

## Fees, Billing, and Reimbursement

### Introduction

The fee, billing, and reimbursement requirements and procedures in this Bulletin apply to the Children's Developmental Services Agencies and enrolled Infant-Toddler Program service providers. Certain specific provisions were developed in accordance with Part C of the Individuals with Disabilities Education Act and include the following:

- fees for child find, screening, evaluation, assessment, service coordination, Individualized Family Service Plan development, and implementation of procedural safeguards and other administrative activities related to the Infant-Toddler Program may not be charged directly to parents, although Medicaid will be billed if the child is eligible for Medicaid, and private insurance will be billed, with written parental authorization;
- when fees are charged to parents for certain services, a sliding fee scale that takes into consideration the size of the family and income must be used, and
- the inability of the parents of an eligible child to pay for services, as determined by the sliding fee scale, will not result in the denial of services to the child or the child's family. *(For additional information, see relevant section in this Policy Bulletin.)*

### Fee Categories for Infant-Toddler Program Services

The Infant-Toddler Program has three distinct types of services in regard to fees. These services are either:

- Category 1 - required and provided at no direct charge to the parent;
- Category 2 - required but fees may be charged to the parent, or
- Category 3 - recommended services which are not required and for which fees may be charged to the parent.

#### Category 1 - Services Required and Provided at No Direct Charge to the Family

Early Identification and Screening  
Evaluations and Assessments  
Service Coordination

Although the following are not listed as services under the Infant-Toddler Program, the family cannot be charged for activities related to:

- administrative and coordinative activities related to the development, review and evaluation of the Individualized Family Service Plan, or

- implementation of procedural safeguards, and other administrative activities related to the Infant-Toddler Program.

Fees for Category 1 services may not be charged directly to the parent, although Medicaid will be billed if the child is eligible for Medicaid, and private insurance will be billed, with written parental authorization

**Category 2 - Services Required but May Be Charged to the Family**

Assistive Technology Services and Devices	Audiology Services
Community Based Rehabilitative Services	Family Counseling and Therapy
Health Services	Medical Services
Nursing Services	Nutrition Services
Occupational Therapy	Physical Therapy
Psychological Services	Respite*
Social Work Services	Speech-Language Therapy
Transportation*	Vision Services

Parents may be billed for all Category 2 services; however, the North Carolina Infant-Toddler Program Sliding Fee Schedule must be applied when determining the amount for which the parent is responsible. The Children’s Developmental Services Agencies and enrolled Infant-Toddler Program service providers are required to use the Infant-Toddler Program Sliding Fee Scale. If the only provider available for a service is a provider who is not an enrolled Infant-Toddler Program service provider, the Children’s Developmental Services Agency may:

- enroll the service provider as an Infant-Toddler Program service provider;
- provide the service itself, or
- negotiate with the service provider to apply the family’s assigned percentage on the Infant-Toddler Program Sliding Fee Scale to the Infant-Toddler Program Reimbursement Rate, less any insurance payment, to determine the family fee, and bill the Infant-Toddler Program for the difference, up to the Infant-Toddler Program Reimbursement Rate.

If an enrolled Infant-Toddler Program service provider is available, but the parent chooses to have someone else provide the service, the Children’s Developmental Services Agency is under no obligation to make the service available on a sliding fee scale and payment for the entire fee is the responsibility of the parent.

**\*Special Considerations for Respite and Transportation**

The provision of respite and transportation assistance is an exception to the application of the Infant-Toddler Program Sliding Fee Scale. When these services are listed on the child’s Individualized Family Service Plan by the Individualized Service Plan team and authorized by the Children’s Developmental Services Agency, the Infant-Toddler Program has chosen to provide respite and transportation assistance by reimbursing parents for some of the cost. For these two services that are

supportive in nature, a Family Support Percentage is used in providing reimbursement to families. The Family Support Percentage is determined by the Children's Developmental Services Agency by subtracting the family's assigned Sliding Fee Percentage from 100%. For example, if the family's Sliding Fee Percentage is determined by the Children's Developmental Services Agency to be 20%, their Family Support Percentage is 80%. If the family's Sliding Fee Percentage is zero, the Family Support Percentage is 100%.

