

MICHIGAN HOMES FOR VETERANS
BOARD MANUAL

BOARD OF MANAGERS OPERATING POLICIES AND PROCEDURES

BP-006

Proration

Reviewed 12/16/15

PURPOSE: By defining how and when proration will be applied.

I. DEFINITIONS:

- A. Proration: the method used in determining maintenance charge when attendance is less than one full month. (Proration is further defined as the refunding of assessment charges from member maintenance accounts.) Proration effects both the room and board assessment and the cost of care balance.
- B. Room and Board Assessment: the amount of money a member is assessed by the Board of Managers of the Michigan Homes for Veterans for his or her care on a monthly basis.
- C. Cost of Care Balance: the total unpaid cost of a member's care from the date of admission to the current month.
- D. Personal Leave of Absence:

The proration formula to be utilized will be as follows:

$$\frac{(\text{Monthly Assessment})}{\# \text{ Days in Month}} \times \text{Number of Days} = \text{Amount}$$

Example: A member pays \$1,100.00 monthly assessment and takes a 17 day personal leave of absence in November. Charges for his/her care:

$$\$1,100 - \$506.24 = \$593.76 \text{ (refund of monthly assessment)}$$

II. PROCEDURES

There are numerous situations in which proration shall be authorized. The major areas are as follows:

- A. New admissions
- B. Member personal furloughs
- C. Member deaths
- D. Member discharge

A. New Admissions:

1. Monthly member maintenance charges (both the personal assessment and per diem cost of care balance) shall be prorated from the day of admission so that only days of care actually furnished are charged during the month of admission.

B. Member Personal Furlough:

1. A personal furlough must be at least seven days in duration for proration to take effect.
2. Proration will be authorized for a maximum of thirty days annually with the anniversary date being the date of admission.
3. Monthly member maintenance charges (both the personal assessment and the per diem cost of care balance) shall be prorated, utilizing the member personal furlough proration formula.
4. Members who exceed thirty personal furlough days in a year may be discharged.
5. The Administrator of the Home may authorize a Member to exceed thirty personal furlough days in a year on a case-by-case basis and must report such approval to the Board at the next Board of Managers meeting.

C. Member Deaths:

1. Accumulated unpaid per diem cost of care charges shall be prorated to the date of death of a member.
2. A member's personal assessment shall not be prorated or refunded if there is an unpaid per diem cost of care balance.
3. In the event the per diem cost of care balance is fully satisfied, the member's personal assessment shall be prorated from the date of death, provided a dependent as defined in MCLA 36.11

as amended P.A. 1982, No. 391, exists or providing a legitimate surviving heir lays claim to any remaining estate in the Home's possession. Otherwise, any refund due will be subject to the Michigan Homes for Veterans "Agreement" signed as a condition of admission.

D. Discharged Members:

1. For proration purposes, members are either discharged voluntarily or involuntarily. Involuntary discharge is by Michigan Homes for Veterans request. Proration shall be authorized for each as indicated below:

a. Voluntary Discharge:

- (1). Members requesting discharge must give notice to the Administrator by the first day of the month in which said discharge shall take place in order to have maintenance charges (both the personal assessment and the per diem cost of care balance) prorated.
- (2). Proration will not be authorized if notification is received subsequent to the first day of the month of discharge. The full personal assessment and per diem cost of care charge will be assessed.
- (3). Proration shall be from the first day of the month until the specified date of discharge with payment made at the beginning of the month.
- (4). If, for some reason, the member does not take a formal discharge, he/she shall be charged and shall make immediate payment for the balance of the monthly assessment not previously paid. Correspondingly, adjustments will be made to the unpaid per diem cost of care charge.

b. Involuntary Discharge:

- (1). A member being discharged involuntarily shall have his/her maintenance charges (both the personal assessment and the per diem cost of care balance) prorated.

(2). Any monies due the member shall be returned.

This policy supersedes any and all previous policies pertaining to proration.