



Policy Title:	Non-Residential Fee
Policy #:	07-003-0025
Effective Date:	06/5/2025
Approved by:	Karen Farr, Chief Financial Officer
Functional Area:	Finance
Responsible Leader:	Karen Farr, Chief Financial Officer
Policy Owner:	Kyle McLeod, Administrative Specialist, Financial Management
Applies to:	Direct Operated Programs

Purpose: To describe the requirements of the non-residential fee determination process and ensure compliance with the non-residential fee determination process set forth in the Michigan Mental Health Code, Chapter 8, and Michigan Department of Health and Human Services Part 8, Subparts 1 and 2.

I. Policy Statement

It is the policy of St. Clair County *Community Mental Health* (SCCCMH) to ensure that a non-residential fee determination process will be followed in accordance with the procedures herein and according to Chapter 8 of the Michigan Mental Health Code (MHC) and the Michigan Department of Health and Human Services (MDHHS) Part 8, Subpart 1 and 2.

All *individuals* seeking to receive services from SCCCMH or SCCCMH funded agencies or programs may be required to apply for any and all *insurance coverage* to which they may be entitled in accordance with Part 8 of the MDHHS regulations and the MHC Code of 1996, Chapter 8.

II. Standards

- A.** A fee determination of each individual's '*ability to pay*' shall be made (1) upon Intake (2) annually thereafter (i.e., *annual fee determination*); (3) when the responsible party's financial/insurance situation changes (i.e., *new determination*), (4) when the *responsible party* requests a new determination of ability to pay (i.e., full financial fee determination); and (5) when the responsible party requests an '*Ability to pay Administrative Hearing*' (i.e., fee redetermination).
- B.** Fees are assessed as:
 - 1. Zero Fee Based on Insurance (Medicaid, HMP or MIChild) or qualifying programs.

2. Based on *Income* Only (Non-Medicaid/HMP)
 3. Based on SUD Sliding Fee Schedule
 4. Based on Specialized Residential
- C.** An ability to pay of zero (\$0) shall be established for:
1. Minors receiving services under the Serious Emotional Disturbance Waiver (SEDW) program.
 2. Approved Medical Adoption Subsidy program (proof must be scanned to E.H.R.).
 3. The Veterans Choice.
 4. All-Inclusive Care for the Elderly (PACE) eligibility.
 5. Full Medicaid or Healthy Michigan Plan (HMP) eligibility (does not apply to *Medicaid spend down* or Children's Special Health Care Services).
 6. OBRA PASARR assessments (does not apply to OBRA Active Treatment).
- D.** SCCCMH shall charge responsible parties for that portion of the *financial liability* that is not met by insurance coverage (MHC, Section 804). The amount of the charge shall be whichever of the following is the least amount (MHC, Section 814):
1. Ability to pay determined under sections 818 or 819:
 2. *Cost of services* as defined in section 800.
 3. The amount of coinsurance and deductible in accordance with the terms of participation with a payer group.
- E.** Payments can be collected from cash, check, money order, debit card, credit card, online at <https://scccmh.org>, or by calling a FIPA Tech at 810-985-8900.
- F.** An installment payment agreement may be instituted when the responsible party is not able to pay the full balance at the time it is due. See [Administrative Policy #07-003-0080, Insurance Verification and Coverage, Billing and Refusal to Provide Information](#).
- G.** No individual will be denied services because of the inability to pay or of the inability of the responsible party to pay but may be denied for refusal to pay when an ability to pay has been established.
- H.** Collection of fees may include the use of collection agencies, small claims court, collection from an estate, or other legally available means.
- I.** SCCCMH will "write off" financial liability amounts owed by individuals after it has been determined that the account is uncollectible or that further pursuit would be detrimental to the individual.
- J.** In instances where, through no fault of the responsible party, the SCCCMH has not billed for services in a timely manner, the SCCCMH shall only obligate the responsible party to pay for services based on their ability to pay when the initial bill

for services is presented within two (2) years from the date the services were provided.

