


LAPEER COUNTY COMMUNITY MENTAL HEALTH

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CHAPTER Fiscal Management	CHAPTER 06	SECTION 003	SUBJECT 130
SECTION Reimbursement		DESCRIPTION Ability to Pay Determination	
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APPLICATION:

<input checked="" type="checkbox"/> CMH Staff	<input type="checkbox"/> Board Members	<input type="checkbox"/> Provider Network	<input checked="" type="checkbox"/> Employment Services Providers
<input type="checkbox"/> Employment Services Provider Agencies	<input checked="" type="checkbox"/> Independent Contractors	<input type="checkbox"/> Students	<input checked="" type="checkbox"/> Interns
<input type="checkbox"/> Volunteers	<input checked="" type="checkbox"/> Persons Served		

POLICY:

As a state-funded agency, Lapeer County Community Mental Health (LCCMH) makes a concerted effort to collect fees for services from the persons served or responsible party who have an ability to pay. Individuals and/or their responsible party have the obligation to pay for the cost of mental health services within their capacity.

STANDARDS:

- A. Ability to pay determination is based on the Mental Health Code of 2005, Chapter 8, Sections 1818 and 1819.
- B. Ability to pay determination is not required for persons served who are enrolled in a Medicaid Plan or the Healthy Michigan Plan. Verification of enrollment is documented in the electronic health record annually or as needed.
- C. No individual is denied a medically-necessary service because of an inability to pay.
- D. The ability to pay determination is subsequent to the admission of the individual to any agency program.

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- E. Ability to pay determinations is in effect for the service year commencing on the date of the individual's first service, rather than on a calendar year.
- F. An individual's ability to pay is reviewed at least annually for continuing services.
- G. Re-determination of ability to pay is made when the individual's financial situation changes or when they meet the requirements for a full fee assessment (Form 183e) or upon the request of the individual or clinician.
- H. The person served by the agency, or their responsible party, is requested to make available any relevant or pertinent financial information which the agency deems essential for the purpose of determining ability to pay.
- I. The person served has the right to refuse to submit financial information; however, if they elect to refuse to submit such information, they are liable for the full cost of services received until their ability to pay is determined.
- J. The person served has the right to appeal a determination of financial liability. If filing an appeal, the request by the individual must be submitted to finance staff within 30 calendar days of initial determination. The request must include all financial information needed to complete the appeal. If the re-determination of ability to pay is not acceptable to the individual, they may appeal in writing to the Chief Financial Officer within 30 calendar days of notification of the re-determination.
- K. The person served applies for Medicaid benefits annually. If the individual refuses they are liable for the full cost of all services. If the individual is denied for Medicaid, a copy of the denial is submitted and scanned into the electronic health record.
- L. All persons served must report any changes in income, employment, address, insurance coverage, etc. to LCCMH staff.
- M. Persons served are not billed for the difference between the ability to pay and LCCMH posted rate. LCCMH utilizes additional funding to cover the difference.
- N. Person served enrolled in Medicaid are not held liable for covered services provided to the person for which the PIHP does not pay LCCMH, or LCCMH

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doesn't pay the individual or health care provider who furnished the services under a contractual, referral or other arrangement.

PROCEDURES:

- A. LCCMH follows the procedures as determined by the Department of Health and Human Services (Michigan Mental Health Code, Chapter 8, Sections 330.1800 - 330.1844 and Administrative Rules):
- B. For initial or intake services, if the person does not have Medicaid or Healthy Michigan Plan, they are asked to bring in all household income verification and all health insurance coverage or benefits.
- C. The LCCMH finance staff are responsible to:
 - 1. Meet with persons served who are not enrolled in Medicaid or the Healthy Michigan Plan. Meetings are held in office or by phone with the persons served or guardian.
 - 2. Obtain documentation of monthly income from person served or guardian.
 - 3. Enter the monthly income into the Financial Determination Form in the electronic health record of the person served. The electronic health record auto calculates the monthly ability to pay.
 - 4. Enter or update all health insurance coverage as applicable in the electronic health record.
 - 5. Review the ability to pay determination with the person served to assure they understand the charge for service.
 - 6. Obtain the signature of the person served or guardian. A copy of this form is offered to the person served.
 - 7. Waive the fee assessment of a Veteran with a referral form from the Veterans Administration (VA) in accordance with LCCMH Policy 02.004.215 Veteran's Care Pathway.
 - 8. Refer any person served who has no insurance and are determined to have no ability to pay to the Department of Health and Human Services to apply for Medicaid.

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9. Review the payment process, including payment due at time of service, with the person served or guardian.

10. Submit all obtained financial documentation into medical records/front desk mailbox to be scanned in the electronic health record.

D. When documentation is unavailable, with authorization from the person served or guardian, an attempt is made to obtain state income tax information from the Michigan Department of Treasury. When authorization cannot be obtained during the income determination process, the following procedures are implemented:

1. LCCMH finance staff mail the required authorization and income documents to the person served or their guardian. Documentation is tracked and monitored to ensure receipt of returning documentation.
2. If the required authorization and/or income verification is not received within two (2) weeks, staff sends a second request via certified letter. When authorization or income documentation cannot be obtained, the person served may be billed up to the full cost of services based on the most current posted rates.

E. Once the state has processed the request, any verification of income on file is mailed back to LCCMH. If the Michigan Tax Form is returned stating no household income, designated billing staff sees the person served at their next scheduled appointment to review the information and redo the ability to pay based on Michigan Taxes.

DEFINITIONS:

Ability to Pay: The ability of a responsible party to pay for the cost of services, as determined under Sections 818 and 819 of the Mental Health Code (Section 330.1800(a)).

Cost of Services: The total operating and capital costs incurred by the Department or a community mental health services program with respect to, or on behalf of, an individual. Cost of services does not include the cost of research programs or expenses of state or county government unrelated to the provision of mental health services. (Section 330.1800(b)).

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Income: Earned and unearned funds.

Individual: The individual, minor or adult, who receives services from the Department or a community mental health services program or from a provider under contract with the Department or a community mental health services program. (Section 330.1800(c)).

Insurance Benefits: Payments made in accordance with insurance coverage for the cost of health care services provided to an individual. (Section 330.1800(e)).

Insurance Coverage: Any policy, plan, program, or fund established or maintained for the purpose of providing for its participants or their dependents medical, surgical, or hospital benefits. Insurance coverage includes, but is not limited to, Medicaid or Medicare; policies, plans, programs or funds maintained by nonprofit hospital services and medical care corporations, health maintenance organizations, and prudent purchaser organizations, and commercial, union, association, self-funded, and administrative service policies, plans, programs, and funds. (Section 330.1800(f)).

Parents: the legal father and mother of an unmarried individual who is less than 18 years of age. (Section 330.1800(h)).

Responsible Party: A person who is financially liable for services furnished to the individual. Responsible party includes the individual, and, as applicable, the individual's spouse and parent or parents of a minor. (Section 330.1800(j)).

Spouse: The legal marriage partner of the individual.

REFERENCES:

Ability to Pay Forms # 183e
LCCMH Policy 02.004.215 Veteran's Care Pathway
Michigan Mental Health Code of 2005, Chapter 8, Sections 1818 and 1819.
Michigan Department of Health and Human Services Administrative Rules

EM:lr

This Policy supersedes #07/11029
#0205010 dated 2/23/2005.
