

## Fees, Billing, and Reimbursement

### Introduction

The North Carolina Early Intervention Branch, Woman's and Children's Health Section, in the Division of Public Health is the state lead agency responsible for the administration of early intervention services according to the federal requirements in Part C of the Individuals with Disabilities Education Act (IDEA). The Infant-Toddler Program (ITP) is the early intervention system in North Carolina. The ITP ensures that policies related to financial matters and payments are consistent with federal funding policies. The policies set forth here apply to the ITP and all its contracted providers of early intervention services as defined in Part C of IDEA and in the ITP Policy Bulletin #22.

The ITP has the following responsibilities:

- to identify and coordinate all available funding resources for early intervention services from federal, state, local and private sources in North Carolina.
- to update the funding source information if a legislative or policy change occurs.
- to ensure it is the payor of last resort.
- to ensure that federal funds are not used to pay for services that should be paid by another public or private source.
- to ensure that all ITP funding policies and procedures conform to federal regulations related to non-substitution of funds, interim payments and reimbursements, and non-reduction of benefits.

The lead agency is responsible for resolving payment disputes for provision of early intervention services according to federal IDEA policy. The procedures outlined in ITP Policy Bulletin #32 are consistent with IDEA and should be followed in any interagency payment or service provision dispute. While such a dispute is pending the lead agency must designate financial responsibility to an agency (financial designee) or to itself as lead agency, in accordance with payor of last resort provisions in IDEA. If during dispute resolution it is determined that the assignment of financial responsibility was inappropriately made, the responsibility will be reassigned to the appropriate agency and the lead agency will make arrangements for reimbursement of any expenditures incurred by the agency (financial designee) originally assigned responsibility.

### A. Family Cost Participation

The ITP implements a system of payments consistent with federal requirements on payor of last resort. The ITP establishes a family's share of the cost of early intervention services provided based on the Individualized Family Service Plan (IFSP). According to federal regulations, a system of payment for early intervention services should include a mechanism to determine a family's ability/inability to pay. North Carolina's mechanism is the sliding fee scale. A family determined to be unable to pay for early intervention services based on the sliding fee scale will not be denied needed services because of an inability to pay.

**1. ITP Sliding Fee Scale:**

The ITP sliding fee scale matrix table is shown in the ITP Guide to Reimbursement Procedures. The information below describes how to use the sliding fee scale to determine a family's share of the cost of each chargeable early intervention service or to establish inability to pay.

- a. The sliding fee scale considers the family's adjusted gross income and family size. It is based on the Federal Poverty Guideline (FPG) and is updated annually.
  - The scale uses two-hundred percent (200%) of the federal poverty guideline to define the inability to pay level. A family with a verified adjusted gross income of 200% of the FPG level or less is determined unable to pay for early intervention services.
  - The sliding fee scale increases in increments above 200% of the FPG to 400% of the FPG. A graded family cost share is assigned for increments above the 200% FPG level. This determines that the family has the ability to pay at the assigned family cost share level. A family pays the full family cost share amount when above 400% of the FPG.
- b. A sliding fee scale established cost share level above the no cost level indicates a family's financial ability to contribute to the cost of early intervention services and establishes their ability to pay.
- c. A sliding fee scale established at the no cost level (200% of FPG and below) indicates the family's inability to contribute to the cost of early intervention services and establishes their inability to pay.
- d. When a child is enrolled in Medicaid or Supplemental Security Income (SSI) or is receiving assistance from the Women, Infants and Children (WIC) program, the family may be automatically determined to be unable to pay for early intervention services. The family may be placed at the no cost level once participation in these programs is verified.

**2. Services at No Cost to Families:**

- a. The following early intervention services are provided at no cost to all families, regardless of their determined ability to pay:
  - child find activities
  - evaluation and assessment
  - service coordination
  - administrative and coordinative activities related to the development, review, and evaluation of the IFSP, and
  - implementation of procedural safeguards
- b. Medicaid or other public funding sources will be billed for these services as appropriate.
- c. Private insurance will be billed for these services with authorized family consent. If authorized family consent is not provided, insurance will not be billed, and the family will

still not be charged for services listed in 2(a), as these services listed above are provided at no cost to all families.

