

SUBJECT Ability to Pay Guidelines for SUD Services		CHAPTER 04	SECTION 02	SUBJECT 04
CHAPTER Fiscal Management		SECTION Accounting		
WRITTEN BY Gail Krause	REVIEWED BY Laurie Story-Walker		AUTHORIZED BY PIHP Board	

I. APPLICATION:

- | | |
|--|---|
| <input type="checkbox"/> PIHP Board | <input checked="" type="checkbox"/> CMH SUD Providers |
| <input checked="" type="checkbox"/> PIHP Staff | <input checked="" type="checkbox"/> SUD Providers |

II. POLICY STATEMENT:

It shall be the policy of Region 10 PIHP that persons receiving substance use disorder services will be assessed an ‘ability to pay’ service fee based on a sliding-fee schedule in accordance with the guidelines herein. No person will be denied services for their inability to pay. Persons in non-emergency care may be denied services for refusal to pay their assessed fee. Persons eligible for entitlements (e.g. Medicaid and Healthy Michigan Plan) shall have an ability to pay of zero for substance use services.

Individuals or their responsible parties shall be requested to make available to any SUD Network Provider any relevant or pertinent financial information which Region 10 PIHP deems essential for the purpose of determining ability to pay.

III. 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. The ability to pay determination process has the following three (3) components:
 - 1. **Initial Fee Determination:** The assessment process the SUD Provider Network uses at the initial service appointment to assess the responsible party’s ability to pay for the cost of services, where the responsible party’s income shall be taxable income as set forth in the responsible party’s most recently filed state income tax return. If the responsible party has not filed a state income tax return, the SUD Network Provider will determine the responsible party’s income from those financial documents that are legally available, based on the same factors that determine the taxable income.
 - 2. **Annual Fee Determination:** The assessment process the SUD Network Provider uses if an individual receives services for more than 1 year (e.g. methadone services), where the responsible party’s income shall be taxable income as set forth in the responsible party’s most

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recently filed state income tax return; or, if not available, from those financial documents that are legally available, based upon the same factors that determine taxable income.

3. New Determination: The assessment process the SUD Network Provider 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*.
- C. Ability-to-Pay Administrative Hearing Request: The process the responsible party uses to request an Administrative Hearing from Region 10 PIHP's designated representative to contest a fee determination (initial, annual or new) made by an SUD Network Provider.
 - D. Ability-to-Pay Administrative Hearing: The formal meeting where a qualified independent party of Region 10 PIHP makes a redetermination of ability to pay, using the fee determination criteria specified in these guidelines.
 - E. Appeal of Recommendation: The process the responsible party uses to appeal an ability to pay redetermination completed by Region 10 PIHP "ATP Hearing Officer" as an outcome of "Ability to Pay Administrative Hearing." Such an appeal of redetermination shall be made to the local Probate Court of the county in which the consumer resides.
 - F. Child: An unmarried individual who is less than 18 years old.
 - G. Cost of Services: The total operating and capital costs incurred by Region 10 PIHP or its SUD Network Provider with respect to, or on behalf of, an individual. Cost of services does **not** include the cost of expenses of state or county government unrelated to the provision of substance abuse services. The SUD Provider's "service charge rates" are to be posted in a visible location at each program.
 - H. Dependent: An individual who is allowed as a dependency exemption on the Michigan state income tax return.
 - I. Expenses: Reasonable expenditures of money that are not reimbursed, actual and estimated, during a financial year to maintain a standard of living essential for one's self and his or her dependents. All the following are considered expenses:
 1. food, clothing and personal necessities;
 2. shelter, including utilities and repairs for the upkeep of a homestead;
 3. employment or business expenses;
 4. medical services;
 5. taxes;
 6. elementary, secondary and post-secondary education of children

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7. re-payment of personal financial obligations contractually established before an application was made for services, including such outstanding debts as lease payments, credit card obligations and educational or training expenses;
 8. payments made pursuant to a divorce decree or court order; and/or
 9. transportation to maintain employment and necessary family activities.
- J. Fee Assessor: The SUD Network Provider’s designated staff person that is responsible for completing an “Ability to Pay” assessment and “Financial Information Pay Agreement” with the responsible party.
- K. Financial Liability: That portion of the charges not covered by insurance, not to exceed the assessed ability to pay.
- L. FIPA: Financial Information and Payment Agreement (Exhibit A)
- M. Income: Earned and unearned funds. Does not consider step-parent income.
- N. Individual: The individual, minor or adult, who receives services from the Department, PIHP, Community Mental Health Services program or from a provider under contract with the Department, PIHP or Community Mental Health Services program.
- O. 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.
- P. 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.
- Q. Parents: The legal father or mother of an unmarried individual who is less than 18 years of age.
- R. Primary Caseholder: Is the person who has primary responsibility for the coordination of the consumer’s case. Generally, this is the Clinician or SUD Clinical Case Manager.
- S. Protected Asset: The portion of available assets not considered when the total financial situation is used to determine financial liability.
- T. Protected Income: The portion of income that is not considered when the total financial situation is used to determine financial liability.

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- U. 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.
- V. Spouse: The legal marriage partner of an individual.
- W. Substance Use Disorder Services: Substance Use Disorder treatment, rehabilitation, detoxification, or prevention services. Services may be provided in an outpatient setting or residential setting.
- X. 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.

