

November 15, 2010

# Montana Health Care Programs Notice

## School-Based Services

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### Free Care and CSCT Services

The mental health agencies that provide CSCT services in school settings have recently asked the Department for clarification regarding free care and any Medicaid regulations that pertain to access for individuals to the CSCT programs. Four questions were presented to the Department and in collaboration with Children's Mental Health and School-Based Services, the answers are as follows:

1. How aggressive can you be in the sliding fee schedule without violating the free care rule?

**Explanation:** According to Administrative Rules of Montana (ARM) 37.86.2225(4)(a-c), as a Medicaid provider of CSCT services, the school district is subject to all Medicaid State and Federal billing rules and regulations. A school district must: (a) use a sliding fee schedule for children or adolescents not eligible for Medicaid; (b) bill all available financial resources for support of services including third party insurance and parent payments if applicable; and (c) adequately document services to support the Medicaid reimbursement received.

The only two exceptions to the free care rule are:

- 1.) Services provided under IDEA (IEP health-related services)
- 2.) Services provided under Title V – Maternal Child Health Services Block Grant (MCH)

The providers of CSCT services need to follow this rule, and the Department cannot advise as a business practice as to what the sliding fee schedule should look like. Sliding fee scales are based on the annual Federal Poverty Guidelines (FPG), and fee for services must reasonably coincide with such guidelines. There are resources to use in guidance of establishing a sliding fee schedule:

- Sample of Title V – Maternal and Child Health Services Sliding Fee Scale  
[http://www.dshs.state.tx.us/famplan/pdf/09FPX-XXFEE\\_SCALE02-07\(TitleV\).pdf](http://www.dshs.state.tx.us/famplan/pdf/09FPX-XXFEE_SCALE02-07(TitleV).pdf)
- Health Resources and Services Administration (HRSA) Sliding Fee Scale Requirements  
<http://bphc.hrsa.gov/slidingfeescale>
- 2008 National Health Service Corps (NHSC) recommendation to develop a sliding fee scale  
<http://nhsc.hrsa.gov/communities/discountedfee.pdf>

2. Can you set a separate sliding fee schedule for different types of services offered by the same provider?

**Explanation:** The Department was not able to identify any references in the research we conducted that was informative regarding this subject.

3. Is there any obligation to provide CSCT services to non-Medicaid eligible recipients?

**Explanation:** The Department was not able to identify specific CMS guidance on providing services to non-Medicaid eligible clients.

4. What are the requirements to collect unpaid bills from private payers?

**Explanation:** Since the “free care rule” is a Medicaid principle and is not addressed in the Social Security Act or the State Plan, the level of aggression required for bill collection is not defined in ARM.

It may be helpful to review ARM 37.85.402(5), Provider Enrollment and Agreements, and ARM 37.85.406(11), Billing, Reimbursement, Claims Processing, and Payment, which discusses Medicaid payment as payment in full for services provided.

## **Contact Information**

For claims questions or additional information, contact Provider Relations:

**Provider Relations toll-free in- and out-of-state: 1-800-624-3958**

**Helena: (406) 442-1837**

**E-mail: [MTPRHelpdesk@ACS-inc.com](mailto:MTPRHelpdesk@ACS-inc.com)**

Visit the Provider Information website:

**<http://medicaidprovider.hhs.mt.gov/>**