| First Steps | First Steps Cost Participation Procedures |
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| **ADMINISTERING ENTITY** | **The Division of Disability and Rehabilitative Services (Agency) will:** Implement the following procedures, known as the First Steps Early Intervention System Cost Participation Plan, in accordance with Indiana Code 12-12.7-2-17 and Part C of the IDEA.<br><br>All cost participation funds received will be used to fund Indiana's statewide coordinated, comprehensive Part C Early Intervention System for all infants and toddlers with disabilities and their families as required under 20 U.S.C. 1431 through 1445. States may opt to utilize Part C funds to support the cost of services pending reimbursement from appropriate funding sources or cover the cost of deductibles, premiums or copays to prevent delay in timely provision of early intervention services. |
| **INTAKE COORDINATOR RESPONSIBILITIES** | **The intake coordinator will:**<br>• Explain family rights and responsibilities within the First Steps system, including the responsibility for timely payment of co-payments and the right to request a review of their cost participation obligation after a reduction in income<br>• Collect income, family size, insurance, and medical or personal care needs expense information from the family<br>• Complete enrollment form(s), Medical Insurance Supplement, Medical Insurance Consent Form prior to the initial provision of early intervention services, and Financial Deduction Worksheet<br>• At the intake meeting, provide a copy and review with the family First Steps cost participation policies and procedures (First Steps system of payments) which detail procedural safeguards with regard to contesting First Steps fees through administrative review, mediation, or filing a complaint, insurance billing, and the Cost Participation Sliding Fee Schedule,Verify the family's per service and maximum monthly cost participation fees<br>• Inform the family of the responsibility to make monthly First Steps payments without regard for potential insurance billing or collection<br>• Obtain the family's signature(s) acknowledging responsibility for their First Steps co-pay obligations on Section 8 of the Individualized Family Service Plan (IFSP) and on the First Steps Cost Participation Co-payment Form ("Cost Participation Acceptance Forms")<br>• Inform the family of the Agency's ability to suspend services for accounts 60 or more days past due, and how to avoid a possible suspension<br>• Maintain completed First Steps Enrollment Form, cost participation forms, and all supporting documentation in the child's early intervention record located at the SPOE |

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| **SERVICE COORDINATOR RESPONSIBILITIES** | **The ongoing service coordinator will:**<br>• Explain family rights and responsibilities within the First Steps system, including the responsibility for timely payment of First Steps co-payments and the right to request a review of their cost participation obligation after a reduction in income<br>• Review with the family a sample EOB during the first quarter visit and if possible the family's actual EOBs at each subsequent quarterly visit<br>• Verify, no less than annually, family size, family income, documentation of family medical and personal care needs expenses, and public and/or private insurance information<br>• Ask, no less than quarterly, if the family needs to report a reduction in income, an increase in family size, or an increase in medical or personal needs expenses for any family member<br>• Review, within 30 days of parent request, current family income, family size, |

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| | and medical or personal care expenses, complete appropriate cost participation forms, and submit all documentation to the SPOE within two (2) business days<br>• Follow-up with families, per Agency guidelines, regarding Notification of Pending Suspension of Services letters. Review content of letter, assist family to avoid suspension by verifying the accuracy of the First Steps copayment, offering options for a payment plan, and explaining the consequences of non- payment. If failure to pay is due to a reduction in the level of income the family has available to pay their co-pay obligation, the SC will work with the family to adjust the income and fees.<br>• Contact appropriate SPOE personnel to cancel authorizations when necessary due to failure to pay, or to negotiate a payment plan<br>• Maintain documentation in the child's EI record of all communications and forms associated with updated cost participation activities<br>• Notification to the parent of any proposed changes to services, in compliance with 34 CFR 303.403<br>• Notify providers of possible suspension of services and cancelation of service authorizations. |
| **FAMILY RESPONSIBILITIES** | **Families will:**<br>• Provide accurate documentation of all required financial data and insurance information<br>• Pay First Steps co-payments within thirty (30) days of the cost participation statement date, without regard for insurance billing or collection, as agreed to by signing the cost participation acceptance documents<br>• Review all cost participation statements for accuracy, and report errors, if any, to the Agency<br>• Promptly request a review of their cost participation obligation after an adverse change in employment, an increase in family size, or an increase in family medical or personal care needs expenses<br>• Pay any amount 60 days or more past due, or be subject to suspension of services until that amount is paid in full or a payment plan is negotiated<br>• Notify the SPOE or Service Coordinator when a payment has been made to the CRO to reinstate services. |
| **SYSTEM POINT OF ENTRY (SPOE) RESPONSIBILITIES** | **The System Point of Entry (SPOE) will:**<br>• Data enter all financial and insurance information for the purpose of cost participation and access to public and/or private insuranceDocument the family's per 15 minutes of service and maximum monthly co- payments as calculated by the SPOE computer<br>• Provide the intake and/or service coordinator with computer-generated verification of the family's per session and maximum monthly First Steps co-payments within five (5) business days of receipt of completed cost participation forms<br>• Inform Service Coordinator of families listed on the Notifications of Pending Suspension of Services list terminate and reinstate services as appropriate<br>• Maintain all completed forms, with supporting documentation of income, insurance, and medical and personal care expenses, in the child's early intervention record |