Families choose the type of respite that best meets their family's needs (e.g., in-home, out-of-home, respite home), as well as the provider of the service. Respite providers may charge for this service at their usual, customary, and reasonable rate, and parents are responsible for paying the respite provider directly for services rendered. Respite providers are not required to use the Infant-Toddler Sliding Fee Scale. Instead, the Infant-Toddler Program will help to defray some of the cost for this service by establishing a base respite reimbursement rate, applying the Family Support Percentage to the base rate, and reimbursing the family for authorized respite services. The base reimbursement rate for respite, as well as parameters for service delivery, is determined by the Early Intervention Branch.

For authorized transportation reimbursement to families, the state employee travel reimbursement rate is used as a base rate for necessary miles traveled. If transportation is provided by other means (e.g., bus, taxi), a receipt is required. The Family Support Percentage is applied to the total amount due, based on the state employee travel reimbursement rate or the amount of the receipt to determine the amount of reimbursement to the parent for the authorized transportation.

*(For additional information, see Policy Bulletin #26 - Transportation and Respite.)*

### **Category 3 - Recommended Services Which are Not Required and for Which Fees May Be Charged to the Family**

Examples of recommended services include:

Alternative Residential Placement	Before and After School-Summer Care
Child Care Services	Financial Assistance
Genetic Services	Housing
Immunizations	Parent Support Program
In-Home Support	Well-Child Care
Women, Infants, and Children	

### **Family Financial Assessment**

The Children's Developmental Service Agency is responsible for assessing the family's financial status using the *North Carolina Infant-Toddler Program Financial Eligibility Application* to determine the family's Sliding Fee Percentage on the Infant-Toddler Program Sliding Fee Scale. This financial eligibility assessment is applicable to both the Children's Developmental Services Agency and enrolled Infant-Toddler Program service providers. The parent must be fully informed of all fees required and given a copy of the completed *North Carolina Infant-Toddler Program Financial Eligibility Application*. This application indicates the assigned Sliding Fee Percentage and the Family Support Percentage and includes the parent's permission for the Children's Developmental Services Agency and

other service providers to bill insurance for services provided based on the child's Individualized Family Service Plan.

Parents, who are subject to payment for Infant-Toddler Program services, are responsible for payment for the services provided. All fees for parents are subject to the application of the Infant-Toddler Program Sliding Fee Scale, which allows for income and family size variances. The Infant-Toddler Program Sliding Fee Scale is adjusted at the beginning of each new state fiscal year to reflect the current year's federal poverty levels. Parents, who are subject to payment for services, are expected to report increases or decreases in income and family size to the Children's Developmental Services Agency financial representative as soon as they occur, but no less than annually.

If a parent elects not to disclose income and family information necessary to assess the family's financial status to determine their Sliding Fee Percentage, the Sliding Fee Percentage will automatically be set at 100% payment on the Infant-Toddler Program Reimbursement Rate Schedule for chargeable services rendered.

### **Parent Authorization to Bill Insurance**

The parent must provide written authorization to bill his insurance carrier. The Children's Developmental Services Agency must ensure that the parent clearly understands that when he signs the *North Carolina Infant-Toddler Program Financial Eligibility Application* giving permission to bill his insurance, Medicaid, or Health Choice, this permission not only applies to the Children's Developmental Services Agency, but also extends to all enrolled Infant-Toddler Program service providers who provide and bill for services listed on the child's Individualized Family Service Plan. The parent must be fully informed of the impact of billing services to his insurance provider (e.g., deductibles, life-time insurance caps, prior approval requirements). He must be offered the option of paying directly for chargeable services based on the Infant-Toddler Program Sliding Fee Scale, rather than having his insurance billed. The parent has the right to restrict the release of specific health information to his insurance company, but by doing so, the insurance company may deny payment for the service. The parent must be informed that he will be held responsible for any resulting applicable Infant-Toddler Program fees.

### **Inability to Pay/Refusal to Pay**

No family can be denied services based solely on their inability to pay. Inability to pay is defined as the determination by the Children's Developmental Services Agency, utilizing the Infant-Toddler Program fee policies and procedures, that a family's gross income, minus all allowable deductions, applied to the North Carolina Infant-Toddler Program Sliding Fee Scale, is such that the family's fee for services would fall in the zero percent column. Otherwise, the Sliding Fee Scale and the requirement that a family not pay more than 5% of their total annual income for fees for early intervention services, as declared on the *North Carolina Infant-Toddler Program Financial Eligibility Application*, define the parent's ability to pay.