IV. STANDARDS:

- A. A determination of each individual's 'ability to pay' shall be made (1) upon entry of the individual into substance use disorder services (2) at least annually thereafter for individuals receiving services for more than 1 year; (3) when the responsible party's financial situation changes, (4) when the responsible party requests a new determination of ability-to-pay.
- B. Any payment, appeal, or collection procedure will be implemented per Region 10 PIHP's policy guidelines.
- C. The SUD Provider shall determine an adult responsible party's ability to pay for substance abuse services and all services to minors, based on the adult responsible party's income in accordance with all the following:
 1. The SUD Provider shall consider the adult responsible party's income to be taxable income as set forth in the adult responsible party's most recently filed state income tax return. If parents of an individual, or the individual and spouse, are members of the same household but file separate tax returns, the SUD Provider shall add together the separate taxable incomes to determine the ability-to-pay. If the parents, or the individual and spouse, are not members of the same household, and they file separate tax returns, the ability-to-pay of each parent, or the individual and his/her spouse, shall be determined separately. If parents are divorced, a copy of the first page indicating Plaintiff/Defendant and subsequent page(s) identifying responsible party regarding medical expenses is required.
 2. If an adult responsible party has not filed a state income tax return, the SUD provider 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.

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3. The SUD Provider shall determine the responsible party's ability-to-pay based on a sliding fee scale developed using current Federal Income Poverty Guidelines in accordance with the rules promulgated by Region 10 PIHP to establish an ability-to-pay schedule that is fair and equitable.
 4. Region 10 PIHP shall post a sliding fee scale on their website that shall be utilized by its SUD Provider Network on an annual basis (March XX through the following February). Region 10 PIHP's sliding fee schedule shall be based on current Federal Income Poverty Guidelines and considering family size shall be used to determine an individual's fee for services. All substance use disorder service providers shall utilize Region 10 PIHP's sliding fee scale.
- D. If an individual receives substance use disorder services for more than 1 year, the SUD Provider shall annually determine the adult responsible party's ability-to-pay based on the most recently filed state income tax return, as specified in Standard IV.C.(1) or IV.C.(2) of this policy guideline. The SUD Provider shall also complete a new determination of ability to pay if informed of a significant change in a responsible party's ability to pay.
- E. The responsible party is informed, both verbally and in writing, of his/her right to contest the ability-to-pay determination, and to request an Administrative Hearing for a fee determination. The responsible party is informed of the process he/she must follow in requesting an Administrative Hearing, and what documentation will be required for the Region 10 PIHP Hearing Officer to complete the total financial determination. If the responsible party believes that the income figure being utilized to determine the ability-to-pay is not appropriate to their current income status *or* does not appropriately reflect their ability to pay, they may request the SUD Provider to make a 'new determination' of ability to pay, and the SUD Provider shall be required to do so.
- F. If the responsible party has stated that the income figure being utilized does not appropriately reflect his or her ability-to-pay and results in a fee that creates undue financial hardship, the SUD Provider shall make a 'new determination' of ability-to-pay based on a consideration of the responsible party's total financial circumstances, including, but not limited to, income, expenses, number and condition of dependents, assets and liabilities.
- G. The rates for cost of service will be updated at least annually by SUD Provider's Fiscal Director or designee in accordance with 2 CFR 200 Subpart E Cost Principles. The SUD Provider's schedule reflecting the cost of services will be available upon request to the responsible party as well as posted in a visible location at each SUD program site. A copy of the SUD Provider's schedule shall be submitted to Region 10 PIHP on an annual basis, prior to the start of each fiscal year, and whenever it is updated.
- H. No person will be denied services because of the inability to pay or of the inability of the responsible party to pay, but may be denied for refusal to pay when an ability to pay has been established.

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- I. Collection of fees may include the use of collection agencies, small claims court, collection from an estate, or other legally available means.
- J. In an instance where through no fault of the responsible party, the SUD Provider has not billed for services in a timely manner creating an undue financial burden, the SUD Provider shall only obligate a consumer/guarantor to pay for services based on their ability to pay when the initial bill for services is presented within two years from the date the services were provided.
- K. An ability to pay shall not be incurred for more than (1) family member at one time. It shall be the responsible party's duty to notify the SUD Provider that an ability to pay determination has been made by another program or county. There shall be a cooperative, collaborative effort among Region 10 PIHP's services program and their contractors to assure that the information is available to all appropriate service providers.
- L. For consumers with current Medicaid or Healthy Michigan Plan coverage, Region 10 PIHP and all its SUD Providers shall assess an ability to pay of zero for substance abuse services.
- M. An installment payment agreement may be instituted when the consumer/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.
- N. All responsible parties shall make available to Region 10 PIHP (or one of its subcontract providers) any relevant financial information that Region 10 PIHP is not prohibited by law from obtaining, and that Region 10 PIHP considers essential for purpose of determining the responsible party's ability-to-pay. Willful failure to provide the relevant information, as specified in this policy guidelines, may result in a determination of ability to pay up to the full cost of services received by the individual.
- O. The responsible party shall 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 consumer shall be responsible for the full cost of service(s) provided by Region 10 PIHP, or one of its subcontract providers. The SUD Network Provider will need to be advised to bill the consumer full cost of service when this occurs and an entry of \$25,000 shall be entered into the data entry system as the ability to pay.
- P. No determination of ability-to-pay made by Region 10 PIHP (or one of its contract 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, they may request a new determination of ability to pay. Further relief may be sought by the responsible party through forgiveness of partial or full balance due per Procedure V.G. "Write off of Uncollectible Accounts" below.

