

ST. CLAIR COUNTY COMMUNITY MENTAL HEALTH AUTHORITY

ADMINISTRATIVE PROCEDURES

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I. APPLICATION:

- SCCCMHA Board
- SCCCMHA Providers & Subcontractors
- Direct-Operated Programs
- Community Agency Contractors
- Residential Programs
- Specialized Foster Care

II. PURPOSE STATEMENT:

St. Clair County Community Mental Health Authority (SCCCMHA) shall ensure that a Specialized Residential Fee Determination Process will be followed in accordance with the procedures herein and according to Chapter 8 of the Mental Health Code and the Michigan Department of Health and Human Services Part 8, Subpart 1 and 2. No person will be denied services for their inability to pay. Persons in non-emergent care may be denied services for refusal to pay their assessed fee.

III. DEFINITIONS:

- A. Ability to Pay (ATP): The ability of a responsible party to pay for the cost of services, as determined by the Michigan Department of Health and Human Services, hereafter referred to as MDHHS, under the Mental Health Code of 1996 (Rendered May 20, 2022), Chapter 8, Section 1819.
- B. Ability to Pay Determination: The financial Ability to Pay assessment that determines a responsible party's Ability to Pay for the cost of services, using the guidelines specified in the Mental Health Code and MDHHS Administrative Rules. Pursuant to the Michigan Mental Health Code, the Ability to Pay determination process has the following three (3) components:
 - 1. Initial Fee Determination: The assessment process the SCCCMHA uses to assess the responsible party's Ability to Pay for the cost of services using the criteria specified in Sections 330.1818 and 330.1819, Subsection 819(1) and 819(2) by taking into consideration the total financial circumstances, including but not limited to, income, expenses, number and condition of dependents, assets and liabilities. Procedures outlined in A.1.

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2. Annual Fee Determination: The assessment process the SCCCMHA uses if an individual receives specialized residential services for more than 1 year, where the responsible party's Ability to Pay for the cost of services is calculated using the procedures outlined in A.1.
 3. New Determination: The assessment process the SCCCMHA uses to make a new fee determination when the responsible party believes the income figure used to determine his or her Ability to Pay is not appropriate to their current income status or does not appropriately reflect their Ability to Pay. If a responsible party has stated that the income figure being utilized is not appropriate to his or her current income status or does not appropriately reflect his or her Ability to Pay, the SCCCMHA shall make a new determination of Ability to Pay using the criteria specified in Section 330.1819, Subsections 819(1) and 819(2) and Section 330.1820 by taking into consideration the total financial circumstances, including but not limited to, income, expenses, number and condition of dependents, assets and liabilities. Procedures outlined in B.1.
- C. Ability to Pay-Administrative Hearing Request: The process the responsible party uses to request an Administrative Hearing to contest a fee determination (initial, annual or new) made by the SCCCMHA.
 - D. Ability to Pay Administrative Hearing: The formal meeting where a qualified independent party of the SCCCMHA makes a redetermination of Ability to Pay pursuant to the process steps detailed in the Michigan Mental Health Code, Sections 330.1819, 330.1820 and 330.1834.
 - E. Account Clerk: St. Clair County Community Mental Health Authority Account Clerk or Contract Agency Staff responsible for completing fee determination with responsible party.
 - F. Appeal of Redetermination: The process the responsible party uses to appeal an Ability to Pay Redetermination completed by the SCCCMHA Hearing Officer as an outcome of an "Ability to Pay Administrative Hearing." Pursuant to the Michigan Mental Health Code Section 330.1836, an appeal of a redetermination shall be made to the Probate Court of the county in which the person receiving services resides.
 - G. Available Assets: Available money and the market value of any stocks, bonds, or negotiable instruments not secured for debt. Available assets include real and personal property, excluding primary homestead, tangible personal property and one vehicle (two vehicles may be excluded if married). Refer to Exhibit G for examples. Available assets jointly owned shall be equally divided among all owners, unless otherwise specified by the ownership agreements.
 - H. Child: An unmarried individual who is less than 18 years of age.
 - I. Community Mental Health Authority (SCCCMHA): For purposes of this administrative procedures shall mean the St. Clair County Community Mental Health Services Program, which is a separate legal public governmental entity created under the Michigan Mental Health Code, R 330.1205 to operate as a community mental health service program, under Chapter 2 of the Michigan Mental Health Code.

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- J. Cost of Services: The total operating and capital costs incurred by the Michigan Department of Health and Human Services or a community mental health services program with respect to, or on behalf of, an individual. Cost of services does not include the expenses of state or county government unrelated to the provision of mental health services.
- K. County Program: Programs provided by or contracted through a Community Mental Health Services Board under Chapter 2 of the Mental Health Code.
- L. Day of Specialized Service Reporting: The individual in the residential setting must receive at least one Personal Care or Community Living Supports activity that relates to the goals as specified in the IPOS. The specialized residential home cannot report a per diem on day of discharge when the individual gets another Provider's per diem code on the day of discharge (e.g., hospitalization, transfers between homes). Reporting is documented on the Specialized Residential Personal Care and Community Living Supports Log (form #1024A).
- M. Dependent: An individual who is allowed as a dependency exemption on the Michigan State Income Tax Return.
- N. Expenses: The reasonable expenditures of money, actual and estimated, that are not reimbursed, during a financial year to maintain a standard of living essential for one's self and his or her dependents. Refer to Exhibits A and B and form #0119 for examples.
- O. Family: Includes child, dependent, individual, parent or spouse, as defined by MDHHS.
- P. Financial Liability: That portion of the charges not covered by insurances, not to exceed the assessed Ability to Pay.
- Q. Hearing Officer: A person, who has not materially participated in the responsible party's previous Ability to Pay determination, who conducts Ability to Pay Administrative Hearings for the purpose of re-determining the responsible party's Ability to Pay. This person shall be knowledgeable of the Ability to Pay determination process, Michigan Mental Health Code and Administrative Rules promulgating Ability to Pay determinations, as well as, versed in the SCCCMHA's expectations on how to conduct an Administrative Hearing.
- R. Homestead: A currently owned or rented dwelling for which a property tax credit is allowed under Sec 211.7a (c) of Act 206 of the P.A. of 1893, as amended, being section 211.7a (c) of the MI Compiled Laws Annotated.
- S. Income: All earned income and unearned funds received, excluding step parent income but including all of the following:
1. Compensation for labor or services
 2. Proceeds from a business
 3. Investments

