

Community Mental Health Partnership of Southeast Michigan/PIHP	Policy Ability to Pay
Department: Finance	Local Policy Number (if used)
Regional Operations Committee Approval Date 9-23-2019	Implementation Date 11-1-2019

I. PURPOSE

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

II. REVISION HISTORY

DATE	REV. NO.	MODIFICATION
5-3-2013	1	Revised to reflect the new regional entity effective January 1, 2014.
9-1-2019	2	Revised to update standards.

III. APPLICATION

This policy applies to staff involved in the ability to pay process, assessing, reassessing, and monitoring a consumer’s ability to pay.

IV. POLICY

No person shall be denied services due to an inability to pay. Fees for each service are provided in accordance with all applicable laws, regulations and the requirements of payers and in keeping with sound accounting practices. Reimbursement is sought for all services provided in accordance with all applicable laws, regulations and the requirements of payers.

V. DEFINITIONS

Ability to Pay – Ability of a consumer or responsible party to pay for the cost of services.

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

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

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

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

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

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

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

Responsible party - person who is financially liable for services provided to the consumer. This person includes the individual and, as applicable, the individual's spouse, guardian and parent, or parent of a minor.

VI. STANDARDS

- A. The ability-to-pay determination will take place prior to starting services or, in the case of emergency, as soon as it is clinically appropriate.
- B. Consumers who either opt out of the ability to pay process or refuse to supply financial and/or insurance information shall be assessed full customary rate for service.
- C. The total combined financial liability of the responsible parties shall not exceed the customary rate of the services.
- D. Charges to consumers for services provided by out of network providers will not exceed ability to pay for in network providers. When there is a discrepancy in cost for the same services the consumer will be charged the lower of the costs.
- E. A responsible party shall only have one ability-to-pay determination in place at any given time.
- F. A responsible party who is determined to be Medicaid eligible shall be assigned a zero ability to pay, unless otherwise provided for under Medicaid policy.
- G. Respite ability-to-pay calculation is included in the over ability to pay monthly amount but is applied as a daily, 3-day (30) amount.
- H. All consumers shall be notified of their right to appeal an ability to pay determination.
- I. Consumer's ability to pay will be reassessed a minimum of once annually or upon significant changes in the responsible party's financial situation. A new ability to pay needs to be completed as soon as possible when there is a negative change in Medicaid eligibility (i.e.: HMP → MA(s), full MA → MA(s) or complete loss of Medicaid).

- J. A parent shall not be determined to have an ability to pay for more than one (1) individual at any one time and a parent's total liability for two (2) or more individuals shall not exceed a combined total of eighteen (18) years.
- K. Insurance benefits that cover services, either in part or whole are considered as part of the individual's ability to pay. Individual fees are assessed when insurance benefits are unavailable or pay for only part of the cost or have been depleted.
- L. A **full** financial is required:
 1. For residential stays
 2. For inpatient stays of more than sixty-one (61) days
 3. When a consumer requests one and
 4. When a consumer states they are unable to pay the determined ability-to-pay amount.

VII. EXHIBITS

Public Mental Health System Ability-To-Pay Schedule

VIII. REFERENCES

Reference:	Check if applies:	Standard Numbers:
42 CFR Parts 400 et al. (Balanced Budget Act)		
45 CFR Parts 160 & 164 (HIPPA)		
42 CFR Part 2 (Substance Abuse)		
Michigan Mental Health Code Act 258 of 1974	X	Chapters 2A, 8
The Joint Commission - Behavioral Health Standards		
MDCH Medicaid Contract	X	
MDCH Substance Abuse Contract		
Michigan Medicaid Provider Manual	X	
PA 500/501	X	
Substance Abuse Administrative Rules	X	R325.4151-325.4156

EXHIBIT A

**Michigan Department of Community Health
Public Mental Health System Ability-To-Pay Schedule**
for Adult Non-Residential, Adult Inpatient Psychiatric
and Crisis Residential of less than 61 consecutive days,
and Parental Liability

State Taxable Income			Ability to Pay	
			Monthly	Annually
\$10,001.00	to	\$11,000.00	\$11.00	\$132.00
\$11,001.00	to	\$12,000.00	\$14.00	\$168.00
\$12,001.00	to	\$13,000.00	\$18.00	\$216.00
\$13,001.00	to	\$14,000.00	\$22.00	\$264.00
\$14,001.00	to	\$15,000.00	\$27.00	\$324.00
\$15,001.00	to	\$16,000.00	\$32.00	\$384.00
\$16,001.00	to	\$17,000.00	\$38.00	\$456.00
\$17,001.00	to	\$18,000.00	\$45.00	\$540.00
\$18,001.00	to	\$19,000.00	\$53.00	\$636.00
\$19,001.00	to	\$20,000.00	\$62.00	\$744.00
\$20,001.00	to	\$21,000.00	\$72.00	\$864.00
\$21,001.00	to	\$22,000.00	\$83.00	\$996.00
\$22,001.00	to	\$23,000.00	\$95.00	\$1,140.00
\$23,001.00	to	\$24,000.00	\$108.00	\$1,296.00
\$24,001.00	to	\$25,000.00	\$122.00	\$1,464.00
\$25,001.00	to	\$26,000.00	\$137.00	\$1,644.00
\$26,001.00	to	\$27,000.00	\$153.00	\$1,836.00
\$27,001.00	to	\$28,000.00	\$170.00	\$2,040.00
\$28,001.00	to	\$29,000.00	\$188.00	\$2,256.00
\$29,001.00	to	\$30,000.00	\$206.00	\$2,472.00
\$30,001.00	to	\$31,000.00	\$225.00	\$2,700.00
\$31,001.00	to	\$32,000.00	\$244.00	\$2,928.00
\$32,001.00	to	\$33,000.00	\$264.00	\$3,168.00
\$33,001.00	to	\$34,000.00	\$284.00	\$3,408.00
\$34,001.00	to	\$35,000.00	\$304.00	\$3,648.00
\$35,001.00	to	\$36,000.00	\$324.00	\$3,888.00
\$36,001.00	to	\$37,000.00	\$344.00	\$4,128.00
\$37,001.00	to	\$38,000.00	\$364.00	\$4,368.00
\$38,001.00	to	\$39,000.00	\$384.00	\$4,608.00
\$39,001.00	to	\$40,000.00	\$405.00	\$4,860.00
\$40,001.00	to	\$41,000.00	\$426.00	\$5,112.00
\$41,001.00	to	\$42,000.00	\$447.00	\$5,364.00
\$42,001.00	to	\$43,000.00	\$468.00	\$5,616.00
\$43,001.00	to	\$44,000.00	\$489.00	\$5,868.00
\$44,001.00	to	\$45,000.00	\$510.00	\$6,120.00
\$45,001.00	to	\$46,000.00	\$531.00	\$6,372.00
\$46,001.00	to	\$47,000.00	\$552.00	\$6,624.00
\$47,001.00	to	\$48,000.00	\$573.00	\$6,878.00
\$48,001.00	to	\$49,000.00	\$594.00	\$7,128.00
\$49,001.00	to	\$50,000.00	\$615.00	\$7,380.00

For state taxable income over \$50,000.00, ability to pay shall be 15% of that income.