

SWMBH Operating Policy 9.12

Subject: Financial Liability Determination – Ability To Pay (ATP)		Accountability: Operations/Claims	Effective Date: 6/19/2015	Pages: 4
REQUIRED BY: BBA Section _____ PIHP Contract Section <u>Compliance Requirements</u> Section F– Rate Setting and Ability to Pay NCQA/URAC Standard _____ Other <u>Michigan Mental Health Code</u>		Last Reviewed Date: 11/16/17	Past Reviewed Dates: 6/19/15 9/7/16 7/27/17 8/17/17	
LINE OF BUSINESS: <input type="checkbox"/> Specialty Waiver (B/C) <input type="checkbox"/> 1115 Waiver <input checked="" type="checkbox"/> Healthy Michigan <input checked="" type="checkbox"/> SUD Medicaid <input checked="" type="checkbox"/> SUD Block Grant <input checked="" type="checkbox"/> MI Health Link <input type="checkbox"/> OTHER: _____	APPLICATION: <input checked="" type="checkbox"/> SWMBH Staff and Ops <input type="checkbox"/> Participant CMHSPs <input checked="" type="checkbox"/> SUD Providers <input type="checkbox"/> MH / DD providers <input type="checkbox"/> Other: _____	Last Revised Date: 8/16/17	Past Revised Dates: 6/19/15 9/7/16 7/27/17	
Approved : <u><i>Deane Wisblom</i></u> Date: <u>11/29/17</u>		Required Reviewer: Director of Operations		

I. Purpose

To ensure uniformity within the Southwest Michigan Behavioral Health (SWMBH) provider network, when assessing a responsible party’s financial liability and determined ability to pay amount for Substance Use Disorder (SUD) services. Additionally, this policy intends to ensure that the determination of a monthly ability to pay amount is consistently assessed throughout the provider network, and in accordance with Michigan’s Mental Health Code and SWMBH’s contract with Michigan Department of Health and Human Services (MDHHS).

II. Policy

It shall be SWMBH’s policy that the determination of financial liability for persons eligible for SUD services, shall be assessed by the network provider prior to the start of services, upon a significant change in a responsible party’s reported ability to pay, change to customer’s insurance coverage, and at a minimum of annually. Customers will be assessed an ‘ability to pay’ service fee based on a sliding-fee schedule in accordance with the guidance set forth in this policy. Responsible parties shall be fully informed, at the start of service, of the cost of services (ATP). Medicaid, Healthy Michigan, and MI Child covered clients will, by virtue of their coverage, have a ‘zero’ ATP. In that case, an ability to pay determination does apply. A customer will not be denied service because of an inability to pay for those services.

III. Standards and Guidelines

- A. Providers shall ensure that a determination of each customers ‘ability to pay’ is made:
1. Upon entry of the individual into substance use disorder services
 2. Annually thereafter for individuals receiving services for more than 1 year;
 3. When the responsible party’s financial situation changes,
 4. Upon changes in insurance coverage.
 5. When the responsible party requests a new determination of ability-to-pay.

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- B. If an individual is covered, in part or in whole, under any type of insurance coverage, private or public, for SUD services provided directly by SWMBH's network Fee For Service (FFS) providers and sub-capitated Community Mental Health Service Providers (CMHSP), the benefits from that insurance coverage are considered to be available to pay the individual's financial liability.
1. Providers shall verify all applicable insurance coverage (Medicaid, Medicare, Private, Other) at the time of the customer's start of service, and at a minimum of monthly throughout the course of treatment. Ultimately the provider is responsible for verifying the customer's applicable benefits
 2. In the event that the customer does have a commercial insurance policy, the provider must ascertain what benefits are provided under that policy, applicable to the services that are offered by the provider, and the customer has been deemed eligible for.
- C. The SUD provider shall determine the responsible party's ability-to-pay based on information gathered in SWMBH's "Financial Liability Determination & Payment Agreement" or other document as approved by SWMBH, and utilizing SWMBH's ATP Fee Schedule developed using the current Federal Income Poverty Guidelines, and within the rules outlined in the Michigan Mental Health Code.
- D. The provider shall provide an explanation of the financial liability process before the start of service or as soon as practical thereafter. The explanation shall be given orally and in writing in a language and manner understandable by the responsible party, including what the cost of services will be. The service charge schedule shall also be made available to the party.
- E. Providers shall request that responsible party make available, any relevant financial information, which is not prohibited by law from obtaining, and is considered essential for purposes of determining the responsible party's ability-to-pay. The responsible party shall have a right to refuse to participate in the ability to pay process and/or withhold information regarding income and insurance coverage. 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 customer.
- F. A minor who is seeking treatment shall be considered the responsible party for the determination of the ability to pay if the minor's parents are not notified of the treatment.
- G. An ATP shall not be incurred for the same individual for more than one program, or from more than one county, or from Michigan Department of Health and Human Services (MDHHS) and the Prepaid Inpatient Health Plan (PIHP) for the same period of time.
- H. Customers who are dual eligible for mental health and substance abuse services will be assessed a single monthly ATP. Payments will be applied against the substance abuse liability first. If any ATP remains it will be applied to the mental health liability.
- I. Providers are expected to make a concerted effort to collect fees for services from the responsible party, who has a determined ability to pay, at the time of an agreed upon scheduled date, or at a minimum of monthly.

