

Policy Title: Rate Setting and Sliding Fee Scale

Scope: All facilities of the Department of Mental Health and all service providers receiving funds through the Department of Mental Health

Policy: The Board of Mental Health shall, on the recommendation of the Executive Director, annually adopt rates, in compliance with Section 41-7-79 of the Mississippi Code, for services rendered by the facilities of the Department of Mental Health; additionally, the Board of Mental Health shall, on the recommendation of the Executive Director, adopt a sliding fee scale in compliance with Section 41-4-7 (e) of the Mississippi Code based upon said rates that considers a person's ability to pay for services that ensures that no person is denied services for inability to pay, while also ensuring that those persons who can pay for services pay an amount commensurate with their ability to pay.

Further, service providers receiving funds through the Department of Mental Health are required to adopt sliding fee scales based upon a person's ability to pay for services that ensures that no person is denied services for inability

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to pay, while also ensuring that those persons who can pay for services pay an amount commensurate with their ability to pay.

Procedure: Section 41-4-7 (e) of Mississippi Code states as one of the powers and duties of the State Board of Mental Health the following power: "To collect reasonable fees for its services; provided, however, if it is determined that a person receiving services is unable to pay the total fee, the department shall collect any amount such person is able to pay".

Section 41-7-79 of Mississippi Code deals with "Assessment and collection of charges by state institutions". This section states: "The maximum charges which may be made shall be based on the estimated operating cost of the institution, and such costs shall include a reasonable amount for depreciation. The director of the governing board of each institution, as appropriate, shall investigate or cause to be investigated the financial ability of each patient, his or her estate, and all other persons legally liable for the cost or care of the patient, and the charges assessed shall be in accordance with the ability of the person assessed to pay".

The Department of Mental Health shall annually approve private pay rates computed in accordance with Section 41-7-79 using cost data from the most recent Medicaid cost reports (which include factors for depreciation on plant, property and equipment) and/or any other cost data available adjusted forward for inflation and any other factors deemed necessary to approximate actual costs for the year for which rates are being set.

Rates calculated shall be presented to the Board of Mental Health for approval or change and implemented as soon as possible after such approval. Such rates, once approved, shall remain in effect until changed by subsequent Board action.

The Board of Mental Health shall also adopt a sliding fee scale to be used as a basis for calculating a person's ability to pay. Once this sliding fee scale is adopted, it may be changed each year to update the income figures to be in compliance with the most recent poverty guidelines published by the U.S. Department of Health and Human Services without the necessity of board approval. Income guidelines will remain in effect until so changed, and notification of such changes is communicated to the facilities by the central office of the Department of Mental Health, and the first "discount table" adopted under this policy is based upon federal poverty guidelines published on February 15, 2000. Any other proposed change will require board approval.

Definition of income: In determining a person's or family's income, the following definition will be used:

Income includes total annual cash receipts before taxes from all sources, with the exceptions noted below.

Income includes money wages and salaries before any deductions; net receipts from non-farm self employment (receipts from a person's own unincorporated business, professional enterprise, or partnership, after deductions for business expenses); net receipts from farm self employment (receipts from a farm which one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses); regular payments from

unemployment compensation, strike benefits from union funds, workers' compensation, public assistance (including Aid to Families with Dependent Children or Temporary Assistance for Needy Families, and non-Federally funded General Assistance or General Relief money payments, and training stipends), alimony, child support, and military family allotments or other regular support from an absent family member or someone not living at the household; and regular insurance or annuity payments; college or university scholarships, grants, fellowships, and assistantships; and dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

Income does not include the following types of money received: capital gains; any assets drawn down as withdrawals from a bank, the sale of property, a house, or a car; or tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury. Also excluded are noncash benefits, such as the employer paid or union paid portion of health insurance or other employee fringe benefits, food or housing received in lieu of wages, the value of food and fuel produced and consumed on farms, the imputed value of rent from owner occupied nonfarm or farm housing, and such Federal noncash benefit programs as Medicare, Medicaid, food stamps, school lunches, and housing assistance.

Income received from the following sources are not subject to the discounted rate: Regular payments received from social security, railroad retirement, veterans' payments, supplemental security income, private pensions, government employee pensions (including military retirement pay). The ability to pay for persons receiving income

from any of these sources will be determined on a case by case basis.

Any item of income which does not fit within any of the categories listed for inclusion or exclusion in this definition will be evaluated on a case by case basis to determine whether such income should be included or excluded.

Annual poverty guidelines published by the U.S. Department of Health and Human Services shall be used to determine a discount to be applied to the regular private pay charge. Families receiving income equal to 200% or more of the federal poverty guideline applicable to their family size shall receive no discount. Families receiving less than 200% of the federal poverty guideline shall receive the discount specified in the column for their level of income. Once an amount due is determined, additional discounts may be made on a case by case basis to ensure that no person is denied services.

The following additional provisions apply:

1. In determining the discounted rate, the facility may require submission of proof of income amounts claimed.
2. In the event that a person or family is still unable to pay the discounted rate, the facility may further adjust the required payment to a level that can be paid. No person may be denied service based on inability to pay. In determining additional discounts, the facility may require additional documentation concerning assets and income as may be deemed necessary to determine the person's or family's true ability to pay.
3. Even where a discounted rate is

determined, the full amount of the private pay rate will continue to be billed. The billing shall indicate both the total amount of the bill, and the amount that is actually due at the present time. The purpose for this is so that, in the event of an estate settlement, the facility may assess the estate for the full amount charged and not just the discounted rate. The billing shall also state that the full charge, less any payments that have been received, will be assessed against any estate assets.

4. The discounted rate shall apply only to private pay amounts. Amounts due from third party insurers, including Medicare and Medicaid, shall not be discounted using this policy but may be discounted below the full private pay rate in the case of Medicare and Medicaid under participation agreements with those entities. Third party insurers other than Medicare and Medicaid may pay less than the full charge under the provisions of the policy issued; in cases where this occurs, the discount rate may still be applied to the amount remaining due from the patient.
5. In cases where a third party payment is deemed to be payment in full for covered services, no additional amount may be assessed for the services deemed to be covered even if the payment received is less than the full private pay rate.
6. The discounted rate calculated under this policy will not be applied to any nursing facility admission. Private pay amounts for residents of nursing facilities will be determined by the facility based on

each resident's ability to pay and giving due consideration to requirements of third party payers.

With respect to service providers (other than Department of Mental Health facilities) who receive funding from the Department of Mental Health, the following applies:

1. Service providers shall set rates for their services based upon the reasonable cost of providing those services, including allocations for overhead, depreciation, and such other costs as are ordinary, necessary, and reasonable in providing services.
2. Service providers shall adopt a sliding fee scale to apply to rates set that are based upon a person's ability to pay for services that ensures that no person is denied services for inability to pay, while also ensuring that those persons who can pay for services pay an amount commensurate with their ability to pay.

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