

HB

99

# COMMITTEE REPORT

1-21-77

FINANCE

## HOUSE

\_\_\_\_\_ Date

Mr. Speaker:

The Committee on HESS has had HB 99

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that  
do for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_  
Chairman

Monthly Income

NUMBER OF PERSONS DEPENDENT ON INCOME

	1	2	3	4	5	6	7	8	9	10 or more
for monthly payment divide the figures below by 12										
-0 - 274	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
275 - 316	20	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
317 - 374	30	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
375 - 432	60	30	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
433 - 482	70	50	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
483 - 532	100	60	30	-0-	-0-	-0-	-0-	-0-	-0-	-0-
533 - 574	130	70	50	30	-0-	-0-	-0-	-0-	-0-	-0-
575 - 624	150	100	60	50	-0-	-0-	-0-	-0-	-0-	-0-
625 - 666	180	130	80	60	-0-	-0-	-0-	-0-	-0-	-0-
667 - 687	220	150	100	70	50	-0-	-0-	-0-	-0-	-0-
688 - 728	270	170	120	90	60	-0-	-0-	-0-	-0-	-0-
729 - 770	280	190	140	100	70	50	-0-	-0-	-0-	-0-
771 - 812	310	210	170	120	90	60	-0-	-0-	-0-	-0-
813 - 853	360	240	190	160	110	70	50	-0-	-0-	-0-
854 - 895	420	270	220	180	140	90	60	-0-	-0-	-0-
896 - 937	470	320	240	190	160	110	70	50	-0-	-0-
938 - 978	520	360	310	240	180	130	90	60	-0-	-0-
979 - 1020	570	420	340	270	220	180	130	90	70	-0-
1021 - 1062	650	480	410	340	280	210	160	110	80	-0-
1063 - 1103	770	560	440	370	310	240	190	140	100	70
1104 - 1145	830	630	530	410	340	270	210	170	130	80
1146 - 1187	910	690	590	470	420	310	250	190	170	110
1188 - 1228	980	810	650	540	450	400	310	230	190	140
1229 - 1270	1150	880	760	600	500	430	350	270	210	150
1271 - 1312	1230	960	830	710	600	460	390	320	240	200
1313 - 1353	1330	1050	920	780	670	550	470	370	300	240
1354 - 1395	1510	1120	980	850	720	600	510	430	300	260
1396 - 1437	1640	1290	1130	960	790	670	560	460	380	310
1438 - 1478	1750	1390	1220	1060	920	800	690	560	460	380
1479 - 1520	1880	1400	1310	1150	990	870	720	620	510	420
1521 - 1562	2100	1590	1420	1230	1080	930	800	670	560	450
1563 - 1603	2250	1710	1520	1320	1160	1080	940	800	680	560
1604 - 1645	2400	1940	1720	1520	1330	1170	1010	860	720	600
1646 - 1688	2660	2060	1840	1620	1430	1240	1090	940	790	670
1689 - 1729	2810	2180	1940	1730	1530	1330	1160	990	920	780
1730 - 1770	2990	2320	2080	1840	1640	1440	1340	1170	1000	850
1771 - 1812	3170	2500	2340	2080	1850	1640	1440	1250	1070	920
1813 - 1854	3500	2750	2480	2210	1990	1750	1570	1340	1150	1070
1855 - 1895	3690	2900	2630	2350	2090	1870	1640	1430	1340	1160
1896 - 1937	3900	3060	2770	2510	2230	1970	1870	1640	1430	1250
1938 - 1979	4110	3240	2940	2770	2490	2230	1970	1750	1510	1290
1980 - 2020	4320	3570	3260	2940	2650	2360	2090	1850	1610	1520
2021 - 2062	4750	3790	3440	3120	2960	2670	2370	2090	1850	1620
2063 - 2104	4990	3960	3800	3440	3100	2800	2500	2220	1960	1850
2105 - 2145	5240	4180	4010	3640	3300	2960	2660	2360	2250	1960
2146 - 2187	5690	4590	4190	3820	3440	3090	2780	2660	2340	2060
2188 - 2229	5970	4820	4410	4060	3850	3470	3140	2780	2490	2200
2230 - 2270	6240	5050	4840	4470	4040	3650	3290	2950	2610	2400
2271 - 2312	6540	5550	5090	4650	4230	3830	3460	3090	2950	2630
2312 - 2354	6820	5780	5330	4840	4440	4020	3620	3450	3100	2760
2355 - 2395	7080	6060	5560	5020	4640	4460	4050	3630	3280	2920
2396 - 2437	7440	6310	5800	5310	5070	4640	4210	3810	3430	3060
2438 - 2479	8060	6520	6340	5840	5350	4870	4420	4010	3610	3430
2480 - 2520	8410	6870	6630	6090	5570	5090	4620	4440	4000	3590
Over 2520	For each \$500.00 increase in annual income over \$30,250.00 add 3% of									
	8410	6870	6630	6090	5570	5090	4620	4440	4000	3590

MEMORANDUM

TO: Members of the House HESS Committee

FROM: Rocky MacKinnon

DATE: February 17, 1977

RE: HB 99; changes & effects

Change                    Sec. 1 AS 47.30.270(a), page 1, line 12, adds spouse to the list of persons liable for the cost of care of the mentally ill.

