



Community Health &
Research Center

Policy Name: Policy Section/ Number:	Created By:	Initial Date:	Current Date:	Pages:
Ability to Pay Determinations- Reimbursement Section ___/# ____	Ana Dutcher Quality Assurance Manager	8/1/2011	12/17/19	Page 1 of 9

Approved By: Mohamad Khraizat	Title: Health Operations Manager
Signature: 	Date: 12-18-19

I. POLICY

The policy of ACCESS Community Mental Health and Family Counseling (CHRC) ensures that mental health services are provided to the community while we adhere to the standards and rules of Ability to Pay as detailed in the Supplement #6 to the August 1987 Administrative Rules Michigan Department of Community Health (MDCH); the Michigan Revised Mental Health Code, Chapter 8, Financial Liability for Mental Health Services; and MDCH Administrative Directives concerning Supplement #6. ACCESS also adheres to the rules and regulations of funders in regard to financial liability for services rendered.

The financial liability determination is prepared before the start of services and annually thereafter. ACCESS maximizes all first party revenue sources and considers Community Mental Health funding as the "dollars of last resort."

II. PURPOSE

It is the purpose of this policy to provide uniform written standards and procedures to ACCESS staff for establishing Financial Liability and determining Ability to Pay for mental health and substance abuse services, establish uniform standards and procedures for the re-determination, appeals, and hearing processes for clients to utilize and establish uniform standards and procedures for the collection of client fees in the programs that fee for services are allowed.

III. APPLICATION

This is a policy that applies to ACCESS employees, interns and volunteers who provide support and treatment on behalf of the agency.

IV. DEFINITIONS

Ability to Pay: The ability of a responsible party to pay for the cost of services.

Annual Expenses: The reasonable, unreimbursed expenditures of money, actual and estimated, during a financial year to maintain a standard of living essential for the individual and their dependents, which includes the following:

- Food, clothing, and personal necessities



Policy Name: Policy Section/ Number:	Created By:	Initial Date:	Current Date:	Pages:
Ability to Pay Determinations- Reimbursement Section ___/# ____	Ana Dutcher Quality Assurance Manager	8/1/2011	12/17/19	Page 2 of 9

- Shelter, including utilities and repairs for the upkeep of a homestead
- Employment or business
- Medical services
- Taxes
- Elementary, secondary, and post secondary education
- Payment of personal debts contracted before treatment
- Payments made pursuant to a divorce decree or court order
- Transportation to maintain employment and necessary family activities.

Annual Income: All earned and unearned funds received during a financial year including all of the following:

- Compensation for labor or services © Proceeds from a business
- Investment benefits (i.e. Social Security, Supplemental Security Income, Employee Retirement Pension)
- Payments received pursuant to a court order or settlement.

Assets: Real and personal property that is owned, in whole or in part, by the responsible party and that has cash value or equity value.

Child: A person under 18 years of age.

Cost of services means 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.

Dependent: An individual who is allowed as an exemption pursuant to Section 30 of Act No. 281 of the Public Acts of 1967 as amended being 206.30 of the Michigan Compiled Laws.

Financial Liability: Responsibility for the payment of the cost of services.

Individual: Person, whether a minor or adult, who receives mental health services.

Insurance benefits: means payments made in accordance with insurance coverage for the cost of health care services provided to an individual.

Insurance coverage: means 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 service and medical care corporations, health maintenance organizations, and prudent



Community Health &
Research Center

Policy Name: Policy Section/ Number:	Created By:	Initial Date:	Current Date:	Pages:
Ability to Pay Determinations- Reimbursement Section ___/# _____	Ana Dutcher Quality Assurance Manager	8/1/2011	12/17/19	Page 3 of 9

purchaser organizations; and commercial, union, association, self-funded, and administrative service policies, plans, programs, and funds.

Non-Residential Services: Care or treatment services that are not inpatient or residential services as defined.

Parent: Legal father or mother of an unmarried individual who is less than 18 years of age.

Protected Assets: Portion of assets not considered when the total financial situation is used to determine financial liability: \$2,000 for individual, \$3,000 for an individual and spouse and \$200 for each additional dependent.

Protected income: Portion of income that is not considered when the total financial situation is used to determine financial liability.

Responsible Party: A person who is financially liable for the services furnished to a Individual. This includes the Individual, as applicable, the Individual's spouse, a parent or parents of a minor.

Service Provider: A legal entity or a division of a legal entity under contract with an MCPN or the Agency to provide any community mental health service as defined by the Agency.

Spouse: The legal marriage partner of the individual.

Undue Financial Burden: Determination of ability to pay that would materially decrease the standard of living of a responsible party or his or her dependents by decreasing the responsible party's capacity to pay for expenses.