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4. Gifts
 5. Sale or rental of property, goods, or services
 6. Income benefits: Social Security Benefits (SSB), Social Security Disability Insurance (SSDI), Supplemental Security Income (SSI), Retirement Survivors Disability Insurance (RSDI), Old-Age Survivors and Disability Insurance (OASDI) retirement, pension, or Veterans Disability Benefits.
- T. Individual: The individual, minor or adult, who receives services from the Michigan Department of Health and Human Services or a community mental health services program or from a provider under contract with the Michigan Department of Health and Human Services or a community mental health services program.
- U. Inpatient Services: Twenty-four hour care and treatment services provided by a state facility or a licensed hospital. For purposes of this administrative procedures inpatient stay would be more than 60 days.
- V. 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.
- W. Insurance Coverage: 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, Healthy Michigan Plan 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.
- X. Medicaid Spend Down: The amount that the Michigan Department of Health and Human Services has determined to be a Medicaid recipient's responsibility to pay monthly.
- Y. Minor: Child less than 18 years old.
- Z. Non-Residential Services: Care or treatment services that are crisis residential less than 61 days, hospital inpatient less than 61 days, outpatient services and all respite care services.
- AA. Parents: The legal father and mother of an unmarried individual who is less than 18 years of age.
- BB. Personal Allowance: The amount that the individual (or responsible party) is allowed to keep specifically for the individual's personal needs. The amount can be no less than \$44/month, unless approved in the resident's "Individual Plan of Service" in accordance with the "Personal Funds" administrative procedures, #05-003-0050. An individual may receive between \$44/month and \$64/month, providing the Social Security benefits and other income received warrants the higher amount.

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- CC. Primary Case Holder: The person who has primary responsibility for the coordination of the resident's case. Generally, this is the case manager, clinician or clinical case manager.
- DD. Protected Assets: The portion of available assets not considered when the total financial situation is used to determine financial liability.
- EE. Protected Income: The portion of income that is not considered when the total financial situation is used to determine financial liability (Protected Income is determined on form #0117, Earned Income Worksheet).
- FF. Provider: This can be the Primary Case Holder, case manager, support coordinator, clinician, clinical/case manager, specialized residential group or foster home, Access staff, facility liaison or jail staff.
- GG. Residential Services: One of the following:
1. 24-hour dependent care and treatment services provided by specialized foster care or specialized group home facilities under contract to Community Mental Health Services Program or provided directly by a Community Mental Health Services Program or,
 2. Inpatient services equal to or greater than 61 days.
 3. For the purposes of this administrative procedures, respite and crisis placements are not considered a residential service.
- HH. Responsible Party: A person who is financially liable for the cost of services provided to an individual by the Michigan Department of Health and Human Services or Community Mental Health Services program. Responsible party includes the individual and, as applicable, the individual's spouse, guardian, payee, conservator and parent or parents of a minor.
- II. SSA: Social Security Administration.
- JJ. Spouse: The legal marriage partner of an individual.
- KK. Undue Financial Burden: A determination of an Ability to Pay that would:
1. Materially decrease the standard of living of an individual or responsible party, or his or her dependent(s), by decreasing the individual's or responsible party's capacity to pay for expenses as defined in MDHHS rules; or
 2. Deprive the individual or responsible party of the financial means to maintain or reestablish the individual in a reasonable and appropriate community based setting.
- IV. STANDARDS:
- A. A fee determination of each individual's "Ability to Pay" shall be made (1) upon placement in a SCCCMHA specialized group or foster home (i.e. initial fee determination); (2) and not less often than annually after an initial determination for individuals receiving specialized residential

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services (i.e. annual fee determination); (3) when the individual or responsible party's financial and/or insurance situation changes (i.e. new determination), (4) when the individual or responsible party requests a new determination of Ability to Pay (i.e. new fee determination); or (5) when the individual or responsible party requests an 'Ability to Pay Administrative Hearing' (i.e. fee redetermination).

- B. Any payment, appeal, or collection procedure will be implemented according to the MDHHS Administrative Rules and SCCCMHA procedures.
- C. The SCCCMHA shall determine a responsible party's Ability to Pay for all residential services and adult inpatient psychiatric services of more than 60 days in accordance with all of the following:
1. An individual or responsible party's Ability to Pay for an adult receiving residential services or inpatient services (other than psychiatric inpatient services of less than 61 days) shall be determined by taking into consideration the adult receiving residential services total financial circumstances, including, but not limited to, income, expenses, number and condition of dependents, assets, liabilities and insurance coverage.
 2. A minor's Ability to Pay for the cost of receiving residential services or inpatient services (other than psychiatric inpatient services of less than 61 days) shall be determined by considering the minor's total financial circumstances, including, but not limited to, income, expenses, number and condition of dependents, assets, liabilities and insurance coverage.
 3. A responsible party's Ability to Pay for a minor (who does not have full Medicaid or MiChild) receiving residential services or inpatient services (other than psychiatric inpatient services of less than 61 days) shall be determined by consideration of the adult responsible party's taxable income as set forth in the responsible party's most recently filed state income tax return and insurance coverage. If parents of a minor are members of the same household but file separate tax returns, the SCCCMHA shall add together the separate taxable incomes to determine the Ability to Pay. If the parents are not members of the same household and file separate tax returns, the Ability to Pay of each parent shall be determined separately.
 - a. If a parent of a minor has not filed a state income tax return, the SCCCMHA shall determine the adult responsible party's income from those financial documents that are legally available, based on the same factors that determine taxable income.
 - b. The SCCCMHA shall determine a parent's Ability to Pay based on an Ability to Pay schedule developed in accordance with the rules promulgated by MDHHS to establish an Ability to Pay schedule that is fair and equitable.
 - c. The parent's Ability to Pay for a calendar month, or any part of a calendar month, is the amount specified as the monthly amount in the applicable Ability to Pay schedule.
 - d. 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 18 years.
 - e. If a minor has full Medicaid or MiChild, an Ability to Pay will not be determined for the parents.