Effects                    More money might be received by the State of Alaska for care of the mentally ill.

                          The spouse will be liable for payment, even after a divorce is granted (see appendix 1).

Change                    Sec. 1 AS 47.30.270(a), page 1, lines 23-26, enables the department to obtain information to determine ability to pay.

Effects                    The department can impose full liability if financial information is not supplied.

                          The department should be able to make a fair determination with the information supplied. (See appendix 3).

Change                    Sec. 1(a), page 2, lines 3-18, drops the \$50.00 per month ceiling on all but the severely mentally ill, or those institutionalized for a period exceeding 12 months.

Effects                    Insurance companies will be required to pay more than \$50.00 per month if the costs are over \$50.00 per month.

                          Since most insurance policies cover a maximum of 12 months, individuals can be required to pay a maximum of \$50.00 after insurance runs out.


                          The ability to pay will be determined in a fair way and those determinations can be appealed (see appendix 2).

Change                    Sec. 3(f), page 3, lines 10-11, adds patient or spouse to the list of persons to notify in case of delinquent payment.

Effects                    30 days after notification of delinquent payment the department may proceed to collect costs due.

TO: Jerry L. Schrader, M.D.  
Director  
Division of Mental Health &  
Developmental Disabilities

DATE : February 18, 1977

FROM: Thomas R. Branton   
Assistant Director  
Division of Mental Health &  
Developmental Disabilities

SUBJECT: Accounts Receivable A.P.I.

The following information describes the state of the accounts receivable to the State for service provided by Alaska Psychiatric Institute. The information describes the situation of the accounts for which there has been determined to be an existing legal obligation. Dollar amounts reflect the impact of payments received on account for the month of January, 1977. Not reflected is the receivables resulting from service provided during January, 1977 i.e. current with January receipts but not January billings.

There are currently 224 open accounts at A.P.I. with a full value worth of \$735,837.34.

Individual patient and parent or guardian personal liability outstanding is \$8,078.53. Twenty-four of these cases are limiting their payment under the \$50/month maximum liability statute. The remainder are determined "ability to pay" liability.

Insurance coverage from carriers as Blue Cross, Veterans, Medicare and similar group and private carriers which have been billed amount to an as billed account receivable of \$410,781.49. Some unknown percent of this amount will be discounted by the carrier prior to payment. The \$410,781.49 is at 100% billed cost.

Payments due through the office of Public Assistance for covered patients of medicaid eligibility total \$316,977.32. This consists primarily of the regular December billing and in-process billings for service provided by the recently established ICF Unit.

Not reported in the total accounts receivable figure is an estimated \$56,000.00 amount of billings which, during the past years, have been referred to the Quality Control and Collection agency within the Department. They estimate no more than six to seven thousand dollars of this total will be collected.

Legitimate accounts where liability has been clearly established and no intent to pay is shown are currently aged 90 days and referred to Collection for appropriate action. So long as the account is "alive" it is held at A.P.I.

TRB:en

cc: Roxy E. Pomeroy

This is a summary of a long distance telephone conversation I had with Max Gruenberg, a member of the Mental Health Advisory Council, regarding HB 99, on February 16, 1977. Because of a limited time factor, he requested that I relay his thoughts to the Committee.

1. The additional revenues received by the state would be a "drop in the bucket".
2. There are a higher proportion of people in API either from the bush or with low incomes and many of these people do not have insurance.
3. He thinks the whole law should be repealed, using the arguement that criminals don't have to pay for jail, so why should the mentally ill?
4. He doesn't think "spouse" should be added because a spouse is burdened enough just being married to a mentally ill person, why cause more grief?
5. He questions the constitutionality when differing between length of time under care, and amount paid, (a maximum payment of \$50.00 is allowed after a person is "in" for at least 12 months).
6. He questions the part about a lien against the state illegal over what is due the Federal Govt. (?) (Don't ask me to explain, he's a LAWYER)

*Rocky*

HOUSE BILL 99

'An Act relating to liability for expense of hospitalization of mentally ill individuals; and providing for an effective date.'

This bill is at the request of the Department. Under current legislation the State is cut off from substantial third party payment sources for care given in cases hospitalized under AS 47.30. This bill gives adequate protection against extraordinary charges being made for care of developmental disability cases yet allows the State to claim up to full care costs for acute psychiatric care.

