



Health Care Agency Behavioral Health Services Policies and Procedures	Section Name:	Administration
	Sub Section:	Billing & Reimbursement
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	SIGNATURE	DATE APPROVED
Chief of Operations, Behavioral Health Services	_____	_____

SUBJECT:	Therapeutic Charge Adjustments
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PURPOSE:

To provide a uniform method in Behavioral Health Services (BHS) for assessing a client's financial obligation for services and adjusting fees where clinically or administratively appropriate.

POLICY:

Adjustments shall be made to a client's account, as determined by Uniform Method of Determining Ability to Pay (UMDAP) liability, for services provided within BHS clinics and programs.

SCOPE:

This P&P applies to all BHS county clinics/programs providing services.

REFERENCES:

Department of Mental Health Information Notice No.: 98-13 Uniform Method of Determining Ability to Pay (UMDAP), 8/24/98

FORMS:

Therapeutic Charge Adjustment (TCA) Request Form, F346-751 (New 03/10)

DEFINITIONS:

UMDAP: Universal Method of Determining Ability to Pay - the client never owes the UMDAP amount remaining. That amount is the *potential* liability of a client in a twelve-month period. The client will be charged as services are received up to the UMDAP liability amount only.

Account Balance: The amount that the client actually owes. As the client is charged, the UMDAP liability is decremented by the amount charged. Once the UMDAP has been decremented to \$0.00, the client will no longer be charged, until a new UMDAP liability is established through an Initial, Interim or Anniversary financial.

Appropriate Balance: A charge reflected on an account balance that was correct at the time the charge was created.

Inappropriate Balance: A charge reflected on an account balance that was incorrect at the time the charge was created; i.e., a charge that should have never been added to the client's account balance.

PROCEDURE:

- I. When a clinician or financial evaluator becomes aware that a financial assessment level will work against the best interests of the client, a Therapeutic Charge Adjustment (TCA) can be requested.
- II. TCA's are utilized to adjust a client's UMDAP remaining amount, appropriate account balance, or both. Inappropriate account balances are not part of this P&P and are adjusted through the financial evaluator's initiation of the BHS Billing Adjustment Form, as explained in the Financial Evaluator Procedures Manual.
- III. Once approved by the Division Manager, adjusting the approved amount is the responsibility of the Quality Improvement and Program Compliance Division (QIPC). QIPC will coordinate with the HCA Medical Billing Unit for adjustments to county self pay balances.
- IV. Clinician Responsibility - When the clinician determines a TCA may be appropriate, they shall:
 - A. Verbally discuss the client's situation with the Service Chief.
 - B. Initiate a TCA when the Service Chief agrees a therapeutic adjustment is appropriate.
 - C. Provide the reason the TCA is being requested to the financial evaluator, either verbally or as submitted on the TCA.
 - D. Sign the TCA and give to the financial evaluator.
 - E. Once the Financial Evaluator has informed the clinician that the completed TCA has been placed in the chart, clinician shall inform the client of its disposition:
 1. Approved: Client will not be charged, or if all or any portion is already on their statement, it will be removed for them.
 2. Denied: Client owes, or will owe the amount as services are received, but only when/if Self Pay is responsible to pay.
- V. Financial Counselor Responsibility - The Financial Evaluator shall:

- A. Complete the TCA form by entering all financial information requested on the TCA form.
 - B. Sign the completed TCA.
 - C. Give the TCA to the Service Chief for review and concurrence.
 - D. File the TCA Request in the financial section of the client's clinical record once the Service Chief has returned it to the financial evaluator.
 - E. Inform the clinician of the disposition of the TCA request and that it is in the chart.
- VI. Service Chief Responsibility - The Service Chief shall review the TCA request:
- A. If he/she does not concur with the TCA request, he/she shall deny and the request to the financial evaluator.
 - B. If the Service Chief concurs with the TCA request, he/she shall sign the request and forward to the Division Manager or assigned designee for approval/denial. Once it is returned by the Division Manager or QIPC, the Service Chief shall return the request to the financial evaluator.
- VII. Division Manager Responsibility - The Division Manager or designee shall:
- A. Review the TCA Request and either approve or deny the request. Final approval of a TCA is made solely by the Division Manager or assigned designee.
 - B. Note the approval or denial of the request on the TCA Request form:
 - 1. If approved: send the TCA Request form to QIPC to adjust the UMDAP amount remaining and/or client balance.
 - 2. If denied: return the TCA Request form to the requesting Service Chief.
- VIII. Quality Improvement and Program Compliance (QIPC) Division Responsibility - QIPC shall:
- A. Coordinate with the HCA Medical Billing Unit to make appropriate adjustments as approved by the Division Manager or assigned designee.
 - B. Once completed, log the TCA Request, note the adjustment on the TCA Request and return the TCA Request to the originating clinic, Attn: Service Chief.
 - C. Adjustments shall be made as follows:
 - 1. If the adjustment amount is equal or less than the client's account balance, the account balance shall be adjusted by the amount approved.

2. If the adjustment amount is more than the client's account balance, the account balance shall be adjusted in full, and the remaining approved amount shall be adjusted off the client's remaining UMDAP amount. The new UMDAP amount remaining (lower UMDAP) shall be updated in IRIS.
3. If the client's account balance is \$0.00, the entire approved amount shall be adjusted from the client's remaining UMDAP. The new UMDAP amount remaining, (\$0.00 or any portion remaining), will be updated in IRIS.