

# Ability To Pay

What is it

How to complete

How to enter information in CHIP

# What is the ATP

- Ability to pay, hereafter referred to as ATP, is the ability of a responsible party to pay for the cost of services (as determined by the Mental Health Code of Michigan under sections 818 and 819).
- ATP is also referenced in the Business Practices of the GCCMH Provider Manual, Policy#01-007-97
- ATP is a requirement for **all** clients that receive services directly by or by contract with the Department of Community Mental Health.

Individuals may not be denied services due to their inability to pay for services.



# ATP Questions

1. When to do the ATP and what is required?
2. What type of information is needed to complete the ATP?
3. What if someone has insurance coverage?
4. What about Medicaid coverage?
5. Is Medicaid deductible treated differently?
6. What if someone refuses to fill out the ATP?
7. What if someone refuses to obtain the insurance coverage they are eligible for?
8. Who will collect the ATP?
9. What are your responsibilities to the PIHP?



## When to do an ATP?

- The Michigan Mental Health Code states: The financial liability process shall be explained before the start of services or as practical thereafter.
- This shall be given orally and in writing.
- For inpatient services, the ATP shall be done as soon as practical after the person is admitted.
- For nonresidential services, the ATP shall be determined before the start of services.

# What is required to do the ATP?

- A responsible party
- The GCCMH ATP form
- State taxable income, or gross income
- An understanding of the program the client is entering into, e.g. mental health services, respite services, DD services, or state hospitalization



## Responsible Party

- MMHC 330-1804: A responsible party is financially liable for the cost of services provided to the individual.
- CMHSP shall charge responsible parties for that portion of the financial liability not met by insurance coverage in accordance with the terms of participation with a payer or payer group.
- If an individual is single, the ATP shall first be determined for the individual.
- If the individual is married, ATP shall be determined jointly for the individual and spouse.

## Responsible Party (continued)

- If the individual is an unmarried minor, or has insurance coverage under the parents, the ATP shall be determined for the parents.
- If the individual is married, insurance coverage and ATP are determined jointly for the individual and the spouse.
- A minor who is 14 years of age or older and is seeking treatment under section 707 of the Mental Health Code, shall be considered the responsible party if the parents are not notified of the treatment.



## Responsible Party (continued)

- The Michigan Mental Health Code definition for parent is ‘the legal father and mother of an unmarried individual who is less than 18 years old.’
- Step parents are not legally liable for their step children. They may carry insurance but are not obligated to do so. Providers can and should bill that insurance, if available.
- Once a child attains age 18, even though they may still be in school or claimed as a dependent on their parents income tax return, the parents are no longer liable for their services.

## Responsible Party (Parents)

- A parent shall not have an ATP for more than 1 individual at a time.
- A parent's total liability for 2 or more individuals shall not exceed 18 years.
- If either parent or either spouse has been made solely responsible for an individual's medical and hospital expenses by a court order, the other parent shall be determined to have no ATP.
- The ATP of a parent made solely responsible by court order shall be reduced by the amount of child support the parent pays for the individual.

# ATP Form Requirements

- State taxable income. The most recently filed state tax return shall be used.
- Put the amount of the state taxable income on the form and use that amount in the sliding rule scale to determine the ATP. Example: State taxable income is \$14001.00, therefore the ATP would be \$27.00 per month.
- Make sure both the preparer and the responsible party sign and date the form.
- The next three slides show the form as it's in CHIP.

Funding Source

Self-Pay

Medicaid [lookup](#)

MI Child [lookup](#)

Financial Information

Non Taxable Income

DHS

SS

SSI/SSDI

Child Support

Other

Total Monthly Income

(can be used to calculate Annual Gross Income)

Total Annual Adjusted Gross Income

Exemptions:

# of Exemptions Claimed on your Federal Taxes

x 3,600.00

# of Individuals 65 or older

x 2,300.00

# of Individuals qualifying for special exemptions:

deaf, blind, ...or totally and permanently disabled

x 2,300.00

# of children ages 18 & under claimed as MI exemptions

x 600.00

Unemployment Income

unemployment must be minimum 50% of AGI to qualify

2,300.00

Calculated Annual Taxable Income

(amount ATP is calculated from unless "Total Annual Taxable Income" is entered)

Total Annual Taxable Income

(Line 16-MI Income Tax-only)

Calculated Total Deduction Amount

Monthly Max Charge [Calculate](#)

(sliding scale)

Full Financial Utilized?

Yes  No

ATP Not Required

If So, Reason:

characters left: 64

Split Monthly Max?

Yes  No

Family Monthly Max?

Yes  No

Percentage:

Effective From

Effective Thru

Financial Information Review Date

Auto Set Date

Calculate Ability to Pay - Microsoft Internet Explorer provided by Genesee County CMH

### Calculate Ability to Pay

Taxable Income (Line 16 on MI-1040):

Ability to Pay amount:

**Funding Source**

Self-Pay

Medicaid

MI Child

**Financial Information**

**Non Taxable Income**

DHS

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SSI/SSDI

Child Support

Other

**Total Monthly Income**

(can be used to calculate Annual Gross Income)

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(Line 16-MI Income Tax-only)

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Monthly Max Charge

(sliding scale)

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If So, Reason:

characters left: 64

Split Monthly Max?