We would propose that House Bill 99 be amended to read:

PAGE 1 Line 16 insert after. . .the department if the patient is hospitalized in a state hospital, or by the hospital, if a patient is hospitalized in a private hospital.

Line 17 insert after. . .department if the patient is hospitalized in a state hospital, or the hospital, if the patient is hospitalized in a private hospital, . . .

Line 20 insert after. . .The department or private hospital. . .

Line 25 insert after. . .and treatment in a state hospital. . .

Line 28 insert at front of line. . .or the private hospital. . .

PAGE 2 Line 1 insert new sentence after. . .department order. A private hospital may be reimbursed by the department or its designee for the cost of care and treatment of a patient hospitalized under sections 10-340 of this chapter, only when it shows that it has determined ability to provide for payment by procedures approved by the department or its designee, that it has issued an order of payment to the patient or the person responsible for payment within six months after the date on which the charge was incurred, and that it has exhausted other sources of payment. . . .

Line 12 insert after. . .department or a private hospital, . . .

Line 13 insert after. . .department or a private hospital . . .

Line 18-19 insert between paragraph. . .Sec. 2. AS 47.30.270 (c) is repealed.

This proposed amendment places the burden of determination of ability to pay on the hospital where the service is provided as a prerequisite to billing the State for service.

The fiscal impact of this bill is not totally predictable. Under the present law where patient liability is limited and the spouse is not required to pay,

insurance recovery is limited. During the first six months of Fiscal Year 1977 when 52 cases were billed, a total of \$91,236 was collected, however, only 18 of the 52 cases paid more than \$50/month, determined to be the limit of their liability or the liability of their insurance carrier. Without the amended change we predict more patients will limit their payment to \$50/month and third party payments will further be reduced.

We recommend the passage of this bill when amended as proposed.

Recommended by:

*Thomas R. Brum* 1/31/77  
Jerry L. Schrader, M.D. DATE  
Division of Mental Health  
and Developmental Disabilities

Approved by:

*Francis S. Williamson* 2/3/1977  
Francis S.L. Williamson DATE  
Department of Health & Social Services

Revised 1/3/75

Persons Liable

Liability for the cost of care and treatment for mental health services shall be assumed by the patient or his legal representative, or his parents if he is under 18, in that order, individually or collectively. In those cases in which dependency cannot be established, the Division will make a reasonable effort to identify, contact and request payors, in the prescribed order, to participate in the payment for cost of care and treatment.

Amount of Liability

Amount of liability assumed by the responsible payor or payors will be based on their individual ability to pay as determined by the Division, up to the actual cost of care and treatment, but not over \$50.00 per month for the liable parent according to the 1974 amendment to AS 47.30.270.

Any liable parent who refuses or fails to pay the amount determined by the Division, or refuses to submit, or willfully misrepresents the information upon which determination is based, will be liable for the total of the remaining actual cost of care not to exceed \$50.00 per month. Any unpaid amount, either determined by the Division or actual cost, will constitute a lien in favor of the state against all property of the patient and will be processed according to applicable Alaska Statutes. Any unpaid liability of the parent will, in the event of the parents death, be discharged or collected from the patient. No claim lies against the assets or estate of the deceased parent.

## Waiver of Liability

A waiver of liability for cost of care and treatment may be granted when the medical, psychological and social factors in the patient's case indicate that payment would be detrimental to the patient's rehabilitation.

It is not expected that these factors can be reduced to some absolute formula but rather will constitute a professional clinical judgment.

The request for a waiver will be initiated by the social worker assigned to the case and will require the authorization of the Director of the Division of Mental Health or his designee(s).

SECTION II

LIABILITY DETERMINATION

## LIABILITY DETERMINATION

### DEFINITION

The determination of liability for the cost of care and treatment for mental health services is a process which relates an individual's ability to pay to an equitable amount of liability. As defined by the Division of Mental Health, the amount of liability determined by this process is an annual liability payable over a twelve-month period, but in no case will the total amount paid exceed the actual cost of care.

To better understand the process, it is appropriate to compare the resulting amount of the process with the deductible amount of a typical health insurance program. Under such a deductible program, an individual is liable for the cost of care up to a stated limit, after which the insurance carrier will pay additional service costs. The annual liability amount established by the Division in many ways represents the deductible amount for the cost of mental health services provided by the Division. Costs for care and treatment above the annual liability amount, not covered by a third-party payor, will be paid by the Division. Unlike usual health insurance programs, however, which typically have a fixed limit for all persons covered by the program, the annual liability amount determined by the Division will vary based on the individual's ability to pay.

### APPROACH

The process for determination of liability involves essentially four steps:

1. Identification of persons liable to pay for or contribute to the cost of care and treatment for mental health services.
2. Collection of information influencing the person's ability to pay.
3. Determination of the amount of liability to be paid based on evaluation of the person's ability to pay.