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- Q. It is expected that at the time of the consumer's substance abuse services appointment the consumer or responsible party shall pay their ability-to-pay or cost of service, whichever is less at the office from which they are receiving services.
- R. A minor who is seeking treatment shall be considered the responsible party for the determination of ability to pay if the minor's parents are not notified of the treatment.
- S. As part of the PIHP's contract monitoring process, the charts of individuals receiving SUD Treatment services will be reviewed through Region 10 PIHP's contract monitoring process to make sure there is supporting financial documentation for what was entered into the data entry system.

V. PROCEDURES:

A. **Completion of Initial/Annual "Ability to Pay" Fee Determination:**

Access Staff / SUD Provider Designee

1. When it has been determined the caller qualifies for publicly funded Substance Use Disorder Services, the Access staff informs the consumer/guarantor that they will be assessed a fee and of the documentation that they will be required to bring to their first appointment. Examples include, most recently filed Michigan State Income Tax Return, third party payer coverage, Medicaid card, divorce decree, when applicable. Staff informs caller if documentation is not provided or if they choose not to participate in the SUD Provider's Fee Assessment process, they will be charged for full cost of service.

(Note: If consumer does not have Medicaid/HMP, Michigan Assistance and Referral Services accessible at [https://www.michigan.gov/mdhhs/0,5885,7-339-71547_4860-74373--_00.html#Michigan Assistance and Referral Service MARS](https://www.michigan.gov/mdhhs/0,5885,7-339-71547_4860-74373--_00.html#Michigan%20Assistance%20and%20Referral%20Service%20MARS) provide a brief screening that can assist in determining if consumer may be eligible for Medicaid. All potentially Medicaid/HMP eligible consumers must apply for Medicaid/HMP.)

2. If a minor is receiving services, then the legally designated parent(s) shall be the responsible party for the cost of service.

SUD Provider

1. Ensures that staff designated to complete an initial, annual or new determination fee assessment have received training on this policy guideline.

SUD Provider Fee Assessor

1. Prepares Substance Use Disorder: Financial Information Payment Agreement (SUD FIPA) (Exhibit A) with the responsible party. The SUD FIPA is completed at intake, annually and

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whenever there's a change in the responsible party's financial situation. To complete the SUD FIPA:

- a. Record all insurance information on the SUD FIPA. Informs consumer/insurance subscriber when receiving reimbursement check(s) directly, they are responsible to forward the check(s) to the SUD provider within 10 business days. The payment must include consumer's name and case number and copy of the EOB.
- b. Copies front and back of insurance card(s) for case record at intake and any time there is a change.
- c. Validates all insurance(s) monthly and notes findings in the SUD Provider Network Data Entry System (DES) or case record.
- d. Copy most recently filed Michigan State Income Tax return (taxable income line). Enter this amount on page two (2) of the SUD FIPA (Exhibit A). This amount will be used in assessing an ability to pay per the Substance Use Disorder Sliding Fee Schedule.

NOTE: When a Michigan State Income Tax Return has not been filed, gross income may be determined from the same financial documents that are legally available to file a state income tax return. Using these documents, determine gross income and then subtract the standard Michigan deduction for the individual and each dependent, do not include step-parent income or related dependent(s) and subtract any exemptions as appropriate.

- e. If the consumer is a child whose parents maintain separate households and file separate tax returns, each parent's income is to be considered separately by preparing a SUD FIPA for each parent. However, if there is a court order indicating that one parent is responsible for paying all medical and hospital expenses, the ability to pay should be based solely on the income of the parent made responsible by the court order and the other parent should be considered to have no ability to pay.
 - f. If responsible party is unable to provide documents verifying income, explain that failure to provide verification within 10 business days will result in the charge for full cost of every service. Have responsible party sign two (2) of SUD FIPA indicating agreement to provide documentation within 10 business days.
 - g. Notifies Region 10 PIHP's Finance Office if the responsible party fails to provide documentation within 10 business days. SUD Network Provider enters \$25,000 in Data Entry System (DES) when 10 business days have expired and documentation has not been received.
2. Assesses fee using the Substance Use Disorder Sliding Fee Schedule.

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- a. Notifies clinical provider of assessed fee when greater than 0 and enters fee or calculated fee percentage to Data Entry System (DES).
 - b. If consumer is determined to have zero ability-to-pay, notes zero fee and enters this in the Data Entry System (DES).
 - c. Reviews specifics when there is a divorce decree.
 - d. If determination of ability to pay is not assessed in a timely manner (i.e. not able to complete at time of intake due to missing documentation or redetermination not completed within one year's time) preparer will enter \$25,000, full cost of service.
3. Ensures responsible party (and spouse, when applicable) signs SUD FIPA.
 4. When mailing SUD FIPA to responsible party for completion/signature ensures receipt within 30 days. If the responsible party refuses to sign the SUD FIPA and is eligible for Medicaid, make the following note on the SUD FIPA: "signature, requested, SUD FIPA not signed/returned" and maintain in case record. For responsible parties without Medicaid, follow the full cost of service process.
 5. At time of initial fee determination, both verbally and then 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. See Standards A and B.
 6. Additionally, informs the responsible party, both verbally and 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 for the Region 10 PIHP Hearing Officer to complete the total financial determination. See standard D. (Exhibit B, Notice of Rights for Ability To Pay New Fee Determination, Re-Determination & Appeal.)

