

Western Highlands Fee Collections Policy

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CLIENT FEE ASSESSMENT AND COLLECTION PRACTICES

Approved: _____ Revised: _____
Effective Date: 01/01/2004
Reference: NCGS 122C-146

1. General Policy

Western Highlands LME has the responsibility and obligation to the residents and consumers of its catchment area to secure all available resources for the provision of mental health, substance abuse, and developmental disability services. To fulfill this obligation, the LME will make every effort to maximize the earning of State funding, including Division of Mental Health (DMHDDSA) and Medicaid (DMA) funds. The LME, in conjunction with its network of qualified providers, will also work to secure other funds that are consistent with this responsibility.

Western Highlands Client Fee Assessment and Collection Practices assures compliance with all Federal and State statutes, rules, regulations and policies of the Medicaid Program, and will adhere to the conditions set out in any Provider Participation Agreement entered into by and between the LME, the Division of Medical Assistance, and the Division of MHDDSA Services. As an Area Program and in accordance with NCGS 122C-146, Western Highlands LME takes the position that it "should make every reasonable effort to collect appropriate reimbursement for costs in providing these services from individuals or entities able to pay, including insurance and third-party payment, and that no individual may be refused services because of an inability to pay."

In conjunction with its participating Qualified Network Providers, Western Highlands LME will pursue collection of applicable funds from all primary payers before seeking payment of Division of Mental Health (DMHDDSA) or Medicaid (DMA) funds. Western Highlands LME's contracts and provider network agreements will include provisions requiring providers to pursue collection of applicable funds from all primary payers - including clients and responsible parties - in conjunction with the payment of services through State and Medicaid funds by the LME.

2. Services Provided and Standard Charges

Services are provided by the member providers in the LME Qualified Provider Network and in some situations, by the LME directly. Services offered by the LME are consistent with the definitions and requirements published by the State Medicaid Program (DMA) and the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMHDDSA). Each service is defined primarily in terms of the type of contact between client and service provider rather than in terms of the location or the program component. The LME will establish a system of assessing charges that are consistent with the rates for reimbursement promulgated by DMA and DMHDDSA. Within its contract agreements with members of the Qualified Provider Network, the LME will establish: service-specific rates of reimbursement with providers, identify those services for which a standard charge and client fee may be assessed, and will provide a uniform sliding scale fee schedule, including specific minimum fees assessed for certain services, and conditions under which no charges may be assessed to clients (ex: Medicaid eligibility under current regulation). While the LME will have an established rate of reimbursement to the provider and a minimum fee, the LME will not stipulate the standard charge that a provider may adopt as their fee. This discretionary authority allows the provider to identify a prevailing standard charge and supports the principle of consumer choice promoted in State reform.

3. Fee Reduction Based on "Ability to Pay"

While expecting that providers will assess and collect fees for services provided from all clients and responsible parties who bear such responsibility, Western Highlands LME allows that if the financial circumstances of the client are such that they cannot pay the standard fee, the charges may be reduced in accord with their ability to pay. This determination must always be in compliance with applicable rules, laws, and policies related to federal and other third party payors.

In no case may an LME provider deny services in an emergency or to a high-priority client based solely on the inability to pay a fee. It is recognized by the LME that many persons needing services may not be able to pay the full cost of such services. Through the Sliding Scale Fee Policy issued by the LME to all Qualified Network Providers, clients may qualify for a reduction of the full amount of charges as payment for services. The Sliding Scale Fee Policy includes requirements that the provider collect from the client or person responsible for the client's bill written proof of their income, number of dependents, and other pertinent financial information, including information on insurance accepted by the Qualified Provider Network, and other third party information, so long as all laws and policies related to applicable federal and other third party payors permit it. The Sliding Scale Fee Policy will also

identify clients eligible for the established minimum fee, as well as the discount from the Provider's Standard Fee Charge for services that may be assessed.

A copy of the current Sliding Scale Fee Schedule and Minimum Fees for Services will be attached to this Policy.

4. Procedure for Setting Client Fees

The LME will establish and maintain, and will publish to all Providers, a procedure for determining clients' level of financial responsibility for services with standard fee charges. This procedure will take into account each clients' eligibility for any and all third-party insurance and coverage, income, and number of dependents. Providers will be expected to administer this procedure uniformly, consistent with HIPAA Privacy Act provisions, and with a minimal invasion of LME clients' personal privacy.

The procedure will provide for fully informing LME clients of the provider's policies and procedures regarding the appointment process, fees, payments, collections, handling of over-due accounts, assignment of benefits, third party coverage's and responsibilities, and other charges. An LME brochure will be provided to each client. In addition, the Provider will be expected to complete a two part Financial Intake Summary (to be executed at each client's intake interview) and to provide a copy to the client. The original Financial Intake Summary, along with a copy of the documentation required to verify the fee, must be kept on file by the provider.

