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|---|---------------------------|-----------------------|------------------------|
| ADAMHS BOARD FOR MONTGOMERY COUNTY | | BP # 207 | |
| TITLE | Member Fee Subsidy | SUBJECT | Fiscal |
| Page 1 of 5 | | EFFECTIVE DATE | SUPERSEDES DATE |
| | | 4/14/03 | July 22, 1998 |

PURPOSE: The Health Insurance Portability and Accountability Act of 1996 (HIPAA) granted individuals the right to receive adequate notice of the uses and disclosures of their protected health information (PHI) that may be made by a covered entity, and the individual's rights and the entity's legal duties with respect to PHI. This policy has been developed to assist the Board to comply with the law and to guide Board staff in establishing guidelines and procedures for the assessment of Member subsidy and determination of the appropriate amounts to be billed to the ADAMHS Board for Montgomery County for services to clients/members whose income is above the level for free services established for Title XX and who have no other payor source.

This process is to be completed by contract agency staff not ADAMHS Board staff.

POLICY

The ADAMHS Board for Montgomery County via the claims reimbursement mechanism and within limits of Board contract agency contracts will:

Reimburse or partially reimburse contract agencies for services provided to clients/members whose adjusted annual income and number of dependents fall within the eligibility guidelines established by the fee subsidy schedule and who have no remaining payor source for services received.

CLIENT/MEMBER INCOME DECLARATION

All clients/members will be asked to sign a declaration of income statement and this form will become a permanent part of the Member financial record.

CLIENT/MEMBER INCOME CALCULATIONS

Calculations of gross annual income are to include the following sources of income:

- Gross salary/wages
- Social Security Benefits
- Dividends/Interest
- Pension or Annuities

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|---|---|--|
| ADAMHS BOARD FOR MONTGOMERY COUNTY | BP # 207 | |
| TITLE Member Fee Subsidy | SUBJECT Fiscal | |
| Page 2 of 5 | EFFECTIVE DATE 4/14/03 | SUPERSEDES DATE July 22, 1998 |

- Unemployment compensation
- Workers' Compensation
- Alimony or Child Support
- Strike Benefits
- Trusts, Inheritance etc.
- SSI
- ADC

EXCEPTIONS TO CLIENT/MEMBER INCOME

Contract agencies may include the following exceptions to reduce clients'/members' gross income to an adjusted gross income:

- Unreimbursed and concurrent behavioral healthcare/medical/dental expenses exceeding 5% of gross monthly income must be subtracted from gross annual income.
- Court ordered obligations paid weekly or monthly would be deducted from gross annual income. Such as: garnishment, bankruptcy, restitution, and child support.
- Day care expenses necessary for employment will be deducted from gross annual income.
- Partial or total client/member fee responsibility will be waived in catastrophic family situations resulting from fire, flood or storm damage to the family residence which creates an unusual demand on the families income during the period of treatment.
- Partial or total client/member fee responsibility will be waived in situations where a client/member who has, based on clinical assessment, been determined to be dangerous to self or others, or, whose other behavioral healthcare obligations would present a financial hardship (Residential Treatment, Treatment Foster Care, Residential Support, Community Residence).
- Exception based on the provision of crisis services billed to Title XX.

All exceptions should be thoroughly documented in the client/member clinical/financial chart/file.

| | | | |
|---|---------------------------|-----------------------|------------------------|
| ADAMHS BOARD FOR MONTGOMERY COUNTY | | BP # 207 | |
| TITLE | Member Fee Subsidy | SUBJECT | Fiscal |
| Page 3 of 5 | | EFFECTIVE DATE | SUPERSEDES DATE |
| | | 4/14/03 | July 22, 1998 |

Other exceptions may be presented for consideration and approval of the ADAMHS Board.

PROCEDURE

Clients/Members with annual income above the level established for Title XX services will be responsible for paying for services received as indicated on pages 6 and 7 of this procedure. The amount that the client/member will be required to pay for a unit of service will be determined by using the clients'/members' income (weekly, bi-weekly, monthly or annual etc.), the number of dependents, and adjustment for exception to client/member income to establish the percentage of the service unit price that the client/member must pay.