SUD Provider Network Designee

1. Reviews the FIPA for completeness and accuracy. Notifies the fee assessor of any errors for follow up.
2. Enters an ability to pay in the Data Entry System (DES) when the fee assessment is to be retroactive.

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3. If SUD Self Pay Amount is not collected on date of service, processes responsible party invoices monthly.

B. Completion of New Fee Assessment (Change in Income)

SUD Provider Fee Assessor

1. Follows Section V.A., procedural steps #4-9.

SUD Provider Finance Department

Supervisor or Designee

1. Follows Section V.A., procedural steps #10-11.

SUD Provider Network Designee

1. Follows Section V.A., procedural step #12.

C. Completion of New Determination (Income does not appropriately reflect ability to pay)

SUD Provider Fee Assessor

1. Completes a Request for a New Fee Determination (Exhibit C) when consumer informs the SUD provider that the initial, annual or new fee determination does not appropriately reflect his or her ability to pay.
 - a. Completes New Determination within 30 days of the responsible party's written request for a new determination.
 - b. Completes New Determination (Exhibit D), documenting assets, expenses and gross income (not MI taxable income).
 - c. Housing and utility expense shall be determined using "Michigan – Housing and Utilities Allowable Living Expenses" table. Recipient or guarantor must provide documentation of expenses in excess of the standard amount allowable for housing, utilities and maintenance.
 - d. Michigan Department of Health and Human Services sets a cap that is announced annually through email, (effective October 1st) per qualified person in household (individual, spouse and dependents) per month for food, clothing and incidental expenses allowed.

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- e. Forwards completed New Determination – Detailed Worksheet of Assessed Consumer Fee and Full Financial Review of Income and Expense Worksheet to SUD provider finance department for review.
2. Files original in case record.

SUD Provider Finance Department

1. Reviews the New Determination for accuracy and support of assessed fee. Notes any corrections, and returns to fee assessor.

SUD Provider Fee Assessor

1. Makes any necessary corrections to the New Determination based on administrative review and obtains necessary signature(s) on New Determination.
2. Prepares dated, signed written rationale for undue financial burden, if it is the opinion that the new determination would materially decrease the responsible party's standard of living by decreasing the responsible party's capacity to pay for expenses as defined in III (J) of this policy.

SUD Provider Finance Department

1. Approves or disapproves by his/her dated signature of rationale for reducing or eliminating the consumer/guarantor's ability to pay. The approval shall be reviewed annually or earlier should the responsible party's financial situation change.

SUD Provider Fee Assessor

2. Presents New Determination to responsible party for his/her dated signature.
3. Enters re-determined fee information into the Data Entry System (even when assessed fee is zero).
 - a. Coordinates the updating of the ability-to-pay in the data entry system with the SUD Provider Biller when the new determination results in a different fee percentage or amount.
4. Ensures responsible party receives copy of SUD FIPA/New Determination and service fee schedule as applicable.
5. If responsible party identifies that the assessed fee will create an undue financial hardship, notifies the responsible party that he or she may either:

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- b. Request that the SUD Provider Executive Director approve a reduction to the fee or waiver of the fee.
 - 1. Completes “Request to Reduce or Waive Assessed Fee” (Exhibit E) and submits to Executive Director for approval.
- c. Request an Administrative Hearing by the Region 10 PIHP Hearing Officer.
 - 1. Informs the responsible party of the process he or she must follow in requesting an administrative hearing (Exhibit B, Notice of Rights for Ability to Pay: New Determination, Redetermination & Appeal of Ability to Pay).
 - 2. Assists, if necessary to complete Ability to Pay Administrative Hearing Request Form (Exhibit F), or the Ability to Pay Administrative Hearing by Telephone Request Form (Exhibit G).
 - 3. Upon receipt, forwards copy of the Request for Administrative Hearing form to Hearing Officer and Account Clerk. Files request form in consumer record.

SUD Provider Finance Department

- 6. If New Determination is not contested, reviews for completeness and accuracy and signs.
- 7. Places original(s) in consumer’s case record.

SUD Provider Director

- 8. Reviews completed Request to Reduce or Waive Assessed Fee (Exhibit E) and makes determination as to whether to approve request, approve request with modifications or deny request.

SUD Provider Assessor

- 9. Files signed Request to Reduce or Waive Assessed Fee (Exhibit E) in case record with Financial Information and Payment Agreement (Exhibit A) and New Determination (Exhibit D) if applicable.
- 10. Notifies responsible party of SUD Provider Executive Director’s decision regarding fee reduction or waiver and their right to request an Administrative Hearing to appeal the decision.

D. Administrative Hearing (Redetermination)

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Region 10 PIHP 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 to occur as soon as possible, or within thirty (30) days of Hearing request.
2. Notifies applicable person(s) of scheduled hearing via the SUD Ability to Pay Administrative Hearing Notice Form (Exhibit H).
3. Conducts Administrative Hearing, documenting responsible party concerns and requests using the Administrative Hearing Disposition form (Exhibit I).
4. Completes a redetermination of ability to pay assessment.
5. Informs, in writing, the responsible party of the results of the Administrative Hearing, and obtains the responsible party signature on redetermination.
6. Informs, in writing, the responsible party of his or her rights to appeal the redetermination to the local probate court (Exhibit J, Notice of Outcome of Ability to Pay Administrative Hearing).

