

**Daniel T. Murphy, County Executive**

**Department of Central Services**

**1975**

**REIMBURSEMENT DIVISION  
ANNUAL REPORT**

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**DANIEL T. MURPHY**  
Oakland County Executive



WILLIAM M. SPINELLI  
Deputy County Executive

May 10, 1976

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**DEPARTMENT OF CENTRAL SERVICES**

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Glen M. Dick  
Director

REIMBURSEMENT DIVISION

Mary W. Shanks  
Division Director

To: Daniel T. Murphy  
Oakland County Executive

Since the inception of the Reimbursement Division some twenty years ago, many changes have taken place - both in scope of operation, and monies involved.

In 1956, the first complete year of operation, the Division recovered \$103,000 from one area only - monies for the care of the mentally ill in state institutions from third party payees, credits from the State of Michigan due to incorrect county of residence determinations, and from the individual patients and their responsible relatives. This was an increase from \$54,000 for the previous year, when the Department of Treasury was responsible for collection.

In 1975, some twenty years later, \$2,394,000 was recovered for services supplied by Oakland County, in the most part, to residents of the county:

1. For patients hospitalized in state mental institutions, from insurance companies, Social Security benefits, veteran's benefits, monies available from other third party payees, as well as from the patient, his estate, and the patient's responsible relatives.
2. During 1975, funds totaling nearly one million dollars were recovered by the Reimbursement Division for Oakland County from the State of Michigan for cost of care billed for patients hospitalized in state mental institutions, and later credited because the patients subsequently qualified for Title XIX (federally funded) benefits. Also included in this total are funds for patients ordered hospitalized by Circuit Court judges, for which Oakland County was incorrectly charged.

In October, 1973, the function involving the collection of court costs, restitution, and fines for parolees involved in felony charges, ordered by Circuit Court judges, was transferred from the Probation Department to the Reimbursement Division.

May 10, 1976

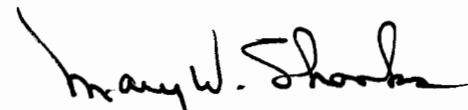
Page Two

During 1975, the Reimbursement Division collected \$223,838 for these three areas - an increase of \$26,810 over collections for 1974 (\$197,028), the first full year the Reimbursement Division assumed this function. May we further note that the total increased recovery figure for 1974 over 1973 (\$133,534) was approximately \$63,500.

Hopefully, much more than a monetary return is being achieved through this transfer of operations. The majority of the probationers are under twenty-five years of age, many are still living in the parental home, and literally have never been required to assume normal adult financial responsibilities. In many instances, this is the first time these young adults have had the opportunity to sit down in a face-to-face conformation with a financial official and be required to discuss and discharge a financial obligation which was of their own making. It is most rewarding to note that the majority of these young people have responded affirmatively, and are accepting their obligations, as the collection figures bear out.

The figures relating to the Circuit Court operated attorney program for 1975, an increase of only \$4,500 over 1974, do not totally reflect the progress that has been made. Much ground work has been laid and viable procedures are being formulated, which will result in substantial increased revenue to Oakland County. The other areas from which monies are received are detailed in the report.

As I will be retiring from the position of Reimbursement Director later this year, may I take this opportunity to say thank you for the unique privilege of serving Oakland County for the past twenty-two years. The challenge and stimulation have been fantastic and I shall miss all my very special friends with whom I have worked during this period. It has been a most rewarding experience.

  
Mary W. Shanks

MWS:cr

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REIMBURSEMENT DIVISION

January 1, 1975, thru December 31, 1975

Report of Activity

<u>ACCOUNTS</u>	<u>NUMBER OF PAYMENTS</u>		
	<u>1975</u>	<u>1974</u>	<u>1970</u>
Child Care (Juvenile Maintenance)	5347	5281	4628
Reimbursement of Attorney Fees (Probate Court)	1647	1321	204
Mental Institutions and Emergency Care	2298	3283	2233
Reimbursement of Doctor's Exams	3	12	89
Community Mental Health	71	112	94
Oakland County Hospital	173	36	11
Reimbursement of Circuit Court Costs	5696	4465	0
Reimbursement of Circuit Court Attorney Fees	970	723	0
Circuit Court Fines	<u>91</u>	<u>50</u>	<u>0</u>
TOTAL:	16,296	15,283	7,259
 <u>TRUST ACCOUNTS:</u>	 <u>1975</u>	 <u>1974</u>	 <u>1970</u>
Boys & Girls Training Schools & Boarding Homes	686	717	675
Probate Support	123	195	276
Circuit Court Restitution	<u>599</u>	<u>362</u>	<u>0</u>
TOTAL:	1408	1274	951
COMBINED TOTAL:	17,704	16,557	8,210
 <u>MISCELLANEOUS</u>	 <u>1975</u>	 <u>1974</u>	 <u>1970</u>
Number of Auditors Cash Receipt Transactions	1770	1424	1198
Number of Welfare Client Transactions	361	312	0
GRAND TOTAL:	19,835	18,293	9,408