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- D. If an individual receives SCCCMHA specialized residential services for more than one year, the SCCCMHA shall annually determine the adult's or child's Ability to Pay by following the procedures outlined in Standard IV. C. of this administrative procedures guideline. The SCCCMHA shall complete a new determination of insurance coverage and Ability to Pay if informed of a significant change in a responsible party's Ability to Pay (R.330.1828).
- E. If the responsible party believes that the income figure being utilized to determine the Ability to Pay is 1) not appropriate to his or her current income status or 2) does not appropriately reflect his or her Ability to Pay, they may request the SCCCMHA to make a "new determination" of Ability to Pay, and the SCCCMHA shall be required to do so. In making a "new determination" the SCCCMHA shall take into consideration any new information regarding the adult responsible party's total financial circumstances not previously considered, and shall consider the responsible party's total financial circumstances, including but not limited to, income, expenses, number and condition of dependents, assets, liabilities and insurance coverage.
- F. The SCCCMHA shall inform the responsible party (in writing) whose Ability to Pay was determined under Standard IV. A or IV. C of this administrative procedures guideline that they have a right to an Administrative Hearing to contest an Ability to Pay determination that has been made by the SCCCMHA. If the responsible party desires a fee redetermination, the SCCCMHA shall:
1. Determine the adult responsible party's Ability to Pay for a fee redetermination, taking into consideration the adult responsible party's total financial circumstances, including but not limited to income, expenses, number and condition of dependents, assets and liabilities (R.330.1832 and 330.1819(1)).
 2. Determine a minor's Ability to Pay for the cost of services considering the minor's total financial circumstances, including but not limited to, income, expenses, number and condition of dependents, assets, and liabilities (R. 330.1819 (2)).
- G. If the responsible party desires an Administrative Hearing to contest an Ability to Pay determination, the following guidelines shall apply:
1. The responsible party shall notify the SCCCMHA in writing, or on the Ability to Pay Administrative Hearing Request form (form #0006) provided by the SCCCMHA.
 2. The SCCCMHA shall have a qualified staff person who is designated to conduct the Administrative Hearings and complete the Ability to Pay Redetermination. This hearing officer shall be versed in the Michigan Mental Health Code, MDHHS Administrative Rules and PIHP/SCCCMHA policies regarding Ability to Pay.
 3. The "Ability to Pay Administrative Hearing" shall be scheduled with the responsible party within five (5) working days of the receipt of the request, with the hearing being held as soon as possible.

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4. The SCCCMHA shall make a redetermination of Ability to Pay, by completing a total financial assessment, pursuant to the following guidelines:
 - a. The SCCCMHA shall determine the adult responsible party’s Ability to Pay for a fee redetermination, taking into consideration the adult responsible party’s total financial circumstances, including but not limited to income, expenses, number and condition of dependents, assets and liabilities (R.330.1832 and 330.1819(1)).
 - b. The SCCCMHA shall determine a minor’s Ability to Pay for the cost of services considering the minor’s total financial circumstances, including but not limited to, income, expenses, number and condition of dependents, assets, and liabilities (R. 330.1819 (2)).
 5. If the SCCCMHA determines a responsible party’s Ability to Pay, and the amount the responsible party is determined to pay is higher than the amount under previous determinations, the SCCCMHA shall charge the higher amount only for financial liability that is incurred after the date of the redetermination (R. 330.1838).
 6. As an outcome of the Administrative Hearing, the responsible party shall be informed of their redetermination results, and provided written notice of their right to appeal the redetermination in accordance with the Mental Health Code (R. 330.1836) and Standard IV.H below.
- H. A responsible party may appeal the SCCCMHA redetermination of Ability to Pay made under Standard IV.G.4.a-b to the Probate Court of the county in which he or she resides.
- I. As specified in the fee determination standards noted above, the SCCCMHA shall inform (in writing) the responsible parties that if their Ability to Pay has undergone change, they may request the SCCCMHA to make a ‘new determination’ of Ability-to-Pay, and the SCCCMHA shall be required to do so. The new determination shall be made in accordance with the guidelines of this administrative procedures.
- J. The rates for cost of services will be updated at least annually by St. Clair County Community Mental Health Authority’s Chief Financial Officer in accordance with MDHHS Administrative Rules. A schedule reflecting the cost of specialized residential and non-residential services will be available upon request to the responsible party. A schedule reflecting the cost of non-residential services will be posted in a visible location at each program site.
- K. No person will be denied services because of inability to pay or due to the inability of a responsible party to pay, but may be denied for refusal to pay when an Ability to Pay has been established.
- L. In instances where, through no fault of the responsible party, the SCCCMHA has not billed for services in a timely manner, the SCCCMHA shall only obligate a responsible party to pay for services based on their Ability to Pay when the initial bill for service is presented within two (2) years from the date the services were provided.