- K. An ability to pay, above zero, shall not be incurred for more than one (1) family member at one time. A current MDHHS compliant denial notice is required for each family member. A parent's total liability for 2 or more individuals shall not exceed 18 years. The family member with the first Intake assessed an ability to pay above zero shall be the only family member with a fee above zero. Include all family members case numbers in all family members Fee Determination "Notes" section.
- L. It shall be the responsible party's duty to notify the SCCCMH that an ability to pay determination has been made by another program or county. There shall be a cooperative, collaborative effort among the SCCCMH service programs and their contractors to assure the information is available to all appropriate service providers.
- M. In addition to the ability to pay for Mental Health Services, individuals receiving Crisis Residential or Respite services must pay Room and Board to the Residential Provider.
- N. All responsible parties shall make available to the SCCCMH (or one of its subcontract providers) any relevant financial and insurance information that the SCCCMH is not prohibited by law from obtaining and that the SCCCMH considers essential for purpose of determining the responsible party's ability to pay. Willful failure to provide the relevant financial documentation, household size, and insurance information, as specified in administrative policies, may result in a determination of ability to pay up to the full cost of services received by the individual.
- O. The responsible party shall have the right to refuse to participate in the ability to pay process and/or withhold information regarding income, household size, and insurance coverage. In this instance, the responsible party shall be responsible for the full cost of service(s) provided by SCCCMH, or one of its subcontract providers. The *Account Clerk-Billing* will need to be advised to bill the responsible party full cost of service when this occurs and an entry of \$25,000 shall be entered into the data entry system as the ability to pay.
- P. No determination of ability to pay made by the SCCCMH (or one of its contract providers) shall impose an *undue financial burden* on the individual, or the individual's family members. Should the responsible party determine that the ability to pay determination will impose an undue financial burden, they may request a new determination of ability to pay.
- Q. An application for benefits may be requested from all appropriate agencies for individuals who qualify for Medicaid, Healthy Michigan Plan (HMP), SSI, etc.
- R. Individuals receiving All Inclusive Room & Board Plus Ancillaries Inpatient Psychiatric Services or Partial Hospitalization will be assessed on a Monthly Max ability to pay only. Fee per session does not apply. If individuals are open to SCCCMH or

SCCCMH funded agency or program upon hospital placement, a new Fee Determination, may be required, to remove a Fee per Session.

- S. The rates for the cost of services will be updated at least annually by SCCCMH's Chief Financial Officer or designee in accordance with MDHHS Administrative Rules. The SCCCMH Rate Schedule, SCCCMH *Sliding Fee Scale*, and Region 10 PIHP Substance Use Disorder Sliding Fee Scale reflecting costs will be available upon request to the responsible party as well as posted in a visible location at each program site. Information will be written at an appropriate literacy level in English and any other language as needed.
- T. CCBHC Individuals without Medicaid will initially have 60 days to apply for Medicaid from Intake date before being assessed a fee above zero.
- U. A Medicaid Assistance Application shall be provided by a Patient Navigator, Caseholder, FIPA Tech and/or guardian.

III. Procedures, Definitions, and Other Resources

A. Procedures

Procedures shall be contained in Provider Manuals.

B. Related Policies

[Administrative Policy #07-003-0080, Insurance Verification and Coverage, Billing and Refusal to Provide Information](#)

C. Definitions

1. *Ability to Pay (ATP)/Sliding Fee*: The ability of a responsible party to pay for the cost of services not covered by insurance, not to exceed the assessed monthly maximum amount.
2. *Ability to Pay/Sliding Fee Determination*: The fee assessment that determines an individual's ability to pay for the cost of services, using the guidelines specified in the Michigan MHC and MDHHS Administrative Rules. The ability to pay determination process involves an Initial Annual and New Determination (as applicable).
3. *Ability to pay Administrative Hearing*: The formal meeting where a qualified independent party of the SCCCMH makes a redetermination of ability to pay pursuant to process steps detailed in MHC Section 330.1834, and the fee determination criteria specified in section 818 (1)(a) or (b); or section 832; or section 819.
4. *Account Clerk*: St. Clair County Community Mental Health or Contract Agency staff responsible for completing a fee determination with a responsible party.