E. Collection Procedures for Consumers Currently Receiving Services

SUD Provider Finance Department

1. Notifies Program Supervisor/clinical staff of open account balances.

SUD Program Supervisor

2. For any balance, discuss the impact of discontinuing services to consumer with Clinician or SUD Clinical Case Manager.
3. Make recommendation to SUD Provider Director and the Region 10 PIHP designee to discontinue services if appropriate. If service continuation is appropriate, instructs Clinician or SUD Clinical Case Manager to pursue payment agreement.

SUD Provider Fee Assessor or Designee

4. Discuss a payment agreement (Exhibit K, Installment Payment Agreement) with the guarantor.
5. Prepares agreement and obtains signature, following Standard M.

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6. Informs consumer/guarantor that the first payment is due upon signing of the form, and due by the fifth working day of each month thereafter until balance is paid in full. They will also agree to pay for services at the time they are provided.
7. Forwards a copy of the agreement to the SUD Provider Network Designee.

SUD Provider Network Designee

8. Notifies Finance Department Supervisor when consumer/guarantor fails to make payment in accordance with the Installment Payment Agreement. Notes if account has been forwarded to Credit Bureau.

Clinician /SUD Clinical Case Manager

9. Notifies their agency's Designee in writing within 5 days when aware of any new circumstances that would make further collections unwarranted.

SUD Provider Network Designee

10. Sends a series of three (3) collection letters to guarantor, prior to account being forwarded to an approved collection agency.
11. Turns accounts over for collection.

SUD Provider Director/Designee

12. Makes final decision on termination of services.

F. Collection Procedures for Consumers No Longer Receiving Services

SUD Provider Network Designee

1. Reviews Private Pay Statements.
2. Sends a collection letter to guarantors with an account balance encouraging payments. Sends a series of three (3) letters.
3. Contacts consumer/guardian by phone after 2nd letter and documents call.
4. Turns account over to an approved collection agency.

G. Write-Off of Uncollectible Accounts

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SUD Provider Network Designee

1. Forwards memo and supporting documentation to Finance Department Supervisor for Data Entry System (DES) write off.

SUD Provider Finance Department

2. Forwards a listing of accounts recommended for write-off to the, Program Director for approval.

SUD Provider Director

3. Approves and signs write-off amounts less than \$1,000.00.

VI. EXHIBITS:

- A. Substance Use Disorder Financial Information and Payment Agreement.
- B. Substance Use Disorder Notice of Rights for Ability to Pay
- C. Substance Use Disorder Request for a New Fee Determination
- D. Substance Use Disorder New Determination
- E. Substance Use Disorder Request to Reduce or Waive Assessed Fee
- F. Substance Use Disorder Ability to Pay Administrative Hearing Request
- G. Substance Use Disorder Request for Ability to Pay Administrative Hearing Telephone
- H. Substance Use Disorder Ability to Pay Administrative Hearing Notice
- I. Substance Use Disorder Ability to Pay Administrative Hearing Disposition Form
- J. Substance Use Disorder Notice of Outcome of Ability to Pay Administrative Hearing
- K. Determination of Taxable Income
- L. Guidelines of Inclusion and Exclusion of Assets, Income and Expenses.

VII. REFERENCES

1. MDHHS and Region 10 PIHP "Master Contract"

**Region 10 PIHP
SUBSTANCE USE DISORDER
FINANCIAL INFORMATION AND PAYMENT AGREEMENT**

The SUD Program Provider is financed by consumer payments, funds from federal, state and local government and contributions. If you have insurance benefits, these sources must be billed in order to pay for part of the cost of the services you receive.

COMPLETION OF THIS FORM IS VOLUNTARY; however, if you choose to withhold the information requested, you will be responsible for paying the standard charge(s) for the service(s) you receive. The outpatient rate schedule is posted.

Program Name: _____

Consumer's Name	Case #	DOB:
Guarantor's (Responsible Party) Name:	Soc Security #	Relationship to Consumer:
Address:	DOB:	Telephone/Home:
City/State/Zip:		
Guarantor's Employer:		Telephone/Work:
Address:		
Name and age of dependents per Michigan Income Tax Return:		

INSURANCE INFORMATION			
We cannot bill your insurance company unless you provide Provider with your insurance information. <u>(Please attach a copy of your insurance card(s) front and back to this agreement)</u> . All insurance benefits must be identified and used prior to using Medicaid Healthy Michigan or Block Grant benefits, as payer of last resort.			
Primary Insurance:		Policy/Contract Number:	
Name & DOB of Subscriber:		Group Number:	
Secondary Insurance:		Policy/Contract Number:	
Name & DOB of Subscriber:		Group Number:	
Tertiary Insurance:		Policy/Contract Number:	
Name & DOB of Subscriber:		Group Number:	

II.

I certify that the above information is accurate, and I agree to notify Provider of any changes in this information during the course of my treatment.

I authorize payment directly to Provider for any insurance benefits to which I am entitled and authorize the release of information needed to process insurance claims.

I agree to endorse over to Provider, within 10 business days, any insurance reimbursement checks that may be sent directly to me (subscriber). Failure to do so may result in me being charged the full cost of service and my account may be turned over to collections.

Copies of all insurance cards have been obtained and are attached: Yes No

If not Medicaid eligible, proof of application and/or denial dated within the past 30 days has been provided:
Yes No Comments: _____

Consumers with current Medicaid or Healthy Michigan Plan benefits will be assessed no fee for Substance Use Disorder services (Not to include Medicaid Spend Down, State Medical Program or Children’s Special Health Care Services).

