NC Department of Health & Human Services
Division of Public Health
Women's and Children's Health Section
Early Intervention Branch

North Carolina Infant-Toddler Program

Procedure Guidelines Related to Financial Policy

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CONTENTS

Introduction

Implementation of ITP fee and billing policy requires an organized effort on the part of the service coordination staff and the CDSA business office staff. Established communication practices are required to ensure that all families are informed of their rights and requirements related to fee and billing policies. It is important that all families understand how the fee and billing policy may affect their participation in the Infant-Toddler Program. Some procedures require the family to submit information to the business office for verification or approval, and may require business office staff to contact the family by telephone. Other procedures require timely notification, informed consent, and communication of information regarding fee and billing policy to families. Notification, informed consent, and communication related to policy must be provided with procedural safeguards as part of the service coordination process.

Sliding fee scale determination, *identification of insurance information* and consent & *notification of financial policy* are the three core functional elements of the ITP fee and billing policy. This guidance document is organized by section according to the elements summarized in the introductory paragraphs below. Within each section are specific content and staff-specific procedure guidelines related to each of the three elements.

Please refer to the Infant-Toddler Program Manual Bulletin #23 for questions regarding the fee and billing policy. Additional questions may be directed to the NC ITP Central Office, Division of Public Health, Women's and Children's Health Section, Early Intervention Branch, 1916 Mail Service Center, Raleigh, NC 27699-1916. Telephone: (919) 707-5520.

SLIDING FEE SCALE DETERMINATION: This element includes activities related to determining a family's Sliding Fee Scale (SFS) percentage and the monthly maximum cap for ITP services based on the verified family size and income; or, when applicable, verified participation in one of the State's Medicaid, Social Security Income (SSI), or Women, Infants, and Children (WIC) programs. This element also includes the task of an annual financial review of enrolled families and any hardship adjustment determinations needed to consider the ability to pay status. Determination of the SFS percentage is an important first step to complete as a family considers participation in the ITP. The SFS is the method identified in ITP fee and billing policy for defining a family's ability to pay for early intervention services. As part of federal IDEA regulations, the ITP must determine a family's ability or inability to pay for early intervention services prior to enrollment in the program. The ITP Manual Bulletin #23 describes the basis for how the SFS is used. In order to determine the SFS percentage, the ITP must verify family unit size based on the ITP definition of family unit and the family's adjusted gross income (AGI); or verify participation in one of the State's Medicaid, SSI, or WIC programs. The *Financial Data Collection Form* is used to record and document income information used in program participation. The ITP must also review an enrolled family's ability to pay for early intervention services annually. The family has a right to request a financial review at any time. The ITP has developed the Financial Review and Hardship Adjustment application process to ensure that when a family's situation changes significantly, the factors affecting finances can be reviewed, if requested by the family. Review of this information may result in an adjustment to the determined SFS percentage or a temporary adjustment in consideration of the hardship caused by changes in a family's financial situation.

IDENTIFICATION OF INSURANCE: This element includes activities related to identifying funding sources and identifying insurance policy coverage details when consent to use insurance is given. Identification of funding sources for early intervention services is an important and required function as families consider program participation. Identification of funding sources must occur *throughout* a family's participation in the program and as needed with changes in insurance coverage, when consent to use insurance is given. This identification process is required for compliance with federal IDEA regulations to assure ITP funds are used as the last resort for payment of early intervention services. The process of insurance coverage identification must be initiated by having each family report any private and/or public insurance plan in which they participate, if consent to use insurance is given. Insurance coverage identification is a process of researching plan benefits to help the family understand what, if any, early intervention services may be covered and to notify the family of how family costs will be determined. Parents may want this information to assist in selecting a service provider. Policy information is requested to initiate research of plan benefits, though it is important to note that a private or public (Medicaid) insurance plan will not be billed for early intervention services unless a family provides written consent to bill private or public (Medicaid) insurance. The *Insurance Information Worksheet* is used to record insurance information and a family's instruction on consent to use insurance for billing as well as the established SFS percentage for communication with ITP service providers. Verification of the insurance plan is the responsibility of the service provider, and is not a guarantee of payment by the insurance company.

CONSENT & NOTIFICATION OF FINANCIAL POLICY: This element includes activities related to notifying and informing parents and guardians how ITP fee and billing policy will apply to their child's participation in the program, and is completed at times consent is required. This notification is provided in the context of the service coordination process. Notification of how fee and billing policy applies to a family's participation in the program is an important function of the service coordinator. Families must be notified of ITP fee and billing policy system of payments and informed of Notice of Child & Family Rights related to ITP fee and billing policy in order to meet IDEA federal requirements regarding financial matters and to provide the family with needed information on the cost of early intervention services. Notification of Notice of Child & Family Rights and related financial policy must occur whenever consent for services and consent for the use of private insurance and/or Medicaid is sought. Consent must be obtained prior to billing private insurance for any early intervention services on the IFSP; and each time consent for services is required due to an increase (in frequency, length, duration, or intensity) in the provision of services in the child's IFSP. The appropriate, *Notice of Child & Family Rights*, and the *System of Payments Notifications* document should be used to inform families of their rights and ITP policy. The *Prior Written Notice and Consent for Evaluation & Assessment* is used to document family consent for the early intervention service and written family instructions on consent to use insurance for the Eligibility Evaluation and/or Child Assessment and related service coordination activities as applicable prior to initial IFSP development. The *System of Payments Notifications* outlines the information required to be presented to families each time consent is required. Once the IFSP is developed, the IFSP Agreement or Review page is the document the ITP uses to document family consent for early intervention services and written family instructions on consent to use insurance for IFSP services and/or related service coordination activities for the IFSP.

