OUTPATIENT CHARGES

OUTPATIENT CHARGES

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OUTPATIENT CHARGES

This chapter covers the policies governing how outpatient charges are calculated and charged to a patient or their county of legal settlement for services provided by a state mental health institute or a state hospital school. The Code provides for the Division Director to set the fees charged for outpatient services.

LEGAL BASE

The policies and procedures in this chapter are based upon the following Sections: 222.73 and 230.20, Code of Iowa.

OUTPATIENT TREATMENT

Policy

Outpatient services shall be charged to either the patient receiving the service or to the patient's county of legal settlement if the patient does not pay directly.

Comment

A patient has the option of paying directly for outpatient services. In any case, when the patient does not pay, the county of legal settlement must be billed. If the patient does not pay and has no county of legal settlement, the cost of service is then billed as a state charge.

Basis for Charge

Policy

The charge for direct patient treatment services provided on an outpatient basis shall be based on the salary for the classification of the employee providing the service.

Comment

Outpatient services can be provided by a variety of types of professionals or other employees. Since the actual cost varies significantly between classifications the rate charged the patient will vary. The rate is calculated based on the employee's merit classification or non-merit position classification.

OUTPATIENT CHARGES

OUTPATIENT TREATMENT (cont'd)

Unit Rate

Policy

The charge for professional services shall be based on quarter hour units (15 minutes). Any portion of a quarter hour of service shall be charged as a full unit.

Comment

Charging for units finer than quarter hours is not administratively feasible.

Unit Rate Computed

Policy

The unit rates shall be computed at the beginning of each fiscal year for that year by multiplying the hourly rate at the top of the professional's pay range by 1.5, dividing by four and rounding to the nearest whole dollar.

Comment

The 1.5 factor adjusts the professional's base salary to allow for the cost of fringe benefits not covered in the base salary and the cost of administrative overhead.

Direct medical Services – Mental Health Institute

Policy

The outpatient charge at a mental health institute shall include any direct medical services, as defined in 770--29.2(230) Iowa Administrative Code, provided on an outpatient basis. The charge for such service shall be established for the current fiscal year at the cost for that service during the last calendar quarter of the last previous fiscal year multiplied by 110%.

Comment

Multiplying last year's cost by 110% adds an amount to allow for inflation costs. The calculation is done individually for each institute.

OUTPATIENT CHARGES

OUTPATIENT TREATMENT (cont'd)

County of Legal Settlement

Policy

The patient's county of legal settlement shall be billed for any unpaid outpatient charges unless the patient, or someone else, has made full payment of the bill to the hospital's business office prior to the next regular billing cut-off date.

Comment

The Code does not provide for the institution to carry patient accounts for either inpatient or outpatient services. The county is billed using the normal billing system, for any unpaid balance remaining at the first billing cycle following the delivery of the service.

Rate of Billing

Policy

The billing to the county or the patient shall be for 80% of the charges.

Comment

This reduction is at the same rate as for inpatient services.

State Billed

Policy

A patient provided outpatient service who has no county of legal settlement and who does not pay his/her own bill shall have the charges billed as a state case.

Comment

When there is no county to bill, the state pays.

OUTPATIENT – DAY HOSPITAL

Policy

Any person admitted to a state hospital for treatment for a portion of a day shall be charged for the service

OUTPATIENT CHARGES

OUTPATIENT – DAY HOSPITAL (cont'd)

Comment

The day hospital rate is used when the person is admitted to a treatment program that would normally be used on an inpatient basis. The treatment plan would usually call for daily participation for a period of two days or more. The person is probably involved in the treatment program along with inpatients. Day hospital would not include persons who are coming to the hospital on an occasional basis for a medication check, an appliance fitting or to be seen by a specific professional for counseling or testing.

Hospitalized Less Than Four Hours

Policy

When a person is admitted for four hours or less any given day, the charge for service shall be set at 37.5% of the current quarter's per-diem for the program in which the person was treated.

Comment

The rate of charge is reduced to eliminate care and maintenance and to allow for only one-half of a day's treatment costs. The program is determined by identifying the program the patient would be admitted to if admitted as an inpatient. The billing per-diem for the hospital-schools shall be the 100% per-diem calculated for persons not Title XIX eligible.