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| **CENTRAL REIMBURSEMENT OFFICE (CRO) RESPONSIBILITIES** | **The Central Reimbursement Office (CRO) will:**<br>• Make timely payment to providers for authorized services delivered in accordance with the IFSP, regardless of the funding source<br>• Identify any appropriate funding sources to financially support the cost of early intervention services, ensuring that First Steps is the payor of last resort in accordance with federal regulations<br>• Calculate each family's monthly First Steps co-payment obligation, based on services for which their providers bill<br>• Calculate and track all family First Steps co-payments received and due<br>• Submit monthly eligible First Steps claims to insurance carriers Reconcile monthly TPL recoveries received, if any, against family cost participation accounts<br>• Refund any overpayments to the family (6) months after a child exits the First Steps system or sooner if a waiver is approved<br>• Provide the SPOE with a written report of accounts that have received Notification to the SPOE of Pending Suspension of Services letters<br>• Notification to the SPOE of families that have not paid the amount due to bring the account to current after they received the notice of suspension letter with procedural safeguard information<br>• Mail families a combined monthly Explanation of Benefits and Cost Participation statement showing the services billed and payment status, any fees or First Steps co-pays associated with received services, calculation of balances due with aging, payments received from the family or private insurance, any fees that have been waived, recalculation of family fees based on a waiver or payments, contact information if the fmily has question or is requesting a reconsideration of their fees. |
| **ANNUAL GROSS INCOME DETERMINATION** | **Families must provide the following verification of income:**<br>• Check stubs from each resident parent's three (3) most recent consecutive pay periods<br>• If recent pay stubs are not available, or in instances when income cannot be accurately assessed by the last three pay stubs (e.g., self-employment, seasonal employment, farm income, or supplemental income) the family must provide each parent's most recently filed 1040 Federal Income Tax form, W-2 form, or 1099 form.<br>• If none of the above is available a written statement of salary, or of wages and hours worked, may be submitted if the statement would accurately account for the income (refer to Combined Enrollment Form instructions for further detail related to income). The statement must include company/employer name, address, phone number, and supervisor signature<br>• All income information must be verified annually or within thirty (30) days after the family reports a reduction in income or change in family size. Income rules require consideration of the income of the dependent child, the dependent child's resident siblings and the dependent child's parents<br>• Step-parent income is not included in the cost participation determination.<br>• Caretaker income, whether family or non-family, is **not** considered in the determination of the cost participation obligation<br>• A child in foster care, or a child who does not live with a relative, is considered a family of one whose income is **not** to be considered for cost participation within the First Steps system.<br>• Confirmation of level of income and percent of federal poverty level will be calculated at the family's local SPOE following data entry of the family's size, income, and documented medical and personal care needs expenses<br>• Income verification must be maintained in the child's early intervention record |