REIMBURSEMENT DIVISION

Statement of Receipts

January 1, 1975, thru December 31, 1975

ACCOUNTS:

AMOUNT RECEIVED

	<u>1975</u>	<u>1974</u>	<u>1970</u>
Child Care (Juvenile Maintenance)	\$260,027.23	\$238,221.27	\$204,494.70
Reimbursement of Attorney Fees (Probate)	46,036.12	42,372.44	5,869.85
Mental Institutions & Emergency Care	791,874.52	829,921.95	458,927.28
Reimbursement of Doctors' Exams	150.00	400.00	1,898.00
Community Mental Health	2,186.00	5,017.07	7,877.06
Oakland County Hospital	58,949.98	6,301.22	4,648.24
Reimbursement of Circuit Court Costs	184,074.24	147,265.79	-0-
Reimbursement of Attorney Fees (Circuit)	24,414.49	20,746.40	-0-
Circuit Court Fines	7,715.00	8,185.00	-0-
TOTAL:	<u>\$1,375,427.58</u>	<u>\$1,298,431.14</u>	<u>\$683,715.13</u>

TRUST ACCOUNTS:

	<u>1975</u>	<u>1974</u>	<u>1970</u>
Boys & Girls Training Schools and Group Homes	\$ 17,136.41	\$ 16,982.91	\$ 16,918.74
Probate Support	13,561.13	15,837.04	20,262.30
Circuit Court Restitution	32,048.71	41,577.58	-0-
TOTAL:	<u>\$ 62,746.25</u>	<u>\$ 74,397.53</u>	<u>\$ 37,181.04</u>

	<u>1975</u>	<u>1974</u>	<u>1970</u>
Recovery of funds from the State of Michigan for patients under Federal entitlement previously paid to the State for in-patient care:	\$900,473.92	\$353,574.15	-0-
Recovery of funds for Ionia and Forensic patients incorrectly billed to Oakland County, retroactive to 1967:	55,200.07	11,633.00	-0-
TOTAL:	<u>\$955,673.99</u>	<u>\$365,207.15</u>	<u>-0-</u>
COMBINED TOTAL:	<u>\$2,393,847.82</u>	<u>\$1,738,035.82</u>	<u>\$720,896.17</u>

JUVENILE ACCOUNTS  
Statement of Receipts

January 1, 1975, thru December 31, 1975

<u>ACCOUNTS</u>	<u>REIMBURSEMENT RECEIVED</u>		
	<u>1975</u>	<u>1974</u>	<u>1970</u>
Child Care	\$260,027.23	\$238,221.27	\$204,494.70
Trust Accounts			
Boys & Girls Vocational Schools, Half-Way Houses & Group Homes	17,136.41*	16,982.91	16,918.74
Probate Support	13,561.13**	15,837.04	20,262.30
COMBINED TOTAL:	<u>\$290,724.77</u>	<u>\$271,041.22</u>	<u>\$241,675.74</u>

WARDS OF THE STATE OF MICHIGAN

BOARD & CARE, GROUP HOMES, HALF-WAY HOUSES,  
AND BOYS & GIRLS TRAINING SCHOOL ACCOUNTS.

	<u>1975</u>	<u>1974</u>	<u>1970</u>
Cost to Oakland County	\$321,222.00	\$258,879.37	\$190,076.16
Reimbursement	17,136.41	16,982.91	16,918.74

REIMBURSEMENT FOR COURT APPOINTED ATTORNEYS (PROBATE)

	<u>1975</u>	<u>1974</u>	<u>1970</u>
Cost to Oakland County	\$270,128.43	\$195,809.00	\$ 71,113.20
Reimbursement	46,036.12	42,372.44	5,869.85

The Reimbursement Division is responsible for collection of all charges ordered by the Probate Judges for care supplied by the County through the Juvenile Court. Whenever a child receives this care, a financial statement is taken and an order is entered commensurate with the parents' ability to pay.

\*This amount includes \$395.45 credited to Oakland County on the State Support of Patients and represents one-half of the Social Security benefits collected by the Department of Revenue.

\*\*Probate Support accounts represent monies collected and paid out as received to the person caring for the child. This is as decreed by a Probate Court order.