Hospitalized More Than Four Hours

Policy

When a person is admitted for more than four hours but less than twenty-four hours, the charge for service shall be 75% of the current quarter's per-diem for the program in which the person was treated.

Comment

The 75% rate removes the cost of care and maintenance of the patient. Any person admitted to the hospital for twenty-four hours in any day or over night, is considered an inpatient and charged accordingly. The billing per-diem for the hospital-schools shall be the 100% per-diem calculated for persons not Title XIX eligible.

OUTPATIENT CHARGES

OUTPATIENT – DAY HOSPITAL (cont'd)

County of Legal Settlement Billed

Policy

The patient's county of legal settlement shall be billed for any unpaid outpatient charges unless the patient, or someone else, has made full payment of the bill to the hospital's business office prior to the next regular billing cut-off date.

Comment

The Code does not provide for the institution to carry patient accounts for either inpatient or outpatient services. The county is billed using the normal billing system, for any unpaid balance remaining at the first billing cycle following the delivery of the service.

Rate of Billing

Policy

The billing to the county or the patient shall be at 80% of the charges.

Comment

This billing rate is the same as for inpatient services.

State Billed

Policy

A patient who has no county of legal settlement and who doles not pay his/her own bill shall have their charges billed as a state case.

Comment

When there is no county to bill, the state pays.

COMMUNITY CONSULTATION

Policy

A state hospital may charge for consultation services provided to any public or private non-departmental agency or organization when such consultation is not part of the hospital's usual responsibility for patient and community coordination.

OUTPATIENT CHARGES

COMMUNITY CONSULTATION (cont'd)

Comment

This policy covers requests for consultation when the consultation is at the request of the agency and is not of primary benefit to the institute. Meeting with a community agency to discuss the referral process to and from the hospital would not be charged for. Doing an evaluation of the agency's record keeping system or activity program, would be charged for. The decision to charge rests with the superintendent. This policy does not apply testifying in court hearings.

Basis for Charge

Policy

The charge for consultation shall be based on the hourly pay for the staff person(s) used for the consultation multiplied by 1.5 then multiplied by the number of hours of consultation provided. The hours of consultation provided shall include one-way travel time. The charge shall also include round trip travel expenses charged at the travel reimbursement rates set for state employees. Travel in a state car shall be charged at the mileage reimbursement rate set by the state for personal car usage.

Comment

This rate allows for employer paid fringe benefits and overhead costs allowing the state to recoup its costs. The charge is based, other than travel, on actual time spent in consultation.

Rate of Billing

Policy

Community consultation shall be billed at 100% of the charges.

Comment

There is no legal provision for billing at a rate less than 100% as there is for direct patient services.

OUTPATIENT PRELIMINARY DIAGNOSTIC EVALUATION – MENTAL HEALTH

Policy

The cost of preliminary diagnostic evaluation done by a mental health institute under the provision of Section 225B.7, Code of Iowa shall be charged to the county requesting the evaluation.

OUTPATIENT CHARGES

OUTPATIENT PRELIMINARY DIAGNOSTIC EVALUATION – MENTAL HEALTH (cont'd)

Comment

The Code provides that the outpatient service of a state mental health institute can be designated as an alternative diagnostic facility for the purpose of implementing the preliminary diagnostic evaluation procedures in Chapter 225B, Code of Iowa. When a county board of supervisors designates a mental health institute as an alternative diagnostic facility this policy determines the rate of charge.

Basis for Charge

Policy

The charge for a preliminary diagnostic evaluation shall be set at an amount equal to two hours of professional time for the professional doing the evaluation multiplied by 1.5.

Comment

A flat fee is charged for evaluation. A fee is not charged if the person evaluated is admitted as an inpatient on the same day the evaluation is done. In such cases, the evaluation cost is a part of the per-diem cost billed to he county.

Rate of Billing

Policy

The county will be billed for 80% of the charge.

Comment

The county is liable to the state for the cost of the service.

OUTPATIENT DIAGNOSTIC EVALUATION – MENTAL RETARDATION

Policy

When a hospital-school does a diagnostic evaluation on an outpatient basis, the charge for service shall be made following the policies specified in this Chapter for outpatient-day hospital.

Comment

The minimum charge is for a stay of four hours per day or less. If the evaluation takes longer than four hours in a day, the policy on four hours or more applies.