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- M. An Ability to Pay above zero shall not be incurred for more than one (1) family member at a time, and a parent’s total liability for 2 or more individuals shall not exceed 18 years. It shall be the individual/or responsible party’s duty to notify the SCCCMHA that an Ability to Pay determination has been made by another program or county. There shall be a cooperative, collaborative effort among the SCCCMHA services programs and their contractors to assure that the information is available to all appropriate service providers.
- N. For individuals with current Medicaid, MiChild or Healthy Michigan Plan (HMP) coverage the SCCCMHA shall assess an Ability to Pay of zero (\$0) for mental health services. This does not apply to individuals who have been assessed a Medicaid Spend Down by MDHHS.
- O. All persons receiving services or their responsible party shall make available to the SCCCMHA (or its subcontractor) any relevant financial information that the SCCCMHA is not prohibited by law from obtaining, and that the SCCCMHA considers essential for purposes of determining the resident’s Ability to Pay. Willful failure to provide relevant information, as specified in this administrative procedures, may result in a determination of Ability to Pay up to the full cost of services received by the individual.
- P. The person receiving services or their responsible party have the right to refuse to participate in the Ability to Pay process and/or withhold information regarding income and insurance coverage. In this instance, the individual/or responsible party shall be responsible for full cost of service(s) provided by SCCCMHA or one of its subcontractors. An Ability to Pay of \$25,000 shall be entered into the data entry system.
- Q. No determination of an Ability to Pay made by the SCCCMHA (or its contract providers) shall impose an undue financial burden on the individual, or the individual’s family members. Should the determined Ability to Pay impose an undue financial burden, the individual or responsible party may request a new determination of Ability to Pay. Further relief may be sought by the individual or responsible party through forgiveness of partial or full balance due per Procedure V.F. “Write Off of Uncollectible Accounts” below.
- R. The individual receiving services or responsible party must pay the assessed Ability to Pay to the SCCCMHA by the 5th working day of each month. Payments can be made with a check, cash or credit card. The SCCCMHA Ability to Pay is a separate fee from room, board and personal allowance, which the responsible party must pay room, board, and personal allowance directly to the specialized group home, corporation of the group home, foster care provider and/or corporation of HUD rent. The individual or responsible party may at their discretion retain, on behalf of the individual, part or all of the individual’s personal allowance for the individual’s personal needs, so long as there is not a licensing conflict.
- S. Collection of past due fees may include the use of collection agencies, small claims court, collection from an estate or other legally available means.

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- T. St. Clair County Community Mental Health Authority may waive financial liability amounts for mental health services owed by individuals only after it has determined that the account is uncollectible or that further pursuit would be detrimental to the individual.
- U. Each person residing in a specialized residential group or foster home shall file or have an application for benefits (SSI, SSD, SSB, Medicaid, Medicare Parts A, B and D, etc.,) filed on his/her behalf, as applicable. This shall be done prior to placement, or if not possible, within fifteen (15) days of placement. The Primary Case Holder shall assist the individual or responsible party, if needed, and monitor the status of said applications until they are either awarded or denied by an Administrative Law Judge.
- V. The residential monthly Ability to Pay shall be computed as whichever is the lesser amount: Ability to Pay, Medicaid spend down (if applicable) or full costs of services.
- W. An installment payment agreement may be instituted when the responsible party is not able to pay the full balance at the time it is due. Installment payment agreements are not to exceed 12 months, nor be less than \$11.00 per month.
- X. Funds earned from the facility through residential labor (Mental Health Code, Section 736) shall be protected at one-half.
- Y. Earned income from wages, shall be protected as the first \$65.00 of each month plus ½ of earned income over \$65. (Mental Health Code, Rule 330.8242(b)(i)(B). See form #0117.
- Z. An Ability to Pay shall be waived for adoptive parents when there is a pre-existing condition that has been approved for a medical adoption subsidy. Proof of said adoption is to be attached to the financial information and payment agreement. If income and/or assets exist in the adopted child’s name, an Ability to Pay determination for the child shall be completed (only applicable if the child does not have Medicaid or MiChild or issued a Medicaid spend down) even if the parental Ability to Pay determination has been waived.
- AA. An Ability to Pay of zero (\$0) shall be established for minors receiving services under the Children’s Waiver program and the Medical Adoption Subsidy program.
- BB. When inpatient hospital placements exceed 60 days, the Specialized Residential Fee Determination is retroactive to the first effective date of the hospital placement. If the individual is admitted to two or more hospitals with consecutive dates of service and was not in another living setting between the hospitalizations, complete only one fee determination (consider as one hospital placement).
- CC. Payments can be collected from cash, check, money order, debit card, or credit card.

V. PROCEDURES:

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A. Initial/Annual Fee Determination for Specialized Residential Placements and Inpatient Services Greater than 60 Days

The Region 10 PIHP Access Center

1. Determines whether an individual qualifies for publicly funded mental health services.
2. Informs the individual or responsible party that an assessed fee will be determined and that they will be required to provide financial information, insurance and benefits information, as well as divorce decree when applicable. Also informs individual or responsible party that if documentation is not provided or, if they choose not to participate in the SCCCMHA’s fee determination process, that they may be charged full cost of services.
3. Advises individual or responsible party that room and board will be owed to the specialized residential group or foster home Provider in addition to any potential fee to the SCCCMHA as a result of the fee determination process.

Primary Case Holder/Designee

4. Prior to or upon placement, advises the individual or responsible party of their financial responsibility (SCCCMHA Ability to Pay, room and board, and personal allowance) and that they will be required to furnish financial documentation to the Account Clerk in order for a fee determination to be completed.
 - a. Within fifteen (15) days of placement, assist individual/or responsible party with application for all entitled benefits (e.g., Medicaid, SSI, Social Security) and monitor applications until a determination is made. Investigates denials to determine they were not made in error and that the rationale for denial was justified and assists with appeal if needed.
 - b. Immediately completes DHS/SSA Referral form (DHS-3471), and sends to both MDHHS and SSA to initiate those agencies’ review of Level of Care and SSI benefits. If individual already receives SSI benefits, form must still be completed because individuals receiving residential services are entitled to higher SSI benefits than those living independently. Submits copy for Resident’s electronic health record (E.H.R.)
 - (1) Completes another form upon discharge (with exception of hospital, nursing home and jail placements). Submits copy for Resident’s E.H.R.
 - c. At time of admission completes the AFC Resident Care Agreement (BCAL-3266 form) with the resident, responsible party and licensee as applicable. Reviews annually and updates as needed to reflect changes. Submits copy for resident’s E.H.R.
 - d. For minor children:
 - (1) If a minor is not receiving services under Chapter 7, Section 330.1707 of the Mental Health Code then follow procedures 4 (a) and (b) above.