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| **FAMILY SIZE CALCULATION** | Family size, along with family income, will be utilized when determining the family's percent of Federal Poverty Level and cost participation obligation.<br><br>The size of the family group is established by counting the child receiving First Steps services, the child's parent(s) and all natural, adoptive, or half-siblings with whom the child resides. Step-parents and step-siblings residing in the same home are **excluded** from the family member count.<br><br>A caretaker is a relative, either by blood or by law, who lives with the child and exercises parental responsibility (care and control) in the absence of the child's parent. Examples include, but are not limited to, grandparents, aunts, uncles, cousins, and stepparents. Caretakers are **not** counted in the family size calculation.<br><br>A child in foster care, or a child who does not live with a relative, is considered a family of one for whom no cost participation will be assessed. |
| **CONFIRMATION OF INCOME LEVEL** | Confirmation of income level and percent of federal poverty level will be calculated at the SPOE by data entry of family size, family income, and documented medical and personal care needs expenditures. This calculation will assist in the determination of the family's ability to pay the cost participation fees.<br><br>This calculation will be based on the annually published Federal Poverty Level Guidelines and the First Steps Cost Participation Sliding Fee Schedule |
| **DETERMINATION OF FIRST STEPS CO-PAYMENT** | The SPOE computer will determine the family's First Steps co-payment. Families will accept financial responsibility by signing Section 8 of the IFSP, and the First Steps Cost Participation Co-payment Form. A family's cost participation obligation amount will remain in effect for twelve (12) months from the date of the IFSP, unless the family requests earlier review of financial information which results in a change in First Steps co-payment.<br><br>The First Steps Cost Participation Sliding Fee Schedule (Attachment A) will be utilized in calculating the co-payment. The calculation takes into consideration:<br>* The family's annual gross income<br>* The family's size<br>* The family's documented medical and personal care needs expenses<br><br>Families at or below 250% of the federal poverty level (FPL) are exempt from cost participation fees and will not be charged for any early intervention services provided to the child and family, pursuant to the IFSP. A family's FPL does not impact determination of or timely delivery of program services.<br><br>Incomes at or above 251% of FPL will have a sliding cost participation obligation, as indicated on the Cost Participation Sliding Fee Schedule.<br><br>Families who do not wish to disclose their financial information may choose the "full fee option." They will be charged the per-unit of service fee and up to the monthly maximum cost participation fees for families at 1001% of FPL, up to, but not exceeding, the actual cost of services provided in that month.<br><br>Families may voluntarily contribute payments that exceed their required cost participation amount.<br><br>The Agency may waive or reduce a required cost participation fee if other medical expenses or personal care needs expenses for a member of the family reduce the level of income the family has available to pay co-payments. **While not required, every family is offered the option of reporting these expenses in every family co-payment calculation.** |

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| | The Agency must waive the family's monthly First Steps co-payment in any month for those<br>services for which it receives payment from the family's health insurance coverage.<br><br>**Families who dispute the accuracy of a First Steps co-payment calculation may request that the Agency conduct an administrative review, participate in mediation, or file a complaint.** |
| **MEDICAL AND PERSONAL CARE NEEDS EXPENSES** | Families may request consideration of medical and personal care needs expenses in the calculation of their family income and First Steps co-payments. Reported expenses are automatically included in every family co-payment calculation.<br><br>Appropriate deductions are those that are:<br>• To support the health or medical needs of a family member who resides with the First Steps child<br>• Out-of-pocket expenses that are not reimbursable<br>• Incurred within the twelve (12) months immediately preceding the IFSP date<br>• Supported by written receipts/documentation<br><br>A family may request a review of their income or First Steps co-payment at any time they experience an increase in medical or personal care needs expenses, or other extenuating circumstances. |
| **UTILIZATION OF INSURANCE (public and private)** | . During the intake meeting, annually and as insurance changes, the Service Coordinator will meet with the family to review the insurance plan and update insurance information, a copy of the system of payments policy,. The coordinator will also obtain written consent from the family to access insurance and disclose personally identifiable information to an insurance carrier or state agency (for public insurance) when First Steps initiates provision of services, and for required consent due to an increase in the frequency, length, duration or intensity of services on the IFSP. The Service Coordinator will review the billing process with the family, as well as explain that the family will not be responsible to pay the First Steps system for any ***insurance*** co-pays or deductibles. The parent will remain responsible for payment of their family's insurance premiums and any First Steps co-payment based on the family income for delivered First Steps services that are not reimbursed by insurance.<br><br>If the family declines to consent to insurance billing, the Agency will process an insurance billing waiver.If an insurance waiver is received, the family will continue to be responsible for the full First Steps family co-pay, as determined by the family income. A family may choose to retract or provide consent to bill insurance at anytime, through making the request to their Service Coordinator. A family's ability to pay their First Steps copay or lack of consent to bill insurance will not impact determination or timely provision of First Steps services.<br><br>Reimbursements made by certain types of health care insurance plans may be completed via a monthly fee, as set by the Division. This payment shall not be applied to any annual or aggregate lifetime limitations of coverage, pursuant to Indiana law (IC § 5-10-8-7.3, 20-12-3.2, and 27-8-27). Insurance plans that are covered are those that are: State of Indiana group health coverage plans; state educational institution employee health plans; and non-ERISA insurance plans, regulated by Title 27 of the Indiana Code. The Employment Retirement Income Security Act (ERISA) health plans are not protected by the lifetime and aggregate limitations legislation. |