#### 4. Redetermination of liability at periodic intervals.

The approach is defined to comply with the provisions of AS 47.30.270 as amended and its supporting regulations. The reader should be thoroughly familiar with these provisions.

#### CONSIDERATIONS AND PROCEDURES:

##### 1. General considerations:

- a. Special consideration should be made of the prospective nature of the determination process for persons liable other than the patient or his legal representative. That is, parents are not liable for costs of care and treatment prior to the order by the Division to pay and then not to exceed \$50.00 per month. Accordingly, effort should be made to expedite the determination process for these persons. A recommended period for completion is 21-30 days from the date of admission of the patient.
- b. All determinations may be appealed. Procedures for fair hearings are defined in Appendix A of this manual.
- c. The amount of liability is an annual amount to the Division of Mental Health. In the case of readmissions within the annual period for which the liability was determined, or transfers from other institutions within the annual period, no determination should be made until the annual date. In the case of transfers, the initial institution will continue the billing until the end of the annual period. The redetermination of liability will be made by the institution in which the patient resides.

2. Identification of liable persons:

- a. Upon a new admission to the mental health facility, the admitting officer or other responsible person should assist the patient or his representative in completing the admitting form and financial questionnaire. Particular attention should be placed on identification of those persons liable for cost of care including the patients legal representative and both parents, spouse and adult children, unless they and the legal representative are, by the 1974 amendment, not included as among those persons liable. Additionally, any third party payors (e.g., Medicare, Veterans, Blue Cross) for which the patient may be eligible should be identified.
- b. Admitting information should be obtained as soon as possible, preferably at time of admission. A maximum of 72 hours from time of admission should be observed.

3. Collection of financial information:

- a. In the event that the patient is determined to be unable to pay for the full cost of care, the remaining persons liable identified on the admitting form should be requested to prepare and submit financial information so that their ability to pay may be determined. The requesting letter should be mailed together with the financial questionnaire and a copy of the statement for payment for mental health services.
- b. Returned information should be evaluated for reasonableness. Although the process is essentially a "declaration" approach in that full verification of all information is not mandatory to making the ability to pay decision,

the evaluator, at his discretion, may require verification of information from the person liable to support data submitted on the questionnaire.

- c. The date of the requesting letter should be the same date the letter is mailed. The date for return of the information being requested should be 14 days after the date of the letter.
- d. All mailings should be sent through registered mail with return receipt requested.

4. Determination of liability:

- a. Persons liable not returning all requested information have been deemed by their default, to be able to pay the remaining full cost of care and treatment. In such event, the evaluator should review the case with the social worker assigned to the case to determine the possible effect of an Order to Pay of the person liable on the rehabilitative needs of the patient. Should the social worker determine that payment will be detrimental to the patient's rehabilitation, supporting documentation should be prepared and submitted to the authorized person at the Division for final determination.
- b. The determination of ability to pay will be made considering the following income factors:
  - 1) Gross monthly family income. This is not takehome pay, but gross income before any deductions. All sources of income should be considered, including wages, rental income, pension, etc.
  - 2) Unusual monthly expenses which will be limited to:
    - a) Child care expenses necessary for employment.

- b) Court ordered obligations paid monthly.
- c) Reasonable union dues.
- d) Contributions to retirement plans.
- e) Reasonable expenses for special work clothing and/or equipment.
- f) Unusual health care expenses, in excess of 3% of gross income.
- g) Any other major unusual expense affecting family income for a number of months which originates from events over which the family can exercise no control.

3. Assets of the family, adjusted to a monthly amount, with the following limitations or disregards:

- i. The value of the house for shelter of the family.
- ii. The land on which the house is located.
- iii. Income-producing real property which is regarded as income.
- iv. Reasonable means of transportation.
- v. Tools or equipment necessary for employment.

c. The resulting amount of family income and 6% of assets divided by 12 will establish an adjusted gross monthly income. This amount will be used in establishing the annual liability from the Annual Liability Table (Exhibit A), taking into consideration family members dependent on the income. The annual liability table was derived from a formula established by the State of California and takes into consideration normal living allowances for various

levels of income based on statistics compiled by the U. S. Bureau of Labor Statistics. The amounts calculated have been adjusted to reflect the cost of living in Alaska.

- d. The monthly payment amount is calculated by dividing the annual liability amount by 12, not to exceed \$50.00 per month for liable parents.
- e. Upon evaluation of the liable person's ability to pay, the rehabilitation evaluation summary will be prepared and forwarded to the social work supervisor. The returned summary will be considered in view of any increases or decreases recommended.
- f. A determination summary must be prepared in duplicate for each determination. The summary must be signed by the person making the determination and by his immediate supervisor. A copy of the summary and all supporting information must be placed in the liable person's financial file if a liability amount has been determined.
- g. The order to pay should be prepared immediately upon approval of the determination. The order must be signed by the evaluator and, together with copies of the determination summary and the annual liability table, mailed to the person liable. Copies of the order must be placed in the liable person's financial file and one sent to patient accounting.

h. Determinations should be made for each person liable in the order described in the statute. The order to pay should not be sent until a determination and order have been sent to any prior persons liable.