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- (i) If a minor has full Medicaid or MI Child with zero (\$0) Ability to Pay, complete a fee determination with child’s income only. (Do not complete fee determination for parents). If child has a Medicaid deductible status or was assessed a zero (\$0) ATP or less than full cost ATP, complete short fee determination version on parents (form #0120 and Exhibit C).
- (2) If a minor is receiving services under Chapter 7, Section 330.1707 of the Mental Health Code, then only the minor is responsible for the cost of service and the minor’s parent or responsible party is not responsible for the cost of services of the minor.

Program Supervisor

- 5. Ensures that staff designated to complete an initial, annual, new or redetermination of fee determination, have received training on this administrative procedures guideline and the Mental Health Code / MDHHS Administrative Rule requirements regarding fee determinations.

Account Clerk

- 6. Completes a fee determination upon initial placement, annually and whenever there’s a significant change in the individual’s financial and/or insurance situation according to the following procedures:
 - a. Requests financial and insurance information necessary for completing a fee assessment. Provides individual or responsible party with the following documents to assist with determining what information is needed in order to assess a fee: “Available Assets” form #007-A (further instructions see Exhibit G), “Allowable Expenses for Individuals” Exhibit A, and “Allowable Expenses for Spouses” Exhibit B.
 - (1) If responsible party is unable to provide documents verifying income, explains that failure to provide verification within 14 days will result in the charge of full cost of services provided to any non-Medicaid or HMP eligible.
 - (2) If financial information is not received within fourteen (14) days of first request, sends final request letter indicating that failure to provide financial information will result in the individual/responsible party being charged the full cost of services provided to any non-Medicaid or HMP eligible.
 - (3) If no response to final request letter within fourteen (14) days, enters \$25,000 (full cost) in data entry system for individuals who are not Medicaid, HMP or MI Child eligible.
 - (4) If individual/responsible party do not provide financial information and the individual receiving services is eligible for Medicaid or HMP a zero (\$0) Ability to Pay fee is assessed and note made on fee assessment indicating that information was requested but not provided.
 - b. Obtain guardian signature on Michigan Department of Health and Human Services Authorization for the Release of Information.

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- c. Record all insurance information and enter in data entry system (DES). Inform subscriber when receiving reimbursement check(s) directly, that they are responsible for forwarding the check(s) to SCCCMHA within 10 days. The payment must include the individual's name and case number and a copy of the Eligibility of Benefits (EOB).
- d. Request copies of front and back of insurance card(s) for Initial Fee Determinations and any time there is a change. Account Clerk- will use the Michigan Public Health Institute report as proof of active insurance eligibility for Medicaid, MiChild and HMP.
- e. Verifies all Medicaid, HMP or MI Child insurance(s) monthly and notes initial findings and when changes occur in the data entry system (DES).
- f. Verifies all third party insurance(s) initially, annually and notes initial findings and when changes occur in the DES.
- g. Completes the following as applicable:
 - (1) Form #0119, "Full Financial Review Income/Expense Analysis Worksheet (Specialized Group Homes/Foster Homes, Inpatient > 60 Days)"
 - (2) Form #0118, "Fee Determination for Mental Health Services Monthly Payments (Specialized Group Homes/Foster Homes, Inpatient >60 Days)".
 - (3) Form #0121, "Medicaid Deductible".
 - (4) Form #0117, "Earned Income Worksheet".
 - (5) Form #0120, "Parent(s) Financial Determination for Specialized Residential Services".
 - (6) Form #0116, "Financial Ability to Pay Agreement Specialized Group/Foster Homes, Inpatient >60 days Summary and Signature Page".
 - (7) Form #0034 "Notice of Rights for Ability to Pay"
 - (8) Form #0007 "Request for a New Rate Determination"
- h. Enters monthly assessed fee information into the data entry system.
- i. Send copy of fee determination to scanning for Resident's electronic health record.
- j. Monitor all monthly specialized payments.

Note: Initial fee assessment effective date should coincide with date of residential placement. Thereafter, a fee assessment should be completed on January 1st of each year and whenever significant financial changes occur.

- 7. At time of initial fee determination, in writing, informs the responsible party of their right to request a new determination if their income changes, if they believe the amount assessed is not accurate, or if they believe the amount assessed will impose an undue financial hardship (SCCCMHA form #0034, Notice of Rights, New Determination, Redetermination & Appeal of Ability to Pay).
- 8. Informs the responsible party, in writing, of their right to contest the ability-to-pay determination, and to request an Administrative Hearing for a fee redetermination. In doing so, informs the responsible party of the process he or she must follow in requesting an Administrative Hearing, and what documentation will be required in order for the Hearing Officer to complete the total financial determination (SCCCMHA form #0034, Notice of Rights, New Determination, Redetermination & Appeal of Ability to Pay).

CHAPTER Fiscal Management	CHAPTER 07	SECTION 003	SUBJECT 0030
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9. Monthly, reviews residential client statements from Account Clerk – Billing dept. to ensure Ability to Pay balance is accurate.

B. New/Redetermination Requests (Change in income or income does not appropriately reflect Ability to Pay)

Individual/Responsible Party

1. Notifies Account Clerk that they disagree with the assessed Ability to Pay.
2. Completes and signs “Authorization for New Determination Request” (form #0007) and submits financial documentation.

Account Clerk

3. Prepares a new determination within 30 days of the request by the individual or responsible party when there is a change in financial situation or the assessed Ability to Pay is not reflective of the individual’s current Ability to Pay.

- a. Follows Section V. A. 4-6.