**Omit this box if consumer has already provided the necessary documents and proceed to section III.*

I do not have the needed document(s) to accurately assess my fee today. Failure to return the necessary documents needed to complete the fee assessment will result in monthly fee equal to full cost of all services provided. I will provide information within 14 days from the date signed below:

Signature

Date

III.

Income (Michigan State Income Tax Return):

Copy of Michigan State Income Tax Return, W-2 or check stub(s), as well as unemployment income verification when applicable has been provided and is attached: Yes No

If no, reason: _____

- A) Consumer \$ _____ Year: _____
- B) Spouse \$ _____ Year: _____
- C) Guarantor/Responsible Party \$ _____ Year: _____

Your assessed Ability to Pay for Substance Use Disorder services based upon your Michigan taxable income per the sliding fee scale (See page 4) is \$ _____ per month, effective _____.

IV.

Check as item is explained:

- Payment is expected at the time of service. Failure to pay fees within 60 days from the date of service may result in the use of a collection agency/credit bureau or even result in the termination of services.
- A \$20.00 processing fee will be charged for a non-sufficient funds check returned by the bank.
- If a Consumer/Responsible Party willfully fails to provide relevant insurance coverage information to the Substance Use Disorder services program or if a responsible party willfully fails to apply to have insurance benefits that cover the cost of services provided to the individual paid to Provider, the responsible party’s ability to pay shall be determined to include the amount of insurance benefits that would be available. If the amount of insurance benefits is not known, the responsible party’s ability to pay shall be determined to be the full cost of services.
- An initial bill must be presented within 2 years from the date of service or the consumer/responsible party’s financial obligation is waived. Statement balances owed may be provided monthly from Region 10 PIHP SUD Provider.

My signature indicates that I have read and accept the assessed fee as noted on this binding agreement:

*Consumer/Guarantor (Responsible Party's) Signature

Date

Spouse's Signature (not required if spouse has no taxable income)

Date

Preparer's Signature

Date

Supervisor's Signature

Date

If you are not in agreement with the above assessed fee, you may request a "New Determination" (Full Financial Review). To do so, please notify your fee assessor that you would like request a New Determination and complete the "New Determination Request" form. Upon completing the new Determination Request form, you will be asked to submit proof of your assets and expenses within 30 days. If you fail to provide the necessary information within 30 days, you will be financially responsible for the above assessed fee.

My Signature below indicates that I am requesting a new determination of my assessed fee. I understand that my failure to provide the information necessary to complete the full financial review within 30 days will result in my financial responsibility of the above fee.

Consumer/Guarantor (responsible Party's)

Signature

Date

Substance Use Disorder Notice of Rights for Ability to Pay

New Fee Determination, Redetermination & Appeal

Consumer Name: _____ Case # _____ Date: _____

Responsible Party Name and Address: _____

Your ability to pay has been determined in the amount of \$ _____, per _____
Effective _____.

If you do not agree with your assessed ability to pay you may:

1. Request a new fee determination of ability to pay, if the income amount utilized in assessing your ability to pay is not appropriate to your current income status. The new rate determination will be completed based upon your current annualized Michigan taxable income; or;
2. Request a new fee determination of ability to pay, if the income amount utilized in assessing your ability to pay is not reflective of your ability to pay. The new fee determination will be based on your total financial situation.
3. Request a reduction or waiver of the assessed fee by Executive Director of agency providing SUD services. This waiver or reduction should be based on documented clinical or other rationale.
4. Appeal your assessed ability to pay through an Administrative Hearing at which time a redetermination of your ability to pay shall be completed;

Or write to: **Region 10 PIHP**
Attn: Finance Director
3111 Electric Avenue, Suite A
Port Huron, MI 48060

5. If not resolved, you may appeal an ability to pay redetermination to your local Probate Court.

Substance Use Disorder

Request for a New Fee Determination

Consumer Name: _____ Case #: _____

Guarantor/Responsible Party (when applicable): _____

I am requesting that my fee assessment of \$ _____ be recomputed based upon the additional information that I will provide (e.g. decrease/increase wages, settlements, retroactive income, expenses, proof of undue financial hardship, etc.)

Reason: _____

My signature below indicates I understand that I have 30 days to provide the necessary documentation of expenses and assets in order for the fee assessor to complete the New Determination or my originally assessed fee will be effective from the first date of service.

Consumer/Guarantor Signature *Date*

Preparer's Signature *Date*

**Substance Use Disorder
NEW DETERMINATION
Detailed Worksheet of Assessed Consumer Fee**

ASSETS: CASH: _____ CHECKING ACCOUNT: _____ SAVINGS ACCOUNT: _____
 OTHER ASSESTS (Certificates of Deposit, Stocks, Bonds, Dividends, Interest Income from Estate or Trust): _____
 ANNUAL GROSS INCOME (Not Michigan State Tax Return Amount): _____

MONTHLY ANNUALLY

Standard housing and utility expense (effective 3/31/14) for County of Residency
 * (Per Michigan Housing and Utility Allowable Living Expense:

Rent or Mortgage House Payment (Include Taxes & Insurance) _____ -or- _____ -or- _____

