

DISCOUNTED/SLIDING FEE SCHEDULE

Information Package

January 2007

Safety-net providers are eligible to apply for recruitment and retention assistance from the National Health Service Corps (NHSC). Safety-net providers are community and/or migrant health centers, free clinics, mobile clinics, homeless centers, school-based centers, and other sites/providers that provide “significant” care to the low income population. This package includes materials that may be helpful to you in meeting National Health Service Corps (NHSC) requirements. These requirements include:

- Using a discounted/sliding fee schedule to ensure that no financial barriers to care exist for those who meet certain financial eligibility criteria;
- Posting a statement indicating that no one who is unable to pay will be denied access to services;
- Maintaining a full-time clinical practice, working a minimum of 40 hours per week for at least 45 weeks per year; and
- Having a policy of non-discrimination, in the provision of health care services.

This package contains:

- Discounted/Sliding Fee Schedule Information Sheet;
- Examples of Discounted/Sliding Fee Schedules;
- 2007 Department of Health and Human Services (HHS) Poverty Guidelines;
- Public Notice Signage (examples).

DISCOUNTED/SLIDING FEE SCHEDULE Information Sheet

What is a discounted/sliding fee schedule?

Discounted/sliding fee schedules are locally derived mechanisms (discounts) to address how to equitably charge patients for services rendered. The mechanism must be in writing. Fees are set based on federal poverty guidelines; patient eligibility is determined by annual income and family size. Schedules are established and implemented to ensure that a non-discriminatory, uniform, and reasonable charge is consistently and evenly applied, on a routine basis. For patients whose income and family size place them below poverty, a "typical" nominal fee is often between \$7 and \$15; patients between 101-200% of poverty are expected to pay some percentage of the full fee. A discounted/sliding fee schedule applies only to amounts assessed to patients. Billing for third party coverage, i.e. Medicare, Medicaid, private insurance carriers, etc., is set at the usual and customary full charge.

Why have a discounted/sliding fee schedule?

Federal requirements prescribe that a locally determined discounted/sliding fee schedule be used, and that services be provided either at no fee or a nominal fee, as determined by the provider. The reasonableness of fees, and the percent of a full fee that is assessed, may be subject to review/challenge by federal reviewers during routine reviews by duly authorized federal staff, or their state counterparts.

To which patients does a discounted/sliding fee schedule apply?

By joining the NHSC and accepting these licensed health care professionals into your practice, you are agreeing to apply the discounted/sliding fee schedule equally, consistently, on a continuous basis, to all recipients of services in the entirety of the site/location, without regard to the particular practitioner that treats them.

How should a discounted/sliding fee schedule be developed?

Each safety-net provider should take the following into consideration when developing a discounted/sliding fee schedule:

- Policy must be in writing and non-discriminatory;
- No patient is denied services due to an inability to pay;
- Signage is posted to ensure that patients are aware of availability of discounted/sliding fee;
- Patients complete a written application to determine financial eligibility for the discounted/sliding fee;
- A patient's privacy is protected;
- Records are kept to account for each visit and corresponding charges (if any);
- Patients below poverty are charged a nominal fee or not charged at all;
- Providers may establish any number of incremental percentages (discount pay class) as they find appropriate between 100-200% of poverty;
- Patients above 200% of poverty may be charged the full fee for the service(s), or; providers may continue to charge incremental percentages for services when patient income is above 200% of poverty, until 100% of the full fee is reached.

How and when is patient eligibility determined?

The simplest approach is to accept the patient's word at the time the request is made. On future visits, it may be appropriate to require some form of verification. Verification will typically include tax returns and current pay stubs. In addition to annualized income verification, eligibility may be based on current participation in certain federal/state public assistance programs, examples of which include the following:

- Social Security Income (Disability);
- Temporary Assistance for Needy Families;
- Free or Reduced School Lunch Program;
- Other public assistance programs.

Whose income should be counted?

Many safety-net providers count only the mother, father, and dependent children under 18 as the family. Other adults in the household, even though related, are considered separately.

Is every patient's income reviewed?

This is up to the individual practice. Whatever methodology is applied, it must be non-discriminatory, uniform and evenly applied.

How long should discount status be extended?

This is up to the practice. Many safety-net providers re-evaluate eligibility on an annual or semi-annual basis. As with any registration data, staff should ask at each visit whether anything has changed since the last visit. If income has changed this should trigger a re-evaluation.

**Sample Schedule of Income Thresholds Based upon 2007 Federal Poverty Guidelines
Six Discounted/Sliding Fee Pay Classes**

Annual Income Thresholds by Sliding Fee Discount Pay Class and % of Poverty						
Family Unit Size	Minimum Fee	20% pay	40% pay	60% pay	80% pay	100% pay
Poverty	100%	125%	150%	175%	200%	201%
1	\$10,210	12,763	15,315	17,868	20,420	20,421
2	13,690	17,113	20,535	23,958	27,380	27,381
3	17,170	21,463	25,755	30,048	34,340	34,341
4	20,650	25,813	30,975	36,138	41,300	41,301
5	24,130	30,163	36,195	42,228	48,260	48,261
6	27,610	34,513	41,415	48,318	55,220	55,221
7	31,090	38,863	46,635	54,408	62,180	62,181
8	34,570	43,213	51,855	60,498	69,140	69,141

The co-payment for those below 100% of poverty is \$_____.

