

POLICIES AND PROCEDURE MANUAL

Chapter:	Finance		
Title:	Substance Use Disorder Treatment – Income Eligibility & Fees		
Policy: <input checked="" type="checkbox"/>	Review Cycle: Biennial	Adopted Date: 11.2015	Related Policies: Financial Management
Procedure: <input type="checkbox"/>	Author: Chief Financial Officer and Finance Manager	Review Date: 03.03.2026	
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Purpose:

Per contractual requirements with the Michigan Department of Health & Human Services (MDHHS) Mid-State Health Network (MSHN) is required to establish and maintain an income eligibility policy and procedure. The policy is intended to assure compliance with contractual obligations.

Policy:

MSHN requires use of a standardized income eligibility fee policy and procedure for all substance use disorder (SUD) treatment services. This policy is applicable to all treatment service modalities.

General Information:

Application of First and Third-Party Fees: The contract provisions with respect to the collection and reporting of first and third-party fees earned by a SUD Provider will be the first source of funding for the consumer. If benefits are exhausted or if the person needs a service not covered by that third party insurance, community block grant funds may be applied. It will be the SUD Provider's responsibility to develop and maintain policies and procedures regarding the collection and reporting of consumer fees and accounts receivable.

Consumer Eligibility: The income eligibility scale shall use a consumer's current annualized household income and the family size to determine the consumer's financial eligibility for a SUD treatment benefit from MSHN. Household income would include the income of the consumer's spouse, if living in the same home. It would also include the income of a significant other, if that consumer is cohabitating with the consumer and is engaged in the consumer's treatment process. Income would be excluded for estranged or separated spouses, for parents of any college-age consumer or adults living with parents if the parents only provide room and board. Income would also be excluded for adult children living at home if the parent is in treatment. Consumers whose family income falls at or below the guidelines identified in the attached "Income Eligibility for MSHN Benefits are eligible for a benefit subsidy as identified. Exceptions for income requirements may be made for consumer safety issues, continuity of care issues, and other items as reviewed and approved by MSHN staff. All exclusions should be documented in the consumer chart. The provider retains the authority to grant waivers to this policies and related procedures. If a waiver of income eligibility and fees is granted it shall be documented in the fee section of the consumer record.

- Income Verification: An Income Verification/Fee Agreement is to be completed at admission for each MSHN consumer that is funded through Community Block Grant dollars and signed by the consumer. In addition, proof of income must be documented in the consumer file (i.e., current pay stub, latest income tax return). Income should represent only legally obtained income. Annual gross income can be used, however, the most recent ninety (90) day period prior to admission should be reviewed to include any changes in employment.

Failure to secure and retain these items in the consumer's file will be grounds for non-reimbursement of services. If a consumer reports no income but is physically able to work, employment should be addressed as a treatment issue in the consumer's treatment plan.

An individual will not be denied service because of an inability to pay for services.

Non-allowable uses Block Grant:

- Inpatient hospital services except under conditions specified in federal law
- Cash payments to intended recipients of services
- Purchase, improve, or build (as applicable):
 - Land
 - Buildings and other facilities
 - Major medical equipment
- Satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of funds
- Pay the salary of an individual in excess of Level I of the Federal Executive Schedule
- Funds shall not be used to purchase promotional items, including but not limited to clothing, commemorative items such as pens, mugs/cups, folders/folios, lanyards, and conference bags.

Applies to:

- All Mid-State Health Network Staff
- Selected MSHN Staff, as follows:
 - MSHN CMHSP Participants: Policy Only Policy and Procedure
 - Other: Sub-contract Providers

Definitions:

MDHHS: Michigan Department of Health & Human Services

MSHN: Mid-State Health Network

SUD: Substance Use Disorder

Other Related Materials:

- Financial Eligibility Worksheet
- MSHN Eligibility Procedure w. Attachment A (Income Verification Agreement)
- Financial Eligibility & Waiver Worksheet

References/Legal Authority:

- Michigan Mental Health Code
- Michigan Department of Health and Human Services Contract for Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program(s), the Healthy Michigan Program, and Substance Use Disorder Community Grant Programs

Change Log:

Date of Change	Description of Change	Responsible Party
08.2015	New Policy	Finance Manager
06.16.16	Policy Update	Chief Financial Officer
03.20.17	Policy Update	Chief Financial Officer
03.2018	Policy Update	Chief Financial Officer
03.2019	Policy Update	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Biennial Review	Chief Financial Officer
12.2024	Biennial Review	Chief Financial Officer
10.2025	Policy Update	Chief Financial Officer