for other clients of the representative payee.

(15) **Maintain** SSA funds in either an individual or "collective account," separate and exclusive from other funds, and not co-mingled with operating funds. The representative payee must meet SSA conditions for establishing and maintaining a collective account including having clear records showing the amount of each consumer's share in the account.

(16) **Record** that all of the consumer's documented needs and wishes are met consistent with the Ninety-Day Budget and Spending Plan.

(17) **Provide** a monthly summary report to the designated DMH official indicating name of each consumer and each service provided to them during that month (intakes, education, burial fund activity, paid bills, liaison activities, etc.).

(18) **Establish** an irrevocable burial fund in a separate, exclusive account if the consumer makes a written request for a burial fund and if the consumer identifies money that he/she wishes to place in a burial fund (up to the cash amount allowed by SSA for those recipients).

(19) **Handle** discharged or deceased consumer accounts in accordance with Section 9 below.

8. **Discontinuing Representative Payee-ship**. Representative payee-ship can end:

8a. When the clinical team and consumer agree (during service planning, during annual re-evaluation, or at other times when the consumer's situation changes) that the consumer can direct his/her financial matters, with or without assistance, and can end the representative payee-ship.

8b. When the consumer requests the representative payee to conduct a review to end representative payee-ship, and the representative payee organization (based on the consumer's progressive responsibility in handling expenditures and face-to-face interview with the consumer) recommends cessation of representative payee-ship to the clinical team. For consumers who demonstrate capability, the representative payee can also initiate the recommendation to the clinical team to end representative payee services.

(1) In each case above when there is agreement to end the services and SSA is the funding source, the clinical team shall complete a SSA-787 and inform the consumer that he/she must contact SSA for an appointment to present the SSA-787 for SSA acceptance of the determination that the consumer can manage his/her own funds.

(2) When SSA has accepted the determination, the clinical team will notify the representative payee of SSA acceptance. The clinical team shall collaborate with the representative payee, as needed, and implement a plan to begin the consumer's independent money management.

(3) The representative payee shall promptly send a formal cessation letter to SSA or other applicable funding source stating that based on the determination, they are no longer representing the consumer as representative payee.

8c. If the representative payee seeks to terminate the representative payee-ship for the consumer due to various reasons (e.g., consumer won't comply with Ninety-Day Budget and Spending Plan), the representative payee must provide a sixty (60) day notice to the consumer before notifying SSA. The representative payee must continue services until a new representative payee is established and transfer all account history to any successor representative payee.

9. Closing Accounts of Discharged or Deceased Consumers. Accounts shall be handled consistent with applicable governing guidelines (SSA for SSI/SSDI accounts, etc.) and the procedures below. Where no specific governing guidelines exist from the funding source, the SSA guidelines shall be used as a guide for all types of accounts.

9a. Discharged Consumers

(1) Provision of representative payee services through DMH shall be discontinued upon a consumer's discharge from the DMH system of care.

(2) During discharge planning, the mental health provider shall offer the consumer choice on how the consumer wants his/her account to be handled after discharge. The consumer shall be offered opportunity to:

(a) **Manage** the account personally, if determined capable by the clinical team, or direct someone else to do so; or

(b) **Continue** services with the same representative payee if the consumer is still incapable of managing funds; or

(c) **Choose** another representative payee;

(If a consumer chooses either (b) or (c) above, this is a personal arrangement and is not paid by DMH. Approval from SSA must be obtained for any choice made as required/applicable.)

(3) The mental health provider shall inform the representative payee, in writing, of the consumer's choice and the representative payee shall inform SSA or other funding source. The mental health provider shall provide the consumer assistance as necessary by working with the representative payee to meet the consumer's wishes.

9b. Deceased Consumers.

(1) The mental health provider shall:

- **Notify** the representative payee in writing, of the date and time of the consumer's death, including whether next of kin has been notified.

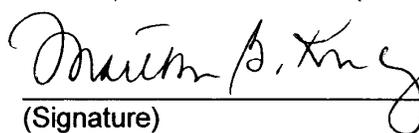
- (2) The representative payee shall:
- (a) **Notify** the consumer's account beneficiary, in writing, informing them of the existence of a burial fund, where applicable, and of any other financial assistance known to be available.
 - (b) **Release** the burial funds to the funeral home or other responsible party for payment of the funeral bill if the consumer has established a burial fund. If the consumer does not have a burial fund, refer the consumer's family to the D.C. Burial Assistance Program for assistance.
 - (c) **Notify** the SSA or other funding source of the consumer's death immediately.
 - (d) Upon request, **generate** a final report of the last sixty (60) days of account activity including balance at close out, and send a copy of the final report to the account beneficiary and to the mental health provider of record if the beneficiary so requests.
 - (e) **Notify** the banking institution to **freeze** the consumer's funds at the time of death in accordance with local law and SSA guidelines.
 - **Return** any funds to which the consumer is not entitled to SSA or other funding source.
 - **Notify** the beneficiary of any other funds of the deceased consumer that remain unclaimed. If the funds are still not claimed after two (2) years, and the beneficiary does not claim the remaining funds within sixty (60) days from notification, the representative payee shall report unclaimed funds in accordance with instructions issued by the D.C. Office of Finance and Treasury's Unclaimed Property Unit and forward a copy of the report to the responsible mental health provider and the designated official at the Mental Health Authority.

10. **Inquiries**. Questions regarding this policy should be addressed to the DMH Office of Consumer and Family Affairs at 202-673-4377.

11. **Related References**. DMH Policy 530.1, SSI/SSDI Expedited Benefits Policy

Approved by:

Martha B. Knisley
Director, DMH

 11/22/02
(Signature) (Date)