Sliding Fee Scale (SFS) Determination

Determination of Family Unit Size

ITP Definition of Family Unit

The family unit is the group of individuals whose information is used to determine family unit size for application to the SFS. Members of the family unit with income are required to submit documentation of income to the CDSA business office to verify family unit income used to calculate the SFS percentage.

First, establish adults with income who would be included in the family unit. Adults in the household, typically the parents of the eligible child, are those that satisfy a, b and c below.

a. Those related to the child by blood, marriage, or adoption;

b. Those living in the same household with the child; and

c. Those adults who have responsibility for the child's financial support.

In addition to the parents and the eligible child, to be considered part of the family unit, other qualifying household members (other children and adult relatives in the home) must:

a. Be the eligible child's brother, sister, half-brother, half-sister, step brother, step sister, foster brother, foster sister; or a descendant of any of them; and meet at least one of these additional conditions;

    1) Currently under age 19 and younger than the identified parents; or

    2) Under age 24, a full-time student, and younger than the identified parents; or

    3) Any age if permanently and totally disabled;

b. NOT have provided more than half of his or her own support for the year and lived with the family for more than 6 months;

c. NOT be a qualifying dependent of any other taxpayer (family)

Exceptions for Temporary Absences

Household members who are absent from the home for a temporary absence may be counted as part of the family unit. A temporary absence may occur for special circumstances such as military service, education, business, vacation, or illness. It must be reasonable to assume that the absent person will return to the home after the temporary absence.

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Children under DSS custody or those living in a foster home or institution are considered a family unit of one since they do not live in the household with a relative who has financial responsibility for the child. If the child has any income of his or her own, that income alone would be counted. Even if a relative is appointed as the child's legal guardian, the relative should not be counted as a family member under this definition. Legal guardianship implies

that the guardian handles the child's financial matters, not that he or she must support the child financially.

Procedures for Determination of Family Unit Size

Collection of family unit size information is the first step required to establish a family's SFS percentage.

Service Coordination Staff:

- Collect all family unit size information at the initial contact with the family in all situations; except in situations where the SFS percentage may be established by verified participation in one of the State's Medicaid, Social Security Income (SSI), or Women, Infants, and Children (WIC) programs.
- Collect and record family unit information on Section D of the *Financial Data Collection Form.*
- The name, relationship, and current age information must be completed for all members of the household that meet the ITP definition of family unit.
- Family members reported as having income should be identified first and indicated by making a checkmark in the box following the age in the current age column.
- Complete Sections A, B, C, and D of the *Financial Data Collection Form.*
- Have the family sign the form to certify family information provided is accurate as well as indicating they understand the reasons for the ITP requesting the social security number of the financially responsible adult.
- Inform the family that a completed copy of the Financial Data Collection from will be mailed/provided to them from the business office.
- Submit the signed original *Financial Data Collection Form* to the business office as soon as it is completed. No copies should be made after it is submitted to the business office unless made by the business office.

Business Office Staff:

- Make final determination on the verified family unit size based on review of all information.
- In cases where family unit information is in question, verify family unit information supplied on the *Financial Data Collection Form* with family information on intake, tax, or other documents submitted as part of income verification procedures. For example, adjustments may be needed if a family member is added (birth/adoption) or is lost (death) after the federal income tax return is filed.
- Request additional documentation as needed, including the social security number of the financially responsible adult if not available from tax forms submitted by the family.
- Record family unit size decision in Section E of the *Financial Data Collection Form*.

- Mail/provide a copy of the completed signed *Financial Data Collection Form* to the family once all income verification, SFS calculations, and Monthly Maximum Cap information is completed.
- Maintain *Financial Data Collection Form* only in the client's financial file in the business office to protect the private information according to state regulations.

Verification of Income

Verification of Other State Program Participation Methods

Current program participation in Medicaid, SSI, or WIC establishes the family SFS percentage at 0%. No additional income verification is needed during the time a family is eligible for any of these programs. The income eligibility levels of these programs are consistent with the ITP-defined inability to pay guideline of 200% of federal poverty guideline (FPG) or below. If a family is subsequently found not to be eligible for Medicaid, SSI or WIC, follow standard verification of income procedures guided by instruction under the "When there is a Lapse in Medicaid, SSI or WIC Eligibility" section below.

Verification of Income Methods

The most recent federal income tax form must be used if a federal income tax form was completed the prior year. This may include tax returns from two or more applicable family members, if filed separately. The adjusted gross income (AGI) can be located on federal tax forms 1040 Line 37, 1040a Line 21, 1040ez Line 4. AGI is defined by the Internal Revenue Service and is gross income adjusted downward by specific deductions, but not including standard and itemized deductions. When tax forms are current, they must be used to determine a family's adjusted gross income for use with the SFS. If tax forms are not available for review, an alternate ITP approved method will be used to determine family unit income for use with the SFS. The alternate method will allow for a set 3% deduction from the verified gross income as described on the following page.

Alternate ITP-Approved Verification of Income Methods

The methods listed below for verification of income should ***only*** be used if a family member did not file a federal income tax return the prior year, or they are unable to provide the necessary tax documents.

Alternate Method A: Use check stubs or pay stubs from the most recent two months of pay periods. Annualize the gross income indicated on the payment documents and allow the 3% deduction to determine the family unit income for use with the SFS.

