

Partners in Recovery
CLINICAL POLICIES AND PROCEDURES

Subject: CONSUMER FEES/CO-PAYMENT

REF:RBHA Policy F.M. 1.04

Number: PRG - 1001

AFFECTS: A. Claims, Finance and Contracts Department

B. Network Management Department

POLICY: A. It is the Policy of Partners in Recovery to ensure the ability to make a co-payment will be based on the information collected from the consumer during the financial evaluation.

B. It is the policy of Partners in Recovery to ensure payment collection under the Partners in Recovery schedule of fees for non RBHA eligible consumers.

PURPOSE: To ensure that appropriate co-payments are consistently assessed and collected from consumers who are financially and clinically capable of contributing to the cost of care.

Definitions:

A. **Assignment of Benefits:** An agreement to be signed by the consumer or responsible agent that authorized any third party carrier to direct payments for services rendered to the provider of service.

B. **Adjusted Monthly Income:** Adjusted monthly income is calculated by subtracting the offsets to income from the total net (after taxes) income. The adjusted monthly income and family size determine the co-payment percentage from the consumer co-payment scale.

C. **Co-payment:**

1. Payments required of or permitted to be charged to Eligible Consumers for Covered Services under the ADHS/BHS Policies and Procedures Manual or any future equivalent thereof, as same may be amended or replaced from time to time.

2. Written agreement between the provider and the consumer that the consumer or responsible agent will pay co-payment charges related to treatment when incurred.

D. **Coordination of Benefits (“COB”):** The identification of any third party insurance benefits for behavioral health or related medical expenses other than state Medicaid which is always payor of last resort.

- E. **Covered Services:** Behavioral health treatment services funded in part or in full by The RBHA for consumers enrolled in ADHS/BHS consumer information system (CIS).
- F. **Enrollment Packet:** RBHA designated enrollment or eligibility forms to be completed by staff evaluator authorized to perform financial evaluations.
- G. **Extended Payment Terms:** A short-term arrangement between the consumer and Partners in Recovery if a consumer is temporarily unable to fully pay an assessed co-payment at the time of service.
- H. **Family Size:** Family means the consumer plus any immediate family member or life partner who has a relationship of financial responsibility/dependency with the consumer.
- I. **Financial Information:** The form used to document a consumer's financial ability to contribute to the cost of care. The form is FM 1.04A, completed by the consumer with the assistance of Partners in Recovery.
- J. **Installment Payment Plan:** A schedule of payments to be made over a period of time by the consumer or responsible agent for co-payment charges not paid at the time of service.
- K. **Head of Household Link:** A field on the FIF used to link FIF information for consumers of the same family.
- L. **Consumer:** A person determined eligible by the RBHA to receive services paid for in whole or in part from the RBHA funds.
- M. **Consumer Co-payment Scale:** A list of percentages indexed to family size and adjusted monthly income that identifies the actual percentage each consumer will pay as the share of cost. This co-payment percentage will be used by Partners in Recovery along with the RBHA contracted unit rate, to calculate the dollar amount that the consumer will pay as the co-payment.
- N. **Offsets to Income:** The monthly expenses that are used to reduce total monthly income are as follows: existing medical and medical insurance payments, sheltered income in an approved Plan to Achieve Self-Support ("PASS"), residential treatment co-payment obligation, child support payments, spousal maintenance, and any other court ordered dependent care and support actually paid.
- O. **Schedule of Fees:** Schedule of services offered by Partners in Recovery which includes the unit measure, Partners in Recovery unit rate and the RBHA contracted unit rate.
- P. **Third Party Liability ("TPL"):** Any behavioral health or associated medical health insurance coverage available for a consumer. The first and second parties to any service encounter are the authorizing agency and the consumer.
- Q. **Total Monthly Income:** The income considered in the co-payment percentage determination is that income received by the consumer's family during the 30 days prior to the date of the consumer's financial evaluation or an average of the preceding six months, whichever is less. Total monthly income includes all after tax earnings from

employment, self-employment, military pay, or any other sources: unearned income from sources such as child support, alimony, unemployment insurance, social security, disability benefits, supplemental security income, gifts, trust fund distributions, interest and dividends; and any other private or governmental source. Total monthly income does not include income that is anticipated but not yet received, including benefits for which an application is pending.