NOTE: A Redetermination of financial liability shall not be made retroactively, except where the prior determination was based on erroneous or incomplete information, or where the Redetermination is a decrease in financial liability.

4. If individual/responsible party disagrees with the new determination, ensures individual/responsible party is informed that he or she shall be entitled to an Administrative Hearing to contest the new determination. In doing so, informs the individual/responsible party of the process he or she must follow in requesting an Administrative Hearing.
5. Assist individual/responsible party, if necessary, to complete SCCCMHA form #0006, “Ability to Pay Administrative Hearing Request” or SCCCMHA form #0012, “Request for Ability to Pay Administrative Hearing by Telephone”.
6. Upon receipt of request for Administrative Hearing, forwards copy of the request to hearing officer. Forwards original request to be scanned in the electronic health record.

C. Administrative Hearing (Redetermination)

Hearing Officer

1. Reviews responsible party’s request for an Ability to Pay Redetermination Administrative Hearing, and schedules the Administrative Hearing within five (5) days of receipt of the request. Attempts to schedule the hearing as soon as possible, or within thirty days (30) days of hearing request.

CHAPTER Fiscal Management	CHAPTER 07	SECTION 003	SUBJECT 0030
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2. Conducts Administrative Hearing, documenting responsible party concerns and requests (SCCCMHA form #0032, Documentation of Administrative Hearing).
3. Completes a redetermination of Ability to Pay assessment.
4. Informs, in writing, the responsible party of the results of the Administrative Hearing, and obtains the responsible party signature on the redetermination.
5. Informs, in writing, the responsible party of his or her rights to appeal the redetermination to the local Probate Court (SCCCMHA form #0028, Notice of Outcome of Administrative Hearing, Ability to Pay Redetermination).

D. Collection Procedures for Individuals Currently Receiving Services

Account Clerk

1. Notifies program supervisor/clinical staff of open account balances.

Program Supervisor/Clinical Staff

2. Discusses the impact of discontinuing services to the individual with Primary Case Holder.
3. Makes recommendation to SCCCMHA Chief Executive Officer/designee to discontinue services if appropriate. If service continuation is appropriate, instructs Fee Assessor/ Primary Case Holder to pursue payment agreement.

Account Clerk/Primary Case Holder

4. Discusses payment agreement (form #0002, “Specialized Residential Installment Payment Agreement”) with individual/responsible party.

Account Clerk

5. Prepares agreement and obtains signature.
6. Informs individual/responsible party that first payment is due upon signing the “Specialized Residential Installment Payment Agreement” and thereafter by the fifth working day of each month until balance is paid in full.
7. Forwards a copy of signed agreement to the Account Clerk-Billing and to be scanned in the resident’s electronic health record.
8. Notifies Primary Case Holder when individual/responsible party fails to make payments in accordance with the installment agreement.

CHAPTER Fiscal Management	CHAPTER 07	SECTION 003	SUBJECT 0030
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- 9. Sends a series of three (3) collection letters to the individual/responsible party, prior to account being forwarded to the Credit Bureau of Michigan. 3rd collection letter send certified & regular mail.

Primary Case Holder

- 10. Notifies Account Clerk in writing within five (5) days when aware of any new circumstances that would make further collections unwarranted.

Account Clerk

- 11. Fills out form #0264, REQUEST TO SEND RESPONSIBLE PARTY TO THE CREDIT BUREAU OR WRITE-OFF ACCOUNT, and routes to applicable clinical staff and Management.

E. Collection Procedures for Individuals No Longer Receiving Services

Account Clerk

- 1. Reviews open account balances for delinquencies.
- 2. Sends a series of three (3) letters to individual/responsible party encouraging payment.
- 3. Attempts to contact individual/responsible party by telephone after the second letter and documents phone call.
- 4. Fills out form #0264, “REQUEST TO SEND RESPONSIBLE PARTY TO THE CREDIT BUREAU OR WRITE-OFF ACCOUNT”, and routes to applicable clinical staff and management.
- 5. Turns account over to the Credit Bureau of Michigan.

F. Write-Off of Uncollectible Accounts

Account Clerk

- 1. Forwards form #0264, “REQUEST TO SEND RESPONSIBLE PARTY TO THE CREDIT BUREAU OR WRITE-OFF ACCOUNT”, and supporting documentation to the Chief Financial Officer for data entry system write off.

Chief Financial Officer

- 2. Approves write-off of amounts less than \$1,000.00.
- 3. Submits listing of write-offs in excess of \$1,000.00 to Chief Executive Officer for approval.

CHAPTER Fiscal Management	CHAPTER 07	SECTION 003	SUBJECT 0030
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Account Clerk-Billing

- 4. Upon approval, removes account balances from data entry system.
- 5. Sends form #0264 with signatures to electronic health records (E.H.R.)

VI. EXHIBITS:

- A. Allowable Expenses for Individuals
- B. Allowable Expenses for Spouses or Parents
- C. Public Mental Health System Ability-to-Pay Schedule for Parental Liability for Minor Children
- D. Example of Request for Information Letter
- E. Example of Final Request for Information Letter
- F. Example of Request Signature/Thank You letter
- G. Available Assets and Income

VIII. REVISION HISTORY:

Dates issued 06/83, 03/88, 04/90, 06/92, 01/93,10/94, 09/97, 08/98, 02/99, 07/00, 01/02, 08/08, 08/10, 05/12, 11/13, 01/15, 01/16, 01/17, 01/18, 05/19, 07/20, 07/22, 07/23.

**ALLOWABLE EXPENSES
For Individuals**

The Michigan Department of Health and Human Services requires that Community Mental Health Boards have documentation of certain financial material to verify assets, income or expense figures.