Alternate Method B: Use statement signed by the employer(s) regarding gross salary and wages. The statement should indicate an annualized wage based on the current level of income. Annualize the gross income provided on the employer signed salary and wage statement and allow the set 3% deduction to determine the family unit income for use with the SFS.

Methods for Submitting Required Verification Documents

Families must provide appropriate and complete documentation required for income verification prior to establishing a SFS percentage. Families may submit required income verification documentation to the CDSA business office contact by the following methods.

- Hand delivery of originals or a copy
- Mail or fax
- Hand delivery of a copy using a confidential method via a service coordinator.

With documentation of the circumstances, the CDSA Financial Officer may approve an alternate means of submitting the required income information.

When Required Documentation is Not Submitted

A family may choose not to provide the required information for income verification or a family may fail to submit the required information by the date specified on the notice. If the family fails to submit the required information by the date specified, their SFS percentage will be established at 100% until adequate information is provided.

When the SFS is determined at 100% due to failure to provide the required financial information for verification, the CDSA staff should document important facts in the client record around the circumstances involved when the family chooses not to provide information or there is a refusal or a delay in providing the necessary information to determine SFS percentage.

When There is a Lapse in Medicaid, SSI or WIC Eligibility

If a family's Medicaid eligibility has lapsed, the SFS percentage must be reviewed using family size and income verification. The family must receive notification of a financial review request and all procedural safeguards must be followed prior to any change in SFS percentage taking effect. In instances of lapsed eligibility, the business office should initiate income verification based on the following guidelines. First, notify the family in writing as soon as the lapse in Medicaid, SSI or WIC is identified. The notification letter should identify the purpose and request the needed family action to avoid additional income verification activities if possible. Notification and requested action should include the following points.

- The CDSA is aware of a lapse in your Medicaid, SSI or WIC eligibility status.
- The current SFS percentage (0%) was established based on eligibility in the Medicaid, SSI or WIC program.
- You have 14 business days from the date of this written notification to re-establish eligibility for the program **or** to verify re-application for the program.
- If you do not act or your re-application does not restore program eligibility, income verification is required.

If no action has been taken by the 15th business day following written notification or re-application does not restore program eligibility, standard income verification procedures should be initiated. The family must be provided a deadline date for submitting the required income

verification documents using the *Family Notification for Verification of Income & FAQ on Costs for ITP Services*.

If, subsequently, the family is able to re-establish eligibility for Medicaid, SSI or WIC, their SFS percentage will remain at 0%. If the family does not provide the required documents by the date set in the notice, their SFS will be established at 100%, until the required documentation is provided for income verification, as would occur for any family not providing the required documentation. An IFSP review must take place in order to notify the family of changes in the cost of the early intervention services, and all procedural safeguards must be followed prior a change in the SFS percentage taking effect.

Procedures for Verification of Income

Verification of income is the second step required to establish a family's SFS percentage.

Service Coordination Staff:

- Notify family at initial contact of the income verification process even in situations where the SFS percentage may be established by other State program participation, such as Medicaid.
- Assure this information is shared with family immediately following the referral to give timely notice to the family. This notification may be completed through a mail contact to ensure the family receives a timely and written notice. The notice must also be reviewed with the family at the initial contact.
- Provide notification using the *Family Notification for Verification of Income & FAQ on Costs for ITP Services* and explain required income and insurance documents that are needed for that family must be submitted to the business office. The notification will be provided containing the date upon which required family documents must be received at the business office.
- Review with the family the established method for verification of income and alternate methods so the family understands what information is required to be submitted. The service coordinator must explain the consequence of not providing the income information to the business office contact by the stated deadline.
- Inform families that if their Medicaid enrollment is not verified, they will be required to submit the documentation indicated in the *Family Notification for Verification of Income & FAQ on Costs for ITP Services.*
- Refer all income-related questions to the business office contact. Beyond referring questions, service coordination staff may only transport a family's income-related information, using a confidential method, to the business office.
- Refer families to the copy of the *Financial Data Collection Form* that will be mailed/provided to the family from the Business Office for information on their current SFS percentage or Monthly Maximum Cap level.

Business Office Staff:

- Verify income for all families, who have not been verified as participating in one of the State's Medicaid, Social Security Income (SSI), or Women, Infants, and Children (WIC) programs.
    - When applicable, verify participation in one of the State's Medicaid, Social Security Income (SSI), or Women, Infants, and Children (WIC) programs and document it using the appropriate check box on the *Financial Data Collection Form.*
        - After verifying eligibility status for Medicaid recipients, Medicaid policy details and other private insurance policy information, as applicable, as well as the family's established SFS percentage must be recorded on the *Insurance Information Worksheet*.
    - Verify participation in SSI or WIC, in cases where the family does not have Medicaid using the information from Section B of the *Financial Data Collection Form* or request a certification statement from the family.
        - Determine and document required SFS information in Section E of the *Financial Data Collection Form* when current program participation is verified.
    - *If unable to verify Medicaid or other program participation*, communicate with service coordination staff to initiate standard income verification procedures.
- Make phone contacts as needed with the family or service coordinator to facilitate income verification efforts.
- Assure needed adjusted gross income (AGI) and gross income information is recorded for each member in the family unit with income.
    - This applies except in situations where the SFS percentage has been established by verified participation in one of the State's Medicaid, Social Security Income (SSI), or Women, Infants, and Children (WIC) programs.
- Calculate monthly gross income information to determine the monthly maximum cap level.
- Record all required source and income information in Section E of the *Financial Data Collection Form*.
- Use the verified family unit size and family adjusted gross income information to determine the SFS percentage using the current *ITP Sliding Fee Scale Matrix Table*.
- Record verified family unit size and family AGI in Section E of the *Financial Data Collection Form.*
- Record the SFS percentage on the *Insurance Information Worksheet* to communicate the SFS percentage and insurance information to the service coordination staff.

