

SANILAC COUNTY COMMUNITY MENTAL HEALTH AUTHORITY

ADMINISTRATIVE POLICY

NUMBER: BA020

NAME: ABILITY TO PAY (ATP) POLICY

INITIAL APPROVAL DATE:	05/25/1995	BY: Sanilac CMH Board
(LAST) REVISION DATE:	01/13/2025	BY: Finance Supervisor
(LAST) REVIEW DATE:	02/20/2025	BY: Policy Committee
DISCONTINUED DATE:	N/A	REPLACED BY: N/A

I. PURPOSE

- A. Individuals and their families have the obligation to pay for the cost of mental health services within their capacity to do so without imposing a long-term financial obligation and materially disturbing their standard of living for necessities.
- B. No individual shall be denied behavioral health care or substance use disorder services because of their inability to pay for services.
- C. No individual shall be denied behavioral health care or substance use disorder services because of place of residency, homelessness, or lack of permanent address. At a minimum the individual will receive crisis response, evaluation and stabilization services.

II. DEFINITIONS

- A. "Individual" means the individual, minor or adult, that receives services from Sanilac County CMH.
- B. "Dependent" means an individual who is allowed as an exemption for state and federal income taxes.
- C. "Family Size" means a family unit consisting of the individual, spouse, and dependents.
- D. "Poverty Guidelines" means the version of the poverty threshold as issued annually by the United States Department of Human Services.
- E. "Sliding Fee Schedule" is the sliding fee scale that is based on the most current federal poverty guidelines and is used to determine ability to pay.
- F. "Qualifying Income" means income from whatever source derived, regardless of whether the source is reported on federal or state returns. Qualifying income includes, but is not limited to, the following:
 - a. Earned and unearned income
 - b. Government benefits
 - c. Other entitlements
- G. "Responsible Party" means a person who is financially liable for services furnished to an individual, including the individual, and as applicable, the individual's spouse and parent or parents of a minor.
- H. "Spouse" means the legal marriage partner of the individual.
- I. "Undue Financial Burden" means a determination of ability to pay that would unduly impact the health and well-being of the individual or dependents to access the basic necessities of life, including, but not limited to, food, housing, clothing and healthcare.

III. POLICY

- A. Individuals that are currently Medicaid and Healthy Michigan eligible are deemed to have a \$0 ability to pay (ATP) for all services provided by Sanilac County CMH and no documentation of income shall be required. Individuals that are currently insured by Veterans Community Care Network commercial insurance are deemed to have a \$0 ATP for all services provided by Sanilac County CMH and no documentation of income shall be required.
- B. The responsible party's ability to pay (ATP) shall be the amount established by the sliding fee schedule based upon their qualifying income and family size.
- C. The sliding fee schedule is based upon the most current poverty guidelines and shall be posted in all locations and conform to state and/or federal statutory or administrative requirements.
- D. The sliding fee schedule shall be available in any language and literacy level that is needed.
- E. Determined liability shall not exceed the cost of the service. The responsible party shall pay the lesser of the ATP, cost of service, spend-down amount, or the co-pay and deductible.
- F. An individual's ATP is reviewed at least annually for continuous individuals and upon re-entry for individuals who use our services less frequently.
- G.
- H. There shall be established within the Agency's EMR (electronic medical record) an electronic record for each individual served containing the appropriate current financial records.
- I. In determining ATP and obtaining financial information, responsible parties/individuals and their families shall be treated with courtesy and respect at all times. It shall be presumed that they are willing to meet their financial responsibilities and will not willfully withhold or distort information. No individual will be denied services or discriminated against due to lack of ability to pay, insurance coverage, race, color, sex, national origin, disability, religion, age, sexual orientation, or gender identity.
- J. Whenever an individual is covered in part or in whole under any type of insurance arrangement, the proceeds from such insurance shall be considered as part of the responsible party's financial liability. ATP shall be determined against the net balance if the insurance benefits paid, not to exceed the monthly ATP amount as calculated per the sliding fee schedule.
- K. The responsible party/individual, where appropriate, shall make available to the Agency all relevant or pertinent financial information as requested which the Agency is not prohibited by law from seeking and obtaining and which the Agency deems essential for the purpose of determining ATP up to the full cost of the services rendered.
- L. For completion of an individual's monthly ability to pay, the Agency designee will have the responsibility for obtaining financial data (pay stubs, W-2, Social Security benefit documentation, Pension, etc.) and verifying and assessing an individual's ATP. The individual is asked to bring this documentation when they are called by the agency secretary for their appointment reminder.

