

# TITLE 140: COMMONWEALTH HEALTHCARE CORPORATION

---

## SUBCHAPTER 140-10.10

### TRANSITIONAL LIVING CENTER; ABILITY TO PAY RULES AND REGULATIONS

<b>Part 001</b>	<b>General Provisions</b>	Determination of Ability to Pay
§ 140-10.10-001	Introduction	§ 140-10.10-105 Process of
§ 140-10.10-005	Definitions	Determining Ability to Pay and Adjusted Charge
<b>Part 100</b>	<b>Ability to Pay</b>	§ 140-10.10-110 Modifications
<b>Determination</b>		§ 140-10.10-115 Calculation of Ability to Pay
§ 140-10.10-101	Factors Affecting the	

Subchapter Authority: 1 CMC §§ 2603 and 2605.

Subchapter History: Adopted 25 Com. Reg. 21053 (Aug. 22, 2003); Proposed 25 Com. Reg. 20623 (July 15, 2003).

Commission Comment: PL 1-8, tit. 1, ch. 12, codified as amended at 1 CMC §§ 2601-2633, created the Department of Public Health and Environmental Services within the Commonwealth government. See 1 CMC § 2601. 1 CMC § 2603(f) grants the Department the power and duty to administer all government owned health care facilities. 1 CMC § 2605 directs the Department to adopt rules and regulations regarding those matters over which it has jurisdiction.

Executive Order 94-3 (effective August 23, 1994) reorganized the Commonwealth government executive branch, changed agency names and official titles, and effected numerous other revisions. According to Executive Order 94-3 § 105:

Section 105. Department of Public Health.

The Department of Public Health and Environmental Services is re-designated the Department of Public Health.

The full text of Executive Order 94-3 is set forth in the commission comment to 1 CMC § 2001.

Public Law 16-51 (effective Jan. 15, 2010), the “Commonwealth Healthcare Corporation Act of 2008,” codified at 3 CMC § 2801 et seq., established the Commonwealth Healthcare Corporation, which assumed the duties of the Department of Public Health as of January 15, 2011.

#### **Part 001 - General Provisions**

#### **§ 140-10.10-001 Introduction**

The rules and regulations in this subchapter are intended to provide the method used to assess charges at the Transitional Living Center under the supervision of the Department of Public Health for the care, support, maintenance, or treatment of mentally ill persons. No person shall be denied admission because of inability to pay.

Modified, 1 CMC § 3806(d).

History: Adopted 25 Com. Reg. 21053 (Aug. 22, 2003); Proposed 25 Com. Reg. 20623 (July 15, 2003).

#### **§ 140-10.10-005 Definitions**

## TITLE 140: COMMONWEALTH HEALTHCARE CORPORATION

---

- (a) “Ability to pay” is the amount of the legally responsible person’s income and assets available to pay for the individual cost of care, support, maintenance, and treatment at the Transitional Living Center.
- (b) “Adjusted assets” is the balance of the assets of the legally responsible person(s) after allowed asset deductions.
- (c) “Adjusted charge” is the charge for hospital care, support, maintenance and treatment, up to but not exceeding the ability to pay of the responsible person(s).
- (d) “Adjusted income” is the balance of the total gross monthly income of the legally responsible person(s) after allowed income deductions.
- (e) “Allowed asset deduction” is: the Supplemental Security Income (SSI) asset allowance for each legally responsible resident, spouse, and other minor dependent; the equity in one home where the resident, the resident’s spouse, and/or the resident’s minor dependent(s) reside.
- (f) “Allowed income deduction” includes withholding taxes, mandatory retirement deductions, health insurance premiums, and child support and/or alimony payments.
- (g) “Net taxable income” refers to the calculation on the CNMI income tax form, and reportable under CNMI law, which is used as the base against which CNMI tax liability is determined.
- (h) “Cost of care” refers to the full daily rate multiplied by the number of days of care provided.
- (i) “Department” refers to the CNMI Department of Public Health.
- (j) “Dependent” is an individual who qualifies as a dependent under CNMI tax laws.
- (k) “Secretary” refers to the Secretary of the CNMI Department of Public Health.
- (l) “Full rate” refers to the institution’s daily rate, which is determined periodically, based on the cost for care, support, maintenance, treatment and education of residents, as approved by the Secretary.
- (m) “Insurance and other benefits” includes all insurance, Medicare, Medicaid, and any other resources covering the cost of care, support, maintenance, or treatment.
- (n) “Legally responsible person(s)” is the resident (through his fiduciary, if applicable), spouse, and parent(s) of children under 18 years of age, as applicable.
- (o) “Resident” refers to any person admitted to the Transitional Living Center.
- (p) “Personal needs allowance” refers to the uniform dollar amount determined by the

Department to be available to each resident receiving income from a benefit or employment, which may be used for items not provided by the Transitional Living Center. The personal needs allowance shall be \$50.00 per month.