- The Financial Officer must mail/provide a completed copy of the *Financial Data Collection Form* to the family once it is completed to share written information on SFS determination and established Monthly Maximum Cap level with the family.
- Maintain all copies of income verification documents in the financial record during the time the documents support the current SFS percentage.
- Destroy the previous years' income verification documents supplied by the family in cases of annual review. The *Financial Data Collection Form* must always be retained and all updated copies maintained in the financial record. Only ***family*** supplied documents that no longer support the current SFS percentage should be destroyed. The *Financial Data Collection Form*, like all other ITP forms is retained in accordance with State record retention policy.
- Ensure that any income verification information requested by the family is returned to the family once a copy is made.

Annual Re-Verification of Income

Annual Re-Verification of Income for Enrolled Families

A family maintains the right to request a re-verification of income at any time. The ITP *requires* that family income information be re-verified by the business office annually at the time of the family's annual IFSP review. The business office must have procedures:

- To monitor the date of the last income verification for each family.
- To initiate the annual re-verification process at the direction of the financial officer.

Although the processes are separate, for some families, an annual income re-verification process due at the time of the annual IFSP review may overlap in the same time period with the effective date of the SFS update. Staff should align these two processes in order to support the family and reduce multiple processes as applicable. Staff should not align the processes for all families, as the reason for each is distinct.

The *Family Notification for Verification of Income & FAQ on Costs for ITP Services* must be used to notify families of the documents and the deadline required for submitting information for the income re-verification process. A new *Financial Data Collection Form* must be used to record information for income re-verification. The business office must determine the family's updated SFS percentage and monthly maximum cap based on the income documents received. If the family does not submit the required documentation by the deadline, the SFS percentage should be established at 100% until the required documentation is received.

If changes to the SFS percentage or monthly maximum cap result from the re-verification process, the service coordinator must notify the family of the change in costs for early intervention services at an IFSP review prior to the new SFS information taking effect. *Any* time the SFS percentage is changed, all procedural safeguard requirements must be followed in notifying the family of potential changes to cost for early intervention services before changes go into effect.

Procedures for Annual Re-Verification of Income for Enrolled Families

Service Coordination Staff:

- Notify the family of the required annual re-verification process.
- Deliver the Family Notification for Verification of Income & FAQ on Costs for ITP Services with date required for submitting re-verification documents.
- Complete *Financial Data Collection Form* as needed to update family unit information.
- Following re-verification, schedule an IFSP review meeting and complete the IFSP Service Delivery page with updated information, if there are updates to SFS percentage, and provide all procedural safeguards related to informed consent.
- Update any applicable POMCS service authorizations within two (2) business days of the IFSP review.
- Provide a copy of the updated *Insurance Information Worksheet* to notify current providers of any SFS percentage or insurance change within two (2) business days of the IFSP review.
- Refer families to the copy of the *Financial Data Collection Form* that will be mailed/provided to the family from the Business Office for information on their current SFS percentage or Monthly Maximum Cap level.

Business Office Staff:

- The Business office initiates the annual review process by requesting the service coordinator to notify the family an annual review is required.
- The business office must supply the date required for submitting documents to be listed on the *Family Notification for Verification of Income & FAQ on Costs for ITP Services*.
- Receive the requested re-verification documents from the family and verify the information to determine an updated SFS percentage and monthly maximum cap for ITP services.
- Communicate the updated information to the service coordinator as soon as it is determined.
- The Financial Officer must mail/provide a completed copy of the *Financial Data Collection Form* to the family once it is completed to share written information on SFS determination and established Monthly Maximum Cap level with the family.

Financial Review and Hardship Adjustment

Purpose of the Financial Review and Hardship Adjustment Application Process

The Financial Review and Hardship Adjustment Application procedures provide a way for families to request a specific review of their hardships encountered that may significantly affect their ability to pay for early intervention services. Hardship categories are defined as loss of home; loss of employment or income; and extensive current year medical costs.

Required Supporting Documentation

In order to complete the application process, the business office must:

- verify the required supporting documentation submitted with the family's application;
- verify when all required supporting documentation is received; and
- put this date on the application form as the date application was completed.

The CDSA has 30 days from the date of receipt of the completed application to make a decision on the requested adjustment. Examples of required supporting documentation for each category are listed below. The business office may request additional supporting documentation if needed.

Loss of Home:

- Destruction (insurance claim of total loss or significant loss requiring family to move)
- Bank repossession (bank documentation)

Loss of Employment or Income:

- Unemployment information
- Notice from employer
- In absence of other verification, family may submit a letter including previous employer name, contact information, date of change in employment, and the amount of income lost. If the CDSA is able to verify the information, this may be used to document need.

Extensive Out-of-Pocket Medical Costs:

- Must amount to at least 10% of the current AGI
- Must be from the current calendar year, and not paid from spending account claimed in the prior year income tax form calculation of AGI
- Medical Bills and Receipts of Payments made
- Explanation of Benefits (EOB)

Adjustment Decision Required Components

1) Date the adjustment decision is recommended
2) New SFS percentage

3) New monthly maximum cap, if applicable

4) Date of next required financial review, not to exceed 9 months

Note: If no adjustment is recommended, provide a short summary of basis of the decision.