Note: The income ceiling for the minimum fee pay class is equal to the federal poverty level.
The 2007 federal poverty guideline increases by \$3,480 for each family member.

Monthly Income Thresholds by Sliding Fee Discount Pay Class and % of Poverty						
Family Unit Size	Minimum Fee	20% pay	40% pay	60% pay	80% pay	100% pay
Poverty	100%	125%	150%	175%	200%	201%
1	851	1,064	1,276	1,489	1,702	1,703
2	1,141	1,426	1,711	1,996	2,282	2,283
3	1,431	1,789	2,146	2,504	2,862	2,863
4	1,721	2,151	2,581	3,011	3,442	3,443
5	2,011	2,514	3,016	3,519	4,022	4,023
6	2,301	2,876	3,451	4,026	4,602	4,603
7	2,591	3,239	3,886	4,534	5,182	5,183
8	2,881	3,601	4,321	5,041	5,762	5,763

The co-payment for those below 100% of poverty is \$_____.

Note: The monthly schedule is equal to the annual schedule divided by 12 months.

**Sample Schedule of Income Thresholds Based upon 2007 Federal Poverty Guidelines
Five Discounted/Sliding Fee Pay Classes**

Annual Income Thresholds by Sliding Fee Discount Pay Class and % of Poverty					
Family Unit Size	Minimum Fee	25% pay	50% pay	75% pay	100% pay
Poverty	100%	133%	166%	200%	201%
1	\$10,210	13,579	16,949	20,420	20,421
2	13,690	18,208	22,725	27,380	27,381
3	17,170	22,836	28,502	34,340	34,341
4	20,650	27,465	34,279	41,300	41,301
5	24,130	32,093	40,056	48,260	48,261
6	27,610	36,721	45,833	55,220	55,221
7	31,090	41,350	51,609	62,180	62,181
8	34,570	45,978	57,386	69,140	69,141

The co-payment for those below 100% of poverty is \$_____.

Note: The income ceiling for the minimum fee pay class is equal to the federal poverty level. The 2007 federal poverty guideline increases by \$3,480 for each family member.

Monthly Income Thresholds by Sliding Fee Discount Pay Class and % of Poverty					
Family Unit Size	Minimum Fee	25% pay	50% pay	75% pay	100% pay
Poverty	100%	133%	166%	200%	201%
1	851	1,132	1,412	1,702	1,703
2	1,141	1,517	1,894	2,282	2,283
3	1,431	1,903	2,375	2,862	2,863
4	1,721	2,289	2,857	3,442	3,443
5	2,011	2,674	3,338	4,022	4,023
6	2,301	3,060	3,819	4,602	4,603
7	2,591	3,446	4,301	5,182	5,183
8	2,881	3,832	4,782	5,762	5,763

The co-payment for those below 100% of poverty is \$_____.

Note: The monthly schedule is equal to the annual schedule divided by 12 months.

SAMPLE POLICY

ABC Clinic Discount Fee Policy

Policy

It is the policy of ABC Healthcare to provide essential services regardless of the patient's ability to pay. Discounts are offered depending upon household income and size. A sliding fee schedule is used to calculate the basic discount and is updated each year using the federal poverty guidelines. Once approved, the discount will be honored for six months, after which the patient must reapply.

Discount Application Process

A completed application including required documentation of the home address, household income, and insurance coverage must be on file and approved by the business office before a discount will be granted. If the applicant appears to be eligible for Medicaid, a written denial of coverage by Medicaid may also be required.

Adolescent patients seeking confidential care are exempt from the application process and services are provided at the nominal rate.

Services Covered and Excluded

Medical:	The discount is applied to all in-office services and Off-site services supplied by ABC Clinic health care providers.
Pharmacy:	Samples are provided, when available, without charge.
Lab & X-ray:	The discount is applied to in-office laboratory and x-ray services. Reference laboratory tests and consulting radiology interpretations are excluded.

**“SAMPLE” HEALTH CENTER
Discounted/Sliding Fee Application**

It is the “Sample” Health Center policy to provide essential services regardless of the patient’s ability to pay. Discounts are offered depending upon family income and size. Please complete the following information and return to the front desk to determine if you or members of your family are eligible for a discount.

The discount will apply to all services received at the center but not those services which are purchased from outside such as reference laboratory testing, drugs, x-ray interpretation by a consulting radiologist, and similar services. In the hope that your economic health improves, discounts apply only to current, not future services. This form must be completed for each visit. Please inquire at the front desk if you have questions.

