

# RMD Bulletin

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## The Importance of Collecting Client Fees



Financial workers at directly operated or contract mental health agencies, provide a critical and valuable service to the clients of Los Angeles County. One of the most important steps in providing financial screening services to a client is the collection of client fees. The initial approach should emphasize a client's financial responsibility for receiving mental health services in a fair and expedient manner. A client should be financially screened and informed of the billing and collection practices and concepts at the time of their first visit.

Financial staff is expected to be skilled in the area of client financial screening and collection of fees. Directly operated and contract mental health providers currently expend considerable effort to obtain funding from local, state and federal sources, and insurance payments. Although there are limitations to the amount of revenue mental health providers can generate through billing, most centers have the potential to increase their billing revenue by ensuring that fees are collected.

Specific client charges for services are determined by the information a client provides during the financial screening process. State law requires that everyone pays all or some part of the cost of treatment received, if possible. The client's ability to pay is determined by a sliding scale and is based on variables such as gross household income, family size, and assets. The method used to determine the cost of treatment is called the Uniform Method of Determining Ability to Pay (UMDAP). Additionally, clients may be required to pay a co-insurance or a deductible amount if they have Medicare or a share-of-cost.

It is a requirement for Los Angeles County Department of Mental Health (DMH) directly operated and contracted agencies to attempt to collect Medicare co-pay/deductibles, Medi-Cal share-of-cost, the actual cost of care, or the annual UMDAP amount, whichever is less. It is a good business practice for financial staff to collect at the time services are

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rendered or when appropriate may elect to bill the client. The client may make a payment by check, cash, or money order.

The collection of fees is a shared commitment between you and the client. Collecting fees benefits not only a client's overall treatment to recovery and wellness but also benefits and supports the availability of services they receive at your program. The financial work you perform plays a vital part in service delivery to clients.

### **We're here to help you...**

If you have any questions or require further information, please do not hesitate to contact RMD at (213) 480-3444 or via e-mail at [RevenueManagement@dmh.lacounty.gov](mailto:RevenueManagement@dmh.lacounty.gov).