### 3. Services Subject to Family Cost:

- a. The early intervention services defined in IDEA and identified as required services in ITP Policy Bulletin #22 are subject to the family sharing in the cost of those services.
- b. The family's share of these costs established by the sliding fee scale will be applied to each chargeable early intervention service on the authorized IFSP.
- c. Medicaid or other public funding sources will be billed for these services as appropriate.
- d. Private insurance will be billed for early intervention services with authorized family consent.
- e. The family's cost share will be applied to all balances the family is responsible for **after** private insurance plan benefits or other funding source payments are made. Examples of balances the family is responsible for include co-pays, deductibles, and co-insurance that apply to the covered early intervention services.

### 4. Family Size/Family Income Verification:

- a. The lead agency will specify and request required household and financial information that families must submit in order to:
  - have the sliding fee scale applied
  - establish the family cost share
  - determine inability to pay.
- b. Family size is verified by the lead agency's review of required information and documentation submitted by the family to establish the family unit size for applying the sliding fee scale.
  - The family unit means the group of individuals whose information is used to determine family size.
  - Family unit may include, but is not limited to, biological parents, adoptive parents, step-parents, and children (biological and adopted).
- c. Family income is verified by reviewing required financial documents submitted by the family to establish the family adjusted gross income for applying the sliding fee scale.
  - Family adjusted gross income means the total of adjusted earned and unearned income as shown on family members' most recent federal income tax return.
  - In cases where tax returns are not completed, the lead agency may approve an alternative means of reporting income for the determined family unit.
- d. Families are asked to provide income documentation during the initial stages of the referral process. This information is reviewed by the lead agency at least once annually.
  - Reviews may be requested at other times by the family or lead agency if a significant change in income or family size occurs.

- The family must be notified and the IFSP reviewed and signed prior to any change in family cost share taking effect.
- e. If there is disagreement in the verification of family size or family income, a family may request mediation and/or an administrative due process hearing, as described in ITP Policy Bulletin #17. The family share of cost currently in place will remain in effect until the dispute is resolved.
- f. The family cost share may be increased to the maximum level for any of the following:
  - Family refuses or fails to provide requested financial information prior to signing IFSP or at review deadline set by the lead agency.
  - Family provides false or misleading information concerning income or family size.

#### **5. Family Cost Share Notification:**

- a. The family must be notified of their financial responsibility prior to signing the initial IFSP.
- b. Notification must include the family's established cost share level and how their share of the financial costs will be applied to each early intervention service provided.
- c. At the same time, the family must also be informed of their right to:
  - Refuse or decline any service.
  - Receive the following services at no cost: child find activities, evaluation and assessment, service coordination, administrative and coordinative activities related to the development, review, and evaluation of IFSPs, and implementation of procedural safeguards.
  - Have the determination of their share of service provision costs reviewed.
- d. The family's signature on the IFSP authorizes their agreement to pay the determined family share for the services outlined on the IFSP.

#### **6. Financial Hardship Adjustment:**

- a. Financial hardship determination is the process for considering any unplanned occurrences that adversely impact a family's financial stability; such as loss of home, loss of job, or extensive medical costs incurred in the current year.
- b. The family must complete the written application and submit it to the lead agency to be considered for financial hardship adjustment.
- c. A complete application must identify the family's specific financial hardship and provide supporting documentation requested by the lead agency.
- d. Applicants for financial hardship adjustment will be notified of the decision within thirty (30) days of the lead agency's receipt of the completed application.
- e. The adjustment is determined at the lead agency's discretion. The adjustment may be used to modify the required family cost share or reduce it temporarily.

**B. Billing, Reimbursement and Payments****1. Enrollment as a Medicaid Provider:**

- a. All ITP providers must be enrolled with the state's Medicaid agency for those services covered under the NC Medicaid State Plan.
- b. ITP providers must comply with all Medicaid rules, regulations, and procedures for service provision and reimbursement of early intervention services covered by Medicaid.