5. *Available Assets*: Checking and saving accounts, cash, certificates of deposit, treasury bills, money market investment, bonds, marketable securities including stocks and bonds, pensions, deferred compensation, annuities. Other funds that can be withdrawn or used as collateral for a loan. See MDHHS Subsection 1, Rule 8005 for Assets definition.
6. *CCBHC*: A demonstration program to improve community mental health services funded using a Prospective Payment System rate for qualifying encounters provided to Medicaid beneficiaries.
7. *Child*: An unmarried individual who is less than 18 years old.
8. *Community Mental Health (SCCCMH)*: For purposes of this administrative policy shall mean the St. Clair County Community Mental Health Services Program, which is a separate legal public governmental entity created under Michigan Compiled Laws R.330.1205 to operate as a community mental health service program, under Chapter 2 of the Michigan MHC.
9. *Co-Pays*: Fixed amount responsible party pays for a covered health care service, paid to SCCCMT, up to the assessed monthly maximum ability to pay.
10. *Cost of Services*: The total operating and capital costs incurred by the Department or a Community Mental Health Services Program with respect to, or on behalf of, an individual. The cost of services does not include the cost of expenses of state or county government unrelated to the provision of mental health services. Rates are to be posted in a visible location at each program.
11. *Dependent*: An individual who is allowed as a dependency exemption on the Michigan state income tax return.
12. *Excess Medical Expenses*: Medical and dental expenses that exceed the threshold dictated by section 16 of the internal revenue code of 1986, 26 USC 213, that would be allowed to be deducted on itemized tax returns, less expenses for medical health services for the individual paid to the department or community mental health services programs.
13. *Expenses*: For the purpose of this administrative policy, allowed expenses for a Full Financial Determination are: Excess medical expenses, court ordered payments including a divorce decree, student loan payments. Additional tax obligation(s) assessed by municipal, county state, or federal authority.
14. *Family Household Size*: A family unit consisting of the individual, spouse, and dependents. Related by birth, marriage, or adoption who reside together.
15. *Federal Poverty Guidelines*: (FPG) A measure of income issued every year by the Department of Health and Human Services (DHHS) to indicate the least amount of income an individual or family needs to meet their basic needs.
16. *Financial Liability*: That portion of the charges not covered by insurance, not to

exceed the assessed monthly ability to pay.

17. *Income:* Earned and unearned income. Salaries and wages, including bonuses, longevity, overtime, vacation and sick pay, tips etc. Government benefits such as Social Security, Veterans' Administration, Supplemental Security Income, Retirement Survivor's Disability Income, Social Security Disability Income, etc. Retirement and pension income. Interest and dividends. Unemployment compensation, worker's compensation, Public Assistance. Alimony received. Child support received (only when child is the recipient of services, does not get added as gross income of a parent when a parent is the recipient of services). Rental income. Profit from business if self-employed. Trust income. Long Term Disability payments received (if all or part of premium paid by employer). Interest and dividends not excluded for purpose of preparing MI 1040. Military pay. Income attributable to another state. Other Miscellaneous sources.
18. *Individual:* The individual, minor or adult, who receives services from the Department or a Community Mental Health Services Program or from a provider under contract with the Department or Community Mental Health Services Program.
19. *Inpatient Services:* Twenty-four-hour care and treatment services provided by a state facility or a licensed hospital. For purposes of this administrative policy, inpatient stay would be less than 61 days, and the federal sliding fee discount program would not apply. Only a monthly maximum ability to pay would be assessed when completing an Inpatient Services Fee Determination.
20. *Insurance Benefits:* Payments made in accordance with insurance coverage for the cost of health care services provided to an individual, identifying Medicaid as the payer of last resort.
21. *Insurance Coverage:* Any policy, plan, program, or fund established or maintained for the purpose of providing for its participants or their dependents medical, surgical, or hospital benefits. Insurance coverage includes, but is not limited to, Medicaid or Medicare: policies, plans, programs, or funds maintained by nonprofit hospital service and medical care corporations, health maintenance organizations, and prudent purchaser organizations, and commercial, union, association, self-funded, and administrative service policies, plans, programs, and funds.
22. *Medicaid Spend Down:* The amount that the Michigan Department of Health and Human Services has determined to be a Medicaid recipient's monthly responsibility to pay.
23. *Non-Residential Services:* Care or treatment services that are crisis residential less than 61 days, hospital inpatient less than 61 days, outpatient services, and all respite care services.