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- J. An individual shall not be denied services because of the inability to pay or of the inability of the responsible party to pay.
- K. Providers shall ensure complete documentation of financial liability is contained in the individual customers record, including but not limited to:
1. Customer's insurance information (including verification of a Medicaid spend down being met as applicable), including documentation of any benefit limitations provided through their policy as applicable.
 2. Initial and subsequent ATP determination documents (ATP determinations must be retained for a minimum of seven (7) years).
 3. FFS Providers must enter initial and subsequent ATP determination information into the SWMBH claims system. Sub-capitated CMHSP providers must maintain these documents within the CMHSP's Electronic Health Record (EHR).
- L. No determination of ability-to-pay made by one of SWMBH's FFS providers or sub-capitated CMHSP providers, shall impose an undue financial burden on the individual, or the individual's family members. Should the responsible party determine that the ability to pay determination will impose an undue financial burden, the customer may request that the ATP amount be waived, in whole or part.
- M. Customers receiving services at a FFS provider can request a waiver or reduction of the determined ATP amount by completing and submitting SWMBH's "Substance Use Disorder Request to Reduce or Waive Assessed Fee" form to SWMBH, or requesting a new ATP determination from the provider by completing the "Substance Use Disorder Request for a New Determination" form.
- N. Customers receiving services at a sub-capitated CMHSP provider can request a waiver or reduction of the determined ATP amount by completing and submitting SWMBH's "Substance Use Disorder Request to Reduce or Waive Assessed Fee" form to the sub-capitated CMHSP provider, or requesting a new ATP determination from that provider by completing the "Substance Use Disorder Request for a New Determination" form. The sub-capitated CMHSP provider must ensure that SWMBH's criteria is used in decisions to waive or reduce ATP amounts. Those requests and determinations, and applicable documentation, must be provided to SWMBH at the time the determination is made.
- O. All responsible parties shall be notified of their right to request a new fee determination, request a waiver of the assessed fee, as well as right to an Administrative Hearing to appeal an ability-to-pay determination. Notice of these rights shall be part of the written determination of the cost of services provided to the responsible party per the SWMBH's "Financial Liability Determination and Payment Agreement" and "Substance Use Disorder Notice of Rights for Ability to Pay" document. Sub-capitated CMHSP providers, whom SWMBH has determined can use their existing ability-to-pay determination forms, must ensure that the notice of these rights are also provided to the customer at the time of the determination.
- P. Authorization and payment for SUD services with Block Grant dollars shall also be subject to the standards and guidelines outlined in SWMBH Policy 1.7: Substance Abuse Community/Block Grant Authorized Use of or Treatment Services.

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- Q. FFS providers shall only bill SWMBH for the contracted service fee, minus the applicable ATP amount.
- R. Sub-capitated CMHSP providers must ensure that the customer's determined ATP is accounted for when block grant funds are utilized, and must be able to provide documentation upon SWMBH's request/review.

IV. Definitions

- A. **Ability to Pay (ATP):** The ability of a person (or their responsible party as defined herein) to pay for the cost of services.
- B. **Ability to Pay Determination:** The financial ability to pay assessment that determines a person (i.e. responsible party) ability to pay for the cost of services.
- C. **Financial Liability:** That portion of the charges not covered by insurance, not to exceed the assessed ability to pay.
- D. **Insurance Benefits:** Payments made in accordance with insurance coverage for the cost of health care services provided to an individual, identifying Medicaid as the payer of last resort.
- E. **Insurance Coverage:** Any policy, plan, program, or fund established or maintained for the purpose of providing for its participants or their dependents medical, behavioral health, 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 purchaser organizations and commercial, union, association, self-funded, and administrative service policies, plans, programs, and funds.
- F. **Responsible Party:** A person who is financially liable for services furnished to the individual consumer of substance use disorder services. Responsible party includes the individual and, as applicable, the individual's spouse, and parent or parents of a minor.
- G. **Substance Use Disorder Services:** Substance Use Disorder treatment, rehabilitation, detoxification, or prevention services. Services may be provided in an outpatient setting or residential setting.
- H. **Undue Financial Burden:** A determination of ability to pay that would materially decrease the standard of living of a consumer/guarantor of his or her dependent(s) by decreasing the responsible party's capacity to pay for expenses.

V. References

- A. Michigan Mental Health Code
- B. PIHP/MDHHS Contract, Compliance Requirements: (F) Rate Setting and Ability to Pay

VI. Attachments

- A. SWMBH 9.12A Substance Use Disorder Request to Reduce or Waive ATP Fee
- B. SWMBH 9.12B Southwest Michigan Financial Liability Determination & Payment Agreement
- C. SWMBH 9.12C Substance Use Disorder Notice of Rights for Ability to Pay
- D. SWMBH 9.12D Substance Use Disorder Request for a New Fee Determination