Maintenance _____

Utilities (Gas, Electric, Telephone, Water/Sewer) _____

Subtotal _____

** Food, Clothing and Miscellaneous expense _____

Taxes (FICA, Federal, State, City) _____

*** Transportation Expenses (Includes Insurance) _____

Automobile Loan Payments _____

Automobile Insurance Premiums _____

Employment/Business Expenses _____

Medical Expenses (Net Of Reimbursement) _____

Life and Medical Insurance Premiums _____

Day Care/Nursery School _____

Education Expenses _____

Child Support/Alimony _____

Other Payments (List): _____

=====

*To obtain standard amount refer to www.irs.gov/business/small/article/0,,id=104915,00.html

** Cap set by MDHHS effective October 1st each year.

***Transportation: expense is determined by using one of the following methods (Do not use a combination of both 1 & 2):

- 1) The IRS approved standard mileage rate (this rate includes car payment, gas, oil, insurance and all necessary maintenance for the vehicle)
- 2) Actual expenses

I certify that the above is an accurate account of my expenses. If I am not satisfied with my New Determined Fee, I can request a hearing before the Hearing Officer in writing within 30 days.

 Consumer/Guarantor (Responsible Party) Signature

 Date

 Spouse's Signature (not required if spouse no taxable income)

 Date

Substance Use Disorder Request to Reduce or Waive Assessed Fee

Consumer Name: _____

Case #: _____

Assessed Fee: _____% of service cost Effective Date: _____

Request for fee to be reduced to _____% of service cost

Request for fee to be waived

Clinical rationale for reduction or waiver of assessed fee: _____

(Attach more paper if necessary)

Consumer/Responsible Party Signature Date

Clinician Signature Date

(To be completed by Executive Director of SUD Service Program)

Request to reduce or waive fee:

Approved

Approved with the following modification: _____

Denied

Executive Director Signature Date

Cc: Case Record

Substance Use Disorder
Ability to Pay Administrative Hearing Request

Consumer Name: _____ Case #: _____

Guarantor/Responsible Party (if applicable): _____

Address: _____ Telephone #: _____

I am requesting an Administrative Hearing for a redetermination of my Financial Liability for Services received in accordance with Department of Community Health Rules and Region 10 PIHP Substance Use Disorder Fee Policy.

I understand that this form must be filed within 30 days of the date of the initial, annual or new rate determination with:

Region 10 PIHP
Attn: Region 10 PIHP Finance Hearing Officer
3111 Electric Avenue, Suite A
Port Huron, Michigan 48060-5416

I understand failure to file this form within 30 days of the date of the initial, annual or new rate determination will result in the financial liability previously assessed to be binding.

Consumer/Guarantor (Responsible Party) Signature

Date

Substance Use Disorder

REQUEST FOR ABILITY TO PAY ADMINISTRATIVE HEARING BY TELEPHONE

I hereby request that I be allowed to present evidence via telephone at the Ability to Pay Administrative Hearing to be held on

_____.

In the Matter of _____ Case #: _____

Consumer Responsible Party

Signature

Date

Preparer's Signature

Date

PLEASE RETURN COMPLETED FORM TO:

Region 10 PIHP
3111 Electric Avenue, Suite A
Port Huron, MI 48060

Substance Use Disorder Ability to Pay Administrative Hearing Notice

In the Matter of _____ Case #: _____

NOTICE OF ABILITY TO PAY ADMINISTRATIVE HEARING

TO: _____

Please be advised that pursuant to the Michigan Public Health Code an Administrative Hearing has been scheduled to review the issues involved in a Financial Liability New Determination Appeal.

The hearing is scheduled for:

Date: _____

Hour: _____

Location: _____

As an alternative to appearing at the hearing, you may participate by telephone. If you elect a telephone please fill out and return the enclosed Request for Hearing by Telephone form.

It is suggested that appellant bring to the hearing any relevant documentation such as tax returns, pay stubs, and repair estimates that will tend to support appellant's position.

Failure to appear for the hearing will result in a decision being made upon information available at the close of the hearing.

Region 10 PIHP's Hearing Officer's decision may be appealed to the Probate Court of the individual's County of Residence.

**Substance Use Disorder
ABILITY TO PAY
ADMINISTRATIVE HEARING DISPOSITION FORM**

Consumer Name: _____

Responsible Party: _____

Administrative Hearing Date: _____

Hearing Type: Face to Face Telephone: _____

Persons Attending Meeting: _____

Current Consumer Complaint(s): _____

Agency Response: (Attach more paper if necessary):

Meeting Disposition:

Resolved Withdrawn Pended Not Resolved

Disposition Discussion: _____

Region 10 PIHP Hearing Officer

Signature

Consumer/Responsible Party Signature

Cc: Case Record
Region 10 PIHP SUD Director

**Substance Use Disorder
Notice of Outcome of Ability to Pay
Administrative Hearing**

Name: _____ Case #: _____ Date: _____

Responsible Party Name and Address: _____

This notice was given/mailed to _____ on _____
and the notice was copied for the case record and Finance Office.

Specifically, the action taken is described below.

As a result of Administrative Hearing, your ability to pay has been re-determined in the amount of \$ _____, per _____ effective _____.