Sanilac County Community Mental Health Authority Policy Manual

M. SERVICES RECEIVED PRIOR TO FEE ASSESSMENT

1. One time visit: Crisis intervention, screenings and assessments will be billed if identifying information and financial status are available. If no information is available, the charges will be adjusted.
2. If an individual has been seen for a crisis and it is determined that on-going services are required or if a number of interventions are involved, a fee will be assessed as soon as possible. Charges will not be adjusted until all means of determining ATP are exhausted.

N. OTHER ITEMS

1. Individuals served will be held harmless from balance billing of unauthorized services. Individuals served are not held liable when the PIHP does not pay the Provider furnishing services provided under the terms of the CMH and SUD contracts with the PIHP.
2. Any indirect services shall not be billed to a responsible party with an assessed fee.
3. Case consultations with non-family members (such as schools, courts, etc.) will not be billed to the responsible party in situations where the individual is not present for the consultation.
4. Crisis intervention for all open cases that are face-to-face or on the telephone with the individual shall be billed to their payer, if applicable.
5. Individuals incarcerated in jail who request services will be assessed a fee. Personal data and fee assessment forms will be completed by the individual. In most cases, there will be a \$0 ability to pay, as there will be no income. Agency clerical staff will update the individual's demographics in the electronic medical record.
6. If the Sheriff's Department has requested the service, no fee will be assessed to the responsible party. This is a consult for the Sheriff's Department and not the individual.
7. Responsible parties/individuals with an assessed fee shall not be charged a fee for any services while in a state hospital.
8. Charges for evaluations in local hospitals and nursing homes at the request of that facility social worker will not be the responsibility of the responsible party as this is a service to the facility. Further, the facility will not be billed provided the facility social worker has completed a written evaluation following a face-to-face interview.
9. Charges for evaluations in local hospitals and nursing homes at the request of the facility staff other than the social worker will be the responsibility of that facility.
10. On-going services following a mental health evaluation for current mental health individuals while in a facility will not be charged to the facility.

O. FINANCIAL DETERMINATION

1. An Agency staff person will complete a Fee Assessment form, which includes an Assignment of Benefits/Release of Information with the responsible party/individual. Using the sliding fee schedule that is based on the federal poverty guidelines calculation method per instruction from MDHHS, a determination of ATP will be assessed according to the family size and income. A monthly fee will be assessed. It will be explained to the

Sanilac County Community Mental Health Authority Policy Manual

responsible party/individual that payment is due at the time of service. The fee will be collected by the program secretary at agency locations. Fees can also be paid online as well as over the phone with billing staff. If the individual is unable to make payment at the time of service or by the end of the month, a meeting with the billing staff will be arranged to discuss ability to pay.

2. The Agency staff person will fill in the insurance information of the individual receiving services and all required ATP information using the sliding fee scale, as well as the monthly fee on the electronic financial determination form and review the certification statement with the individual. The Agency staff person will collect proof of income information and obtain the individual's/guardian's signature on the form, if applicable. A copy of the completed financial determination will be offered to the individual for their records.
3. If provided information is not sufficient to determine the ATP, a self-pay record of \$0 will be entered in the agency's electronic medical record. The Agency staff will explain to the individual the information/documentation that is needed in order to complete the ATP and the importance of providing it. A letter will be sent requesting missing information. If the responsible party/individual hasn't responded in a timely manner, the primary caseholder will be sent an e-mail. The Finance supervisor and CFO will be copied on the email. Upon entry of the ATP, the monthly fee will be effective as of the date the responsible party signs it.
4. Staff will explain to the responsible party/individual that they are liable for any amount not covered by the third-party payer *up to their monthly ATP*. If requested, the responsible party/individual will be given an estimate of the total liability not covered by insurance.
5. If the individual's income changes, the individual and/or clinician shall request (to the billing staff) that a new calculation of ability to pay be made.
6. If the responsible party/individual feels they cannot meet the assessed ATP, and the calculated ATP amount does not accurately reflect their current financial position, the individual can request a re-determination. An individual may request a new determination, based on their total financial circumstances, within 30 days after notification of their initial ATP determination. The financial determination based on the responsible party's total financial circumstances shall consider all of the following:
 - a. Qualifying income and protected income
 - b. Net liquid assets and protected assets
 - c. Applicable poverty guidelines for family size
 - d. Excess medical expenses
 - e. Court ordered payments, including those payments from a divorce decree
 - f. Student loan payments
 - g. Additional tax obligations assessed by municipal, county, state, or federal
7. Once the new determination based on total financial circumstances is complete the individual/responsible party will be notified of the outcome. After the new determination is complete: A responsible party's ability to pay must not create an undue financial burden that does either of the following:
 - a. Unduly impacts the health and well-being of the individual or their dependents as determined by the ability to access the basic necessities of life, including but not limited to food, clothing, and healthcare.