CIRCUIT COURT PROGRAM

January 1, 1975, thru December 31, 1975

STATEMENT OF RECEIPTS

	<u>1975</u>	<u>1974</u>	<u>1973</u>
Court Costs	\$184,074.24	\$147,265.79	\$116,093.77
Restitution	32,048.71	41,577.58	14,804.85
Fines	7,715.00	8,185.00	2,635.00
	<hr/>	<hr/>	<hr/>
Total:	\$223,837.95	\$197,028.37	\$133,533.62

In October, 1973, the responsibility for collection of the above ordered payments was transferred to the Reimbursement Division from the Probation Department.

COURT APPOINTED ATTORNEY PROGRAM

	<u>1975</u>	<u>1974</u>	<u>1973</u>
Cost to County	\$697,015.30	\$571,300.94	\$566,107.67
Funds Recovered	\$ 24,414.49	\$ 20,746.40	\$ 17,773.50

Upon the approval and direction of the Circuit Court Bench, and the Public Protection and Judiciary Committee, in July, 1972, the Board of Auditors, through its Reimbursement Division, and in conjunction with the Court Administrator, began to formulate a collection procedure to recover funds expended by Oakland County for court appointed attorneys in felony matters.

As of February, 1973, the program became operable in a minimal fashion, as the above figures indicate.

Affirmative action is being taken to strengthen the program, and it is projected that a much improved procedure, by involving the District Courts, will be finalized by July, 1976.



MISCELLANEOUS ACCOUNTS

COMMUNITY MENTAL HEALTH

Accounts for patients hospitalized under Act 54 are referred to the Reimbursement Division for investigation and collection, based on findings of ability to pay of the patient and/or his responsible relatives.

	<u>1975</u>	<u>1974</u>	<u>1973</u>
Reimbursement	\$ 2,186.00	\$ 5,017.07	\$ 5,259.58

OAKLAND COUNTY HOSPITAL

	<u>1975</u>	<u>1974</u>	<u>1973</u>
Reimbursement	\$ 58,949.98	\$ 6,301.22	\$ 595.00

The above receipts cover delinquent accounts that were referred to the Reimbursement Division for collection.

REIMBURSEMENT OF ATTORNEY FEES ( PROBATE COURT ) (Juv.)

	<u>1975</u>	<u>1974</u>	<u>1973</u>
Cost to County	\$270,128.43	\$195,809.00	\$127,195.00
Reimbursement	\$ 46,036.12	\$ 42,372.44	\$ 14,117.07

\*Refer to asterisk on Page 8:

The new Mental Health Act 258, effective November 6, 1974, requires that attorneys be appointed to represent patients in hearings before the Probate Court. For the year 1975, Oakland County expended \$39,469.50 in payment to attorneys and this amount has been deducted from monies owing to the State of Michigan for cost of care of these patients.

SUMMARY OF REIMBURSEMENTS AND ACTIVITIES FOR HOSPITALIZATION  
OF MENTALLY ILL AND MENTALLY HANDICAPPED

January 1, 1975, thru December 31, 1975

MENTALLY ILL AND MENTALLY HANDICAPPED ACCOUNTS:

	<u>1975</u>	<u>1974</u>	<u>1970</u>
Hospitals for the Mentally Ill (including emergency mental)	\$780,742.16	\$811,330.49	\$438,050.07
Hospitals for the Mentally Handicapped	11,132.36	14,182.16	16,075.73
Hospitals for the Criminally Insane	-0-	<u>4,409.30</u>	<u>4,801.48</u>
TOTAL AMOUNT RECEIVED:	<u>\$791,874.52</u>	<u>\$829,921.95</u>	<u>\$458,927.28</u>

VOLUNTARY ADMISSIONS

1973	-	952
1974	-	1,093
1975	-	1,527

In 1972, a new voluntary admission statute became effective. This resulted in many patients being admitted to state institutions voluntarily, rather than by Probate Court Orders. Prior to 1972, the majority of patients were admitted by Court Order.

Even though the superintendent of the hospital, prior to November 6, 1974, was designated by statute as the person who was to make the financial determination, the county remained responsible for payment to the State of Michigan for the cost of care for the first year, and because of this financial responsibility, it was in the county's best interest to continue to secure financial information from the patient and/or responsible relatives, so ability to pay, as well as residency, could be determined. Recommendation as to ability to pay is made to the superintendent.

The effective date of the new Mental Health Statute, Act 258, was November, 1974, which further changed reimbursement procedures, transferring responsibility from the county to the state.