If any of the following categories apply to the individual's financial situation, please provide the type of documentation required:

EXPENSES	MINIMUM DOCUMENTATION REQUIRED
Rent or mortgage payment (includes taxes and insurance)	Copies of statements/payments.
Home maintenance	Copies of statements/payments.
Utilities (gas, electric, telephone, water/sewer)	Copies of statements/payments.
Automobile loan payments and insurance premiums	Copies of statements/payments.
Un-reimbursed medical and pharmacy expenses	Copies of statements/payments.
Employment or business expenses	Copies of statements/payments.
Payment for the first 60 days of inpatient psychiatric care	Copies of statements/payments.
Legal fees (excludes fines or fees that are the result of a criminal offense)	Copies of statements/payments.
Child Support and alimony or other payments made pursuant to a divorce decree or court order	Copy of the divorce decree and payments
Day Care/Nursery School charges	Copies of statements/payments.
Guardianship Fees	Copies of Current Probate Court Annual Report
Personal debts contracted before application for services	Copies of statements
Bank account fees	Copy of bank statement

Copies of your records sent to St. Clair County Community Mental Health will be utilized to determine financial liability and will remain part of the confidential electronic health record. Failure to provide needed documentation may result in a full cost of service. To assist us in completing an accurate financial determination, please return all necessary documentation with Exhibit A to:

St. Clair County Community Mental Health
(Facility)
ATTN: (Provider)
(Street Address)
(City), MI (Zip Code)

**ALLOWABLE EXPENSES
For Spouses or Parents**

The Michigan Department of Health and Human Services requires that Community Mental Health Boards have documentation of certain financial material to verify assets, income or expense figures.

If any of the following categories apply to Spouse or Parent's financial situation, please provide the type of documentation required:

EXPENSES	MINIMUM DOCUMENTATION REQUIRED
Food, clothing and personal necessities.	No documentation needed if expenses appear to be reasonable
Shelter, including utilities and repairs for the upkeep of a homestead	Copies of mortgage/rent payments, utility bills and repairs for past year.
Employment or business expenses, including taxes	Copies of check stubs or business statements
Medical services including medical insurance premiums	Copies of statements/payments.
Elementary, secondary and post-secondary education of children	Copies of tuition statements/payments
Personal debts contracted before application for services	Copies of statements
Payments made pursuant to a divorce decree or court order.	Copy of the divorce decree and payments
Transportation to maintain employment and necessary family activities	Copies of receipts for oil, gas and repairs or yearly mileage times the current federal reimbursement rate.
Payments for the first 60 days of inpatient psychiatric care	Copies of receipts.
Bank account fees	Copy of bank statement

Copies of your records sent to St. Clair County Community Mental Health will be utilized to determine financial liability and will remain part of the confidential electronic health record. Failure to provide needed documentation may result in a full cost of service. To assist us in completing an accurate financial determination, please return all necessary documentation with form #0003-A to:

St. Clair County Community Mental Health
(Facility)
ATTN: (Provider)
(Street Address)
(City), MI (Zip Code)

PUBLIC MENTAL HEALTH SYSTEM ABILITY TO PAY SCHEDULE
for **PARENTAL LIABILITY for MINOR CHILDREN (*less than 18*)** RECEIVING
INPATIENT >60 DAYS OR SPECIALIZED RESIDENTIAL SERVICES

STATE TAXABLE INCOME	MONTHLY ABILITY TO PAY	STATE TAXABLE INCOME	MONTHLY ABILITY TO PAY
\$ 0 to \$10,000	\$ 0	\$28,001 to \$29,000	\$188.00
\$10,001 to \$11,000	\$11.00	\$29,001 to \$30,000	\$206.00
\$11,001 to \$12,000	\$14.00	\$30,001 to \$31,000	\$225.00
\$12,001 to \$13,000	\$18.00	\$31,001 to \$32,000	\$244.00
\$13,001 to \$14,000	\$22.00	\$32,001 to \$33,000	\$264.00
\$14,001 to \$15,000	\$27.00	\$33,001 to \$34,000	\$284.00
\$15,001 to \$16,000	\$32.00	\$34,001 to \$35,000	\$304.00
\$16,001 to \$17,000	\$38.00	\$35,001 to \$36,000	\$324.00
\$17,001 to \$18,000	\$45.00	\$36,001 to \$37,000	\$344.00
\$18,001 to \$19,000	\$53.00	\$37,001 to \$38,000	\$364.00
\$19,001 to \$20,000	\$62.00	\$38,001 to \$39,000	\$384.00
\$20,001 to \$21,000	\$72.00	\$39,001 to \$40,000	\$405.00
\$21,001 to \$22,000	\$83.00	\$40,001 to \$41,000	\$426.00
\$22,001 to \$23,000	\$95.00	\$41,001 to \$42,000	\$447.00
\$23,001 to \$24,000	\$108.00	\$42,001 to \$43,000	\$468.00
\$24,001 to \$25,000	\$122.00	\$43,001 to \$44,000	\$489.00
\$25,001 to \$26,000	\$137.00	\$44,001 to \$45,000	\$510.00
\$26,001 to \$27,000	\$153.00	\$45,001 to \$46,000	\$531.00
\$27,001 to \$28,000	\$170.00	\$46,001 to \$47,000	\$552.00
		\$47,001 to \$48,000	\$573.00
		\$48,001 to \$49,000	\$594.00
		\$49,001 to \$50,000	\$615.00

For state taxable income over \$50,000, Ability to Pay shall be 15% of that income divided by 12 to determine the monthly Ability to Pay.

[Date]

[Individual/Guarantor]

[Street]

[City/State/Zip Code]

Re: [Individual Name], [Case Number]

Dear [Mr./Mrs./Ms. Individual/Guarantor]:

It is a requirement of the Michigan Mental Health Code that we assess an Ability to Pay for all individuals at least annually. Therefore, we are requesting the following information, as applicable, be sent to my attention at [insert program address here] by [insert due date here, within 10 business days.]

- A copy of your January, 20-- Social Security Benefits/SSI notice/RSDI/SSDI notice.
- A copy of your checking and saving(s) bank statement(s) for January, 20--.
- A copy of your 20—W-2 or last pay stub received in (current month)
- A copy of your current insurance cards (front and back).
- Any documentation of applicable Assets/Income and Expenses as indicated on the enclosed form.