Procedure: For the RBHA Eligible Consumers

- A. No consumer shall be denied services due to an inability to pay for their care. The financial evaluation will include a determination of any third party liability (TPL). The financial evaluation will also seek detailed information about behavioral health care insurance coverage by third party payors. In addition to any collection of co-payments, Partners in Recovery shall bill all other possible payors and treat state behavioral health funds as the payor of last resort. The RBHA network providers will report all third party or co-payment collections to the RBHA and ADHS through the RBHA designated processes.
- B. An evaluation of the consumer's financial status must be completed in order to determine the actual co-payment amount. The co-payment amount will be based on the RBHA contract rate. Standard co-payment collection practices require co-payment at the time of service. Consumer payments due under this policy are not limited by any out-of-pocket maximums.
 1. Financial Status Evaluation
 - a) Initial Evaluation at Enrollment: During the enrollment process, an enrollment packet is completed on each incoming consumer. The FIF, as part of the enrollment packet, is completed by an evaluator, benefit specialist or provider agency staff consumer who will (1) inform consumers, parents, designated representatives or persons legally responsible for the cost of care of the consumer of the RBHA co-payment policy, (2) assist the consumer in completing the FIF, (3) calculate the consumer co-payment percentage, (4) obtain the consumer's signature on an Assignment of Benefits/Agreement to Pay Co-payment Form, (5) provide consumers with a copy of the schedule of fees and Consumer Co-payment Scale, and (6) inform the consumer of the RBHA grievance and appeal process. Co-payment percentage and TPL information will be communicated to the provider when the consumer is referred for treatment services.
 - b) Update/Change in Financial or TPL Status: All consumers will be re-evaluated at least annually or whenever circumstances or TPL coverage changes. Re-evaluations for case managed consumers will be processed by a case management team consumer. Changes and updates for service/case coordinated consumers will be processed by the primary provider. The primary provider will monitor the FIF review date as part of the Service/Case coordinated service. For non-case managed consumers, changes and updates can be processed by the RBHA network provider with an approved Co-payment Policy. The revised co-payment percentage

will be used by all network providers to determine the correct co-payment amount.

- c) **Verification/Documentation of Income:** The staff consumer completing the FIF must obtain from the consumer or other sources a verification of income and extraordinary expenses used to offset income. Income verification may be documented by obtaining copies of pay stubs, entitlement notification letters, etc., or through outside inquiries. Documentation of the verification process must be maintained in the consumer file. Confidentiality and information release requirements are followed when outside inquiries are made.
- d) **Third Party Coverage or AHCCCS Eligibility Determination:** The RBHA staff consumer designated with the responsibility will use the information provided by the consumer or responsible agent or any other agency to refer and assist consumers in obtaining coverage or enrollment for potential third party coverage or AHCCCS eligibility. Consumers may be referred to DES, Social Security Administration or other eligibility/enrollment agencies as applicable. Information from other agencies such as AOC, ADES, ADYTR, ADHS, AHCCCS, AHCCCS health plans and/or ALTCS Program Contractors may be used to identify any third party insurance or entitlement eligibility.
- e) **Failure to Disclose Financial or Third Party Information:** Consumers who decline to disclose third party coverage or financial evaluation are assessed total service costs. When a Consumer has a serious mental illness, total service costs shall not be assessed if the failure to disclose is due solely to the consumer's mental illness.
- f) **Grievance and Appeals:** Consumers will be informed by the agency completing the financial assessment of the grievance/appeals policy and procedures related to appeal of co-payment determinations.
- g) **Data Entry of FIF:** All FIFs will be returned to the RBHA for data entry into the RBHA Impact Consumer Tracking System. An FIF completed during the enrollment process will be sent to the RBHA as part of the enrollment packet. An FIF that is completed due to changes in financial status or at the reevaluation interval will be marked as "Update" and returned to the RBHA for processing.

2. Co-payment Assessment

- a) **Schedule of Fees:** Partners in Recovery will establish a schedule of fees related to direct treatment services which lists the services, the Usual and Customary rate and the RBHA contract rate. The schedule will be available at each treatment site and a copy made available for consumers at enrollment or upon request. Changes to the schedule of fees or the copay policy will be posted in a prominent place for review by consumers, parents, designated representatives or person legally responsible for the cost of care at least 30 days before the change becomes effective, unless

the Federal or State government has issued a retroactive rate change.