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| | Billing for ERISA plans and other public insurance policies will be completed on a fee for service basis for individual services. Services eligible for submission to insurance carriers are those services written within the IFSP for the delivery of Occupational Therapy, Physical Therapy, Speech Therapy, and Psychology. Other First Steps co-pay eligible services, as listed below, **may** be billed to an individual family plan, upon family request. Claims will be processed based on the coverage of the family's individual plan. While First Steps will submit claims for eligible services, it cannot guarantee acceptance of the claim by, or payment from, the family's carrier. Coverage is dependent on the insurance plan and will take into consideration variables such as service type, the child's diagnosis, and limits on the number of sessions covered in a year, and whether First Steps is considered to be an in-network provider. If a family is covered by an ERISA plan and demonstrates that billing its insurance plan would create a financial hardship they may wish to request a waiver. Requests should be submitted directly to your Service Coordinator.<br><br>It is the responsibility of the family with the assistance of the Service Coordinator, to determine, via their employer, or insurance plan, whether or not they are covered by an ERISA policy, in order to determine how consent to access insurance, may affect the family.<br><br>**Families should not base service decisions on the assumption that they will be able to avoid any part of their co-payment obligation due to insurance recovery.** While First Steps will make a good faith effort to bill services to insurance plans, there is no guarantee that payment will be received. Because First Steps are provide in a community setting and address developmental goals, many carriers will not reimburse for services once the actual claim is received. In addition, many carriers will not accept claims that are out of network or for children that do not have specific diagnosis that are covered under the family's plan. |

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| **ASSESSMENT OF CO-PAYMENT** | First Steps co-payments are based on IFSP services provided to the child and family. The First Steps co-pay fee will be based on the amount of service/units, in 15 minute increments, that the child receives. The family will be billed the co-payment amount or actual service cost, the lesser of the two, up to the maximum monthly cost.<br><br>First Steps co-payments will not be charged for services available at no cost for the following services (regardless of a family's calculated First Steps copay or determination of ability to pay):<br>1. Child Find<br>2. Evaluation and Assessment<br>3. Development of an Individualized Family Service Plan<br>4. Service Coordination<br>5. Review of IFSP<br>6. Procedural Safeguards<br><br>Services eligible for a co-payment are:<br>1. Audiology Services<br>2. Developmental Therapy or Special Instruction<br>3. Health Services<br>4. Nursing Services<br>5. Nutrition Services<br>6. Occupational Therapy<br>7. Physical Therapy<br>8. Psychological Services<br>9. Social Work Services<br>10. Speech and Language Therapy<br>11. Vision Services<br>12. Other early intervention services<br><br>While First Steps excludes assistive technology and transportation from cost participation co-payments, they are subject to suspension action.<br><br>For any individual service for which First Steps receives insurance payment, the First Steps co- payment will be removed, resulting in a recalculation of the maximum monthly cost. The utilization of insurance and First Steps copayment will not be combined to be greater than the cost of services. |