We ask that you complete entirely or make corrected changes to Form 0003-A, so that we can ensure our records are up to date. Please note, upon receipt of the above information, there may be other documents that we may need in order to determine an accurate ability to pay. We may also need to contact you by phone to clarify any questions that may arise after we review the information you provide. Once the above information is received and reviewed, the Ability to Pay forms will be completed and returned to you for verification and for your dated signature.

If the individual does not have Full Medicaid eligibility and you choose to decline to provide us with the necessary financial information, you may be responsible for the full cost of services, both residential and non-residential, according to the Michigan Mental Health Code, Sec. 822.

Thank you for your assistance in this matter. As always, if you have any questions or concerns, please call me at [insert program phone number here].

Sincerely,

Account Clerk

Attachments

cc: Electronic Health Record

[Date]

[Individual/Guarantor]

[Street]

[City/State/Zip Code]

Re: [Individual Name], [Case Number]

Final Request

Dear [Mr./Mrs./Ms. Individual/Guarantor]:

As you know, it is a requirement of the Michigan Mental Health Code that we assess an Ability to Pay for all individuals at least annually. On [insert date of previous request for information], I requested financial information from you in order to assess [insert individual's name here]'s Ability to Pay. As of today, I have not received the requested information. Please send the following information to my attention at [insert program address here] by [insert due date here, within 10 business days.]

- A copy of your [January 20--] Social Security Benefits/SSI notice
- A copy of your check(s) or bank statement (if automatically deposited) for [January 20--].
- A copy of your current insurance cards.
- Any documentation of applicable Assets/Income and Expenses as indicated on the enclosed form.

Please give this matter your immediate attention. If you are having difficulty obtaining the financial documentation, please let me know immediately.

If you choose to decline to provide us with the necessary financial information, that is your option. However, if you decline to provide us with the necessary financial information, you are responsible for the full cost of [insert individual's name here]'s services, both residential and non-residential, according to Sec. 822 of the Michigan Mental Health Code.

Please be aware that upon receipt of the above information, there may be other documents that we may need in order to determine a fair and equitable Ability to Pay.

Once the above information is received, the Ability to Pay forms will be completed and returned to you for verification and for your dated signature. As always, if you have any questions or concerns, please call me at [insert program phone number here].

Sincerely,

Account Clerk

Attachments

cc: Electronic Health Record

[Date]

[Individual/Guarantor]

[Street]

[City/State/Zip Code], [Foster/Group Home]

Re: [Individual Name], [Case Number]

Dear [Mr./Mrs./Ms. Individual/Guarantor]:

Thank you for your financial information.

Attached are the Ability to Pay forms and the Residential Summary and Signature Page for _____, which states the amount to be paid to the foster/group home provider for room, board, and personal allowance. The amount for room and board is \$_____ and the amount for personal allowance is \$_____. The total amount due is \$_____. This amount should be paid to the foster/group home provider no later than the 5th working day of every month.

The monthly personal liability for mental health services has been determined to be \$_____ and will remain in effect for one year unless there is a significant change in financial circumstances or (Individual Name)_____ is no longer residing at (Foster/Group Home)_____. Please forward this amount to St. Clair County Community Mental Health, 3111 Electric Avenue, Port Huron, MI 48060, by the fifth working day of every month.

Please verify the information, sign and date the Summary and Signature Page. The original form should be returned to my attention at the address listed above by [insert due date here, within 10 business days].

Please note: It is the responsibility of the Guarantor/Responsible Party (the person/agency who is financially liable for the services) to notify the Community Mental Health of any relevant changes in the insurance coverage and failure to report changes in insurance coverage may result in an Ability to Pay determination of full cost of services. Changes in insurance coverage may be reported in person, by phone or mail.

If there is ever any change in [insert individual's name here]'s financial circumstances, please let me know immediately because it will be necessary to complete a New Determination of his/her Ability to Pay. If you have any questions or concerns, please call me at [insert program phone number here].

Sincerely,

Account Clerk
Attachments

cc: Electronic Health Record

AVAILABLE ASSETS and INCOME
For Individuals

The Michigan Department of Health and Human Services requires that Community Mental Health Boards have documentation of certain financial material to verify assets, income or expense figures.

If any of the following categories applies to the Individual's financial situation, please provide the type of documentation required:

ASSETS, INCOME	MINIMUM DOCUMENTATION REQUIRED
All bank accounts: savings and loan, credit union accounts, certificates of deposit, checking account, stocks, bonds, etc.	Copy of account books or account statement
Estates and trust asset, income from an estate or trust fund	Copy of trust agreement, accounting or estate accounting.
Dividends and Interest	Copy of statement(s)
Settlement(s)	Copy of settlement papers
Fixed Assets which are not excluded by the MDHHS General Rules	Proof of current value
Pension, Deferred Compensation or Annuity Accounts.	Copy of Pension, Deferred Compensation or Annuity Accounts. Include documentation these accounts can or cannot be withdrawn or used for loan collateral
Earned Income from wages	Copy of W-2 or copies of three months pay-stubs, or copy of employer's report of earnings
Irrevocable and/or Prepaid Funeral Agreement	Copy of Irrevocable or Prepaid Funeral Agreement(s)
SSI, SSDI, RSDI, Long Term Disability, etc.	Copy of Benefit Verification letter or Social Security Award Letter or bank statement showing direct deposits.
MiAble Accounts	Copy of MiAble Statement

Copies of your records sent to St. Clair County Community Mental Health will be utilized to determine financial liability and will remain part of the confidential electronic health record. Failure to provide needed documentation may result in a full cost of service. To assist us in completing an accurate financial determination, please return all necessary documentation with form #0003-A to:

St. Clair County Community Mental Health
Dept. _____
ATTN:
Address: