

COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEASTERN MICHIGAN	<b><i>Policy and Procedure</i></b>		
Department Finance	# of Pages: 3		
Policy Name ABILITY TO PAY	Type of Policy:  [ ] WCHO [ x ] Regional [ ] Network		
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Administrative/Board of Directors Sign Off			
Administrative Signature:		Date:	
Board of Directors Signature:		Date:	

### I. PURPOSE

To establish a regional ability to pay policy in accordance with Michigan's Mental Health Code, Act 258, 1974 as amended.

### II. APPLICATION

All eligible consumers requesting Mental Health or Substance Abuse services shall be assessed an ability to pay utilizing the Mental Health System ability to pay schedule.

### III. DEFINITIONS

**Ability to Pay** – ability of a responsible party to pay for cost of services. Respite ability-to-pay calculation is included in the overall Ability to Pay monthly amount but is applied as a daily, thirty-day (30) amount. The ability-to-pay determination will take place prior to starting services or, in the case of emergency, as soon as it is clinically appropriate.

**Coordination of Benefits** – process of payments by primary and secondary insurers that assures Community Mental Health Partnership of Southeastern Michigan (CMHPSM) is the payer of last resort.

**Customary Rates for services** – total amount to be paid for a unit of service as set by the CMHSPM.

**Full financial determination** – takes into consideration total financial status including but not limited to income, expenses, number and condition of dependents, assets and liabilities.

**Income** – responsible party's current annualized Michigan taxable income.

**Insurance benefits** – payment in accordance with insurance coverage for the cost of health care services provided to an individual.

**Parents** – legal mother and/or father of an unmarried individual who is less than 18 years of age.

**Residential services** – 24-hour dependent care and treatment service provided by adult foster care facilities under contract by a community mental health services program or provided directly by a community mental health services program.

**Responsible party** - person who is financially liable for services furnished to the individual.

#### **IV. STANDARDS**

It is the policy of the Community Mental Health Partnership of Southeastern Michigan (CMHPSM) that no person shall be denied services due to an inability to pay.

- A. Consumers who either opt out of the ability to pay process or refuse to supply financial and/or insurance information shall be assessed full customary rate for service.
- B. The total combined financial liability of the responsible parties shall not exceed the customary rate of the services.
- C. Charges to consumers for services provided by out of network providers will not exceed ability to pay for in network providers. When there is a discrepancy in cost for the same services the consumer will be charged the lower of the costs.
- D. A responsible party shall only have one ability to pay determination in place at any given time.
- E. A responsible party who is determined to be Medicaid eligible shall be assigned a zero ability to pay, unless otherwise provided for under Medicaid policy.
- F. All consumers shall be notified of their right to appeal an ability to pay determination.
- G. Consumer's ability to pay will be reassessed a minimum of once annually or upon significant changes in the responsible party's financial situation.
- H. A parent shall not be determined to have an ability to pay for more than one (1) individual at any one time and a parent's total liability for two (2) or more individuals shall not exceed a combined total of eighteen (18) years.
- I. Insurance benefits that cover services, either in part or whole are considered as part of the individual's ability to pay. Individual fees are assessed when insurance benefits are unavailable or pay for only part of the cost or have been depleted.
- J. A full financial is required for:
  - 1. Residential stays

2. Inpatient stays of more than sixty-one (61) days and
3. When a consumer requests one.

**V. EXHIBITS**

None

**VI. REFERENCES**

1. Michigan Mental Health Code Chapter 8, 330.1800, 330.1804, 330.1810, 330.1814, 330.1824, 330.1834
2. 2005-2006 Comprehensive Accreditation Manual for Managed Care Organizations, Standard ED.1.40
3. BBA Access Standards 438.206 (5)