5. Redeterminations will be made at periodic intervals as defined in the regulations. Essentially, the process is the same as that used during the initial determination. Refer to paragraph 1.c. above for additional considerations.

COMPLETION SUMMARY

TITLE: Patient Financial Questionnaire

PURPOSE: To collect pertinent patient financial information  
to determine his ability to pay

RESPONSIBILITY: Admissions Office

PROCEDURES:

Complete as indicated on form.

DIVISION OF MENTAL HEALTH

PATIENT FINANCIAL QUESTIONNAIRE

Name \_\_\_\_\_ Birthdate \_\_\_\_\_ Marital status \_\_\_\_\_

Address \_\_\_\_\_ Social Security No. \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_ Phone \_\_\_\_\_

How long at this address? \_\_\_\_\_ Former address \_\_\_\_\_

Spouse's name \_\_\_\_\_

Name of employer \_\_\_\_\_ Address \_\_\_\_\_

Position \_\_\_\_\_ Date employed \_\_\_\_\_

Union \_\_\_\_\_ Local \_\_\_\_\_

Spouse's employer \_\_\_\_\_ Address \_\_\_\_\_

Position \_\_\_\_\_ Date employed \_\_\_\_\_

Union \_\_\_\_\_ Local \_\_\_\_\_

Health Insurance Company \_\_\_\_\_ Address \_\_\_\_\_

Group \_\_\_\_\_ Membership No. \_\_\_\_\_

Policy No. \_\_\_\_\_

Are you a veteran? Yes \_\_\_ No \_\_\_ Service No. \_\_\_\_\_ Claim No. \_\_\_\_\_

Are you eligible for Medicare? Yes \_\_\_ No \_\_\_ Claim No. \_\_\_\_\_

Do you receive Social Security? Yes \_\_\_ No \_\_\_ Claim No. \_\_\_\_\_

Do you receive Public Assistance? Yes \_\_\_ No \_\_\_ Case No. \_\_\_\_\_

Number of dependents other than self \_\_\_\_\_

Name of dependent	Relationship	Age
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

I do hereby certify that the information presented herein is true and understand that any willful misstatement or misrepresentation will void any agreement with the Department of Health and Social Services, State of Alaska, and result in the actual cost of care being due and payable.

Signed \_\_\_\_\_ Date \_\_\_\_\_

Interviewer Name \_\_\_\_\_

Signed \_\_\_\_\_

COMPLETION SUMMARY

TITLE: Financial Information Request Letter

PURPOSE: As titled

RESPONSIBILITY: Patient Billing Supervisor

PROCEDURES:

As indicated in letter.

Re:

Case No.:

Dear \_\_\_\_\_ :

As you know, your (relationship), (name of patient), was admitted to the (name of facility) on (date of admission) and continues to receive care at the Hospital. To help pay for the cost of care and treatment, which last year averaged \$ \_\_\_\_\_ per day for each patient, Alaska State Statute (AS 47.30.270 as amended 1974) provides in part:

1. "A patient, or his legal representative acting in a representative capacity, or his parents if the patient is under the age of 18, shall pay or contribute to the payment of the charges for the care or treatment of the patient when hospitalized...in the manner and proportion which the department finds is not detrimental to the patients rehabilitation and which is within their ability to pay" ... "Notwithstanding the amount of the charge determined to be due, parents may not be required to pay more than \$50.00 a month for each child"..."The department may make necessary investigations to determine the ability to pay and may require sworn statements of income by the parents "
2. "The amount of liability for care and treatment not paid by the patient or responsible payor constitutes a lien in favor of this State against all property of the patient."

As parent of the patient, you are requested to complete the forms enclosed so that we may determine your ability to pay towards

the cost of care and treatment. The information must be returned on or before (date). Without this information we will assume you are able to pay the full cost.

If the patient has insurance coverage, please complete and forward the necessary forms signed by the responsible persons. We will submit the completed claims to the insurance company.

Enclosed is a copy of the Division policy concerning ability to pay. This policy should answer many questions you may have about your responsibility. You should keep this copy for your files.

Remember, please return the requested information on or before (date).

