



**DEVELOPMENTAL PROGRAMS BULLETIN**  
**COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE**

DATE OF ISSUE  
**January 20, 2009**

EFFECTIVE DATE  
**February 1, 2009**

NUMBER  
**00-08-16**

SUBJECT:

**Clarification of Payment Source for Representative Payee Function**

BY:

**Kevin T. Casey**  
**Deputy Secretary for Developmental Programs**

**SCOPE:**

Administrative Entity (AE) Administrators or Directors  
County Mental Health/Mental Retardation Administrators  
Supports Coordination Organization Directors  
Chapter 6400 Community Homes  
Chapter 6500 Family Living Homes  
Chapter 3800 Child Residential and Day Treatment Facilities  
Chapter 5310 Community Residential Rehabilitation Services  
Providers of Unlicensed Residential Habilitation Services

**PURPOSE:**

The purpose of this bulletin is to provide clarification on payment for the representative payee function. The Office of Developmental Programs (ODP) will not permit residential providers who are receiving State funds to collect a fee for this service.

**BACKGROUND:**

Individuals in ODPs service system should have the opportunity to manage personal funds, receive training in the management of personal funds, and be guaranteed protection of those funds.

If an individual is not able to manage his or her own personal funds, a representative payee can be appointed. A representative payee is a person or institution that directly receives disability checks on behalf of an individual and ensures that the individual's basic needs, such as food and shelter, are being met.

A representative payee is appointed by the Social Security Administration (SSA) and is responsible to receive Social Security or Supplemental Security Income (SSI) payments, or both for someone who cannot manage his or her money, or to direct

COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:

**The Appropriate Regional Program Office**

someone else how to manage his or her money. The main responsibility of a representative payee is to use the funds to pay for the current and foreseeable basic needs of the beneficiary.

A provider may be appointed to be the representative payee for an individual receiving its services, although family members, guardians, or others may, and in many cases do serve in that role as well. The policy described below applies only to those circumstances where a provider is serving as the representative payee.

## **POLICY:**

While the Social Security Administration does allow organizations to collect a fee for the representative payee function in certain circumstances, the Office of Developmental Programs (ODP) does not allow a fee to be collected from individuals receiving services in licensed or unlicensed agency owned, rented, leased, or operated residential homes. The management of personal funds is included in the rate that the provider receives for the care of the individual. Money management must be provided to any person that could potentially benefit from the service and should be reflected in the person's Individual Support Plan (ISP) whether or not the person has a representative payee.

For individuals residing in licensed residential homes, the money management function is part of the provider's regulatory responsibilities of Chapter 6400 Community Homes, Chapter 6500 Family Living Homes, Chapter 3800 Child Residential and Day Treatment Facilities, and Chapter 5310 Community Residential Rehabilitation Services as referenced in the following sections:

- 55 Pa. Code § 6400.22
- 55 Pa. Code § 6500.24
- 55 Pa. Code § 3800.18
- 55 Pa. Code § 5310.2

For individuals residing in unlicensed residential homes, the ISP must include money management for an individual who requires assistance with managing his or her personal funds. Providers of Unlicensed Residential Habilitation Services receive funding to implement the ISP and representative payee fees may not be collected from the individual.

While the Social Security Administration does allow qualified organizations to collect a fee (known as a Fee-for-Service Payee), organizations cannot collect a fee from Social Security if the organization is receiving compensation from another source for performing representative payee services for the individual or the individual resides in a residential facility and only receives personal needs money from the Social Security Administration. For more information regarding the Representative Payee Program contact the Social Security Office at 1-800-772-1213 or log on to [www.socialsecurity.gov/payee](http://www.socialsecurity.gov/payee).