

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

**Section 3.4**      **Co-payments**

- 3.4.1 Introduction
- 3.4.2 References
- 3.4.3 Scope
- 3.4.4 Did you know...?
- 3.4.5 Definitions
- 3.4.6 Objectives
- 3.4.7 Procedures
- 3.4.7-A. Co-payments for Non-Title XIX/XXI eligible persons determined to have a Serious Mental Illness (SMI)
- 3.4.7-B. Co-payments for Title XIX/XXI eligible persons

**3.4.1 Introduction**

Persons not covered by the Arizona Health Care Cost Containment System (AHCCCS) must contribute to the cost of behavioral health services, in accordance with state law (see [A.R.S. 36-3409](#)). A co-payment is a fixed amount, which does not exceed the actual cost of services that a person pays directly to a provider at the time covered services are rendered. For individuals who are Non-Title XIX/XXI eligible persons determined to have a Serious Mental Illness (SMI), the Arizona Department of Health Services/Division of Behavioral Health Services (ADHS/DBHS) has established a co-payment to be charged to these members for covered services. Under limited circumstances, persons who are Title XIX/XXI eligible may be assessed a co-payment in accordance with [A.A.C. R9-22-711](#).

**3.4.2 References**

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

- [A.R.S. 36-3409](#)
- [A.A.C. R9-20-201\(E\)\(1\) and \(2\)](#)
- [A.A.C. R9-21-202\(A\)\(8\)](#)
- [A.A.C. R9-21-208](#)
- [A.A.C. R9-21-401](#)
- [A.A.C. R9-22-711](#)
- [AHCCCS/ADHS Contract](#)
- [ADHS/RBHA Contracts](#)
- [ADHS/TRBHA IGAs](#)
- [AHCCCS Eligibility Policy Manual](#)
- [ADHS/DBHS Covered Behavioral Health Services Guide](#)
- [Section 3.3, Referral and Intake](#)
- [Section 3.5, Third Party Liability and Coordination of Benefits](#)
- [Section 3.10, SMI Eligibility Determination](#)
- [Section 3.13, Covered Behavioral Health Services](#)
- [Section 5.5, Notice and Appeal Requirements \(SMI and Non SMI/Non-Title XIX/XXI\)](#)
- [Section 7.5, Enrollment, Disenrollment and Other Data Submission](#)

**Arizona Department of Health Services**  
**Division of Behavioral Health Services**  
**PROVIDER MANUAL**  
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**3.4.3 Scope**

**To whom does this apply?**

Non-Title XIX/XXI eligible persons determined to have a Serious Mental Illness (SMI) and Title XIX/XXI eligible persons who are referred to, or enrolled with, a behavioral health provider to receive publicly funded behavioral health services. Co-payment requirements in this policy are not applicable to services funded by the Substance Abuse Prevention and Treatment (SAPT), Community Mental Health Services (CMHS) or Project for Assistance in Transition from Homelessness (PATH) federal block grants.

**3.4.4 Did you know...?**

Persons determined to have a Serious Mental Illness must be informed prior to the provision of services of any fees associated with the services ([R9-21-202\(A\)\(8\)](#)), and providers must document such notification to the person in his/her comprehensive clinical record.

Individuals and families with income exceeding 100% of the Federal Poverty Level (FPL) and who have medical expenses that reduce the countable income to 40% of the FPL may be eligible for the Arizona Health Care Cost Containment System (AHCCCS) Medical Expense Deduction (MED-Spend Down) Program (see the description of [AHCCCS Health Insurance](#) programs for additional information). When a provider discovers that a behavioral health recipient is unable to make his/her co-payment due to medical expenses, providers must screen those individuals for AHCCCS eligibility. Providers can utilize the [Health-e Arizona web tool](#) to verify potential eligibility and submit behavioral health recipient's information for formal eligibility determination and screening for other public assistance programs simultaneously.

When a person is accessing public behavioral health services, the person will be required to provide documentation to verify income and expenses (see section 3.3.7-G, Eligibility screening and supporting documentation, of [PM Section 3.3, Referral and Intake](#)).

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.

**3.4.5 Definitions**

[Co-payment](#)

[In-network services](#)

[Out of network services](#)

[Serious Mental Illness](#)

[Third Party Liability](#)

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

[Transitional Medical Assistance \(TMA\)](#)

[Title XIX Waiver Group \(TWG\)](#)

**3.4.6 Objectives**

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

**3.4.7 Procedures**

Co-payments must be assessed and collected consistent with state law and Arizona Administrative Code requirements.

