

Arizona Department of Health Services
Division of Behavioral Health Services
PROVIDER MANUAL
Magellan Health Services of Arizona Edition

Section 3.4 **Co-payments**

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3.4.1 **Introduction**

At times, it may be necessary for persons to contribute to the cost of behavioral health services. A co-payment is a fixed fee for services, based on the person's ability to pay and never exceeds the actual cost of services. For persons who are ineligible for Title XIX or Title XXI services, ADHS/DBHS has established a sliding co-payment schedule that determines the amount to be charged to a person for a covered behavioral health service. In a set of limited circumstances, a co-payment may also be collected from a Title XIX or Title XXI eligible person.

This section describes:

- How and when behavioral health providers calculate a person's co-payment;
- The behavioral health services that must not be assessed a co-payment; and
- The limited situations in which a Title XIX/XXI eligible person may be assessed a co-payment.

3.4.2 **References**

The following citations can serve as additional resources for this content area:

- [A.R.S. 36-2930](#)
- [A.R.S. 36-3409](#)
- [R9-20-201\(E\)](#)
- [R9-22-711](#)
- [AHCCCS/ADHS Contract](#)
- [AHCCCS/ADHS IGA](#)
- [ADHS/RBHA Contracts](#)
- [ADHS/T/RBHA IGAs](#)
- [ADHS/DBHS Covered Behavioral Health Services Guide](#)
- [Section 7.5, Enrollment, Disenrollment and Other Data Submission](#)
- [Section 3.10, SMI Eligibility Determination](#)
- [Section 3.5, Third Party Liability and Coordination of Benefits](#)

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[ADHS/DBHS Policy Clarification Memorandum: Co-payments for Methadone Treatment \(April 7, 2004\)](#)

3.4.3 Scope

To whom does this apply?

All persons referred to, or enrolled with, a behavioral health provider to receive publicly funded behavioral health services.

3.4.4 Did you know...?

- Arizona state law ([A.R.S. 36-3409](#)) requires the assessment of a co-payment to Non-Title XIX/XXI persons and requires the use of a sliding fee schedule for the assessment of co-payments based on ability to pay.
- Title XIX/XXI eligible persons must never be assessed a co-payment for interpreter services. When needed for the appropriate delivery of behavioral health services, interpreter services must be provided free of charge to Title XIX/XXI eligible persons.
- The Non-Title XIX/XXI Co-payment Assessment (see [PM Form 3.4.1](#)) is based on Federal Poverty Guidelines and may be amended annually. ADHS/DBHS will notify the T/RBHAs when changes occur.
- The Social Security Disability Insurance Temporary Medical Coverage (SSDI-TMC) program covers behavioral health services for persons who receive SSDI, who are no longer eligible for other AHCCCS programs and are not eligible for Medicare. Behavioral health recipients who receive coverage through the SSDI-TMC program will pay a monthly premium for coverage.

3.4.5 Objectives

Identify when and how providers must assess a co-payment, address the collection of co-payments and the actions to take for nonpayment of co-payments.

3.4.6 Procedures

Co-payments must be assessed and collected consistent with state law and Arizona Administrative Code requirements. Behavioral health providers must not bill, nor attempt to collect payment directly or through a collection agency from a person claiming to be AHCCCS eligible without first receiving verification from AHCCCS that the person was ineligible for AHCCCS on the date of service, or that services provided were not Title XIX/XXI covered services.

3.4.6-A. Co-payments for Non-Title XIX/XXI eligible persons

A co-payment is:

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- A fixed dollar amount that varies depending on whether the service is a support or rehabilitation service; treatment, medical or day program service; or residential or inpatient service;
- Based on a person’s ability to pay;
- Assessed using the Non-Title XIX/XXI Co-payment Assessment (except Mental Health Services Not Otherwise Specified (NOS) (Room and Board); see subsection 3.4.6-C); and
- Does not exceed the cost of services.

The Non-Title XIX/XXI Co-payment Assessment ([PM Form 3.4.1](#)) is used to calculate a person’s co-payment.

WHEN IS A CO-PAYMENT AMOUNT DETERMINED?	HOW ARE CO-PAYMENTS DETERMINED?	WHAT SERVICES REQUIRE CO-PAYMENTS?	WHAT SERVICES ARE EXCLUDED FROM CO-PAYMENTS?
<ul style="list-style-type: none"> -At the initiation of services -When there are significant changes in the person’s financial circumstances (assessed prospectively only) -When requested by the person -When Title XIX/XXI eligibility is terminated -At least annually thereafter 	<ul style="list-style-type: none"> -Apply the gross family income and family household size to the Non-Title XIX/XXI Co-payment Assessment (PM Form 3.4.1) 	<ul style="list-style-type: none"> -Support/Rehabilitation Services* -Treatment/Medical/ Day Program Services* -Inpatient/Residential Services (per day)* 	<ul style="list-style-type: none"> -Crisis services -Case management services -Housing support services -Flex funds

* See specific services within each category in the [ADHS/DBHS Covered Behavioral Health Services Guide](#).