Number of related persons living in your household: _____

Total household income: (complete one column)

Household Member	Household Income (complete one column)		
	Annual	Monthly	Bi-Weekly
Self			
Spouse			
Relatives			
Total			

Note: Include income from all related persons in household and income from all sources including gross wages, tips, social security, disability, pensions, annuities, veterans payments, net business or self employment, alimony, child support, military, unemployment, public aid, and other.

I certify that the family size and income information shown above is correct. Copies of tax returns, pay stubs, and other information verifying income may be required before a discount is approved.

Name (Print)

Signature/Date

Office Use Only	
Patient Name _____	Discount _____
Date of Service _____	Approved by _____

**“SAMPLE” HEALTH CENTER
Family Assistance Plan Application**

Name of Head of Household		Place of Employment		
Street	City	State	Zip	Phone
Health Insurance Plan		Social Security Number		

Please list spouse and dependents under age 18

Name	Date of Birth	Name	Date of Birth
Self		Dependent	
Spouse		Dependent	
Dependent		Dependent	
Dependent		Dependent	

Annual Household Income

Source	Self	Spouse	Other	Total
Gross wages, salaries, tips, etc.				
Social security, pension, annuity, and veteran's benefits				
Alimony, child support, military family allotments				
Income from business self employment, and dependents				
Rent, interest, dividend, and other income				
Total Income				

Verification Checklist (attach copies)	Yes	No
Identification/Address: Driver's license, birth certificate, employment ID, social security card or other		
Income: Prior year tax return, three most recent pay stubs, or other		
Insurance: Insurance card(s)		
Medicaid: Application made or evidence of rejection.		

I certify that the information shown above is correct and understand verification is required for approval.

Name (Print)

Signature/Date

Office Use Only	
Pay class approved: _____	Effective date: _____
Approved by: _____	Expiration date: _____

FEDERAL POVERTY GUIDELINES

What are the federal poverty guidelines?

The poverty guidelines are a version of the income thresholds used by the Census Bureau to estimate people in poverty. The thresholds are expressed as the annual income levels below which the person or family members are considered in poverty. The income threshold increases by a constant amount for each additional family member. The guidelines are **updated annually** to account for increases in the Consumer Price Index.

Who issues the poverty guidelines?

HHS is required by law to issue the guidelines. HHS guidelines determine 100% of the Federal Poverty Level (FPL).

Where can you get the current poverty guidelines?

The guidelines are published annually in the Federal Register and usually appear by early February. Updates may be found at <http://aspe.hhs.gov/poverty/>.

2007 HHS Poverty Guidelines

Persons in Family or Household	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$10,210	\$12,770	11,750
2	13,690	17,120	15,750
3	17,170	21,470	19,750
4	20,650	25,820	23,750
5	24,130	30,170	27,750
6	27,610	34,520	31,750
7	31,090	38,870	35,750
8	34,570	43,220	39,750
For each additional person, add	3,480	4,350	4,000

SOURCE: *Federal Register*, Vol. 72, No. 15, January 24, 2007, pp. 3147-3148.

PUBLIC NOTICE SIGNAGE

The following examples show it is not required that a posting give all the details about the discount policy, nor is it required to post the actual discounted/sliding fee schedule. It is recommended that the sign be posted in a conspicuous location such as beside the front desk. It may be helpful to have the sign in several languages.

Sample Discount Fee Policy Signs

(Words to this effect are okay)

Notice to Patients:

This practice serves all patients regardless of ability to pay

Discounts for essential services are offered depending upon family size and income

You may apply for a discount at the front desk

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AVISO PARA LOS PACIENTES

**ESTE CENTRO DE SALUD ATENDERA A TODOS LOS PACIENTES,
SIN IMPORTAR SU CAPACIDAD DE PAGO.**

**LOS DESCUENTO POR SERVICIOS ESENCIALES VARIARAN Y SON
OFRECIDOS DEPENDIENDO DEL NUMERO DE SUS FAMILIARES Y
DE SU SUELDO.**

**USTED PODRA APLICAR PARA EL DESCUENTO CON LA
RECEPCIONISTA EN EL ESCRITORIO DEL FRENTE DE LA CLINICA.**

GRACIAS.

NOTICE

THIS PRACTICE HAS ADOPTED THE FOLLOWING POLICIES FOR CHARGES FOR HEALTH CARE SERVICES

We will charge persons receiving health services at the usual and customary rate prevailing in this area. Health services will be provided at no charge, or at a reduced charge, to persons unable to pay for services. In addition, persons will be charged for services to the extent that payment will be made by a third party authorized or under legal obligation to pay the charges.

We will not discriminate against any person receiving health services because of their inability to pay for services, or because payment for the health services will be made under Part A or B of Title XVIII ("Medicare") or Title XIX ("Medicaid") of the Social Security Act.

We will accept assignment under the Social Security Act for all services for which payment may be made under Part B of Title XVIII ("Medicare") of the Act.

We have an agreement with the State agency which administers the State plan for medical assistance under Title XIX ("Medicaid") of the Social Security Act to provide services to persons entitled to medical assistance under the plan.