**3.4.7-A. Co-payments for Non-Title XIX/XXI eligible persons determined to have a Serious Mental Illness (SMI)**

Non-Title XIX/XXI eligible persons determined to have a Serious Mental Illness are eligible to receive a medication only benefit (see [ADHS/DBHS Guidelines to RBHAs and Providers for Services to Non Title XIX Members with Serious Mental Illness](#)). Co-payments assessed for non-Title XIX/XXI persons determined SMI are intended to be payments by the member for the service package (e.g., psychiatric assessments, medication management, medications), but co-payments are **only** collected at the time of the psychiatric assessment and psychiatric follow up appointments. Co-payments are not assessed for crisis services or collected at the time crisis services are provided. Co-payments are:

- A fixed dollar amount of \$3<sup>1</sup>;
- Applied to in network services; and
- Collected at the time services are rendered.

Collecting Co-payments

Providers will be responsible for collecting co-payments. Providers will:

- Assess the fixed dollar amount per service received, regardless of the number of units encountered;
- Collect the \$3 co-payment at the time of the psychiatric assessment or the psychiatric follow up appointment; and

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<sup>1</sup> This co-payment covers the costs associated with the Service Package for Non-Title XIX/XXI Persons determined to have SMI, including medications, laboratory services, psychiatric assessments and psychiatric follow up visits.

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

Providers may take reasonable steps to collect on delinquent accounts. Behavioral health recipients who are having difficulties making co-payments must be screened for AHCCCS eligibility.

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.

Other Payment Sources

If a person has third party liability coverage, T/RBHAs or their providers must follow the requirements set forth in [Section 3.5, Third Party Liability and Coordination of Benefits](#). Non-Title XIX/XXI persons determined to have SMI will pay the ADHS/DBHS co-payment or the costs required by a third party insurer, whichever amount is less, as described in [PM Section 3.5, Third Party Liability and Coordination of Benefits](#).

Non-payment of Co-payments

Behavioral health providers may not refuse to provide or terminate services when behavioral health recipients are unable to pay co-payments. The following methods may be utilized to encourage a collaborative approach to resolve non-payment issues:

- Engage in informal discussions and avoid confrontational situations;
- Re-screen the person for AHCCCS eligibility;
- Present other payment options, such as payment plans or payment deferrals, and discuss additional payment options as requested by the person; and

The collection of co-payments is an administrative process, and as such, co-payments must not be collected in conjunction with a person's behavioral health treatment. All efforts to resolve non-payment issues, as they occur, must be clearly documented in the person's comprehensive clinical record.

**3.4.7-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.

Who is exempt from Title XIX/XXI co-payments?

- Children under the age of 19;
- Persons determined to have a Serious Mental Illness (SMI); Individuals up through age 20 eligible for the Children's Rehabilitative Services program;
- People who are in nursing homes, residential facilities such as an Assisted Living Home or who receive Home and Community Based Services such as attendant care or a visiting nurse; and

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

- Persons receiving hospice care.

Hospitalizations, emergency services and services paid on a fee-for-service basis are exempt from co-payments for all members.

Optional/nominal co-payments for Title XIX/XXI eligible persons

Behavioral health recipients in some AHCCCS programs will have co-payments for the following Title XIX/XXI covered behavioral health services:

- \$2.30 per prescription drug; and
- \$3.40 per doctor or other outpatient visit.

Behavioral health providers must ensure that persons subject to nominal co-payments are not denied services because of their inability to pay a co-payment.

Mandatory co-payments for Title XIX/XXI eligible persons

Behavioral health recipients in the Transitional Medical Assistance (TMA) and Title XIX Waiver Group (TWG) programs are subject to mandatory co-payments. Behavioral health providers may deny a service to a TMA or TWG member if the member does not pay the required co-payment.

Co-payments must be collected for TMA program members for the following Title XIX/XXI covered behavioral health services:

- \$2.30 per prescription drug; and
- \$4.00 per doctor or other outpatient visit.

Co-payments must be collected for TWG program members for the following Title XIX/XXI covered behavioral health services:

- \$4.00 per generic prescription and brand name prescription when there is no generic available;
- \$10.00 per brand name prescription when there is a generic available;
- \$30.00 per visit for nonemergency use of the emergency room; and
- \$5.00 per doctor office visit.

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 that are rendered to Medicaid (Title XIX)/Medicare (Title XVIII) dually eligible persons, as applicable.