**2. Private Insurance Billing and Reimbursements:**

- a. Private health insurance is an insurance policy or contract that covers specified health services as outlined in the subscriber benefit plan.
- b. *Authorized family consent* must be given prior to billing private insurance for any early intervention services on the IFSP.
  - Parents must be informed, prior to giving consent to bill private insurance, of potential impacts of billing private insurance for early intervention services. Potential impacts include: prior approval requirements, lifetime caps, deductibles, co-pays, flexible spending accounts, or other plan option effects.
  - Families must be given the option of paying directly for the early intervention services at the ITP rate, which is the same as the Medicaid rate.
  - If a family does not give the ITP consent to bill their private insurance, the ITP rate (Medicaid rate) will be used to establish the base charge for the early intervention service. The family cost share assigned from the SFS will be applied to the ITP Rate (Medicaid rate) to determine the family charge for the billable services.
  - The family is financially responsible for paying the ITP any reimbursed amount paid directly to the family by the insurance company for early intervention services. In these cases, the ITP will bill the family for the full reimbursed amount paid by the insurance company for the services and any family cost share due if it was a chargeable service.
- c. Neither the family nor the ITP will be charged for any administrative costs or billing fees associated with the claims process.
- d. ITP providers must make full effort to enter into in-network provider agreements with all health maintenance organizations (HMOs), preferred provider organizations (PPOs), and other private insurance companies that serve children enrolled in the ITP.
- e. ITP providers must bill private insurance, with parent consent, for covered services based on their established charges or agreed upon contractual rates.
- f. The insurance payment and any assigned family portion (co-pay or coinsurance) are considered payment in full based on the specific insurance plan benefit for the covered service.

- g. The ITP rate (Medicaid rate) will be used to establish the base reimbursable rate to calculate the family cost share only in the following cases:
- when the insurance plan does not establish a base reimbursable rate or allowable charge.
  - when no insurance coverage is available.
  - when the early intervention service is not a covered plan benefit.

### 3. Applying the Family Cost Share:

- a. The family cost share is applied to the balance due that the family is responsible for from early intervention services received **after** the insurance plan (or other identified funding source) has paid the existing plan benefits.
- b. By applying the family cost share to the balance, it is divided into two portions:
- Portion 1: The adjusted amount the family is responsible for paying the service provider.
  - Portion 2: The discounted amount for which the ITP has responsibility.
- c. The family cost share is not applied to services that were missed or cancelled.
- If a family calls a service coordinator to cancel a scheduled service with less than 24 hours notice, the ITP is not obligated to make up that service time.
  - ITP staff must document the reason the family did not receive these services and all related activities or events concerning missed or cancelled visits.

### 4. Family Cost Share Payments:

- a. The family is financially responsible for and will be billed for all cost share adjusted balances due for services provided as outlined on the IFSP.
- b. The maximum cost share amount due by a family may not exceed 5% of their family monthly gross income as verified by the lead agency.
- c. The ITP ensures that a family will never pay a cost share greater than the actual cost of the ITP services provided that month.

### 5. Non-payment:

- a. Payment for all balances due for ITP services is considered past due after thirty (30) days from the invoice date.
- b. ITP services subject to payment may be discontinued for non-payment at ninety (90) days past due. *Services provided at no cost to the family will not be discontinued to any enrolled child.*
- c. At ninety (90) days past due *or*, if the family defaults on a previously arranged payment agreement, other collection actions may be initiated.

- d. The lead agency or its designee will take action to collect any unpaid balances due to the ITP for services provided. These actions may include, but are not limited to, discontinuing services, collection-processing through the Attorney General's Office, and/or referral to the Department of Revenue for its Set-off Debt Collection Program.

**6. Discontinuing Chargeable Services for Non-Payment:**

- a. The family will receive invoice and notice when fees are thirty days (30) and sixty (60) days past due.
- b. At seventy-five (75) days past due, the ITP will notify the family that if payment is not received, services will be discontinued at ninety (90) days past due.
- c. The ITP is responsible for ensuring that all procedural safeguards are followed when discontinuing ITP services for non-payment.
- d. ITP staff must document that services were discontinued due to non-payment of required fees.

**7. Reinstatement of Services Discontinued for Non-payment:**

- a. Services discontinued for non-payment of fees may be reinstated upon full payment of all fees in arrears if no more than three months have passed since they were discontinued.
- b. If more than three months have passed since services were discontinued, the IFSP team must reassess the existing IFSP before reinstating services and review family size/family income verification information.
- c. The family is not guaranteed the same individual service provider(s) as was assigned prior to services being discontinued.
- d. A family may not receive services in another CDSA unless reinstatement criteria are met.