Sincerely,

INCOME

1. Total family monthly wages (gross)

a. Self \$ \_\_\_\_\_

b. Spouse \_\_\_\_\_

c. Other \_\_\_\_\_

\_\_\_\_\_

Total gross monthly wages \$ \_\_\_\_\_

2. Other family income (net)

a. Social Security \$ \_\_\_\_\_

b. Pension \_\_\_\_\_

c. Rental income \_\_\_\_\_

d. Other \_\_\_\_\_

\_\_\_\_\_

Total other family income \$ \_\_\_\_\_

3. Unusual monthly expenses

a. Child care necessary for employment \$ \_\_\_\_\_

b. Court-ordered obligations \_\_\_\_\_

c. Union dues \_\_\_\_\_

d. Retirement payments \_\_\_\_\_

e. Other (explain) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Total unusual monthly expenses \$ \_\_\_\_\_

Remarks:

ASSETS

Checking account: Bank \_\_\_\_\_ Branch \_\_\_\_\_ Amount \$ \_\_\_\_\_

Bank \_\_\_\_\_ Branch \_\_\_\_\_ Amount \$ \_\_\_\_\_

Savings account: Bank \_\_\_\_\_ Branch \_\_\_\_\_ Amount \$ \_\_\_\_\_

Bank \_\_\_\_\_ Branch \_\_\_\_\_ Amount \$ \_\_\_\_\_

Other liquid assets (stocks, savings bonds, trust, etc.):

Description \_\_\_\_\_ Amount \$ \_\_\_\_\_

Description \_\_\_\_\_ Amount \$ \_\_\_\_\_

Real property (do not include home or rental property):

Description \_\_\_\_\_ Est. value \$ \_\_\_\_\_ Equity \$ \_\_\_\_\_

Description \_\_\_\_\_ Est. value \$ \_\_\_\_\_ Equity \$ \_\_\_\_\_

Personal property (do not include property necessary for employment):

Car (1) Make \_\_\_\_\_ Year \_\_\_\_\_ Current value \$ \_\_\_\_\_

Payment \$ \_\_\_\_\_ Balance \$ \_\_\_\_\_

Truck (2) Make \_\_\_\_\_ Year \_\_\_\_\_ Current value \$ \_\_\_\_\_

Payment \$ \_\_\_\_\_ Balance \$ \_\_\_\_\_

Other assets: Description \_\_\_\_\_ Value/equity \$ \_\_\_\_\_

(boats, Description \_\_\_\_\_ Value/equity \$ \_\_\_\_\_

truck, etc.)

Total value of assets \$ \_\_\_\_\_

COMPLETION SUMMARY

TITLE: Payor Financial Questionnaire

PURPOSE: To collect pertinent liable person's financial information to determine his ability to pay

RESPONSIBILITY: Admissions Office

PROCEDURES:

1. Enter name of patient and case no.
2. Send liable person.

DIVISION OF MENTAL HEALTH

PAYOR FINANCIAL QUESTIONNAIRE

Name of patient \_\_\_\_\_ Hospital No. \_\_\_\_\_

Name \_\_\_\_\_ Birthdate \_\_\_\_\_ Marital status \_\_\_\_\_

Address \_\_\_\_\_ Social Security No. \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_ Phone \_\_\_\_\_

How long at this address? \_\_\_\_\_ Former address \_\_\_\_\_

Spouse's name \_\_\_\_\_

Name of employer \_\_\_\_\_ Address \_\_\_\_\_

Position \_\_\_\_\_ Date employed \_\_\_\_\_

Union \_\_\_\_\_ Local \_\_\_\_\_

Spouse's employer \_\_\_\_\_ Address \_\_\_\_\_

Position \_\_\_\_\_ Date employed \_\_\_\_\_

Union \_\_\_\_\_ Local \_\_\_\_\_

Health Insurance Company \_\_\_\_\_ Address \_\_\_\_\_

Group \_\_\_\_\_ Membership No. \_\_\_\_\_

Policy No. \_\_\_\_\_

Do you receive Social Security? Yes \_\_\_ No \_\_\_ Claim No. \_\_\_\_\_

Do you receive Public Assistance? Yes \_\_\_ No \_\_\_ Case No. \_\_\_\_\_

Number of dependents other than self \_\_\_\_\_

Name of dependents	Relationship	Age
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

I do hereby certify that the information presented herein is true and understand that any willful misstatement or misrepresentation will void any agreement with the Department of Health and Social Services, State of Alabama, and result in the actual cost of care being due and payable.

Signed \_\_\_\_\_ Date \_\_\_\_\_

Relationship to patient: Legal representative \_\_\_ Spouse \_\_\_ Parent \_\_\_

COMPLETION SUMMARY

TITLE: Ability to Pay Determination Summary  
Family with Dependents

PURPOSE: Returned to liable person to inform him of the  
calculations made in determining amount of liability

RESPONSIBILITY: Liability Evaluator

PROCEDURES:

Complete as indicated on form.