1. Enrollment and Eligibility Specialist(s) will establish client's/member's financial liability based on our CountyWide Member Fee Subsidy Schedule, for services provided by contract agencies. When a client/member presents at our contract agencies, the contract agencies are required to complete a financial assessment for that client/member and forward that data to the Enrollment and Eligibility Specialist(s) on a daily basis. The Enrollment and Eligibility Specialist(s) will select the appropriate rider* for client/member based on the financial assessment data.
2. All client/members enrolled in the Board's network who receive any public financial support to pay for services provided by the system service contract agencies must sign an agreement indicating that they will be responsible for all charges related to services that they receive.
3. When client/members receive service from a contract agency in the Board's network of providers, the contract agency is required to bill the client/member monthly for the full cost for services received.
4. The contract agency will bill ADAMHS Board monthly for services provided to client/members.

| | | | |
|---|---------------------------|-----------------------|------------------------|
| ADAMHS BOARD FOR MONTGOMERY COUNTY | | BP # 207 | |
| TITLE | Member Fee Subsidy | SUBJECT | Fiscal |
| Page 4 of 5 | | EFFECTIVE DATE | SUPERSEDES DATE |
| | | 4/14/03 | July 22, 1998 |

5. Where applicable, ADAMHS Board Staff will apply fee subsidy against client/member charge for services provided. ADAMHS Board shall use state, local, federal funds to pay these subsidies.

After ADAMHS Board Staff approves client/members' subsidy, ADAMHS Board will send a Remittance Advice to the contract agency indicating the amount of client/member subsidy paid. The following month the contract agency is required to send a billing statement to the client/member indicating client/members' prior unpaid balance, current monthly gross charges, subsidy paid by ADAMHS Board and their current balance.

Contract agencies will conduct a financial assessment on each client/member and forward the information via the Enrollment Form to the Enrollment and Eligibility Specialist. Handling and storage of Enrollment Forms will follow all HIPAA Regulations and Guidelines.

REVIEW, EVALUATION AND UPDATE

The Member Fee Subsidy Schedule and related policies will be reviewed, evaluated and modified by ADAMHS Board annually.

*Rider: Corresponds to the percentage of subsidy that a Member is eligible to receive per Member Fee Subsidy Schedule.

DEFINITIONS

- 1.1 Health Insurance Portability and Accountability Act of 1996 (HIPAA). HIPAA is comprehensive law enacted by the United States government. The law has several subparts providing such benefits as guaranteed portability and renewal of insurance benefits between employers, tax provisions for medical savings accounts and administrative simplification to improve the efficiency and effectiveness of the health care system. During the latter part of the 1990's, the Secretary of the Department of Health and Human Services drafted regulations for standardizing the electronic interchange of administrative and financial data and protecting the security and privacy of personal health information. HIPAA

| | | | |
|---|---------------------------|-----------------------|------------------------|
| ADAMHS BOARD FOR MONTGOMERY COUNTY | | BP # 207 | |
| TITLE | Member Fee Subsidy | SUBJECT | Fiscal |
| Page 5 of 5 | | EFFECTIVE DATE | SUPERSEDES DATE |
| | | 4/14/03 | July 22, 1998 |

requires health care providers, health plans and health care clearinghouses to transition to the use of standard code sets and “electronic data interchange (EDI) and to maintain reasonable and appropriate administrative, technical, and physical safeguards to insure the integrity and confidentiality of healthcare information; to protect against reasonably foreseeable threats and hazards to the security or integrity of the information; and, to protect against unauthorized uses or disclosure of the information. Compliance with the first of the HIPAA rules is scheduled for early 2003. HIPAA also provides criminal penalties for failure to comply with the regulations.

- 1.2 Protected Health Information (PHI). The final rule defines PHI as individually identifiable health information that is transmitted by electronic media; maintained in any electronic medium such as magnetic tape, disc, optical file; or transmitted or maintained in any other form or medium (i.e. paper, voice, Internet, fax etc.).
- 1.3 Client/Member is defined as any resident of Montgomery County whose behavioral health services are paid for in part or fully by the Alcohol, Drug Addiction and Mental Health Services Board for Montgomery County.

DISCLAIMER

Contract agency has the discretion to determine the clinical needs of the client/member in determining whether services will be discontinued based on bad debt.