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## **1200 PAYMENT FOR SERVICES**

### **1201 Third Party Liability**

Third party liability (TPL) is any funding source other than the Department of Economic Security/Division of Developmental Disabilities (DES/DDD). It includes medical insurance, e.g. Medicare, CHAMPUS or TR ICARESS, Blue Cross/Blue Shield, etc. It also includes any benefits or settlements a person has as the result of an accident. It may also include eligibility for other programs such as Children's Rehabilitative Services (CRS), Arizona Health Care Cost Containment System (AHCCCS), or county funded services.

DES/DDD is required to bill any third party for all covered services for all individuals eligible for services through DES/DDD. A member/responsible person is required to provide third party insurance information when requested.

### **1202 Client Billing**

#### Financial Contribution

Members receiving Home and Community Based Services (HCBS) may be required to make a financial contribution to the cost of their care.

Members receiving state funded services who have a trust, annuity, estate, or assets exceeding \$2000 will be required to make a financial contribution for the actual cost of programs and services provided by the Division. When billing a trust, the Division is not limited to trust income and can also bill the trust corpus.

Members who meet the financial eligibility requirements for federal Social Security Supplemental Income benefits or the financial eligibility requirements for ALTCS are not affected by this requirement.

Members and responsible parties affected by this financial contribution requirement may make applications to AHCCCS for ALTCS eligibility determination. If eligible for ALTCS, the member will not receive a bill for the cost of programs and services, except a member may be billed for room and board.

#### Financial Contributions and Billing for Residential Services

- A. The financial contribution for a member receiving residential services is based on the total amount of income and monthly benefits the member receives. For purposes of this policy, "residential services" means room and board.
  1. The required financial contribution is a maximum of 70% of the

- member's income and monthly benefits the member receives, but shall not exceed the actual cost of room and board.
2. When the member's personal savings exceeds the maximum limit allowed by the federal agency providing the monthly federal benefits, the billing amount is:
    - i. For the ALTCS member, the actual cost of room and board services until the member's personal savings drops below the maximum allowable limit;
    - ii. For the non-ALTCS member, the actual cost of all services, including room and board, until the member's personal savings drops below the maximum allowable limit.
  - B. The Department will notify the financially responsible person of the amount the member is required to pay each month for room and board costs.
  - C. The financially responsible person shall pay the monthly bill, or may contact the Division to request one or more of the following: a financial review, an Administrative Review, or a reduction in the amount billed based on hardship to the member.

#### Financial Review

- A. The financially responsible person may contest the figures or method used by the Division in calculating the amount by requesting, verbally, or in writing:
  1. An informal business review. An informal business review is conducted by the Division's Business Office, and may be requested at any time ten (10) or more business days prior to the payment due date; the Division will make its best efforts to respond within ten (10) business days from receipt of the request. There is no right to appeal the response to an informal business review, only the decisions that results from of an Administrative Review may be appealed as described below; or
  2. An Administrative Review as prescribed by Arizona Administrative Code (A.A.C.) Title 6, Chapter 6, Article 18, with appeal rights as prescribed by A.A.C. Title 6, Chapter 6, Article 22. The financially responsible person may request an Administrative Review at any time within thirty-five (35) days of the date payment is due by submitting a request to the Divisions Office of Compliance and Review.

- B. The financially responsible person may request an Administrative Review without requesting an informal business review.
- C. Any request for consideration based on the member's personal obligations or expenses shall be resolved under a Hardship Reduction Request described below.

#### Hardship Reduction Request

- A. Any person financially responsible for the cost of care of a member may submit a *Hardship Reduction Request* to the Assistant Director. The request must be accompanied by supporting documentation as described below.
- B. Consideration for a hardship reduction will be given for the following expenses:
  - 1. Medicare Part D prescription drug co-payments, when submitted with proof of out-of-pocket expenses.
  - 2. Amounts ordered by a court for restitution, child or spousal support, when documentation of the order is submitted.
  - 3. Amounts paid for services provided by and items prescribed by a licensed health care professional, when documentation of the expenses supporting the request and denial(s) from third party payers or other potential sources of assistance are submitted.
  - 4. Expenses for an extraordinary circumstance that affects the consumer's health and safety when documentation of the amount of the expense and the effect on the consumer's health and safety if the expense is not incurred is submitted.
  - 5. Cost of a prepaid burial or cremation plan when supported by documentation of the cost and the length of the payment period.
- C. The Division will review requests that include current documentation of the expenses supporting the request and will issue a written determination that:
  - 1. Approves a temporary reduction of the billing amount for up to 12 months; or
  - 2. Denies the request.

- D. The financially responsible person who disagrees with the hardship determination may request an Administrative Review. This request must be received by the Division within 35 days after the date of the Division's hardship determination.
- E. The Division reserves the right to amend or rescind a reduction of costs if the consumer's financial circumstances change or have been misrepresented.
- F. Upon request by the Division, the financially responsible person shall provide verification that the expense for which a hardship is granted has been paid.

**1203 Administrative Review/Appeal and Hearing Rights**

- A. The Division will issue a written decision within thirty (30) calendar days from receipt of the request for Administrative Review. Appeal of this decision is available as prescribed by A.A.C. Title 6, Chapter 6, Article 22 (R6-6-2201 et seq.).
- B. If Administrative review is based on notice of an increase in the monthly billing amount, the billing amount shall not increase until the Department has issued its final decision.
- C. If the Administrative Review decision or an appeal of an Administrative Review decision results in affirmation of the original order in whole or in part, the monthly billing liability shall be retroactively effective from the date of the original notice of the billing amount. The person liable for the cost of care shall pay all amounts as stated in the original notice, as adjusted (if any adjustment in the amount is made by Administrative Review or the appeal). The Department's final decision on the billing amount will be retroactively effective beginning with the month in which the request for Administrative Review was made. Failure to pay the amounts owed may result in termination of services.