Children's Developmental Services Agency financial staff and Service Coordinators involved in determining a parent's ability to pay should be accessible to enrolled service providers for assistance and to the parent for a review of his financial situation to determine net income, refigure allowable deductions, etc. However, if a parent still cannot pay for the service and does not qualify for more

deductions, a provision can be made to arrange for a negotiated payment plan by the Infant-Toddler Program service provider.

Infant-Toddler Program service providers may refuse to provide services when:

- the parent refuses to allow billing of his insurance and refuses to pay an assigned fee based on the Infant-Toddler Program Sliding Fee Scale, or
- the parent refuses to pay although his income is assessed to be sufficient to pay for all or part of the service, based on the Infant-Toddler Program Sliding Fee Scale.

If the parent refuses to pay, the service provider must notify the Service Coordinator immediately that the service will not be starting or will be ending so that Written Prior Notice can be provided to the family indicating a possible change to the service on the Individualized Family Service Plan. The Service Coordinator must notify the Children's Developmental Services Agency that the service will not be starting or will be ending.

Parents have the right to mediation and to due process procedures if they disagree with assigned fees or other decisions related to fees, billing, and reimbursement. (*For more information, see Policy Bulletin #17 - Complaint Resolution-Individual Child.*)

### **Billing and Reimbursement Requirements**

All Children's Developmental Services Agencies and enrolled Infant-Toddler Program service providers are expected to comply with the following:

1. Service providers will apply the Sliding Fee Percentage assigned to the family by the Children's Developmental Services Agency and will use the Infant-Toddler Program Reimbursement Rate Schedule for computing parent fees for services provided.
2. For families with net incomes less than 200% of the federal poverty level, services are provided at no charge to the family.
3. For families with net incomes up to 400% of the federal poverty level, the Infant-Toddler Program Sliding Fee Scale applies.
4. No family, regardless of income, shall be required to pay more than 5% of their total annual gross income for fees for the required Infant-Toddler Program services, as declared on the *North Carolina Infant-Toddler Program Financial Eligibility Application*.
5. Net income is used as basis of assigning the Sliding Fee Percentage to a parent. Net income is figured as gross income minus taxes, child care expenses, and medical expenses paid or incurred.

6. Children with disabilities shall be given extra "weight" in determining the number of dependents in the family, counting as two children without disabilities. Disability is defined by any of the following:
  - the state early intervention definition;
  - Health Choice Special Needs definition;
  - Department of Public Instruction Special Education Criteria, or
  - Section 504 of the Rehabilitation Act.
7. Service providers may bill a family's insurance company for services rendered as long as the parent has been fully informed of the ramifications of billing his insurance company and the parent has given written authorization to do so.
8. For fee-for-service billing involving the use of Healthcare Common Procedure Coding System (HCPCS) and Current Procedural Terminology (CPT) codes, service providers will not charge fees to parents for any Infant-Toddler Program service that is listed in italics on the Infant-Toddler Program Reimbursement Rate Schedule.
9. The family's assigned Infant-Toddler Program Sliding Fee Scale percentage is applied to any chargeable service listed on the Infant-Toddler Program Reimbursement Rate Schedule after any insurance payment is made. Service providers may bill for and collect up to their established charges from insurance companies. However, if insurance pays for part of a service that is also subject to a parent fee, the parent fee is determined after insurance payment is received. Parent fees are determined, using the following calculation, and include any applicable insurance co-payment.
  - a. Service providers are required to bill, with written parental authorization, the family's insurance company first for covered services rendered based on their established charges.
  - b. Service providers must use the rates listed on the Infant-Toddler Program Reimbursement Rate Schedule as the base rates for all applicable parent fee calculations and billing transactions to the Infant-Toddler Program. Upon receiving payment or denial from the family's insurance company, the base amount due is calculated by multiplying the number of units times the rate found on the Infant-Toddler Program Reimbursement Rate Schedule. The insurance payment is then deducted from this figure. This determines the Balance Due.
  - c. If the Balance Due is zero, then neither the family nor the Infant-Toddler Program may be charged for any additional amount.
  - d. If the Balance Due is greater than zero, the family's assigned Sliding Fee Percentage is multiplied by the Balance Due to determine the family fee to be collected.
  - e. After the family's fee is subtracted from the Balance Due, if there is any remaining balance, the service provider may then bill the Infant-Toddler Program for this amount.