(q) “SSI asset allowance” refers to the maximum dollar amount of assets that an individual is allowed to retain and still qualify for the Supplemental Security Income (SSI) program.

Modified, 1 CMC § 3806(f).

History: Adopted 25 Com. Reg. 21053 (Aug. 22, 2003); Proposed 25 Com. Reg. 20623 (July 15, 2003).

Commission Comment: The original paragraphs were not designated. The Commission designated subsections (a) through (q).

## **Part 100 - Ability to Pay Determination**

### **§ 140-10.10-101 Factors Affecting the Determination of Ability to Pay**

The following factors are considered in the determination of the ability to pay:

- (a) The assets of the resident;
- (b) The income of the resident;
- (c) Whether the resident has support obligations for a spouse or minor children;
- (d) Whether any other person or entity is or should be responsible to support the resident.

Modified, 1 CMC § 3806(f).

History: Adopted 25 Com. Reg. 21053 (Aug. 22, 2003); Proposed 25 Com. Reg. 20623 (July 15, 2003).

### **§ 140-10.10-105 Process of Determining Ability to Pay and Adjusted Charge**

(a) **Insurance and Other Benefits.** Insurance and other benefits shall be applied first to the cost of care. Insurance and other benefits for any resident shall be billed at the cost of care. A legally responsible person who fails to cooperate in making existing insurance and other benefits available for payment will nevertheless be considered as having benefits available for payment and will be charged accordingly.

(b) **Determination of Adjusted Charge.** The adjusted charge shall be the balance of the cost of care after insurance and other benefits have been deducted.

(c) If the legally responsible person(s) does not cooperate in making insurance and other benefits available, the legally responsible person(s) will be billed for the amount equal to the dollar value of the insurance or benefits in addition to the lesser of the balance of the cost of care or the ability to pay.

## TITLE 140: COMMONWEALTH HEALTHCARE CORPORATION

---

(d) If the dollar value of insurance and other benefits cannot be determined, the legally responsible person(s) will be billed the full cost of care.

History: Adopted 25 Com. Reg. 21053 (Aug. 22, 2003); Proposed 25 Com. Reg. 20623 (July 15, 2003).

### § 140-10.10-110 Modifications

(a) A legally responsible person whose income is substantially reduced as a result of changed financial circumstances after the ability to pay has been determined; may request a re-determination and provide evidence of financial change so that a new ability to pay may be determined based on current income and assets.

(b) Should there be an increase in income, assets, insurance, or other benefits; this information must be reported to the Transitional Living Center within 30 calendar days of the changed financial circumstances so that an appropriate redetermination of the ability to pay can be made.

History: Adopted 25 Com. Reg. 21053 (Aug. 22, 2003); Proposed 25 Com. Reg. 20623 (July 15, 2003).

Commission Comment: The Commission inserted a comma after the word “insurance” in subsection (b) pursuant to 1 CMC § 3806(g).

### § 140-10.10-115 Calculation of Ability to Pay

(a) The ability to pay of the legally responsible person(s) is the sum of:

- (1) The monthly adjusted income; and
- (2) The monthly adjusted assets.

(b) The monthly adjusted income considered available to pay for care, support, maintenance and treatment is:

- (1) Gross monthly income minus
- (2) Withholding taxes, mandatory retirement deductions, health insurance premiums, and child support and/or alimony payments.

(c) The monthly adjusted assets considered available to pay for care, support, maintenance and treatment is: one percent of all assets.

(d) However, the following assets shall not be counted in the determination of monthly adjusted assets:

- (1) The Supplemental Security Income (SSI) asset allowance for each legally responsible resident, spouse, and other minor dependent; and
- (2) The equity in one home where the resident, the resident’s spouse, and/or the resident’s minor dependent(s) reside.

Modified, 1 CMC § 3806(e), (f), (g).

History: Adopted 25 Com. Reg. 21053 (Aug. 22, 2003); Proposed 25 Com. Reg. 20623 (July 15, 2003).

## **TITLE 140: COMMONWEALTH HEALTHCARE CORPORATION**

---

Commission Comment: In subsection (d), the Commission corrected the spelling of the word “of.”