Adjustment Decision Guidelines

All adjustment decisions must be reviewed and signed by the CDSA director. The adjustment decision timeline set for next review date must be followed. An additional hardship request may occur with a new application process if needed following the review. Typically adjustments should be made for 6 to 9 months with consideration of the next scheduled annual review period. CDSAs should follow the suggested guidelines based on each category when making an adjustment decision. The adjustment decision will be implemented as of the date the family is notified and signs the IFSP review page. The IFSP review must include all procedural safeguards related to notice of the change to the cost of the early intervention services, and the adjustment decision will apply to service charges after the date the family signs the IFSP review. The following must happen after an adjustment decision is made:

- Update any POMCS authorizations,
- Notify all providers of the families change in SFS, using the *Insurance Information Worksheet* and
- Document the adjustment decision timeline set for next review date.

Loss of Home:

- Adjust SFS percentage to zero for approved timeframe, not to exceed 9 months.

Loss of Employment or Income:

- Adjust AGI by established income loss, and re-calculate SFS based on adjusted AGI, for approved timeframe, not to exceed 9 months.

Extensive Out-Of-Pocket Medical Costs:

- Reduce AGI by documented current year out-of-pocket medical expenses, and re-calculate SFS based on adjusted AGI, for approved timeframe, not to exceed 9 months.

Procedures for Financial Review and Hardship Adjustment

Service Coordination Staff

- Ensure families are aware of the Financial Review and Hardship Adjustment Request process when providing the *Family Notification for Verification of Income & FAQ on Costs for ITP Services*. If family would like more information, provide the FAQ on Financial Review and Hardship Adjustment and/or the *Financial Review and Hardship Adjustment Application*.
- Assist the family as needed in explaining the FAQ on Financial Review and Hardship Adjustment and/or completing the *Financial Review or Hardship Adjustment Application*. The service coordinator should:

  - help the family in identifying a specific category on the application and
  - assist family in identifying the required supporting documentation to be submitted to the business office.

- Schedule the IFSP review meeting as soon as possible after the decision or within two weeks of approval date.
- Update any applicable POMCS service authorizations within two (2) business days of the IFSP review.
- Provide an updated *Insurance Information Worksheet* to notify IFSP team providers of any SFS percentage and/or consent to use insurance and insurance detail changes within two (2) business days of the IFSP review.
- Refer families to the copy of the *Financial Data Collection Form* that will be mailed/provided to the family from the Business Office for information on their current SFS percentage or Monthly Maximum Cap level.
- Be aware of the review timeline set in the adjustment decision and communicate with the CDSA business office regarding the re-verification process as needed.

Business Office Staff:

- Receive the *Financial Review and Hardship Adjustment Application* form to ensure the supporting documentation is sufficient for verification.
- Record the date of the completed application on the *Financial Review and Hardship Adjustment Application* is received.
- Inform the family in a letter of the date the application was received as complete with all required supporting documentation as determined by the business office. The Director should sign this letter notifying the family the complete application has been received and that a decision will be made in 30 days.
- Notify the service coordinator of the date the *Financial Review and Hardship Adjustment Application* was verified as completed.
- Review the application and supporting documentation to make an adjustment recommendation to the CDSA Director within 10 business days of receiving the completed application.
- Track the next required financial verification process required by the adjustment decision. The business office will track the new required date of financial re-verification that was established by the adjustment decision.
- Inform the service coordinator when the financial verification process should begin in order to follow the review requirements set in the adjustment decision.
- The Financial Officer must mail/provide a completed copy of the *Financial Data Collection Form* to the family once it is completed to share written information on SFS determination and established Monthly Maximum Cap level with the family.

CDSA Director:

- Sign the letter notifying the family the complete application has been received.
- Approve or revise the recommendation made by the financial officer.
- Communicate in a written letter the final decision to the financial officer, the service coordinator and the family within 20 days of receiving the completed application.

INSURANCE IDENTIFICATION

Identifying Insurance Information

Established Methods for Verification of Medicaid Benefits

Refer to the current *Basic Medicaid Billing Guide* in the section on verifying eligibility to determine available methods for verification of a client's Medicaid eligibility status. The provider of the early intervention service, whether the CDSA or community provider, is responsible for verification of the family's Medicaid eligibility and/or insurance coverage.

Established Methods for Insurance Identification

The *Insurance Information Worksheet* is used to collect information on client plan benefits, limitations, and other coverage effects and to communicate the family's instruction on consent to use insurance as well as the established SFS percentage to ITP providers.

When consent to use insurance is provided, insurance information must be identified to:

- identify if the insurance plan is an available funding source for early intervention services,
- identify the requirements needed to access the funding source, and
- assist the family in making provider selections as needed.

There are three primary ways to identify insurance benefits and each should be tried in the following order when consent to use insurance has been provided: by the web, by phone and by quote from an insurance representative.

1) Web-based insurance company resources
   - Identify benefits by using basic subscriber information and/or by accessing an automated system and requesting a fax.
2) Phone contacts to the insurance company
   - Call the benefits verification department of the insurance carrier using the phone number found on the back of the insurance identification card.
   - Use the general phone number for the insurance company provided by the family if you do not have the card information.
3) Insurance company representative
   - Benefit identification is not a guarantee of payment. The insurance representative may provide a quote of plan benefits. Final determination regarding reimbursement will be made when the actual claim is reviewed by the insurance company.
   - Key points for communicating with insurance representatives.
     a. Identify yourself as a provider and make the request to identify benefit coverage.
     b. Provide the name, policy number, date of birth, and/or other information requested to locate the policy.

c. Request *all* fields required from the *Insurance Information Worksheet* i.e.; the effective date of policy; out of network benefits, etc.; the in/out network benefits may include differences in copayment, coinsurance, deductible, covered services, etc. It is important to get all the information on the worksheet completed, when available.

d. Request the address where claims should be sent each time to *confirm* the correct address. Many insurance carriers have separate claims-paying facilities and information on the card may not be the most updated.

e. If needed, make a call to the family or communicate with the service coordinator to assist in having family gather needed insurance information when company will not discuss with potential provider or will only provide certain details to the subscriber.

