

## **4002 CLIENT BILLING**

REVISION DATE: 5/10/2023, 11/17/2021, 11/20/2019, 3/20/2019,  
9/1/2014

EFFECTIVE DATE: January 1, 1996

REFERENCES: 20 C.F.R. § 416.1205; A.R.S. § 36-551; A.A.C. R6-6-1801;  
A.A.C. R6-6-2201; A.A.C. Chapter 6, Article 12, Cost of Care Portion

### **PURPOSE**

The purpose of this policy is to outline the requirements for Members to financially contribute to the cost of services provided by the Division.

### **DEFINITIONS**

1. "Administrative Review" means an informal review of a decision made by the Division.
2. "Cost of Care Portion" means the percentage of the cost of a Member's care that a Responsible Person or Representative Payee may be required to pay to the Division to offset the cost of the Member's care. The percentage of the cost of care is calculated based on the Member's income and based on 200% of the federal poverty guidelines.
3. "Home and Community Based Services" or "HCBS" means one or more of the following services provided to clients: attendant care, day treatment and training for children or adults, habilitation, home health

aide, home health nurse, hospice care, housekeeping-chore or homemaker, non-emergency transportation, occupational therapy, personal care, physical therapy, respiratory therapy, respite services, speech therapy, supported employment, and other comparable services as approved by the AHCCCS Director.

4. "Maximum Allowable Limit" means the highest amount of an individual's income or assets permitted by the Social Security Administration for Supplemental Security Income eligibility. This amount is also used by the Division to determine the Member's Cost of Care Portion.
5. "Member" means the same as "Client" as prescribed in A.R.S. § 36-551.
6. "Responsible Person" means the parent or guardian of a minor with a developmental disability, the guardian of an adult with a developmental disability or an adult with a developmental disability who is a client or an applicant for whom no guardian has been appointed.

7. "Representative Payee" means an individual or organization appointed by the Social Security Administration, Railroad Retirement, Veteran's Benefits, and Civil Service to receive and manage benefits.
8. "Residential Services" or "Room and Board" means a living arrangement operated by the Division or by a Service Provider, in which Members live with varied degrees of appropriate supervision.
9. "Special Needs Trust" means a legal arrangement that enables a person with a disability to hold assets and maintain his or her eligibility for public assistance benefits.

## **POLICY**

### **A. FINANCIAL CONTRIBUTION**

1. The Division shall require Members receiving services from the Division to make a financial contribution to the cost of their care based on their eligibility:
  - a. ALTCS Members shall only pay for the Cost of Care Portion for Residential Services.
  - b. Non-ALTCS Members shall pay for the Cost of Care Portion for all program services including Residential Services.

2. The Division shall bill Members receiving state-funded services who have a trust, annuity, estate, or assets exceeding the Maximum Allowable Limit of \$2,000, including Special Needs Trusts set up outside the State of Arizona, to their Cost of Care Portion for all programs and services provided by the Division.
3. The Division shall not bill Members receiving state-funded services who have a Special Needs Trust set up within the State of Arizona.

**B. FINANCIAL CONTRIBUTIONS AND BILLING FOR RESIDENTIAL SERVICES (COST OF CARE PORTION)**

1. The Division shall calculate the Member's Cost of Care Portion based on the amount of income or benefits the Member receives, including Social Security, Veteran's, and Railroad Retirement benefits.
2. The Division shall use the Federal Poverty Guidelines on the Health and Human Services Website to calculate a Member's Cost of Care.

3. The Division shall base the Cost of Care Portion for a Member receiving Residential Services on the total amount of income and monthly benefits the Member receives as follows:
  - a. The required financial contribution is a maximum of 70% of the Member's income and monthly benefits the Member receives, but must not exceed the actual cost of Residential Services.
  - b. The Division shall, when the Member's personal savings exceeds the Maximum Allowable Limit of \$2000 of the monthly federal benefits, calculate the billing amount as follows:
    - i. For the ALTCS Member, the actual cost of Residential Services until the Member's personal savings drops below the Maximum Allowable Limit of \$2,000.
    - ii. For the non-ALTCS Member, the actual cost of all services, including Residential Services, until the Member's personal savings drops below the Maximum Allowable Limit of \$2,000.

4. The Office of Accounts Receivable and Collections shall notify the Responsible Person or Representative Payee of the amount the Member must pay each month for Residential Services.
5. The Responsible Person or Representative Payee may contact the Division to request one or more of the following based on financial hardship of the Member:
  - a. A financial review;
  - b. An Administrative Review; or
  - c. A reduction in the amount billed.
6. The Division shall require the Responsible Person or Representative Payee to report any lump sum of past due benefit payments from the benefit source to the Division and shall bill against the lump sum amount.

**C. FINANCIAL REVIEW**

1. The Responsible Person or Representative Payee may request a financial review of the Member's Cost of Care Portion payment amount, by requesting in writing any of the following:
  - a. An informal business review.

- i. The Division's Business office shall conduct an informal business review when requested by the Responsible Person or Representative Payee at any time.
  - ii. The Responsible Person or Representative Payee shall submit the request via email to [dddrevenuedesk@azdes.gov](mailto:dddrevenuedesk@azdes.gov) and include recent tax forms.
  - iii. The Division shall respond to the Responsible Person or Representative Payee within 10 business days from receipt of the request.
- b. An Administrative Review as prescribed by A.A.C. R6-6-1801 et seq with appeal rights as prescribed by A.A.C. R6-6-2201.
- i. The Responsible Person or Representative Payee, shall, at any time within 30 days of the date payment for the Cost of Care Portion is due, submit a request to the Division's Office of Administrative Review at [dddofficeofcompliance@azdes.gov](mailto:dddofficeofcompliance@azdes.gov).

2. The Responsible Person or Representative Payee may request an Administrative Review without requesting an informal business review.

**D. HARDSHIP REDUCTION REQUEST**

1. The Responsible Person or Representative Payee may request a hardship reduction of the Cost of Care Portion by submitting a DDD-1532A Hardship Reduction Request form with documentation of expenses to the Division at [DDDCORRBHSBilling@azdes.gov](mailto:DDDCORRBHSBilling@azdes.gov).
2. The Division shall review hardship reduction requests for any of the following expenses:
  - a. Medicare Part D prescription drug co-payments, when submitted with proof of out-of-pocket expenses.
  - b. Amounts ordered by a court for restitution, child or spousal support, when documentation of the order is submitted.
  - c. Amounts paid for services provided by and items prescribed by a licensed healthcare professional, when documentation of the expenses supporting the request



- and denial(s) from third party payers, or other potential sources of assistance are submitted.
- d. Expenses for an extraordinary circumstance that affects the Member's health and safety when documentation of the amount of the expense, and the effect on the Member's health and safety if the expense is not incurred is submitted.
  - e. Cost of a prepaid burial or cremation plan when supported by documentation of the cost and the length of the payment period.
3. The Division shall review hardship reduction requests that include current documentation of the expenses supporting the request and shall issue a written determination within 30 business days that:
- a. Approves a temporary reduction of the Cost of Care Portion billing amount for up to 12 months, or
  - b. Denies the request.
4. The Responsible Person or Representative Payee may, if they disagree with the Division's hardship reduction request

determination, submit a request for an Administrative Review no later than 30 days following the date of the notice as per A.A.C. R6-6-2201.

5. Upon request by the Division, the Responsible Person or Representative Payee shall provide verification that the expense for which a hardship reduction request was granted has been paid.
6. The Responsible Person or Representative Payee may submit a hardship reduction request at any time as long as the incurred cost is not older than six months.