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| **BILLING PROCESS** | The CRO mails families a cost participation statement monthly. Statements will be mailed approximately 80 days after the end of the service month. This timeline allows providers 60 days to submit all First Steps claims. (Ex. January services will be included on the billing statement received in April) Each bill will be for one month of services only.<br><br>Statements include the First Steps co-payment owed, an aging report on past due amounts, if any, a detail of services the child has received, as well as provider billing and family payment information.<br><br>All payments must be made directly to the CRO within thirty (30) days of the statement date. Due to the timeline for provider billing, the CRO must wait a minimum of 60 days in order to generate an accurate First Steps family statement. Therefore, families will not receive their first statement for at least 90 days after First Steps services begin. Statements will arrive monthly, thereafter. Timelines for payment are based on the date the statement is printed and mailed.<br><br>Based on insurance billing trends, families should not expect insurance recoveries or denials sooner than 120 days after the date of the service. First Steps Co-payments are due upon receipt, without regard for insurance billing or collection. |
| **TIMELINE FOR FAMILY CO-PAYMENTS** | • Payments are due thirty (30) days after the date of the cost participation statement<br>• Each month's family cost participation statement will include the total amount due. If the prior month's payment is received after generation of the current month's statement, receipt of the payment may not be reflected. Such instances will not be considered past due.<br>• Families with an account balance sixty (60) days or more past due will receive notice of the Agency's intent to suspend co-pay eligible First Steps services if payment is not made.<br>• Families have fourteen (14) calendar days from the date of the notice to bring their account current or make payment arrangements.<br>• Failure to pay or make arrangements within the fourteen (14) calendar days will result in suspension of all First Steps co-pay eligible services<br>• Families wishing to contest the imposition of a fee, who believe an error in calculation is made or whom request reconsideration of a fee based on an inability to pay, may do so through the SC who will inform the family of their rights and procedural safeguards including their right to mediation or filing a complaint . Please note that services will not be delayed or suspended once notice is received by the state agency, until such time as a finding is determined. |
| **SUSPENSION OF SERVICES** | Families with balances sixty (60) days or more past due will be subject to suspension of co-pay eligible First Steps services. The CRO will send Notification of Pending Suspension of Service letters to affected families each month.<br><br>If, within fourteen (14) calendar days, the family fails to pay the balance in full or make payment arrangements, co-pay eligible services will be suspended. Services will resume once past due amounts are paid, or for so long as payment arrangements are honored.<br><br>While families are responsible for requesting a review of any change in their financial situation that might lead to an inability to meet their First Steps co-pay obligation, every effort will be made to work with families with extenuating circumstances. Families should contact their Service Coordinator for assistance with such hardships at any time. |

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| **DEFINITIONS** | **Ability to pay –** a family's financial capacity to pay for First Steps services<br><br>**Account Reconciliation-** adjustment of a family's account by the CRO to reflect receipt of a payment from the family or an insurance carrier<br><br>**Administering Entity/Agency** - the Division of Disability and Rehabilitative Services (DDRS) is the Agency responsible for the general administration and supervision of the First Steps Early Intervention System, including the Cost Participation Plan<br><br>**Administrative Review** – requested in writing by a family; the Agency will review the financial circumstances involved in determining a family's ability to pay<br><br>**Annual Gross Income** - a family's annual income minus any family medical and/or personal care needs expenses<br><br>**Arrearage** - the total amount of co-pay that is thirty (30) days or more past due<br><br>**Caretaker Relative** - a relative, either by blood or by law, who lives with the child and exercises parental responsibility (care and control) in the absence of the child's parent (grandparents, aunts, uncles, cousins, step-parents, and adult siblings)<br><br>**Central Reimbursement Office** - the entity responsible for billing and collecting the First Steps co-payments from participating families<br><br>**Complaint** - A statement documenting that the lead agency, public agency, or early intervention provider has violated a Part C requirement.<br><br>**Co-payment amount/cost participation obligation** - a First Steps fee, based on a family's<br>gross income and family size, less deductions for non-reimbursable, Agency-approved medical and personal care needs expenses for any family member; the monthly and per-unit dollar amounts for which a family is responsible<br><br>**Cost Participation Plan –** a system of fees for early intervention services based on income and family size<br><br>**Dispute Resolution –** Term used to describe a number of options to address a disagreement among parties related to the Part C/First Steps system, including but not limited to complaint submission, mediation, and due process<br><br>**Extenuating Circumstances –** healthcare-related situations or circumstances that are unusual or out of the ordinary, for which a family may be given special consideration by the Agency<br><br>**Failure to Pay** - a family does not pay the co-payment they accepted<br><br>**"Full Fee Option" –** a provision allowing families who do not wish to disclose their financial information to pay the maximum per-unit and monthly cost participation fee for families at 1001% of Federal Poverty Level, up to, but not exceeding, the actual cost of service provided in that month<br><br>**Inability to Pay –** Income at or under 250% of FPL as determined through calculation of family income and size, taking into account deductions for family medical and/or personal care needs expenses |