Yes  No

Family Monthly Max?

Yes  No

# ATP Form Requirements

- If there is no state taxable income, use the gross income figure and subtract the exemptions.
- This amount can be obtained from the federal tax return or you may use current pay stubs to come up with a gross income for the year.
- You will then have to calculate exemptions. This can be completed on the ATP form. Each exemption is multiplied by \$3600.00. Each child gets an additional \$600.00. Please be aware that these amounts do change and CHIP will reflect any changes in the ATP calculations.

# ATP Form Requirements

- Example: The family has a gross income of \$30,000.00. They claim 3 exemptions on their federal income tax form. 2 of the 3 exemptions are children under the age of 18.
- On the ATP form you have 3 exemptions. That figure is multiplied by \$3600.00=\$10,800.00 There are 2 children . Take that figure multiplied by \$600.00=\$1200.00. The total amount of exemptions is \$12,000.00.
- \$12,000.00 is subtracted from the gross \$30,000.00 for a taxable income of \$18,000.00 equal to an ATP of \$45.00 per month.



## Understanding of the program and it's effect on the ATP

- You will need to know what type of service the client is to receive.
- The client is billed monthly for all services up to the amount of the ATP if they are receiving Mental Health services, DD services, and are inpatient less then 61 days.
- Respite services are calculated differently.
- Spouses also have a lifetime limit.

## Respite and the ATP

- The fee for Respite services for a full day or any portion thereof shall be determined by dividing the monthly ATP by 30 and rounding up to the nearest dollar but shall not be more than the cost of services.
- Example Jane Doe receives respite services for Sally and her ATP is \$30.00.
- Her ATP for 5 days of respite services would be \$5.00 not \$30.00

## Spouse's ability to pay

- Except with respect to inpatient psychiatric services of less than 61 days, the department, CMHSP or those under contract with the PIHP, shall determine a spouse's ATP for the first 730 days of inpatient or residential services during the individuals' lifetime.
- After 730 days, the department, CMHSP or those by contract shall determine the ATP solely for the individual.

# What if there is insurance coverage?

- Clients are required to supply you with all available insurance. They are also required to obtain any available insurance.
- You are required to follow and bill the primary insurance before billing the PIHP.
- Insurance coverage includes all plans. As a provider, failure to follow the carriers 'rules does not result in liability for the PHIP.
- Medicaid is the payer of last resort.
- If a client is enrolled in or is eligible for coverage GCCMH requires an EOB for consideration.

## How does Medicaid insurance effect the clients ATP? Is Medicaid Deductible handled differently?

- If a client has active Medicaid insurance they will have a zero ATP.
- They will still be required to sign the form and they need to be made aware of the fact if they lose their Medicaid another ATP must be done.
- If the Medicaid deductible is not met, CMH will bill the client for services up to the deductible or ATP amount whichever is less.
- Medicaid deductible does not mean the consumer has an automatic zero ATP. The form and sliding rule scale must be used.

## What if the client refuses to give financial information or fails to pay for insurance that they are eligible for?

- This is addressed in the Mental Health Code Section 330.1814 –willful refusal to apply for insurance benefits or provide information.
- If a responsible party willfully fails to provide relevant insurance information or if they willfully fail to apply for insurance coverage, they will be assessed a full cost of services.
- A good example of this is a client that does not purchase Medicare Part B. No matter what their ATP is they will be charged full cost of services.
- If the client willfully refuses to give financial information or will not fill out the ATP form they **will be assessed a full ATP.**

## Who will collect the ATP amount?

- Currently the PIHP bills and collects the ATP.
- Providers will continue to receive the full benefit amount.
- Medicaid deductibles and ATP will be the responsibility of the PIHP to collect.
- Providers need to remember that the PHIP will be sending statements and will send those who do not attempt to pay to collections.
- Providers also need to be aware that this process is addressed in the Mental Health Code and is required by contract to be completed during the allotted time frame.

## What are your responsibilities to the PIHP?

- The external provider must enter the ATP information in CHIP within 15 days of assignment.
- Must ensure that the client or responsible party understands they have a right to request a long ATP form to be completed.
  - This form will be completed in the billing office of the PIHP. Clients will be required to bring all information about assets, income and deductions. If a client is requesting the long form, they must contact Pam Vogt at 810-257-3700 ext 4107.
- The client has the right to appeal the ATP and can request an administrative hearing.



## Problems and questions

- For questions /problems please contact the Provider Relations Dept at 762-5236. You may also submit an OPSC help ticket.
- For questions about how the client will be billed or, when and why they would be sent to collections, please call Pamela Pully, Billing and Claims Supervisor at 810-257-3700 ext 4120.