10. Because insurance co-payments are included in the fee calculation above, service providers shall not collect any insurance co-payments separately. The only exception to this is when a service provider has signed a contract with an insurance company, agreeing to accept a reduced insurance payment and a parent co-payment together as payment in full and prohibited from seeking reimbursement from other funding sources.
11. In situations where families are served by service providers who have signed agreements with the family's insurance carrier to accept a reduced insurance payment and family co-payment together as payment in full and are prohibited from seeking reimbursement from other funding sources, the service provider shall not bill the Infant-Toddler Program for any additional amount beyond the remaining balance of the family's insurance co-payment after the Sliding Fee Percentage has been applied. In this situation, the service provider should bill the insurance carrier for the service rendered and collect the agreed upon amount from the insurance company, as well as the family's portion of the insurance co-payment, based on the family's Sliding Fee Percentage. The service provider may then bill the Infant-Toddler Program for the remaining amount of the co-payment. Otherwise, the service provider should follow steps 9a - 9e above.
12. If a parent has paid a fee and the insurance company pays for the service at a later date, the parent must be refunded any amount that exceeds the family's assigned percentage on the Infant-Toddler Program Reimbursement Rate Schedule for that service, applying the same calculations outlined in steps 9a through 9e above.
13. Within these guidelines, it is the responsibility of the service provider to submit claims to private insurance.
14. Within these guidelines, it is the responsibility of the service provider to collect fees from the parent.
15. Infant-Toddler Program funded services for non-Medicaid-eligible children are based on the Infant-Toddler Program Reimbursement Rate. Any combination of parent fees, insurance, and payment by Infant-Toddler Program funds must be accepted as payment in full. The parent may not be billed for any nonreimbursable portion of the service provider's charges.
16. When billing Medicaid, service providers must comply with all Division of Medical Assistance requirements for billing.
17. Medicaid is billed for services if the child is eligible for Medicaid, and private insurance companies are billed also with written parental authorization. If a child is eligible for Medicaid and also has private insurance, Medicaid requires that the insurance company be billed first.
18. All service providers must accept Medicaid payment as payment in full. Parents cannot be charged for any unpaid amounts of Medicaid reimbursements under any circumstance.
19. In order to prevent a delay in the timely provision of services to an eligible child and his family, with the approval of the Children's Developmental Services Agency, an enrolled service provider

may be reimbursed for the provision of a service pending authorization for reimbursement from another funding source.

Each new fiscal year (operating on a July to June year) the Infant-Toddler Program Sliding Fee Scale will be adjusted based on the current Federal Poverty Level. The Infant-Toddler Program Reimbursement Rate Schedule for Infant-Toddler Program service providers will be adjusted according to current Children's Developmental Services Agency Medicaid Reimbursement Rates. The Infant-Toddler Program Sliding Fee Scale and the Infant-Toddler Program Reimbursement Rate Schedule for Infant-Toddler Program service providers will become effective at the beginning of the new fiscal year and apply to services rendered from that point on. The new rate and fees will not apply to any previous charges already incurred.

Infant-Toddler Program service providers are strongly encouraged to develop fee and billing policies and procedures outside the scope of this document, including but not limited to billing procedures, bad debt policies, etc. as long as they do not conflict with these requirements.

Additional information about fees, billing, and reimbursement may be obtained from the Children's Developmental Services Agency or the North Carolina Infant-Toddler Program, Division of Public Health, Early Intervention Branch, 1916 Mail Service Center, Raleigh, North Carolina 27699-1916. Telephone: (919) 707-5532.

### **For Children's Developmental Services Agencies Only**

When parents are assigned a fee, payment for the service provided by the Children's Developmental Services Agency is due within thirty (30) days of the invoice date, and parents are expected to pay for these services within this time period. However, if there are extenuating circumstances, parents are expected to discuss the situation with the Children's Developmental Services Agency financial representative to arrange a payment plan.

Should payment not be made for three months without other arrangements to develop, defer, or amend the payment plan, then a state-operated Children's Developmental Services Agency is obligated to turn over the account to the North Carolina Attorney General's Office as a past due account, if the balance is \$500.00 or greater. The Children's Developmental Services Agency must process this reporting through the Early Intervention Branch. In addition, the state-operated Children's Developmental Services Agencies are obligated to turn the ninety (90) days overdue account over to the North Carolina Department of Revenue as a delinquent account, subject to Debt Setoff Collection Against Individual Income Tax Refunds Policy, if the balance is \$50.00 or greater. This means that funds from individual tax returns may be withheld against any unpaid debt to the Children's Developmental Services Agency for the service provided. Contract-operated Children's Developmental Services Agencies should follow the protocol of their parent agencies regarding overdue accounts.