Sanilac County Community Mental Health Authority Policy Manual

- b. Deprives the responsible party and his/her dependents of the financial means to maintain or reestablish the individual in a reasonable and appropriate community-based setting.
8. If there is an undue financial burden based on either 7.a or 7.b above, the responsible party can request an administrative hearing whereby those items will be examined further and a final determination made. If the responsible party requests an administrative hearing based on an undue financial burden based on 7.a or 7.b above, the following procedures apply:
 - a. The responsible party shall notify the CMH in writing that they wish to contest their ability to pay determination due to financial hardship. This written notice is then given to the Administrative Supervisor – Finance & Billing. The responsible party shall provide documentation to the billing staff/Finance Department.
 - b. An administrative hearing shall be held by the Administrative Supervisor – Finance & Billing.
 - c. The Administrative Supervisor – Finance & Billing shall meet with the responsible party for the administrative hearing and a final determination will be made.

P. PROCEDURE

1. All providers will complete activity logs or enter their activity into the EMR. The activity logs will contain the name of the individual served, case number, date of service, authorization number, staff/contract employee number, procedure code, start time, and elapse time. These logs will be used to enter activity into the EMR for billing purposes.
2. Self Pay statements for individuals served will be generated using the agency's EMR and will then be mailed if there is a balance due.
3. All providers will complete activity logs or enter their activity into the EMR. The activity logs will contain the name of the individual served, case number, date of service, authorization number, staff/contract employee number, procedure code, start time, and elapse time. These logs will be used to enter activity into the EMR for billing purposes.
4. If the individual served has any insurance, this will be noted on the account. The established monthly fee for the individual will either be collected at the time of service or billed.
5. If the individual served refuses to apply for insurance or other medical benefits, which are available to pay all or part of the charges, the individual will be liable for the **full cost** of services.
6. "Past due" accounts over \$100.00 may be pursued by a collection agency or through District Court, Small Claims Division, with the approval of the CFO.
7. An accounts receivable ledger will be maintained on all individuals served in the EMR.
8. Uniform collection procedures will be followed.
9. If an individual served has not been billed within 2 years following a service, they will not be held liable for cost of service.
10. All payments from individuals served will be entered into the agency's EMR when received. Checks and cash will then be given to the Finance Department for deposit.

Sanilac County Community Mental Health Authority Policy Manual

11. All Self Pay account write-offs and adjustments shall be approved by the CFO.
12. The clinician will apprise the clerical staff of any change of employment or other financially related changes. When a responsible party/individual has a question concerning the amount she/he is expected to pay, the clinician will encourage the individual to discuss the matter with the billing staff. The clinician will also advise the billing staff (by emailing billing@sanilacmh.org) of the responsible party's/individual's concern.
13. Fee splitting with other agencies for responsible parties/individuals as consideration for referral of the person to be served is prohibited.
14. When a responsible party/individual has a question concerning the amount she/he is expected to pay, the Program Secretary will encourage the individual to discuss the matter with the billing staff. The Program Secretary will advise the billing staff of the responsible party's/individual's concern (by emailing billing@sanilacmh.org).
15. The Program Secretary for Clinical Services, Care Management, and Children Services will collect the individual's ATP payments or co-pays (whichever is less) at the time of the service. The ATP payment should be collected and then receipted into InstaMed, the agency's online payment system and the individual is given the printed receipt. Partial payment of monthly ATP is acceptable, in which case, the responsible party/individual will be asked at each subsequent appointment for a payment until the monthly amount has been collected. Any outstanding Self Pay amounts are billed to the responsible party/individual on a monthly basis in the USPS mail. The responsible party/individual is to pay no more than the required monthly ATP fee, unless they are in arrears for the previous month(s). The Program Secretary should collect the ATP payment or the co-pay at the time of service unless prior arrangements were made with the Finance/Billing department.

IV. REFERENCES

Department of Health and Human Services, Part 8. Financial Liability for Mental Health Services, filed with the Secretary of State on September 20, 2022.