Procedures for Insurance Identification

Service Coordination Staff:

- With parental consent, initiate the process of identifying insurance coverage or other funding sources with the family at the initial visit. The service coordinator must ask the family to identify any public or private insurance coverage for the referred child.
- Record any insurance information reported by the family (Medicaid and private insurance policy information as applicable) from the insurance card(s). Insurance plan information must be filled in on the *Insurance Information Worksheet*.
- When consent for use of insurance is provided, notify family members of their responsibility to provide a copy of the insurance policy subscriber card to the business office as stated on the *Family Notification for Verification of Income & FAQ on Costs for ITP Services* document.
- When consent for use of insurance is provided, indicate family consent to use insurance was provided on the *Insurance Information Worksheet* next to the SFS percentage information to be shared with ITP providers.
- The *Insurance Information Worksheet* will be used as a resource when informing the family of how the cost of early intervention services on the IFSP will be determined, and for sharing established SFS percentage information as well as consent instruction on use of insurance and insurance policy information with ITP providers.
- Submit the original *Insurance Information Worksheet* to the business office.

Business Office Staff:

- Identify the insurance plan details based on the information provided from service coordinator on the *Insurance Information Worksheet*, or from the copy of the insurance policy subscriber card provided by the family.
- Research all available coverage details needed for completing the *Insurance Information Worksheet*.

- Use established methods to determine which early intervention services are covered plan benefits to identify prior approval requirements or service limitations, or any other information needed to implement ITP fees and billing policy.
- Use the *Insurance Information Worksheet* to record the details collected from the plan website or phone contacts with the insurance company or the subscriber.
- Complete the *Insurance Information Worksheet* prior to the planned initial IFSP meeting to communicate the family's established SFS percentage and insurance plan details to the service coordinator for use at the meeting.
- Ensure the service coordinator has a copy of the *Insurance Information Worksheet* in a timely manner. The *Insurance Information Worksheet* will be used as a resource when informing the family of how the cost of early intervention services on the IFSP will be determined, and for sharing established SFS percentage information as well as consent instruction on use of insurance and insurance policy information with ITP providers.

CONSENT & NOTIFICATION OF FINANCIAL POLICY

NC ITP Forms Documenting Informed Consent

Consent for Eligibility Evaluation and/or Child Assessment

The *Prior Written Notice and Consent for Evaluation & Assessment* presents a place for a family to provide or decline written consent for:

1. The ITP to carry out the Eligibility Evaluation and/or the Child Assessment.
2. The ITP provider to bill private insurance and/or Medicaid for the Eligibility Evaluation and/or Child Assessment and related service coordination activities as applicable for prior to the initial IFSP development.

As part of notification required for informed consent, families will also be asked to indicate by initialing that they:

1. Received a copy of the *NC ITP System of Payments Notifications* and that the notifications related to billing private and public insurance benefits have been explained to them and that they understand them.
2. Understand ITP policy provides that evaluation, assessment, and service coordination activities are provided at no cost to all families, regardless of consent for billing insurance/Medicaid.

IFSP Agreement and Review

The *IFSP Agreement and Review* page presents a place for a family to provide or decline written consent for:

1. The NC ITP and service providers to provide the NC ITP services identified on the IFSP and to carry out all the activities as reviewed on the IFSP.
2. The *IFSP Agreement and Review* page also presents a place for a family to provide or decline written consent for the NC ITP provider to bill private insurance and/or Medicaid on record for the child for all for the early intervention services as identified on the IFSP including increases in the frequency, length, duration, or intensity. There is also option for consenting with specific exceptions documented.

As part of notification required for informed consent, families will also be asked to indicate by initialing that they:

1. Received a copy of the *NC ITP System of Payments Notifications* and that the notifications related to billing private and public insurance benefits have been explained to them and that they understand them.
2. Have provided insurance information on record for the child is current and accurate.
3. Understand if their child is covered by private insurance and Medicaid, private insurance must be billed first, before Medicaid benefits can be accessed.

NC ITP Documents used in Notification of Financial Policy

The provision of notification of financial policy and Notice of Child & Family Rights required to be provided during consent activities is documented on the *Prior Written Notice and Consent for Evaluation & Assessment* and the *IFSP Agreement and Review* page based on the services that are being planned. The parent/guardian must sign and date these completed forms in order to acknowledge notification and understanding of the information and to provide their written consent.

