Public Assistance to Adults (PAA) is a program that serves eligible, needy individuals who reside in one of three specified protective living arrangements – Licensed Assisted Living, CARE Homes, and Maryland Department of Health (MDH) Rehabilitative Residences.

**900.1 Assisted Living**

Public Assistance to Adults serves needy, eligible people living in licensed Assisted Living facilities that provide a home, care, and services in a protective living environment to those who cannot live independently due to age or disability. Because of advanced age or physical or mental disability, these persons are not gainfully employed. The Maryland Department of Health (MDH) licenses assisted living facilities in Maryland.

Determine financial eligibility for PAA for applicants in assisted living facilities by adding the cost of care to the personal needs allowance. The cost of care is taken from the current year’s Cost of Living Arrangement (COLA) Action Transmittal, Rates, and Per Diems Chart. The line that indicates the current assisted living figure is used.

A disregard of $20 is deducted from unearned income. This disregard is applied to any unearned income from any source to determine the resource to individual’s cost of care. This amount is then deducted from the total cost of care to determine the amount of PAA benefit for which the individual may be eligible.

**Example of Assisted Living**

**Unearned Income Disregard**

$599.00 RSDI benefit

- 20.00 disregard

**$579.00** resource to cost of care

**Calculation of Benefit**

$894 cost of care

+ 93 personal need allowance

$987 total cost of care

$987.00 total cost of care

- 579.00 resource

**$408.00 PAA benefit amount**

**900.2 CARE Homes**

Certified Adult Residential Environment (CARE) Homes (formerly known as Project Home) represents an alternative to institutional care. CARE Homes provide supervised residential care to individuals who cannot live unsupervised in the community because of a physical or mental disability.

* The Social Service Administration (SSA) certifies CARE Homes. A CARE Home may be a family home accommodating one to three individuals, a small group home caring for four to eight individuals, or an apartment in which the adult with a disability lives. The Social Services Administration (SSA) or the local department’s SSA staff determines the level of care needed for the individual. The CARE Home provides four levels of care:
  + Level A – minimal supervision and personal care
  + Level B – moderate supervision and personal care
  + Level C – extensive supervision and personal care
  + Level D – specialized and intensive supervision and personal care

Each level of care has a different rate. The SSA staff conducts a need assessment to determine which level is appropriate for the individual’s care. The cost of care is taken from the current year’s Cost of Living Arrangement (COLA) Action Transmittal, Rates, and Per Diems Chart. See the Allowable Needs in Section 400.

Applicants/recipients in a CARE Home may have unearned income or maybe gainfully employed. When the applicant/recipient has income, disregards provide the individual with income, which can be retained. The individual pays the remainder of the income to the provider toward his/her cost of care.

For the self-employed person, a deduction is also made for the cost of materials, equipment, or other items essential to produce.

**Unearned Income Disregard**

A disregard of $20 is deducted from the unearned income. This disregard is applied to unearned income from any source to determine the resource to cost of care.

Example:

**Calculation of Unearned Disregard**

$200.00 unearned income

- 20.00 disregard

**$180.00** resource to cost of care

**Calculation of Benefit**

$875.00 CARE Home Level B

\_ 93.00 PNA

**$968.00** total cost of care

$968.00 total cost of care

-180.00 resource to cost of care

**$788.00 PAA benefit amount**

**Earned Income Disregard**

A disregard of the first $85 of earned income plus one-half of the remainder is deducted from the gross earned income of a CARE Home applicant/recipient to determine the resource to cost of care.

**Calculation of Earnings Disregard**

$ 300.00 gross earnings

- 85.00 disregard

$215.00

- 107.50 ½ of remainder

**$107.50** resource to cost of care

**$192.50 total disregarded income**

**Calculation of Benefit**

$776.00 Level A

+93.00 PNA

$869.00 total cost of care

$869.00 total cost of care

-107.50 resource

**$761.50 PAA benefit**

**Combination Unearned and Earned Income Disregard**

A total disregard of $85 (plus one half of remainder of earned income) is deducted from the income of the CARE Home recipient who has both unearned income and earnings. The disregards are deducted in sequence. A disregard of $20 is deducted from unearned income and a disregard of $65 plus one-half of remainder is deducted from earned income.