5. Financial Re-evaluation of Center Clients

Providers will be required to re-evaluate client financial status every year at the anniversary date of admission to determine whether the ability to pay for services has changed. The provider will ask the client whether there have been any changes in the client's income, number of dependents, or eligibility for insurance, etc. that impact the current fee responsibility determination. If there are changes, the provider will complete a new Financial Intake Summary, which will be documented in the client record and a copy of which will also be given to the client. When a former LME client returns for services, the provider staff will conduct a new financial intake. A new and complete financial intake will be also be completed when a previously closed case is re-opened.

Through the Quality Management process, the LME will monitor this process as well as the other aspects of the reimbursement system to insure that these policies and procedures are carried out.

6. Third Party Reimbursement

It will be the standard policy of the LME that Providers be responsible for the pursuit of all third party reimbursement for services provided. In accordance with federal Medicaid and State Division of MHDDSA policy, providers will be required to demonstrate that third party responsibility is satisfied prior to reimbursement of services by the LME. The LME will adopt, within its Reimbursement Rates and the terms of its contractual agreement, provider reimbursement rates, which recognize and encourage the provider's responsibility to fulfill third party responsibility.

7. Fee Collection Process

Western Highlands LME and its member Qualified Providers will be required to have a consistent system for collection appropriate fees from clients. Clients who have financial responsibility for services are required to pay for the services being rendered at the time of each visit and for any delinquent payments. The collections system must be able to provide clients notice of when specific services have been paid, the nature of each charge assessed to the client, information on the current balance due, and a means by which clients may receive information concerning the status of their account. The Provider's fee collections system must also include written guidelines for write-offs to first and third party accounts.

Providers are encouraged to include in their fee collection process appropriate means of communicating fees due to clients and may use appropriate measures to collect fees, including front desk payments, telephone calls, mailed statements, and collection letters/ notices. Providers may employ third parties to assist in collection efforts, provided that the provider and all agents acting on its behalf act in compliance with all applicable federal and state collection regulations and practices.

Providers are expected to monitor the payment of fees by their clients and to inquire as to reasons for delinquent payment. If a client is delinquent in paying for services rendered, Providers may establish an alternative payment plan ("Contract"). If the Provider has established an alternative payment plan (ex: Contract), the terms of that plan will be followed. Providers who determine that a client is not meeting their financial responsibility and who have exhausted all reasonable means of collecting fees, including direct contact with the client and a minimum of two collection letters, may terminate client services, provided that authorization to do so is approved by the LME. In no event may the Provider suspend or terminate services to clients determined by the LME to be "high priority" and requiring services.

WESTERN HIGHLANDS LME
Effective Jan 1, 2004

FEE DISCOUNT PERCENTAGES BASED ON INCOME

This schedule indexes income according to the 2003 Federal Poverty Income Guidelines; all families in poverty benefit from the maximum discount (Min. fee).

Number in Household Dependent on Income

<u>Income Range</u>	<u>1</u>	<u>2 - 3</u>	<u>4 +</u>
\$ 0 - 12,120	Min. fee	Min. fee	Min. fee
\$ 12,121 - 15,260	90%	Min. fee	Min. fee
\$ 15,261 - 18,400	80%	90%	Min. fee
\$ 18,401 - 21,540	70%	80%	90%
\$ 21,541 - 24,680	60%	70%	80%
\$ 24,681 - 27,820	50%	60%	70%
\$ 27,821 - 30,960	40%	50%	60%
\$ 30,961 - 34,100	30%	40%	50%
\$ 34,101 - 37,240	20%	30%	40%
\$ 37,241 - 40,380	10%	20%	30%
\$ 40,381 - 43,520	0%	10%	20%
\$ 43,521 +	0%	0%	0%

Under current NC Medicaid Policy, any client who is Medicaid-eligible at the time of service does not have any first-party responsibility for services, provided that they are in compliance with current Medicaid requirements regarding proof of coverage, coordination of any third party benefits, etc.

Court-ordered Services (ex: DWI Evaluation, DWI Treatment, DMV Evaluation) carry with them fees that are set by the State and are not subject to sliding scale charges.

Certain State-funded Programs and Services (ex: TASC Screenings) may also carry fees not subject to the Area Authority Sliding Scale or Minimum Fee Schedules.

Unless approved by Western Highlands (upon request by the service providing agency), services not listed or referenced on this schedule may not be billed to the client or patient responsible party.