Patient: \_\_\_\_\_ Account: \_\_\_\_\_

Payor: \_\_\_\_\_ Address: \_\_\_\_\_

\_\_\_\_\_ Determination Date: \_\_\_\_\_

INSURANCE

Insurance Coverage: Yes \_\_\_ No \_\_\_ Estimated Benefits: \_\_\_\_\_

Name of Company: \_\_\_\_\_ Group Number: \_\_\_\_\_

Membership No.: \_\_\_\_\_ Policy No.: \_\_\_\_\_

FAMILY INCOME

1. Gross monthly family income \$ \_\_\_\_\_
2. Less: Unusual expenses
  - a. Child care necessary for employment \$ \_\_\_\_\_
  - b. Court-ordered obligations \_\_\_\_\_
  - c. Union dues \_\_\_\_\_
  - d. Mandatory retirement payments \_\_\_\_\_
  - e. Other: \_\_\_\_\_
3. Total monthly unusual expenses (line 2 a through 2 e) (\$ \_\_\_\_\_)
4. ADJUSTED MONTHLY FAMILY INCOME \$ \_\_\_\_\_

ASSETS

5. Cash:
  - a. Checking \$ \_\_\_\_\_
  - b. Savings \_\_\_\_\_
  - c. Other: \_\_\_\_\_
6. Total cash assets (line 5 a through 5 c) \$ \_\_\_\_\_
7. Other assets:
  - a. Real property \_\_\_\_\_
  - b. Allowable personal property \_\_\_\_\_
  - c. Other: \_\_\_\_\_
8. Total other assets \$ \_\_\_\_\_
9. TOTAL ASSETS TO BE CONSIDERED (line 6 plus line 8) \$ \_\_\_\_\_
10. Available income at 6% from Assets \_\_\_\_\_
11. Monthly adjustment of assets (line 10 ÷ 12 months) \_\_\_\_\_
12. TOTAL ADJUSTED MONTHLY INCOME AND NORMAL INCOME FROM ASSETS (line 4 plus line 11) \_\_\_\_\_
13. Total determined liability to Division of Mental Health (from table A attached) (parent liability limited to \$600 per annum) \_\_\_\_\_
14. Minimum monthly payments (line 13 ÷ 12 months) \$ \_\_\_\_\_

*Copied* Note: parent liability will not exceed \$50.00 per month.

YOU TOTAL LIABILITY DURING THE COMING YEAR WILL NOT EXCEED AMOUNT STATED ON LINE 13 OR ACTUAL COST OF SERVICE, WHICHEVER IS LESS. INSURANCE COVERAGE WILL BE BILLED AT ACTUAL COST OF CARE.

SIGNED: \_\_\_\_\_ DATE: \_\_\_\_\_

POSITION: \_\_\_\_\_

APPROVED: \_\_\_\_\_

## COMPLETION SUMMARY

- TITLE:** Liability Determination  
Rehabilitation Evaluation Summary
- PURPOSE:** Summarizes recommendation of affect of payment on the rehabilitation of the patient. Completed for all determinations.
- RESPONSIBILITY:** Patient Billing - Social Work Supervisor
- PROCEDURES:**
1. Patient Billing completes patient name, case number.
  2. Enter name of liable person, relationship to patient, liability amount, and monthly payment.
  3. Social worker supervisor indicates evaluation statements for the patient.  
Important: Liability amount may be increased or decreased based on evaluation.
  4. Social Worker signs and dates completed summary.

LIABILITY DETERMINATION

REHABILITATION EVALUATION SUMMARY

PATIENT: \_\_\_\_\_ CASE NO: \_\_\_\_\_

LIABLE PERSON: \_\_\_\_\_ RELATIONSHIP: \_\_\_\_\_

DETERMINED ANNUAL LIABILITY \$ \_\_\_\_\_ MONTHLY AMOUNT \$ \_\_\_\_\_

\_\_\_\_\_ PAYMENT SHOULD NOT AFFECT PATIENT'S REHABILITATION

\_\_\_\_\_ PAYMENT WILL AFFECT PATIENT'S REHABILITATION. SUPPORTING INFORMATION.

RECOMMENDED ANNUAL LIABILITY \$ \_\_\_\_\_

SIGNED: \_\_\_\_\_

DATE: \_\_\_\_\_

TITLE: \_\_\_\_\_

COMPLETION SUMMARY

TITLE: Order to Pay (A & B)

PURPOSE: Inform liable persons of their liability amount as determined by the Division

RESPONSIBILITY: Business Office/Patient Billing Supervisor

PROCEDURES:

1. Enter full name and address of liable person and relationship to patient.
2. Enter patient reference information and date of order.
3. Enter liable person's name in greeting.
4. Complete portions of Letter A for those persons which have submitted information. Complete Letter B for no information.
5. Sign completed form.

