Coordination of Benefits and Financial Responsibility Procedure
Partial Hospitalization Program (PHP)

Effective Date: 08/15/2025

Approved By: Director of Medical and Clinical Services

Review Schedule: Annually or as Needed

Applies To: All Programs — Outpatient MH/SUD, IOP, PHP, and Integrated Primary Care/Behavioral Health

Purpose

To establish procedures for coordinating insurance benefits and clarifying financial responsibility for services provided within the Partial Hospitalization Program (PHP). These procedures ensure transparency regarding payment sources, reduce billing errors, and support compliance with payer requirements.

Policy

The organization maintains procedures to verify insurance coverage, coordinate benefits among multiple payers when applicable, and communicate financial responsibilities to individuals served and their families. Billing practices follow applicable federal and state regulations, payer guidelines, and organizational financial policies.

Scope

This procedure applies to administrative staff, billing personnel, and program leadership responsible for verifying insurance coverage, billing services, and communicating financial responsibility for PHP services.

Insurance Verification

Prior to admission or as soon as possible after admission, staff verify insurance coverage for services. Verification may include:

• Identification of the primary insurance payer

• Identification of secondary insurance coverage when applicable

• Confirmation of eligibility for services

• Verification of authorization requirements

• Review of deductible, copayment, or coinsurance responsibilities

Coordination of Benefits

When individuals served have multiple insurance plans, staff follow coordination of benefits procedures to determine the order in which payers are responsible for payment. This process may include:

• Identifying the primary and secondary payers

• Submitting claims to the primary payer first

• Submitting remaining balances to the secondary payer when applicable

• Following payer-specific coordination of benefits requirements

Financial Responsibility

Individuals served and/or their responsible parties are informed of potential financial responsibilities including:

• Copayments

• Deductibles

• Coinsurance amounts

• Non-covered services when applicable

Financial responsibility information is communicated prior to or at the time of service whenever possible.

Authorization and Utilization Review

When required by the payer, staff obtain prior authorization for services and participate in utilization review processes. Authorization requirements are monitored to ensure continued coverage for services delivered.

Billing Procedures

Claims for services are submitted according to payer requirements and organizational billing policies. Billing staff ensure that claims are accurate and supported by appropriate documentation.

Communication with Individuals Served

Staff provide information regarding insurance coverage and financial responsibility in a clear and understandable manner. Individuals served or their families are encouraged to ask questions regarding billing or insurance coverage.

Documentation

Insurance verification, authorization, and coordination of benefits activities must be documented in the administrative or billing record. Documentation may include:

- Insurance verification records
- Authorization confirmations
- Coordination of benefits determinations
- Communication regarding financial responsibility

Quality Monitoring

Billing and insurance coordination practices may be reviewed through internal audits and quality improvement activities to ensure compliance with payer requirements and organizational policies.