

CHAPTER Fiscal Management	CHAPTER 06	SECTION 003	SUBJECT 110
SECTION Reimbursement		DESCRIPTION Billing for Services and Delinquent Accounts	
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APPLICATION:

<input checked="" type="checkbox"/> CMH Staff	<input checked="" type="checkbox"/> Board Members	<input type="checkbox"/> Provider Network	<input type="checkbox"/> Employment Services Providers
<input checked="" type="checkbox"/> Employment Services Provider Agencies	<input type="checkbox"/> Independent Contractors	<input type="checkbox"/> Students	<input type="checkbox"/> Interns
<input type="checkbox"/> Volunteers	<input checked="" type="checkbox"/> Persons Served		

POLICY:

Lapeer County Community Mental Health (LCCMH) Board and Administration will collect payment for services from responsible parties as provided by law.

STANDARDS:

- A. Payment for services is due at the time the service is provided, per the Financial Responsibility Agreement. Payments not received at the time of service will be billed.
- B. LCCMH offers a variety of payment options, including check, cash, or credit card. Individuals are billed based on their insurance coverage and ability to pay, see LCCMH Policy 06.003.130 Ability to Pay Determination.
- C. Accounts receivable uses the following timeframes to determine payment status:

Current	0-30 days
Past Due	31-90 days
Delinquent	more than 90 days

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D. Delinquent account balances exceeding \$200 are sent to collections (LCCMH Board Motion 0924-015).

PROCEDURES:

- A. A billing statement will be mailed to the person served or responsible party indicating the cost of services provided, total charges, and balance due.
 - 1. If payment is not received within 30 days after the initial statement, a second statement will be issued. "Past Due" will be noted on the statement.
 - 2. If payment is not received within 30 days after the second statement is issued, a third statement will be issued. "Past Due – Final Notice" will be noted on the statement.
 - 3. If payment is not received within 30 days after the final payment request, the account is considered delinquent and the account is written off or sent to collections, depending on the account balance.
- B. For all balances less than \$100, adjustments to the accounts are taken to the Chief Executive Officer (CEO) for approval prior to write off and they must be made in accordance with the law.
- C. For all balances \$100-\$199, adjustments to the accounts are taken to the LCCMH Board for approval prior to write off and they must be made in accordance with the law.
- D. If the delinquent account has a balance exceeding \$200 and no payment is received within 30 days of notification, the account is sent to collections.
- E. If the original billing statement is returned undelivered, and the case is closed, the account will be written off or sent to collections determined by the account balance.
- F. If the original billing statement is returned undelivered, and the case is open, LCCMH finance staff coordinate with the primary case holder to meet with person served or responsible party and provide the statement.

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G. Finance staff monitor balances and notify primary case holder and clinical supervisor on a case-by-case basis. Clinical staff determine if the service is medically necessary and discuss with person served or responsible party how failure to pay could impact services, based on the Financial Responsibility Agreement.

REFERENCES:

LCCMH Financial Responsibility Agreement
LCCMH 06.003.130 Ability to Pay Determination

EM:lr

This policy supersedes
#06/02013 dated 06/11/2002.