ORDER TO PAY (A)

(Payor's full name and address)

(Date)

Relationship:

Re: (Patient Name)

Case No:

Dear :

As permitted by Alaska State Law AS 47.30.270 as amended, the Division of Mental Health has completed the determination of your ability to pay for the cost of care and treatment of (name of patient) at (name of facility). In addition to any insurance coverage for which (name of patient) is eligible, the Division has established a limit of \$ \_\_\_\_\_ as your responsibility for the cost of care during the coming year.

Enclosed is a summary of the determination. Your ability to pay is based upon your adjusted monthly family income and assets, family size, and insurance coverage for the patient. The amount of \$ \_\_\_\_\_ from line 14 of the enclosed summary represents the upper limit of your personal responsibility for the cost of care during the coming year. The costs incurred above this limit not covered by insurance will be paid by the Division of Mental Health. Further, should actual cost of care be less than this upper limit, your responsibility will be limited to the lesser amount.

You are encouraged to pay the amount as soon as possible. However, as noted on line 14 of the enclosed summary, a monthly payment of \$ \_\_\_\_\_ must be made during the next 12 months. For your convenience, we will bill you each month for this amount or if you prefer, you may ask for special arrangements by contacting A/R Mgr at (phone).

In the event that care and treatment continue beyond (annual redetermination date), your ability to pay will be reevaluated. However, you may request an evaluation before that time should any changes occur which affect your ability to pay.

Thank you for your cooperation. Please contact us if you have any questions regarding your responsibility.

Sincerely,

ORDER TO PAY (B)

Full name and Address of  
Liable person

(Date)

Relationship:

Re: (Patient Name)

Case No:

Dear :

Our records indicate we have not received your Financial Questionnaire which was sent you on (date of letter). As stated in the letter, which you received on that date, without the information provided on the questionnaire, the Division of Mental Health will assume you are able to pay the full cost of care and treatment for (name of patient) at (name of facility).

You will receive your first billing during the coming month.

Enclosed is an additional copy of the questionnaire. If you have not already done so, you may wish to complete the form and return it by (date). This will allow the Division to make its determination of your ability to pay before your first billing.

Sincerely,

HB 99

January 21, 1977

Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to the liability for expenses of hospitalization of mentally ill persons admitted to hospitals under AS 47.30.

AS 47.30.270 now imposes liability on the patient, his legal representative when acting in a representative capacity, and his parent if the patient is under 18. Before the 1974 amendments to AS 47.30.270, liable persons were the patient, his spouse, his parents, and his adult children. While agreeing that the relation between adult children and their parents is often too tenuous to provide socially justifiable grounds for liability in this situation, the Department of Health and Social Services believes that it is reasonable to reinstate spousal liability for expenses of hospitalized mental patients. The bill therefore adds spouses to the persons liable for patients' expenses of hospitalization.

why

is it commonly felt spouses are able to pay?

The bill removes the general \$50-per-month ceiling on parental liability for minor children which was added to the statute in 1974. In its place, the bill establishes two classes of patients to whom the \$50 monthly ceiling applies: (1) mentally deficient and severely mentally retarded patients hospitalized under AS 47.30, effective from the beginning of their hospitalization or institutionalization; (2) other mentally ill patients when their hospitalization lasts for more than an aggregate period of 12 months. The term "mentally deficient and severely mentally retarded" is chosen because it is part of the definition of "mentally ill individual" in AS 47.30.340(10). For

What is this?:

For patients who are not severely mentally retarded and for whom hospitalization lasts less than an aggregate period of 12 months, liability is determined on the basis of the ability of the patient or responsible person to provide for payment and the non-detrimental effect of such payments on the rehabilitation of the patient. *no ceiling?*

The phrase "ability to pay" in the current statute is changed to "ability to provide for payment" in order to specifically include an individual's applicable insurance coverage in determining his ability to pay the cost of care.

The statute formerly required that orders of payment addressed to parents be prospective in effect and relate only to charges incurred after the order. Rather than extending this prospective treatment to spouses as well as parents, the provision for the prospective order is removed and parents and spouses are treated in the same manner as a patient or his legal representative in the current statute: an order of payment must be issued against any of them within six months after the date on which the charge was incurred. The single method of issuing orders of payment is intended to simplify administration.

The bill attempts to balance the state's interest in reimbursement for short-term hospitalization (i.e., less than an aggregate period of 12 months) when the ability to pay exists -- usually through family-plan insurance policies, many of which now cover mental illness -- and the parents' interest in freedom from enormous liabilities for children who are receiving long-term care in hospitals or institutions.

The bill also permits the commissioner, in his discretion, to impose full liability for the patient's actual cost of care on the patient or legal representative or spouse or parent who refuses to provide income information to assist the Department of Health and Social Services in its determination of ability to pay. The department has experienced problems in this area without having any available sanctions for non-cooperation. *How? When? Why? How much \$??*

The bill provides for an immediate effective date.

Sincerely,

Jay S. Hammond  
Governor