

230.20 Billing of patient charges — computation of actual costs — cost settlement.

1. The superintendent of each mental health institute shall compute by February 1 the average daily patient charges and other service charges for which each regional administrator of a person's county of residence will be billed for services provided to the person and chargeable to the county of residence during the fiscal year beginning the following July 1. The department shall certify the amount of the charges and notify the regional administrator of the person's county of residence of the billing charges.

a. The superintendent shall separately compute by program the average daily patient charge for a mental health institute for services provided in the following fiscal year, in accordance with generally accepted accounting procedures, by totaling the expenditures of the program for the immediately preceding calendar year, by adjusting the expenditures by a percentage not to exceed the percentage increase in the consumer price index for all urban consumers for the immediately preceding calendar year, and by dividing the adjusted expenditures by the total inpatient days of service provided in the program during the immediately preceding calendar year. However, the superintendent shall not include the following in the computation of the average daily patient charge:

(1) The costs of food, lodging, and other maintenance provided to persons not patients of the hospital.

(2) The costs of certain direct medical services identified in administrative rule, which may include but need not be limited to X-ray, laboratory, and dental services.

(3) The costs of outpatient and state placement services.

(4) The costs of the psychiatric residency program.

(5) The costs of the chaplain intern program.

b. The department shall compute the direct medical services, outpatient, and state placement services charges, in accordance with generally accepted accounting procedures, on the basis of the actual cost of the services provided during the immediately preceding calendar year. The direct medical services, outpatient, and state placement services shall be billed directly against the patient who received the services.

2. a. The superintendent shall certify to the department the billings to the regional administrator of the person's county of residence for services provided to the person and chargeable to the county of residence during the preceding calendar quarter. The county of residence billings shall be based on the average daily patient charge and other service charges computed pursuant to [subsection 1](#), and the number of inpatient days and other service units chargeable to the regional administrator of the person's county of residence. However, a county of residence billing shall be decreased by an amount equal to reimbursement by a third party payor or estimation of such reimbursement from a claim submitted by the superintendent to the third party payor for the preceding calendar quarter. When the actual third party payor reimbursement is greater or less than estimated, the difference shall be reflected in the billing in the calendar quarter the actual third party payor reimbursement is determined.

b. The per diem costs billed to each region shall not exceed the per diem costs billed to the region in the fiscal year beginning July 1, 2016.

3. The superintendent shall compute in January the actual per-patient-per-day cost for each mental health institute for the immediately preceding calendar year, in accordance with generally accepted accounting procedures, by totaling the actual expenditures of the mental health institute for the calendar year and by dividing the total actual expenditures by the total inpatient days of service provided during the calendar year.

4. The department shall certify to the regional administrator by February 1 the actual per-patient-per-day costs, as computed pursuant to [subsection 3](#), and the actual costs owed by each regional administrator itemized for each county in the region for the immediately preceding calendar year for patients chargeable to the regional administrator. If the actual costs owed by the regional administrator are greater than the charges billed to the regional administrator pursuant to [subsection 2](#), the department shall bill the regional administrator for the difference itemized for each county in the region with the billing for the quarter ending June 30. If the actual costs owed by the regional administrator are less than the charges

billed to the regional administrator pursuant to [subsection 2](#), the department shall credit the regional administrator for the difference itemized for each county in the region starting with the billing for the quarter ending June 30.

5. An individual statement shall be prepared for a patient on or before the fifteenth day of the month following the month in which the patient leaves the mental health institute, and a general statement shall be prepared at least quarterly for each regional administrator itemized for each county in the region to which charges are made under [this section](#). Except as otherwise required by [sections 125.33](#) and [125.34](#), the general statement shall list the name of each patient chargeable to a county in the region who was served by the mental health institute during the preceding month or calendar quarter, the amount due on account of each patient, and the specific dates for which any third party payor reimbursement received by the state is applied to the statement and billing, and the regional administrator shall be billed for eighty percent of the stated charge for each patient specified in [this subsection](#). The statement prepared for each regional administrator shall be certified by the department.

6. All or any reasonable portion of the charges incurred for services provided to a patient, to the most recent date for which the charges have been computed, may be paid at any time by the patient or by any other person on the patient's behalf. Any payment made by the patient or other person, and any federal financial assistance received pursuant to Tit. XVIII or XIX of the federal Social Security Act for services rendered to a patient, shall be credited against the patient's account and, if the charges paid as described in [this subsection](#) have previously been billed to a regional administrator on behalf of the person's county of residence, reflected in the mental health institute's next general statement to that regional administrator.

7. A superintendent of a mental health institute may request that the director of human services enter into a contract with a person for the mental health institute to provide consultation or treatment services or for fulfilling other purposes which are consistent with the purposes stated in [section 226.1](#). The contract provisions shall include charges which reflect the actual cost of providing the services or fulfilling the other purposes. Any income from a contract authorized under [this subsection](#) may be retained by the mental health institute to defray the costs of providing the services. Except for a contract voluntarily entered into by a county under [this subsection](#), the costs or income associated with a contract authorized under [this subsection](#) shall not be considered in computing charges and per diem costs in accordance with the provisions of [subsections 1 through 6](#).

8. The department shall provide a regional administrator with information, which is not otherwise confidential under law, in the department's possession concerning a patient whose cost of care is chargeable to the regional administrator, including but not limited to the information specified in [section 229.24](#), [subsection 3](#).

[R60, §1487; C73, §1428; C97, §2292; S13, §2292; C24, 27, 31, 35, 39, §3600; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §230.20; 81 Acts, ch 78, §20, 38, 39]

83 Acts, ch 96, §157, 159; 86 Acts, ch 1169, §2; 87 Acts, ch 37, §1; 88 Acts, ch 1249, §9; 88 Acts, ch 1276, §39; 95 Acts, ch 82, §5; 95 Acts, ch 120, §4; 96 Acts, ch 1183, §25, 26; 98 Acts, ch 1155, §11; 2001 Acts, ch 155, §23 - 25; 2005 Acts, ch 167, §31, 32, 66; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1141, §25, 26; 2015 Acts, ch 69, §71; 2015 Acts, ch 138, §39, 161, 162; 2017 Acts, ch 109, §3, 20, 21; 2018 Acts, ch 1137, §13

Referred to in §218.78, 228.6, 230.22, 904.201

2017 amendment to subsection 2, paragraph b, takes effect May 5, 2017, and applies to fiscal years beginning on or after July 1, 2017; 2017 Acts, ch 109, §20, 21