

DATE: August 9, 2002

TO: Executive Staff
Area Managers
Direct Service Unit Supervisors
Contract Agency Directors
Authorized Administrative Staff

FROM: Donald I. Habkirk, Jr.,
Executive Director

RE: **EXECUTIVE DIRECTIVE 1 / 1997**
Financial Liability Rules for Mental Health Services

Supplement No. 6 to the 1987 MDCH Administrative Rules affect the procedures for determination of financial liability for services to be applied at MCCMH on and after **April 16, 1997** as well as to annual determinations required on and after that date. The changes will be reflected in the next revision to MCCMH Policy 4-20-010, "Determination of Financial Liability." Until this policy is in effect, please adhere to the requirements under the new administrative rules, which include the following major changes:

1. The definition of expenses now includes costs for post-secondary education and transportation to maintain employment and necessary family activities.
2. An **adult** responsible party who is receiving Medicaid is automatically deemed as having \$0.00 ability to pay (a fee determination is not needed):
 - c for nonresidential services; and
 - c for inpatient psychiatric and crisis residential services of less than 61 days.
3. An **adult** responsible party who is receiving Medicaid has no

parental liability for services provided to his/her minor child(ren). An adult responsible party who is not on Medicaid retains such parental liability.

4. A **minor** who is receiving Medicaid is automatically deemed as having \$0.00 ability to pay for nonresidential services.
5. Parents are exempted from any financial obligation for their children's home and community-based **waiver services**. The financial obligation for the child's services other than waiver services continues to be based on fee determination/ability to pay.
6. MCCMH shall comply with an individual's obligation to pay for services pursuant to a court order issued before the individual presented him/herself for services even if that liability is more than what would have been determined in accordance with sections 818 or 819 of the Mental Health Code.
7. A responsible party's ability to pay shall not create an undue financial burden which materially decreases the standard of living of the responsible party or his/her dependents which:
 - c deprives them of necessities; or
 - c deprives them of the financial means to maintain or reestablish the individual in a reasonable and appropriate community-based setting.

Please use the new MDCH Fee Schedule and MCCMH Full Financial Review Income/Expense Analysis Worksheet (MCCMH #125) which are attached.

DIH:rsw

Attachments