## STATE INSTITUTIONS

January 1, 1975, thru December 31, 1975

## REIMBURSEMENTS

	Amt. Collected by County <u>1975</u>	Credits from Dept. of Rev. <u>1975</u>	Total Amt. Collected <u>1975</u>	Total Amt. Collected <u>1974</u>
INSTITUTIONS FOR THE MENTALLY ILL				
Hawthorn Center	\$ 11,709.23	\$ -0-	\$ 11,709.23	\$ 3,919.69
Kalamazoo	-0-	-0-	-0-	4,326.10
Lafayette Clinic	109,618.08	1,663.00	111,281.08	88,395.06
Northville	-0-	1,116.11	1,116.11	6,215.96
Oakland Medical Center	-0-	1,563.80	1,563.80	343.12
Clinton Valley Center and emergency care	599,025.00	56,046.94	655,071.94	707,517.24
Traverse City	-0-	-0-	-0-	180.00
Ypsilanti	-0-	-0-	-0-	433.32
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	\$720,352.31	\$ 60,389.85	\$780,742.16	\$811,330.49
INSTITUTIONS FOR THE MENTALLY HANDICAPPED				
Caro	\$ 2,758.35	\$ -0-	\$ 2,758.35	\$ -0-
Macomb-Oakland	3,671.01	300.00	3,971.01	1,988.10
Mt. Pleasant	-0-	-0-	-0-	1,000.00
Oakdale Center	4,203.00	200.00	4,403.00	11,194.06
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL:	\$ 10,632.36	\$ 500.00	\$ 11,132.36	\$ 14,182.16
COMBINED TOTAL:				
	\$730,984.67	\$ 60,889.85	\$791,874.52	\$825,512.65

Note: For additional information, please refer to Expenditures, Page 8.

EXPENDITURES - STATE INSTITUTIONS  
January 1, 1975, thru December 31, 1975

	1975	1974	1970
<u>INSTITUTIONS - Mentally Ill</u>			
Clinton Valley Center	\$1,663,364.58	\$1,650,613.66	\$ 964,587.79
	733,092.74 cr	316,762.13 cr	
	39,469.50 cr*	6,536.00 cr*	
Detroit Psychiatric Institute	71.80	-0-	-0-
Hawthorn Center	25,811.23	36,665.61	84,299.74
	45,686.58 cr	11,399.56 cr	
Kalamazoo	1,153.40	3,893.50	354.90
	3,948.40 cr		
Lafayette Clinic	391,165.80	178,676.58	121,827.45
	100,256.27 cr	9,338.06 cr	
Northville	1,855.92	3,505.21 cr	4,186.10
Oakland Medical Center	52,244.79	31,919.96	-0-
	13,992.15 cr		
Traverse City	10,741.35	267.48	-0-
Ypsilanti	341.10	-0-	611.35
	96.88 cr		
Total Expenses	\$2,146,749.97	\$1,902,036.79	\$1,175,867.33
Total Credits	\$ 936,542.52 cr	\$ 347,540.96 cr	
Net Expenses	\$1,210,207.45	\$1,554,495.83	

INSTITUTIONS - Mentally Handicapped

Coldwater	\$ 3,400.90 cr	\$ -0-	\$ -0-
Oakdale Center	31,800.92	11,165.75	114,506.23
Macomb-Oakland Residential Center	10,814.90	16,078.95	-0-
		6,033.19 cr	
Total Expenses	\$ 42,615.82	\$ 27,244.70	\$ 114,506.23
Total Credits	\$ 3,400.90 cr	\$ 6,033.19 cr	
Net Expenses	\$ 39,214.92	\$ 21,211.51	

Combined Expenses	\$2,189,365.79	\$1,929,281.49	
Combined Credits	\$ 939,943.42 cr	\$ 353,574.15 cr	
Combined Net Expenses	\$1,249,422.37	\$1,575,707.34	

INSTITUTIONS - Criminally Insane

Ionia and Forensic	\$ 55,200.07 cr	\$ 11,633.00 cr	\$ 34,019.55
<u>EMERGENCY CARE-Mentally Ill</u>	\$ 548.60	\$ 64,316.43	\$ 208,736.70
<u>TRANSPORTATION for Patients</u>	\$ -0-	\$ 4,009.50	\$ 10,983.80
Total Expenses	\$ 55,748.67 cr	\$ 79,958.93	\$ 253,740.05
Total Credits	\$ 55,200.07 cr	\$ 11,633.00 cr	
Net Expenses	\$ 54,651.47 cr	\$ 56,692.93	
GRAND TOTAL EXPENSES	\$2,189,914.39	\$1,997,607.42	
GRAND TOTAL CREDITS	\$ 995,143.49 cr	\$ 365,207.15 cr	
NET GRAND TOTAL:	\$1,194,770.90	\$1,632,400.27	

Oakland County was originally charged for hospitalization for all patients under 21 years of age. Subsequently, many of the patients were qualified for Title XIX benefits (Medicaid), and Oakland County received credit for charges that remained after insurance credits, in the amount of \$900,473.92. The Reimbursement Division made financial investigations (see explanation under voluntary admissions on Page 6), and filed and collected insurance benefits due on these accounts.