Other Payment Sources

T/RBHAs or their providers must follow the requirements set forth in [Section 3.5, Third Party Liability and Coordination of Benefits](#), and collect third party payments for behavioral health services when applicable. If a person has third party liability coverage, co-payments are collected when there is a portion of the cost of services that is not reimbursed through the third party payer.

Collection of Co-payments

Behavioral health providers may:

- Require payment of co-payments at the time that the person receives a service; or
- Provide for individually determined installment payments of co-payments; and

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- Take reasonable steps to collect on delinquent accounts.

Also know that:

- For multiple services received on the same day, the person is only required to pay the co-payment of the most costly service. (For example, if a person receives peer support and counseling services on the same day, the co-payment for the counseling service is the only charge assessed.)
- The fixed dollar amount is assessed per service received, regardless of the number of units encountered.
- Any co-payments collected are retained by the provider, but the provider must report that information to Magellan when submitting the encounter/claims data. All providers must report in their annual audited financial statements the separately identified amounts for co-payments received from eligible recipients for covered behavioral health services and reported to ADHS/DBHS in the encounter.

Non-payment of Co-payments

- Behavioral health providers may terminate services for non-payment of co-payments only after other options (e.g., informal discussions) do not result in resolution. All efforts to resolve the issue must be documented in the person's comprehensive clinical record.
- Persons determined to have a serious mental illness must not be terminated or denied services because of non-payment of co-payments. See [Section 3.10. SMI Eligibility Determination](#).

3.4.6-B. Co-payments for Title XIX/XXI eligible persons

Under certain conditions, a behavioral health provider may collect a co-payment from a Title XIX/XXI eligible person.

Co-payments for behavioral health services not covered under Title XIX or Title XXI

A behavioral health provider may collect a co-payment from a Title XIX/XXI eligible person for the following Non-Title XIX/XXI services:

- Mental Health Services NOS (Room and Board);
- Traditional healing services; and
- Auricular acupuncture services.

With the exception of Mental Health Services NOS (Room and Board), co-payments for the above services not covered under Title XIX or Title XXI must be calculated using the Non-Title

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XIX/XXI Co-payment Assessment Form ([PM Form 3.4.1](#)). To calculate co-payments for Mental Health Services NOS (Room and Board), see subsection 3.4.6-C.

Co-payments for Title XIX covered behavioral health services

Who is exempt from co-payments?

- There are no co-payments for Title XIX or Title XXI eligible behavioral health recipients under the age of 19.
- There are no co-payments for Title XIX covered behavioral health services delivered to persons determined to have a serious mental illness.

When can co-payments be assessed to Title XIX/XXI eligible persons?

- Co-payments may **only** be collected for Title XIX covered behavioral health services from Title XIX eligible persons who are assigned to general mental health or substance abuse program categories (See [Section 7.5, Enrollment, Disenrollment and Other Data Submission Section](#)) in the following circumstance:
 - A \$1.00 co-payment may be charged for doctor's visits (including all diagnostic and rehabilitative x-ray and laboratory services associated with the visit).
 - A behavioral health provider must ensure that a Title XIX eligible person is not denied services because of the person's inability to pay a co-payment.

Other considerations for Title XIX and Title XXI eligible persons

T/RBHAs or their providers must follow the requirements set forth in [Section 3.5, Third Party Liability and Coordination of Benefits](#), and collect third party payments for behavioral health services when applicable. This includes services that are rendered to Medicaid (Title XIX)/Medicare (Title XVIII) dually eligible persons.

3.4.6-C. Housing subsidies, Mental Health Services NOS (Room and Board) co-payments and other fees

The co-payments and fees described in this subsection may be applied to all populations.

Housing Subsidy

There may be occasions when a person is referred to a housing subsidy entity (e.g., HUD) for assistance with housing needs. If a person is receiving aid from a housing subsidy entity, that entity may sometimes establish fees that are independent of the co-payment requirements described in this section.

Co-payments for Mental Health Services NOS (Room and Board) and Other Fees

Behavioral health providers may assess a co-payment for Mental Health Services NOS (Room and Board) independent of the Non-Title XIX/XXI Co-payment Assessment Form (see [PM Form 3.4.1](#)). Behavioral health providers may also establish operating fees for other expenses (e.g., cable television, travel that is not related to the provision of behavioral health services). When

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assessing co-payments for Mental Health Services NOS (Room and Board) and/or operating fees, behavioral health providers must ensure that:

- Any applicable co-payments and/or operating fees are disclosed and reviewed with the person before the person is charged;
- Persons are left with a reasonable amount of personal spending money;
- Persons are not charged co-payments/fees in excess of their income;
- Operating fees are not inclusive of Title XIX/XXI or Non-Title XIX/XXI covered behavioral health services; and
- The process for determining co-payments and/or operating fees is consistent for all persons.