V. PROCEDURES

- A. When the information is available, the amount, scope and duration of benefits available under the Individual's insurance contract is provided to the Individual and where applicable, their guardian, in sufficient detail to ensure that the beneficiary/Individual understand the benefits to which they are entitled. For Medicaid and General Fund benefits, see the Public Mental Health System Schedule for Determining Monthly Ability to Pay Exhibit. The ACCESS Mental Health Staff shall encourage the Individual to confirm their benefits with their insurer.
- B. If the Individual has Medicaid or General Fund coverage, the Individual/new enrollee and where applicable, their guardian shall be informed of the funders' service structures. The Individual shall be given information about the funders affiliated with ACCESS Mental Health. The staff shall use the Agency's Individual Directory to provide information about the network of providers and services. The Individual will also be given the telephone number for the Agency's Customer Service.



Policy Name: Policy Section/ Number:	Created By:	Initial Date:	Current Date:	Pages:
Ability to Pay Determinations- Reimbursement Section __/# ____	Ana Dutcher Quality Assurance Manager	8/1/2011	12/17/19	Page 4 of 9

- C. Upon completion of the orientation, the ACCESS Mental Health Staff shall contact the Individual's insurance for authorization for treatment and billing instructions. If the Individual has Medicaid or General Fund benefits, the individual shall contact the Access Center (to enroll the new Individual and obtain the Individual's mental Health Wellness Information Network identifiers/MHWIN Number. This information will be added to the clinical record with the Ability to Pay form(s).
- D. ACCESS staff will complete Ability to Pay Determination for every person receiving services. Ability to Pay shall be determined on at least annually basis as the individuals' financial situation may change. The established amount of financial liability is the maximum amount that is solicited for the provision of services.
- E. Determination of Ability to Pay shall not impose an undue financial burden on a client, a spouse, or parent.
- F. The combined total of Ability to Pay Determinations for all responsible parties cannot exceed the patient pay amount established by Medicaid for the individual. This includes parents of minor children receiving inpatient psychiatric services and individuals receiving services for the developmentally disabled.
- G. Responsible parties with Medicaid coverage have a "zero" Ability to Pay.
- H. There is "zero" Ability to Pay for the parents of minors served under the home and community based children's waiver. This rule applies only to services provided as part of this waiver. A minor who has been determined to be Medicaid-eligible shall be deemed to have a "zero" Ability to Pay for non-residential services. A parent shall not be determined to have an Ability to Pay for more than one individual at any one time, and a parent's total liability for two or more individuals shall not exceed eighteen years.
- I. There shall be only one Ability to Pay Determination in effect for a responsible party at any given time and there shall be cooperative, collaborative effort among ACCESS and other service providers to assure that the information is available to all appropriate service providers.
 - a. ACCESS shall determine the insurance coverage and Ability to Pay at the initiation of service or as soon as practical thereafter.
 - b. Ability to Pay shall not be incurred for more than one family member at any one time.



Policy Name: Policy Section/ Number:	Created By:	Initial Date:	Current Date:	Pages:
Ability to Pay Determinations- Reimbursement Section __/# ____	Ana Dutcher Quality Assurance Manager	8/1/2011	12/17/19	Page 5 of 9

- c. It shall be the responsible party's obligation to notify ACCESS that an Ability to Pay determination has been made by another service provider or Community Mental Health Services Program.
 - d. The clinically responsible service provider shall establish the Ability to Pay.
- J. For recipients receiving services from multiple service providers, the billing must be coordinated so that the maximum monthly amount is not exceeded. The clinically responsible service provider is responsible for informing the other agencies of the billing expectations
- K. Financial Liability Determinations will be kept in the service provider's client files and entered into ACCESS' information system.
- L. An individual shall not be denied services because of the inability or unwillingness to pay for such services on the part of the responsible party.
- M. The process of determining the Ability to Pay may be conducted concurrently with the provision of service but shall not delay the provision of required emergency mental health services.
- N. ACCESS shall give an explanation, orally and in writing, of the financial liability process before the start of service or as soon as practical thereafter. A service charge schedule shall be made available to the public.
- O. Order of Financial Liability
- a. Single Individual: Financial liability determined for the individual.
 - b. Married Individual: Financial liability determined jointly for individual and spouse.
 - c. Child Individual: If the individual is an unmarried minor, the individual's insurance coverage and Ability to Pay shall be determined for the parents.
 - d. If the parent or the individual and spouse are not members of the same household, their financial liability shall be determined separately.
 - e. If either parent has been made totally responsible for the medical and hospital expenses by a divorce settlement, the remaining parent shall be determined to have no Ability to Pay.
 - f. If a Individual is a minor who is 14 years of age or older and is seeking services under Section 707 of the Mental Health Code (MCL 330.1707) the minor shall be considered the responsible party for the determination of Ability to Pay if the parents are not notified of the treatment.
- P. The responsible party who is covered in part or in whole under any type of insurance arrangement, public or private, for services, the benefits from such insurance shall be considered as part of the



Policy Name: Policy Section/ Number:	Created By:	Initial Date:	Current Date:	Pages:
Ability to Pay Determinations- Reimbursement Section ___/# ____	Ana Dutcher Quality Assurance Manager	8/1/2011	12/17/19	Page 6 of 9

responsible party's financial liability notwithstanding that the premiums for such insurance are paid for by a person or entity other than the responsible party.

