

	<b>SUBJECT:</b>	<b>NUMBER:</b>	<b>PAGE:</b>
	Fee For Service	<b>APPROVAL DATE:</b> December 9, 2004	
	<b>RESPONSIBILITY:</b>	<b>REVISION DATE:</b> <b>REVISION DATE</b> <b>REVISION DATE</b>	
	Executive Director & Area Board		

**I. PURPOSE:** To establish policies and procedures for the collection of fees for service provided by the LME Provider community as required by G.S. 122C-146.

## **II. POLICY**

In order to maximize the usage of public resources the LME shall work with its provider community to pursue all applicable first and third party payments for services. The provider community shall make every effort to collect appropriate reimbursement for costs in providing services from individuals able to pay, including insurance and other third-party payment. However, no individual will be refused services because of an inability to pay.

The Durham Center LME shall prepare fee schedules for services provided to LME consumers within the Provider Community. The assessed fee shall be viewed as a co-pay and as such deducted from the payment to the rendering provider. The LME's claims system shall include appropriate edits for coordination of benefits and third party liability.

In the event that a consumer has third party coverage or is determined to be able to pay any portion of the cost of services in accordance with the LME's sliding fee scale (non-Medicaid covered individuals and services only), the LME and rendering provider shall coordinate benefits so that costs for services otherwise payable by DHHS are avoided or recovered from a liable first or third party payer.

## **III. PROCEDURES**

The Durham LME provider community shall obtain all relevant payer information from each consumer to be served, and/or his or her guardian and/or family. This information should be collected at the consumer's first encounter with the rendering provider, but no later than the submission of the first claim for service. The LME shall provide available information to each provider involved with the consumer and require the provider to collect the remaining information.

The Durham LME will publish a charge schedule for services. The schedule will contain details of individual services, the full charge for those services, and effective dates for those charges. The formal, published charge schedule is the full, official charge for service. Any reduced rates that may be charged to individual Consumers represent a discount from the full charge based upon the ability of the Consumers to pay.

### **A. Setting Charges for Each Consumer:**

--	--	--

Each Consumer receiving services through the Durham LME provider network is required to pay the full charges for services received unless the Consumer can show that he/she does not have the ability to pay.

Determining factors in assessing the ability to pay includes, but is not limited to, the Consumer's or his family's gross income.

Family means:

- a) Consumer is an adult (age 18 & over, or is legally emancipated) and family is spouse and/or children; and,
- b) Consumer is a child (under age 18) and family is parent(s) and other sibling(s).

The determination of ability to pay shall be based on verified or documented information provided by the Consumer or his legal representative.

The following are examples of verified proof:

- a) most recent federal income tax return;
- b) payroll check stubs for family members; or,
- c) letter from employer, on official company stationary, with valid company officer signature, of the employee's salary (Option C is only applicable if a and/or b are not available).

The rendering provider will collect this information on forms provided by the Durham LME or on their own forms.

## B. Income Scale

The Durham LME will have a sliding fee income scale which is based upon 200% of the federal poverty level. The sliding fee income scale will be revised each year when the federal poverty level is published. The sliding fee income scale will be utilized by all providers in the Durham LME provider community to determine the Consumer's ability to pay.

The Consumer's ability to pay and the level of payment shall be reassessed annually or sooner, if indicated by a change in circumstances. Any change in the consumers assessed fee shall be effective as of the date received by The Durham Center LME. To insure that the fee places no undue hardship on the family, the following limited circumstances will be given consideration by the rendering provider in determining a lower fee assessment:

- extraordinary costs association with the Consumers' health care that have not been reimbursed through third party payments; or,
- extremely high consumer debts that are traceable to the support of the special needs of the disabled Consumer. (E.G., adaptive devices, adapted vehicles and equipment to make it adaptive, renovations to make home handicapped accessible.)

Proof of these costs and current payment thereof may consist of copies of statements from vendor with payment history, copies of cancelled checks, or copies of receipts. The debt will be annualized, unless Consumer/legal representative has proof of a higher payment during the period. The LME Finance Director/designee must approve all exceptions to the standard fee schedule. Their signature on the Fee Assessment Form will indicate this.

When two (2) family members are receiving services within the LME provider community the

--	--	--

second family member's fee may be reduced by one step on the fee scale. However, the second fee cannot drop below the minimum payment for services.

The Case Managers within the LME Provider Community will encourage persons to apply for all benefits for which they appear to be eligible, (e.g., Medicaid, Health Choice for Children, insurance.) Any Consumer who declines to file for eligible insurance benefits will assume individual responsibility for payment based on calculation of sliding fee scale.

#### C. Fee Collection

Rendering Providers will be responsible for developing fee collection practices. All consumers without Medicaid shall have a fee for services established. This fee assessment information shall be provided to the Durham LME. Once the fee has been established the Durham LME will reduce payment for claimed services by that amount. The rendering provider may look at that assessed fee as the consumer's co-payment.

Consumers who have Medicaid coverage shall not have a fee assessed or pay a co-payment for their services. In the event the consumer loses their Medicaid coverage the consumer should have a fee assessed. This information will be submitted to the Durham Center LME.

After the ability to pay has been established, refusal to pay when the service is rendered or at the time specified in the written contract between the consumer and rendering provider may result in termination of services. (See policy on Consumers with Ability to Pay who Refuse.)

Any person who has, in fact, no income, will not be denied needed service and the fee charged will be written off as uncollectible.

#### D. Third Party Reimbursement:

If a Consumer is covered by Medicaid the LME will seek the full charge from Medicaid for the rendering provider. Medicaid Consumers will not be charged if the full charge is not paid by Medicaid.

For those consumers who have Medicare/Medicaid the rendering provider will need to request the Medicare payment and then make a claim to the LME for the remaining portion. The rendering provider may attempt to collect any allowed co-insurance from Medicare Consumers.

Providers may not deny services to consumers who have other insurance coverage. If the Consumer is covered by insurance other than Medicare or Medicaid, the Consumer may elect not to have claims filed under his insurance policy, although Consumers will be encouraged to use insurance coverage.

If the Consumer elects to have claims filed under his third party coverage, the rendering provider should seek the full charge and the Consumer will be expected to pay the difference between the full charge and the amount covered by the third party payment. However, if that amount is greater than the total amount the Consumer would have been required to pay under the sliding fee if he/she had not had third party coverage, the Consumer will be required to pay only the amount he would have been required to pay for the services under the sliding scale.

--	--	--

When the rendering provider is not on the third party insurance's provider panel the Consumer shall be assisted with accessing a provider covered by their insurance. If the consumer does not wish to have their care covered through their insurance carriers they shall have the option of paying the full cost of care. If the Consumer elects not to have insurance claims filed or to go through a covered provider the rendering provider shall charge full charge for services. Rendering providers and/or the consumers may seek to have exceptions made on a case-by-case basis. These exceptions will be approved for the Durham LME Finance Director/Designee.

#### E. Cancellations

Consumers who fail to keep their appointment may be charged their assessed fee for the missed appointment. The maximum number of consecutive missed appointments a Consumer may be charged for is three (3) units of service. Any rendering provider who will charge the consumer for missed appointments must clearly post this practice and explain this practice in a language that the consumer understands.

#### **REFERENCES:**

G.S. 122C-146  
State FY 04/05 Performance Agreement