**Combination Disregard Calculation**

$200.00 unearned income

- 20.00 unearned disregard

**$180.00** unearned income resource

$200.00 earned income

- 65.00 earnings disregard

$135.00

- 67.50 one-half of remainder

**$67.50** resource earned income

$180.00 unearned income

+ 67.50 earned income

**$247.50** total resource to cost of care

**Benefit Calculation**

$1376.00 CARE Home Level D

+\_93.00 PNA

1,469.00

- 247.50 resource

**$1221.50 PAA benefit amount**

**Total disregarded income = $152.50**

Note: If unearned income of less than $20 is received, the total unearned income is disregarded and the balance up to $20 is applied to the earnings disregard.

**900.3 Rehabilitative Residences**

Public Assistance to Adults serves needy eligible individuals residing in Rehabilitative Residences. Rehabilitative residences are supervised apartments administered by the Maryland Department of Health (MDHH).

The department’s Mental Hygiene Administration (MHA) contracts with caregivers to provide supportive housing and community rehabilitation services to individuals, many of whom were previously served by CARE Homes. Payments for the cost of care are made directly to the provider by MHA. Residents who have a source of income are required to pay a portion of their cost of care to the facility. Residents of MDH Rehabilitative Residences who meet all technical and financial eligibility requirements are eligible for the personal needs allowance only.

A case manager employed by the community rehabilitation service provider provides case management services.

When employment is part of a customer’s case plan or treatment plan, earned income disregards provide the individual with income to pay to the provider toward his cost of care. Earned income is the total gross salary or wages paid. For a self-employed person, a deduction is also made for the cost of materials, equipment, or other items essential to produce. No other deductions or allowances are made. The individual’s income is tested to determine if the net income after disregards and deductions is less than their cost of care. If less, the individual is eligible for the personal needs allowance payment.

**Earned Income Disregard**

Deduct a disregard of the first $85 of earned income plus one-half of the remainder from the gross earned income. If the remaining income (resource to cost of care) is less than the allowable cost of need, the individual is eligible for the personal needs allowance benefit. For Rehabilitative Residences the allowable cost of need is the cost of the Rehabilitative Residence as paid, not to exceed $54.00 per day.

**Calculation of earnings disregard**

$322.50 gross earned income

- 85.00 earned income disregard

$237.50 total

-118.75 one half of remainder

$118.75 resource to cost of care

**$203.75 total disregarded income**

**Determination of benefit eligibility**

$118.75 resource to cost of care

**LESS THAN?**

$1620.00 Allowable cost of need

($54 per day x 30 days = 1620)

**If YES,**

**PAA benefit amount $93.00**

**Combination Unearned and Earned Income Disregard**

Deduct a total disregard of the first $85 of earned income plus one-half of the remainder from the gross earned income of the Rehabilitative Residence customer who has both unearned and earned income. The disregards are deducted in sequence. A disregard of $20 is deducted from the unearned income and a second disregard of $65 plus one-half of the remainder is deducted from the earned income.

**Combination Disregard Calculation**

$599.00 unearned income

- 20.00 unearned disregard

$579.00 resource to cost of care from unearned income

$300.00 earned income

- 65.00 earnings disregard

$235.00

- 117.50 one-half of remainder

$117.50 resource to cost of care from earned income

$579.00 unearned income

+117.50 earned income

$696.50 total resource to cost of care

Total disregarded income =

$**202.50**

**Determination of benefit eligibility**

$696.50 resource to cost of care

**LESS THAN?**

$1620.00 Allowable cost of need

($54 per day x 30 days =$1620)

**If YES, PAA benefit amount $93.00**

Note: If unearned income of less than $20 is received, the total unearned income is disregarded and any balance up to $20 is applied to the earnings disregard.