- 24. *Notice of Rights for Ability to Pay:* When the Responsible Party does not agree with the assessed ability to pay, they have the right to a:
 - a. New Rate Determination
 - b. Full Financial Determination
 - c. Appeal to have an Administrative Hearing with an Administrative Hearing Officer
 - d. Appeal to the Probate Court
- 25. *Protected Asset:* The portion of assets not considered when assessing an ability to pay above zero.
- 26. *Protected Income:* The portion of income that is not considered when assessing an ability to pay above zero.
- 33. *Residential Services:* One of the following:
 - a. Dependent care and treatment services provided by specialized adult foster care facilities or specialized group home facilities under contract to a Community Mental Health Services Program or provided directly by a Community Mental Health Services Program, or
 - b. Inpatient services equal to or greater than 61 days.
- 34. *Responsible Party:* A person who is financially liable to pay for services furnished to the individual.(i.e., the individual, spouse, parent, Representative Payee, Payee, Guardian or Guarantor.
- 35. *Sliding Fee Scale:* Fees for services that are adjusted to a nominal fee when an individual's total household income and family size are at or below 400% of the federal poverty level.
- 36. *Undue Financial Burden:* A determination of ability to pay that would unduly impact the health and well-being of the individual or dependents to access the basic necessities of life, including, but not limited to, food, housing, clothing, and healthcare.

D. Forms

[#0002A Installment Payment Agreement – Hospital Inpatient](#)

[#0004 Installment Payment Agreement - Outpatient](#)

[#0006 Ability to Pay - Administrative Hearing Request](#)

[#0007 Request for New Rate Determination](#)

[#0007A Available Assets](#)

[#0012 Ability to Pay - Request for Administrative Hearing by Phone](#)

[#0014 Ability to Pay - Administrative Hearing Notice](#)

[#0015 Ability to Pay - Administrative Hearing Findings](#)

[#0028 Ability to Pay - Notice of Administrative Hearing Outcome](#)

[#0032 Ability to Pay - Administrative Hearing Disposition](#)

[#0034 Ability to Pay - Notice of Rights: New Rate Determination, Redetermination, & Appeals](#)

[#0264 Request to Send Responsible Party to the Credit Bureau or Write-Off Account](#)

[#0276 Sliding Fee Discount Program Handbook](#)

E. Other Resources (i.e., training, secondary contact information, exhibits, etc.)

[Exhibit A: Guidelines for Inclusion and Exclusion of Assets, Income, and Expenses](#)

[Exhibit B: SCCCMH Sliding Fee Scale](#)

[Exhibit C: SUD-PIHP Sliding Fee Scale](#)

[Exhibit D: MDHHS Annual Income Limit Chart \(Federal Poverty Limit\)](#)

[Exhibit E: MDHHS Monthly Income Limit Chart \(Federal Poverty Limit\)](#)

[Exhibit F: Fee Assessment Procedures](#)

[Exhibit G: SCCCMH Full Financial Determination \(2451B, 2465A, 2468B, Protected Assets, Income & ATP Crosswalk Table\)](#)

F. References

1. Michigan Mental Health Code, Chapter 8.
2. Department of Health and Human Services, Behavioral Health and Developmental Disability Administration, Financial Liability for Mental Health Services, Part 8.
3. Department of Community Health, Mental Health and Substance Abuse Services, General Rules
4. Federal Sliding Fee Discount Program under 42 USC 254g.

IV. History

- Initial Approval Date: 01/1988
- Last Revision Date: 03/2025 BY: Irene Schuck
- Last Reviewed Date: 09/2023
- Non-Substantive Revisions: N/A
- Key Words: residential, fee, sliding scale, uninsured, determination, income, financial, asset