

<b>WCHO</b>		<i>Policy and Procedure</i>	
		<i>Ability to Pay.Substance Abuse Services</i>	
Department: Performance Improvement Author: N. James-Emerick		Local Policy Number (if used)	
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**I. PURPOSE**

To establish a process in which persons who are eligible for Substance Abuse services are assessed an ability to pay.

**II. POLICY**

It is the policy of the WCHO and the Livingston-Washtenaw Substance Abuse Coordinating Agency (CA) that no person shall be denied services due to an inability to pay and all persons entering/seeking services shall be assessed an ability to pay.

**III. APPLICATION**

All eligible consumers requesting Substance Abuse services shall be assessed an ability to pay by Health Services Access and Substance Abuse (SA) contract providers.

**IV. DEFINITIONS**

Ability to Pay – ability of a responsible party to pay for cost of services. 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 the PIHP, CSSN, CSSN look-alike and/or CA is the payer of last resort.

Coordinating Agency (CA) – The Livingston-Washtenaw Substance Abuse Coordinating Agency is legislatively responsible for managing funding for substance abuse treatment and prevention services for indigent, under the Federal Substance Abuse Prevention and Treatment (SAPT) Block Grant. The CA also manages the substance Abuse benefit under Medicaid.

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

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.

Medicaid eligible – person who has applied for Medicaid and is determined to be eligible by the Michigan Department of Human Services (MDHS).

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

PIHP - Prepaid Inpatient Health Plan under Medicaid

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.

## **V. STANDARDS**

- A. For Substance Abuse, consumers that refuse to provide financial information will be deemed ineligible for CA services and this will be clearly documented in the clinical record (Encompass).
- B. For Substance Abuse consumers, ability to pay is calculated based on a consumer's monthly income and number of dependents; ability to pay is not assessed for detox services.
- C. The total combined financial liability of the responsible parties shall not exceed the customary rate of the services unless superseded by "K" below.
- D. 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.
- E. A responsible party shall only have one ability to pay determination in place at any given time.
- F. 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.
- G. All consumers shall be notified of their right to appeal an ability to pay determination.
- H. Consumer's ability to pay will be reassessed a minimum of once annually or upon significant changes in the responsible party's financial situation, whichever occurs sooner.
- I. 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. This means you can only charge a parent one (1) ability to pay even if they have

multiple children being seen and that regardless of how many minor children a parent has receiving treatment the total payment obligation cannot exceed eighteen (18) years.

- J. 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.
- K. A full financial is required for:
  - a. Long term residential stays of more than thirty-one (31) days
  - b. Inpatient stays of more than sixty-one (61) days and
  - c. When a consumer states they are unable to pay the determined ability to pay amount.

**VI. EXHIBITS**

None

**VII. REFERENCES**

Reference:	Check if applies:	Standard Numbers:
42 CFR Parts 400 et al. (Balanced Budget Act)	X	Access Standards 438.206 (5)
Michigan Mental Health Code Act 258 of 1974	X	Chapter 8, 330.1800, 330.1804, 330.1810, 330.1814, 330.1824, 330.1834
Joint Commission (JCAHO)- Behavioral Health Standards	X	PC 1.10
MDCH Medicaid Contract	X	6.6.3.4
MDCH Substance Abuse Contract	X	Attachment A, Administration & Finance - Section 4
Substance Abuse Ability to Pay Fee Scale	X	
SA Ability to Pay Procedure and Worksheets	X	

**VIII. PROCEDURES**

None