- b) Calculation of Co-payment: Title XIX or Title XXI eligible consumers will not be charged a co-payment for Title XIX/XXI reimbursable services. Title XIX or Title XXI eligible consumers may be charged a co-payment for non-Title XIX/XXI reimbursable services. The basis for the calculation of the actual co-payment amount is the RBHA contracted rate, the type of Covered Service as listed below, and the consumer's financial information. No consumer shall be charged a co-payment for service greater than the RBHA contracted unit rate for that service.
 - (i.) Outpatient counseling/behavioral management: standard percentage calculation.
 - (ii.) In home: standard percentage calculation.
 - (iii.) Medication Monitoring: standard percentage calculation.
 - (iv.) Inpatient: standard percentage calculation.
 - (v.) Residential Treatment: Standard percentage calculation.

- c) Exemptions and Special Practices - Treatment Services: The consumer share of cost for the following services may use the standard co-payment calculations, may be exempted from co-payment obligation completely or may use other means to determine the consumer share of cost. Methadone and prescription services are flat fee co-payments regardless of income or co-payment percentage rate and are assessed by the following methods regardless of TPL coverage; however, Title XIX or Title XXI consumers will not be charged a co-payment since prescriptions are a Title XIX/XXI covered service.
 - (i.) Case management
 - (ii.) Crisis: standard percentage calculation, but copay will be billed after service delivery; no collection will be required at the time of service. When a person is in need of emergency services, providers will first provide emergency treatment and afterward assess the consumer's co-payment liability.
 - (iii.) Screening/Evaluation: standard percentage calculation for face to face encounters; however no copay will be charged for Court Ordered Evaluations.
 - (iv.) Transportation: no co-payment per se will be collected for this service; however the ability to contribute to the cost of care will be a factor in the authorization of this service. Consumers with the ability to pay for transportation will not have the service authorized or paid for by the RBHA.

- (v.) Lab Testing: no copay assessed or collected.
- (vi.) Prescriptions: flat copay \$2.00 per prescription up to a limit of \$10 per month for Non-Title XIX /XXI consumers.

d) Residential Subsidy Share: The consumer share for residential room and board services is calculated on a different basis than treatment co-payments and is considered a consumer share of the residential subsidy rather than a treatment service co-payment and is charged to all residential consumers. TXIX, NTXIX & TXXI room and board is not a TXIX, TXXI reimbursement service.

- (i.) Residential - SMI - The consumer will contribute a portion of monthly income to the cost of supervised residential room and board charges up to the limit of the RBHA contract rate for the service. The consumer share will be based on the amount and type of income according to the following guidelines: if the only income source is nonearned income, that is income from benefits, entitlement, or trust funds, then the consumer share will be based on nonearned income, net of taxes; if the consumer receives both non-earned and earned income, and earned net income is less than \$600, then the consumer share will be based on non-earned income only; if earned net income is greater than \$600 per month or if all income is earned, then the consumer share will be based on the first \$1,000 of earned net income. The assessed consumer share will be the lesser of full contract rate or eligible income, as defined above, less \$60 to \$100 personal spending dollars per month. The consumer's share of cost for the residential service will be used as an offset to adjusted net income on the FIF, so that treatment services subject to a regular co-payment assessment may be based on a lower percentage. The reason for the distinction between earned and non-earned income and for the use of a separate method of copay assessment is intended to avoid a disincentive to work while in a residential program.
- (ii.) Residential - S/A - The residential subsidy share will be the lesser of full contract rate or monthly net (after taxes) income less \$30 a month which is made available to consumers as cash or purchasing equivalencies (i.e., tokens). There is no distinction between sources of income (i.e., entitlement vs. earned) for the purpose of determining consumer share in a residential S/A program. There are however, exceptions that must be considered if any part of the income of the consumer is used for the support of dependent family consumers.
- (iii.) Supportive Housing Assistance - the amount of rent a consumer must pay shall be determined in accordance with the ADHS/BHS Tenant Rent, Rent Reasonableness and Affordability Policy.

e) Co-payment Collection

(i.) Standard Co-payment Terms and Exceptions: Co-payments are typically due at the time services are rendered. Co-payments collected from the RBHA consumers are in addition to the RBHA contract payment amount and are to be fully retained by the provider. Partners in Recovery will report in their quarterly and annual audited financial statements as separately identified amounts, any payments earned and received from the RBHA consumers for covered services.