- Q. When a responsible party willfully fails to provide any information necessary to apply for or secure insurance or other benefits, fails to apply for payment to the provider of insurance benefits that cover, in part or in whole, the cost of services provided to the client or fails to apply for other benefits to which the client may be entitled, the responsible party's Ability to Pay shall be determined to include the amount of insurance and other benefits which would be available. If the amounts of the insurance or other benefits are not known, the responsible party's Ability to Pay shall be determined to be the full cost of services.
- R. All responsible parties shall make available to ACCESS all relevant financial information that ACCESS is not prohibited by law from seeking and obtaining and ACCESS considers essential for the purpose of determining Ability to Pay. Willful failure to provide the relevant information may result in a determination of Ability to Pay up to the full cost of services received by the individual.
- S. ACCESS shall re-determine a responsible party's financial liability when significant changes occur in any of the factors used to determine financial liability for prospective services or annually, whichever comes first. Financial determinations shall be automatically examined by the service provider when a Individual becomes 18-years old and a new redetermination must be performed, if appropriate. Re-determination of financial liability shall not be made retroactively, except where the prior determination was based on erroneous or incomplete information or where the re-determination is a decrease in financial liability.
- T. Financial liability shall not exceed the rates charged for services by ACCESS Mental Health and Family Counseling. ACCESS' rates shall reflect the actual planned and expected cost for a particular service based upon the estimated volume of service units and the planned operation expenses for the service, including distributed costs for administration. The approved schedule of rates shall be available to the ACCESS staff and to all Individuals upon request.
- a. Court orders: ACCESS will comply with the terms of a court order that is related to the responsible party's obligation to pay for services. The amount under a court order shall not be less but may be more than the Ability to Pay as determined in accordance with the Mental Health Code/Rules.
 - b. Ability to Pay Determination may be appealed:



Policy Name: Policy Section/ Number:	Created By:	Initial Date:	Current Date:	Pages:
Ability to Pay Determinations- Reimbursement Section ___/# ____	Ana Dutcher Quality Assurance Manager	8/1/2011	12/17/19	Page 8 of 9

iv. Informs parties of the right to appeal the decision to Wayne County Probate Court

W. Collection Procedures

d. ACCESS will follow the reimbursement policies that include the following:

- i. During the interview establishing the monthly Ability to Pay, inform the responsible party of the expectation that payment will be made at the time of service until the Maximum Monthly Ability to Pay has been reached.
- ii. Requests payment from Individual/Responsible Party at time of service for current service and any outstanding balance.
- iii. Conducts a reasonable/bona fide collection effort. Prepares aging schedule monthly and sends statement of outstanding balance to responsible party monthly. Alerts therapist/case manager of accounts 30 days in arrears so that they can determine if there has been a change in financial circumstances. Follow up by telephone, if possible, on all accounts aged 60 days or more. Notifies appropriate administrative staff of accounts aged 90 days or more.

X. Procedures to waive the Ability to Pay of adoptive parents for a pre-existing condition that has been approved for medical adoption subsidy

- e. The responsible party must provide documentation of adoption subsidy coverage.
- f. After receiving confirmation of adoption subsidy coverage, a parental determination of Ability to Pay will not be completed. All available insurance benefits, including Medicaid, will be billed for the cost of services.

VI. QUALITY ASSURANCE:

ACCESS Ability to Pay Policy shall be reviewed annually through the Agency's standards review to determine compliance with these policies, standards, and procedures.

ACCESS will be reviewed annually through the funders' Quality Management site visits to determine compliance with this policy. If this review identifies areas of concern with the service provider's compliance with these requirements, this issue will be referred to the funders compliance division for resolution.

VII. COMPLIANCE WITH ALL APPLICABLE LAWS:

ACCESS is bound by all applicable state and Federal rules, regulations and policies, all Federal waiver requirements, state and county contractual requirements, policies and administrative directives in effect at the time of the writing of this policy as amended.

VIII. LEGAL AUTHORITY AND REFERENCES:



Policy Name: Policy Section/ Number:	Created By:	Initial Date:	Current Date:	Pages:
Ability to Pay Determinations- Reimbursement Section ___/# _____	Ana Dutcher Quality Assurance Manager	8/1/2011	12/17/19	Page 9 of 9

- Supplement #6 to the August 1987 Administrative Rules, Michigan Department of Community Health (R8005) et seq.).
- Michigan Mental Health Code; Chapter 8, Financial Liability for Mental Health Services, (MCL 330.1800, et seq.).
- Interim Policy on Ability to Pay, Michigan Department of Community Health, April 16, 1998.
- MDCH Administrative Directive 08-R-82401 AD, November 29, 2000.

IX. EXHIBITS

- Ability to Pay Agreement Form
- Financial Determination Appeals Procedures
- Full Financial Determination Form
- Letter Format for Request of Payment-One Copy to Consumer and Copy in Chart
- Public Mental Health System Schedule for Determining Monthly Ability to Pay