System of Payments Notifications

The *System of Payments Notifications* document is composed of ten categories of policy/notifications that must be explained to the family when consent is being sought for early intervention services and/or use of insurance. The ten categories of policy/notifications include:

- Section I: ITP SLIDING FEE SCALE (SFS) is a notification that ITP fee and billing policy uses the SFS to determine ability or inability to pay for ITP services and reference to the program website for the ITP SFS and Fee Schedules.
- Section II: "NO COST" SERVICES is a notification of services that are provided at no cost to families in our ITP policy.
- Section III: "CHARGEABLE" SERVICES is a notification that all ITP services other than those specified as "no cost" may be charged to the family and that the SFS percentage will determine the family's cost share.
- Section IV: INCOME VERIFICATION/ SFS DETERMINATION is notification of the ITP policy and rights related to income verification and determining the family cost share, and the family's rights related to costs and fees.
- Section V: HARDSHIP ADJUSTMENT is notification that a family may apply at any time for consideration of a hardship adjustment if their financial situation changes or they are impacted by extraordinary medical expenses.
- Section VI: CONSENT FOR USE OF PRIVATE INSURANCE AND MEDICAID is notification of ITP Policy regarding consent and use of private insurance and costs of services.
- Section VII: MEDICAID is notification of specific policy and rights related to Medicaid.
- Section VIII: PRIVATE INSURANCE is notification of specific policy and rights related to use of private insurance.
- Section IX: CDSA FEE COLLECTION POLICY is notification of specific policy related to CDSA collection of amounts due to ITP services providers.
- Section X: REASON ITP REQUESTS SOCIAL SECURITY NUMBER is notification of privacy practice and the reason the ITP will request the social security number of the financially responsible adult of the children enrolled in the ITP.

When to Complete Consent Forms and Notification of Financial Policy

The *Prior Written Notice and Consent for Evaluation & Assessment* is completed at the initial visit when consent is being requested for Eligibility Evaluation or any other time consent is being requested for Child Assessment. The *System of Payments Notifications* and any applicable *Notice of Child & Family Rights* must be provided each time consent is requested.

IFSP Agreement and Review page is completed at the established times for annual or other required IFSP reviews. The *System of Payments Notifications* and any applicable *Notice of Child & Family Rights* must be provided each time consent is requested for early intervention services and consent must be obtained prior to billing private insurance for any early intervention services on the IFSP; and each time consent for services is required due to an increase (in frequency, length, duration, or intensity) in the provision of services in the child's IFSP.

Procedures for Consent Forms and Notification of Financial Policy

Service Coordination Staff:

- For the Eligibility Evaluation, use the *Prior Written Notice and Consent for Evaluation & Assessment* to request family consent for service and use of insurance.
- Use the *Insurance Information Worksheet* to begin to collect insurance information when consent to use insurance is provided.
- Communicate with the business office to ensure specific information on insurance policy detail and the established family SFS percentage is collected and included on the *Insurance Information Worksheet* prior to consent notifications and requesting consent at the IFSP meeting.
- Communicate with the business office to ensure insurance information collected on the *Insurance Information Worksheet* may be used during notification.
- Use the *Insurance Information Worksheet* to communicate the determined SFS percentage and any identified plan details with the family when explaining the cost of early intervention services.
- Inform the family of ITP fees and billing policy related to the services being planned using the *System of Payments Notifications* document whenever consent is requested.
- Notify families of their agreements per the signing statements on either the *Prior Written Notice and Consent for Evaluation & Assessment* or the *IFSP Agreement and Review* page depending on which services consent is being requested.
- Review the insurance coverage at each IFSP review to ensure all information is accurate and no changes are required to ensure accurate notification of family financial responsibilities to the ITP.
- Ensure the family receives a copy of the completed *Financial Data Collection Form* when requested by the family.

- Ensure all IFSP service providers receive a copy of the *Insurance Information Worksheet* prior to their initiation of IFSP services to inform them of the family's *established SFS percentage information as well as the family's consent instruction on* use of insurance and insurance policy information.
- Ensure the *Financial Data Collection Form* is NOT shared with community service providers; this form contains sensitive information and once completed should only be submitted to the CDSA.

Business Office Staff:

- Provide the service coordinator with the determined monthly maximum cap information needed prior to the IFSP meeting (*Financial Data Collection Form)*.
- Provide the service coordinator with the completed *Insurance Information Worksheet* including any specific family information, and the determined SFS percentage prior to the IFSP meeting.
- Collaborate with the service coordinator during the income verification process (i.e., gathering family unit size, income verification, and identifying insurance coverage) to ensure all information needed is available to inform the family of their financial responsibility.
- If the appropriate information has not been supplied by the family or is not made available in a timely manner by the family, the SFS will be established at 100%. This should be documented on the Financial Data Collection Form and maintained in the financial record. When entering this information into HIS, Financial Investigation form, under Income-Validation option, select #7 Insufficient/ No Information Provided by Family.
- Complete the *Insurance Information Worksheet* any time the service coordinator notifies the business office of a change to the family's insurance coverage or there is a change in the family's SFS percentage.

Privacy Policy

Family Education Rights and Privacy Act (FERPA)

The Family Education Rights and Privacy Act (FERPA) is a federal law that protects the privacy of children and parents who receive services from the ITP. Information concerning a child or family member is confidential and must not be exchanged among service providers without written authorization from the parent, except under special circumstances where this release is allowable by law such as a health or safety emergency, under court order, or as an allowable child find activity. The agency, however, may release confidential information to its own employees who have a legitimate need for access to the information.

CDSA Fee Collection Policy

Expected Payment Terms

The CDSA must inform the family how it will collect fees due by the family. Family fees are due thirty (30) days from the initial invoice date, and will be invoiced monthly by the provider of the early intervention service. The service provider is expected to bill available insurance first for early intervention services within the guidelines of the ITP fee and billing policy.

Family fees are collected by the provider of the early intervention service after insurance has been billed and appropriate family cost has been determined through the application of the SFS percentage to the base charge. ITP community providers should develop and follow fee and billing practices related to invoicing and debt collection that are in line with ITP fee and billing policy.