(ii.) Extended Payments

Consumers who sign a co-payment agreement and are temporarily unable to pay the full amount of the co-payment charges at the time the charges are incurred may make a partial payment and request a short term extended payment plan from the service provider. The service provider will document the request and the terms of the extended plan in the consumer file and will inform the case manager if co-payment charges are deferred excessively. No interest, penalties, or transaction fees will be charged for deferred payment of co-payment charges.

(iii.) Installment Payments

Consumers who are referred to inpatient residential programs, or an outpatient intensive treatment plan and who are expected to incur significant co-payment charges over a limited span of time may be offered an installment payment plan by the primary provider of services. The installment payment plan does not waive any co-payments; it extends the period of time for payment of co-payment charges. A fixed payment amount, based on the planned service units and length of treatment, will be established by the provider and consumer. The consumer will sign a separate payment agreement, in addition to the standard co-payment agreement, which will specify the planned services, payment amount, and the payment interval. The payment interval may be as frequent as weekly, but not greater than monthly. No fees or transaction charges can be assessed to the consumer for the installment plan option. Consumers may pay the entire co-payment balance at any time.

f) Provider Requirements: The provider is responsible to bill and collect co-payments for each RBHA consumer in accordance with this policy and the terms of provider's RBHA contract. The provider is also required to bill eligible services to all Third Party Insurers available for the consumer's benefits. In all cases, the RBHA and DHS will be considered payors of last resort. Providers will report by fund type all consumer co-payments and residential subsidy share amounts assessed and collected on their quarterly financial statements.

(i.) Consumer Enrollment

When a currently enrolled consumer is first referred to an agency, the provider will obtain any insurance information required to process a TPL claim (i.e., copy of the consumer's insurance card, etc.) prior to providing any non-emergency services. The provider will also obtain the consumer's signature on a completed Assignment of Benefits and Agreement to Pay Co-payments form. Providers will attempt to determine whether the consumer is currently enrolled as a RBHA consumer prior to completing an enrollment packet for self-referred consumers. TPL copies and assignment forms will be signed by new consumers as part of the completion of the enrollment process.

(ii.) Consumer Billing and Collections

- (a) Providers will use the most recent FIF percentage to calculate the co-payment amount and will inform the consumer of the amount of co-payment when an appointment for service is made. Providers will maintain a process for accepting payment for co-payment charges at their customary service locations.
- (b) Providers may not bill or attempt to collect any co-payment directly or through a collection agency from a person claiming to be Title XIX or Title XXI eligible without first receiving verification from ADHS/DBHS that the person was ineligible for Title XIX or Title XXI on the date of service, or that services provided were not Title XIX/XXI covered services.
- (c) Providers will retain all co-payments and residential subsidy share amounts assessed from consumers in accordance with the provisions of this policy. Providers will also receive the full RBHA contract rate for services provided in addition to consumer collections, except that the contract rate unit charge will be reduced by the estimated TPL payments for the service per the claims processing system requirements and DHS policies. The RBHA will not reimburse the provider for any co-payment assessed but not collected by the provider from RBHA consumers.

3. **Refunding Co-payments**

- a) If Partners in Recovery determines a co-payment was incorrectly assessed, a refund will be issued to the consumer for the amount incorrectly assessed. If the consumer believes a co-payment was incorrectly assessed, the consumer may file an appeal in accordance with

Partners in Recovery grievance and appeals policy.

- b) Once the need for a refund is determined, a check will be provided to the consumer within 10 business days from the date that the payment error was identified.

Procedure: For Non-RBHA Eligible Consumers

- A. Consumers are eligible for services if they can pay the Partners in Recovery unit rate as indicated on the fee schedule.
- B. Only the Chief Executive Officer or Clinical Director can authorize a fee lower than the Partners In Recovery, LLC unit rate. This adjusted fee cannot be lower than the RBHA contracted rate.

EFFECTIVE DATE:

REVISED DATE:

REVIEWED/APPROVED BY:

H.M. Gilbert Jr., Executive Director, PIR

Date