**Maximum Monthly Cost Share Amount -** the maximum amount of co-pay a family may be billed for services in a one (1) month period

**Mediation** - A voluntary process to reach a legally binding agreement resolving a dispute in First Steps (Part C).

**Medical Expenses –** non-reimbursable, out-of-pocket medical expenses incurred by a resident family member during the twelve (12) months immediately preceding the IFSP date

**Percent of Federal Poverty Level –** published annually by the US Department of Health and Human Services; determined by a family's adjusted gross income and family size

**Personal Care Needs Expenses –** non-reimbursable, out-of-pocket healthcare-related expenses incurred by a resident family member during the twelve (12) months immediately preceding the IFSP date

**Procedural Safeguards -** legal protections available to children and their parents to protect their rights in dealing with agencies and providers of early intervention services. Legal protections include: parental consent, protection in evaluation procedures, opportunity for parents to examine, correct, and supplement records, prior notice provisions, surrogate parent identification when necessary, due process procedures and confidentiality of records

**Service –** a therapy session authorized by First Steps and delivered by a First Steps provider

**Sixty Days Past Due -** Any co-pay amount (as reflected in the cost participation statement sent by the CRO) that a family fails to pay within sixty (60) days of the payment due date

**Suspension of Services-** Cessation of co-pay eligible First Steps services, due to failure to pay a past due balance of sixty (60) days or more

**Waiver –** 1) An exemption from insurance billing in instances where a family has not provided consent to access insurance under §303.521 (a)(4)(iv)
2) Under IC 12-12.7-2-17(b)(1)(C), the reduction or forgiveness of a required co-payment, granted by the Agency where other medical or personal care needs expenses reduce the level of income the family has available to pay First Steps co-payment

Attachment A

**First Steps Cost Participation Sliding fee Schedule** **Annual Income Based on 2012 Federal Poverty Level (FPL) Guidelines and Percent of FPL for First Steps Program Participation**

| Family Size | 251% FPL | 351% FPL | 451% FPL | 551% FPL | 651% FPL | 751% FPL | 851% FPL |
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| 1 | $28,036.70 | $39,206.70 | $50,376.70 | $61,546.70 | $72,716.70 | $83,886.70 | $95,056.70 |
| 2 | $37,976.30 | $53,106.30 | $68,236.30 | $83,366.30 | $98,496.30 | $113,626.30 | $128,756.30 |
| 3 | $47,915.90 | $67,005.90 | $86,095.90 | $105,185.90 | $124,275.90 | $143,365.90 | $162,455.90 |
| 4 | $57,855.50 | $80,905.50 | $103,955.50 | $127,005.50 | $150,055.50 | $173,105.50 | $196,155.50 |
| 5 | $67,795.10 | $94,805.10 | $121,815.10 | $148,825.10 | $175,835.10 | $202,845.10 | $229,855.10 |
| 6 | $77,734.70 | $108,704.70 | $139,674.70 | $170,644.70 | $201,614.70 | $232,584.70 | $263,554.70 |
| 7 | $87,674.30 | $122,604.30 | $157,534.30 | $192,464.30 | $227,394.30 | $262,324.30 | $297,254.30 |
| 8 | $97,613.90 | $136,503.90 | $175,393.90 | $214,283.90 | $253,173.90 | $292,063.90 | $330,953.90 |
| Fees Per 15 minutes of service | $0.75 | $1.50 | $3.75 | $6.25 | $13 | $19 | $25 |
| Monthly max | $48 | $96 | $240 | $400 | $800 | $1,200 | $1,600 |