Insurance Payments Made to the Subscriber

The ITP will invoice the family for the amount the insurance plan transferred to the subscriber for reimbursement of the early intervention service when a family has authorized consent to bill insurance and the insurance plan has paid the subscriber directly (transferred liability) for the service. This will be identified on the letter with the invoice and the family SFS percentage **will not** apply to the balances in which the liability was transferred by the insurance company.

If the liability was transferred to the family, the ITP may bill the family to collect the insurance plan reimbursement for the early intervention service. Families are notified of this when completing the Financial Consent Form in the family agreement Section III, letter b, number 2.

Requesting the Social Security Number of the Responsible Adult

To fully comply with North Carolina Accounts Receivable policy, the ITP must request the social security number of the financially responsible adult for families that participate in our program. This is solely for the purpose of following our debt collection procedures. The social security number will be used only for this purpose and will not be distributed for any other reason except required by law.

Outstanding Balances

The account aging process begins from the date the initial invoice is sent. If insurance was authorized to be billed, the EOB should be processed appropriately prior to transferring amounts due to family pay. The family pay outstanding balances must be managed monthly according to the 30-60-90 day schedule as appropriate. CDSA business office staff must send invoices and past due notices to families on a standard 30-60-90 day schedule.

Summary of Standard Operating Procedure for Outstanding Balances owed to NC-ITP

Outstanding Balance	Insurance Reimbursement Sent to Subscriber
Bill Insurance/ Work Explanation of Benefits (EOB)	Bill Insurance/ Identify Liability Transferred from EOB
Send Initial Invoice for Family Pay Balance Due	Phone Call 1st notification of issue
Invoice /30 Day Past Due Letter 1	Invoice /30 Day Past Due Letter 1
Invoice /60 Day Past Due Letter 2	Phone Call 2nd notification of issue
Phone Call 1	Invoice /60 Day Past Due Letter 2
Invoice /90 Day Past Due Letter 3 (final notice)	Invoice /90 Day Past Due Letter 3 (final notice)
Report To ITP Central Office and DPH Budget Office	Report To ITP Central Office and DPH Budget Office

Note: Contract CDSAs should follow the protocol of their parent agencies regarding actions on outstanding balances.

Outstanding Balance Payment Arrangements

Families should be instructed to send payment to the CDSA by mail or bring the payment to the business office. If payment is not received in a timely manner and the family contacts the CDSA to discuss the payment of balances due, the business office may develop a reasonable default payment plan. If full payment or other arrangements to develop or amend a payment plan are not made after the 90 days past due notice, the CDSA must report the account to the ITP Central Office and DPH Budget Office to begin further collection efforts administered by the Other Accounts Receivable Section of the Controller's Office.

Once the account is submitted to the ITP Central Office and DPH Budget Office for collections, it will be processed and sent to the Other Accounts Receivable Section of Controller's Office for reporting to the North Carolina Attorney General's Office as a past due account. If required it may be turned over to the North Carolina Department of Revenue as a delinquent account subject to the Debt Setoff Collection against Individual Income Tax Refunds Policy.

Reasonable Payment Plans

If a family contacts the CDSA business office with extenuating circumstances related to their ability to pay past due account balances, the billing staff must discuss the financial situation with the family. The CDSA business office may arrange a payment plan with the family if requested by the family. The terms must be documented and have a target date set for full payment of the debt owed. If the family discontinues making payments on an established payment plan the account should be turned over to the collection process initiated through the ITP Central Office and DPH Budget Office and administered by the Other Accounts Receivable Section of the Controller's Office. Note: Contract CDSAs should follow the protocol of their parent agencies regarding actions on outstanding balances.

Discontinuation of Chargeable Services for Non-Payment

Services identified as provided at no cost to the family cannot be discontinued; only those identified as services subject to family cost may be discontinued for non-payment of family fees. Once an account has reached seventy five (75) days past due (from the date of initial invoice), the CDSA business office staff must notify the service coordinator to provide notice of pending chargeable service discontinuation for non-payment of fees. The service coordinator

must schedule an IFSP meeting and follow all procedural safeguard requirements. The meeting should be scheduled for a date following the ninety (90) day past due point established by the CDSA business office.

It must be documented in the record that the meeting was scheduled to discontinue chargeable services due to non-payment of fees. If the family makes payment or is able to establish a payment plan with the CDSA business office, service may continue per the IFSP. If the family does not make payment or payment plan arrangements, the chargeable services must be discontinued for non-payment and documented as such in the record. Discontinued services may be reinstated if full payment of all past due fees is made within three months of the date services were discontinued. If greater than three months has passed since discontinuation of the services, the IFSP team must re-assess needed services and an IFSP review must establish the need for services.

Procedure Guidelines for CDSA Fee Collection Policy

Service Coordination Staff:

- Inform the family of the CDSA collections policy during the review of the *System of Payments Notifications* with the family.
- Inform the family, at the initial contact, that the ITP will request the social security number of the financially responsible adult using Section C of the *Financial Data Collection Form*.
- Notify the family that chargeable services will be discontinued if their account becomes greater than 90 days past due. The business office will notify the service coordinator in these situations when the account reaches 75 days past due.
- Follow all procedural safe guards when discontinuing chargeable services due to non-payment of fees.

Business Office Staff:

- Record the social security number (SSN) of the financially responsible adult in Section E of the *Financial Data Collection Form*.
    - Call the family for the SSN of the financially-responsible adult if not available from the tax documents submitted to verify income
- Invoice families on a monthly basis based on ITP fee and billing policy.
- Notify the service coordinator when a family's account becomes greater than 75 days past due.