\* See Page # 5.

PATIENT DAYS IN  
STATE INSTITUTIONS

HOSPITALS FOR THE  
MENTALLY ILL

	<u>1975</u>	<u>1974</u>
Detroit Psychiatric Institute	1	0
Hawthorn Center	613	1,356
Kalamazoo	26	129
Lafayette Clinic	3,589	4,309
Northville	37	79
Clinton Valley Center	34,504	43,356
Traverse City	126	6
Ypsilanti	9	0
	<hr/>	<hr/>
TOTAL:	38,905	49,235

HOSPITALS FOR THE  
MENTALLY HANDICAPPED

	<u>1975</u>	<u>1974</u>
Oakdale Center	874	788
Macomb-Oakland Residential Center	1,295	2,072
Mt. Pleasant	0	0
	<hr/>	<hr/>
TOTAL:	2,169	2,860

COMBINED TOTAL IN DAYS:	41,074	52,095
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STATE INSTITUTIONS

SUMMARY OF ADMITTANCES AND DISCHARGES

HOSPITALS FOR THE MENTALLY ILL

	<u>1975</u>			<u>1974</u>	
	<u>Admitted</u>	<u>Discharged</u>		<u>Admitted</u>	<u>Discharged</u>
		<u>State-At-Large</u>		<u>(Includes State-at-Large)</u>	
Clinton Valley Center, Detroit Psychiatric Institute, Northville State Hospital, Kalamazoo State Hospital, Ypsilanti State Hospital, and Traverse City State Hospital.	977	1,032	9	1,018	1,024
Hawthorn Center and Lafayette Clinic.	71	75	1	87	82

HOSPITALS FOR THE MENTALLY HANDICAPPED

Oakdale Center, and Macomb-Oakland Residential Center.	14	14	3	11	10
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The above report was compiled from the "Support of Patients" - the form used by the Department of Revenue, State of Michigan, to bill counties for the first 365 days of hospitalization in state institutions. Oakland County is charged for the first 365 days an Oakland County resident is hospitalized, and care after this initial period is as a state-at-large patient. Therefore, a percentage of those patients listed as discharged might still be hospitalized as state-at-large charges.

Please see pages 11 thru 12 for a more detailed report of individual hospitals.

CLINTON VALLEY CENTER

Number of Patients in Hospital  
as of 12-31-73  
211

1974	Admittances	Discharges	Persons in Hospital
January	91	73	229
February	86	102	213
March	95	80	228
April	91	71	248
May	87	95	240
June	82	108	214
July	82	88	208
August	83	75	216
September	89	77	228
October	85	95	218
November	71	87	202
December	69	68	203
Total	1,013	1,019	

Number of Patients in Hospital  
as of 12-31-74  
203

1975	Admittances	Discharges	State At-Large	Persons In Hospital
January	90	84	1	208
February	90	85	0	213
March	91	62	0	242
April	82	102	2	220
May	94	99	0	215
June	77	118	1	173
July	69	80	1	161
August	80	79	0	162
September	85	67	2	178
October	89	75	1	191
November	60	104	1	146
December	61	69	0	138
Total	968	1,024	9	

Number of Patients Hospitalized  
as of 12-31-75  
138

STATE HOSPITALS

1974

1975

<u>Hospital</u>	<u>Admittances</u>	<u>Discharges</u>	<u>Persons In Hospital 12-31-74</u>	<u>Admittances</u>	<u>Discharges</u>	<u>State At-Large</u>	<u>Persons In Hospital 12-31-75</u>
Detroit Psychiatric Institute	0	0	0	1	1	0	0
Hawthorn	7	6	5	6	7	1	4
Kalamazoo	0	1	0	1	1	0	0
Lafayette	80	78	22	65	68	0	19
Oakdale Center	3	2	2	3	3	2	2
Macomb-Oakland	7	9	5	11	11	1	5
Northville	3	3	0	2	1	0	1
Traverse City	2	1	1	4	4	0	1
Ypsilanti	0	0	0	1	1	0	0