If you do not agree with your assessed ability to pay or the assessed ability to pay creates an undue financial burden you may appeal to your local Probate Court:

Genesee County Probate Court
900 South Saginaw Street
Flint, MI 48502
Phone: (810) 257-3528

Sanilac County Probate Court
60 West Sanilac
Sandusky, MI 48471
(810) 648-3221

Lapeer County Probate Court
255 Clay Street
Lapeer, MI 48446
Phone: (810) 667-0261

St. Clair County Probate Court
201 McMorran Blvd.
Port Huron, MI 48060
Phone: (810) 985-2066

Region 10 PIHP Hearing Officer: _____ Date: _____

Cc: Case Record
Region 10 PIHP SUD Director

Determination of Taxable Income
For Financial Information and Payment Agreement

The following items are to be included in or excluded from income for the purpose of determining ability to pay when completing the Financial Information and Payment Agreement:

Income to be excluded from income:

- Entitlement benefits such as Social Security, Supplemental Income, Veteran's Administration, etc.
- Child support received (if child is not recipient of services)
- Disability pay
- Military pay
- Income attributable to another state

Items included in income (adjusted gross income from Michigan tax return, line 16):

- Salaries and wages, including bonuses, longevity, overtime, vacation and sick pay, tips, etc
- Alimony received
- Child support received (only when child is recipient of services, not if parent is only recipient of services)
- Net rental income
- Net profit from business if self employed
- Trust income
- Unemployment compensation
 - If compensation is equal to 50% or more of gross income, then individual is entitled to an additional special exemption allowance of \$2,300.
- Interest and dividends not excluded for purpose of preparing MI 1040
- Pension and retirement earnings not excluded for purpose of preparing MI 1040

Guidelines for Inclusion and Exclusion of Assets, Income and Expenses
For Full Financial Determination

The following are listings of assets, income and expenses that per Michigan Department of Health and Human Services Administrative Rules may or may not be included in the determination of ability to pay:

Assets to be excluded when determining ability to pay:

- Homestead and accumulated funds separately held to pay homestead taxes, assessments and insurance
- Household goods customarily found in the home and intended for the maintenance, use or occupancy of the home
- Personal property that is essential for health maintenance and mobility, such as wheelchairs and walkers
- Tools or equipment used in the production of income (i.e. mechanic's tools, business vehicle)
- Irrevocable prepaid funeral contracts and burial spaces as defined and allowed under the Medicaid Assistance Program (FIA)
- Pension funds, deferred compensation, annuities or similar funds that cannot be withdrawn or borrowed against

Assets to be included in determining ability to pay:

- Bank accounts, checking accounts, savings accounts, credit union accounts
- Stocks and bonds-current market value
- U.S. Savings bonds-cash value or value determined by schedule on bond
- Estate or Trust Funds-must receive copy of trust agreement in order to determine amount available
- Inheritance-amount of value at time of ability to pay determination
- Vehicles in addition to primary vehicle (married persons may exclude two vehicles)
- Recreational vehicles, including snowmobiles, motorcycles, motor homes, boats, etc.
- Real estate other than primary homestead including recreational property, vacation and rental property
- Pension funds, deferred compensation, annuities or similar funds that *can* be withdrawn or borrowed against (include only 90% of asset value)

Income to be included in determining ability to pay:

- Salaries and wages, including bonuses, longevity, overtime, vacation and sick pay, tips, etc.
- Entitlement benefits such as Social Security, Veteran's Administration, Supplemental Income, etc.
- Retirement and pension income
- Interest and dividends
- Unemployment compensation
- Worker's compensation
- Disability pay

Income to be included (continued):

- Alimony received
- Child support received (only when child is the recipient of services, does not get added as gross income of a parent when parent is the recipient of services)
- Net rental income
- Net profit from business if self employed
- Trust income

Expenses to be included in determining ability to pay:

- Food, clothing and personal necessities
 - MDHHS has established a standard expense allowance for food clothing and incidental expenses. The cap is changed each year on October 1st.
- Shelter expense such as rent or mortgage, property taxes and insurance
- Homestead maintenance expenses such as plumbing or furnace repairs, repair of broken windows, etc.
- Utilities including gas, electric, water, trash removal and telephone (only one telephone is allowable, either a land line or a cell phone but not both)
- Life insurance premiums
- Income taxes (federal, FICA, state, local)
- Contracted debt payments including loans and credit card debt incurred prior to receiving services
 - Amount of contractual debt payment allowable per month is equal to the contract minimum or monthly payment amount
 - Assets associated with contractual payments listed as expenses should be included as available assets when not excludable (i.e. if loan on snowmobile is listed as an expense then snowmobile should be included as an available asset)
- Employment expenses including union dues, uniforms, tools, equipment, etc.
- Tuition expenses for minor children attending parochial or private school
- Expense for higher education or vocational education of individual or spouse when it is necessary to maintain primary employment
- Transportation expense
 - May use *one* of the following methods:
 - 1) Itemized Method-provide actual expense for automobile payment, automobile insurance, gas, oil, license plate fees, repairs and maintenance
 - 2) Mileage Rate Method- Multiply mileage driven for employment and necessary family travel by current state mileage rate (do not include employer reimbursed mileage)
- Health and Dental insurance premiums
- Outstanding medical/dental bills
- Pharmacy charges
- Guardianship fees
- Legal fees
- Court ordered obligations such as child support and alimony

Expenses that are not allowed:

- Entertainment expenses of any kind
- Memberships such as health club or zoo membership
- Expenses for extracurricular activities such as figure skating, karate, hockey, dance, gymnastics, etc.
- Fines such as traffic or parking tickets
- Payments for nonessential services such as dog walking, car wash and nail salon
- Expenses associated with pet ownership such as veterinary bills and pet food