

Guide for Facilities

Preventing and Responding to Delinquent Facility Accounts

(Some information edited from a document produced by the March 1994 Minnesota
“Mini-Conference on Resident Discharge Cases: Part 1 - Issues Dealing with Non-payment”)

This Guide provides preventative strategies and responsive procedures to help long term care facilities avoid or more effectively respond to non-payment problems with new residents and their responsible parties, i.e., family members, representative payees, conservators or guardians. The time frames of the suggestions span the interactions of the facility with the resident and responsible party from pre-admission to 30 days following the first notice of non-payment. The concluding section suggests progressive steps to address unresolved non-payment issues.

I. Pre-Admission – Orientation Meeting at the Facility:

- Meeting attendance:
Facility staff members (management, accounts receivable, marketers) provide and participate in an orientation meeting at the facility with the future resident, family members, and responsible party(ies).

- Facility issues addressed:
The meeting is composed of the usual marketing tools, i.e., a tour of the facility, introduction to staff, and payment issues. The meeting will emphasize, clarify, and provide in an easy to read and understand (6th grade level) written format:
 - Payment methods
 - Payment expectations
 - Who will be responsible for payments
 - Repercussions of late or non-payment, as detailed in the facility’s (or corporation’s) collection policies and procedures
 - Notification that all of the resident’s benefit sources, including, but not limited to the Social Security Administration, retirement, pension, and investment companies, must be officially and immediately notified of the resident’s change of address to the facility address. This will assure that all of the resident’s benefits, dividend notices, and other income information will be sent to him/her at the facility. Copies of the official notification(s) must be sent to the facility.

- Resident and family issues addressed:
 - At the orientation meeting the future resident, family members and/or responsible parties will provide the facility with copies of court or other official documentation of designated financial authorities held by a guardian, conservator, trust administrator, representative payee, agent with power of attorney, or other.
 - Review the limitations of the resident’s current or potential payment sources.
 - Number of days limited by Medicare
 - Payment thresholds of long term care insurance

- Situations that will change the Medicaid allowable asset limit, i.e., death of a spouse, receipt of a financial inheritance or other assets
- Offer information and direct assistance with medical assistance application: If the future resident is applying for medical assistance, the facility should assign one staff person knowledgeable and trained in the application process to assist the resident and/or the responsible party. This staff person will, when necessary, serve as a liaison between the resident and/or responsible party and the county medical assistance eligibility technician, in order to ensure and clarify communications and procedures.

II. At Admission, The Facility Should:

- Identify to the resident and responsible party the staff person who will monitor the resident's monthly financial obligations to the facility. Each facility should have one staff person (from the business or accounting office) designated and trained to oversee the financial obligations of residents.
- Provide to the resident and responsible party an easy to read and understand information sheet or brochure containing billing procedures, payment expectations, and non-payment consequences. The information should include:
 - Contact names and phone numbers for the facility, for medical (financial) assistance information, and for other payment sources
 - A clear outline of the resident's and/or responsible party's financial obligations as they pertain to funding sources, such as Social Security benefits, pensions or others

III. 30 Days Post-Admission/Payment Transition

- Determine whether payment was made for the first month.
- If no payment was made for the first month, the designated financial staff person and the social worker should meet with the resident and responsible party to clarify why the non-payment issue has developed.
- The designated financial staff person (and social worker, if appropriate) should follow up with the resident and family member 30 days prior to the expiration of any previous payment source to determine how future payments will be made.
- If problems are anticipated for any reason in receiving regular payments from the responsible party, the facility should have a business policy in place that requires/strongly urges the responsible party to petition the court for the appointment of a conservator to better assure the proper use and monitoring of the resident's assets.

IV. 30 Days After Non-Payment Determined

The facility should conduct an internal assessment to determine:

- The name and location of the responsible party, if different from the resident.
- If the non-payment is due to Medicaid application/eligibility issues, the following process may be followed:
 - Obtain resident/responsible party consent for the facility to assist in the Medicaid eligibility application process, or find a reputable and qualified person outside the facility who will assist with the application process.
 - Obtain a release from the resident/responsible party and send it to the county, asking for the status of the medical assistance application. While Medicaid is in “pending” status, the facility may need to check with the county department of social (human) services on a weekly basis to determine the status of the application.
 - If necessary, file the initial Medicaid application, on behalf of the resident, with appropriate resident/responsible party signatures. This action secures the date for determining eligibility for Medicaid. The more detailed combined application form may not be completed by the facility, and must be done by a county department intake worker or eligibility technician.
 - If Medicaid is denied for any reason, assist the resident/responsible party in appealing the Medicaid denial. The resident should be referred to Legal Aid for representation during the appeal. If the 30-day period for appealing is soon to expire, facility staff should submit the appeal letter, stating that the resident is at risk and not at fault.
- If the non-payment is related to problems with other payer sources, facility staff may assist the resident/family in the appropriate appeal/complaint process.
- If the non-payment appears to be intentional, the facility should:
 - Initiate collections proceedings against the responsible party, as set forth in the facility’s business policies and procedures.
 - Request that the ombudsman research the issue.
 - Refer the case to APS for a determination of eligibility.
 - Refer the case to law enforcement.
 - Consider referring the resident to the Legal Center for People with Disabilities and Older People at 303-722-0300 (state office).

V. Unresolved Payment Issues

Eviction due to non-payment is always a last resort response. In order to avoid eviction of a resident, the facility may consider the following steps:

- Initiate civil action for non-payment.

- Consult with the long term care ombudsman, who may review the interventions attempted by the facility and suggest alternatives. The ombudsman may also, with the resident’s permission, be helpful in “prodding” the system, for example, the Medicaid eligibility process at the county or state level.
- Refer legal problems, such as denial of Medicaid eligibility and refusal to process Medicaid applications, to Colorado Legal Services, 303-837-1313 (Denver), or www.coloradolegalservices.org
- Refer legal problems, such as delinquent facility accounts due to non-payment by a responsible party to the Legal Center for People with Disabilities and Older People, 303-722-0300 (State Office), or www.thelegalcenter.org.
- Contact and provide proof to the Social Security Administration (800-772-1213) regarding non-payment of the facility account due to the misuse of the resident’s Social Security benefits by the acting representative payee.
- Apply to the Social Security Administration using their Request to be Selected as Payee form (SSA-11-BK) to be accepted as an organizational representative payee for the resident.
- Petition the local probate/municipal court for the appointment of a guardian and/or conservator of the resident, if appropriate; or submit a request to the court for a hearing to list and clarify problems with the resident’s current guardian or conservator.
- If none of the above result in payment, issue the 30 day notice of discharge (eviction) due to non-payment.

This Guide suggests preventative strategies and responsive procedures to help staff at facilities avoid and effectively respond to non-payment problems with new residents and their responsible parties. It is our sincere hope that facility and adult protective services professionals will find some or all of these suggested strategies helpful in preventing and responding to delinquent facility accounts.

For more information, contact:

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