



## Sliding Fee Discount Schedule and Utilization Tool for FQHC's

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# Meet Your Presenters



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# Agenda

- Sliding Fee Discount Schedule



# Sliding Fee Discount Schedule

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## Sliding Fee Discount Requirements – CHC Compliance Manual

- The health center must operate in a manner such that no patient shall be denied service due to an individual's inability to pay.
- The health center must prepare a schedule of fees or payments for the provision of its services consistent with locally prevailing rates or charges and designed to cover its reasonable costs of operation and must prepare a corresponding schedule of discounts (sliding fee discount schedule "SFDS" to be applied to the payment of such fees or payments, by which discounts are adjusted on the basis of the patient's ability to pay.

## Sliding Fee Discount Requirements – CHC Compliance Manual

- The health center must establish systems for [sliding fee eligibility determination](#).
- The health center's schedule of discounts must provide for:
  - A full discount to individuals and families with annual incomes at or below those set forth in the most recent Federal Poverty Guidelines (FPG) [100 percent of the FPG], except that nominal charges for service may be collected from such individuals and families where imposition of such fees is consistent with project goals; and
  - No discount to individuals and families with annual incomes greater than twice those set forth in such Guidelines [200 percent of the FPG].

## Sliding Fee Discount Schedule

- Eligibility for Sliding Fee Discount Schedule

- Must be based on annual income & family size under DHHS FPG which are adjusted annually for changes in Consumer Price Index
  - And no other factors ...
    - Insurance status?
      - Refusal to be assessed = FULL CHARGE

## Sliding Fee Discount Schedule

- Definitions of Income & Family Size

- Income

- Is there standard definition? No. Why?
  - Unique characteristics of target populations
    - Homelessness, other considerations
  - Service areas
    - High cost of living?
- HC's can use standard definitions of Census Bureau & IRS
- Assets and/or "Net Worth" tests are disallowed in inclusion of calculation of income



## Sliding Fee Discount Schedule

- Definitions of Income & Family Size

- Income

- Governing board approved policy should also include documentation needed to assess income
  - Pay check stubs?
  - Tax return?
  - Self declaration?

- Family Size

- There is a lot of flexibility
- Can use standard definitions but consideration must be made for patients being served by the health center

## Sliding Fee Discount Schedule

- Eligibility for Sliding Fee Discounts

- Health centers are required to apply a discount to fees charged to uninsured or underinsured with annual incomes above 100% AND at or below 200% of FPG



## Sliding Fee Discount Schedule

- If at or below 100% of FPG, patient should receive full discount or pay “nominal” charge
- Nominal fee is fixed, small fee that does not reflect true value of a service provided (not based on cost of the service)
  - % of charge/cost not allowed for nominal charge
  - Considered to be of token value
- Allow patients to participate in supporting cost of service & may prevent inappropriate utilization but is it required? - No

## Sliding Fee Discount Schedule

- **Nominal charges**
  - Nominal from the perspective of the patient
    - How is this determined?
      - Input from patient focus groups?
      - Patient surveys?
      - CHC patients on Board of Directors?
      - Review of Medicare & Medicaid co-payments??
      - Analysis of HC utilization and average payment
  - Can not be more than the fee paid by a patient in the 1<sup>st</sup> SFDS pay class above 100% of FPG
    - Challenges with percentage-based fee schedules?

# Sliding Fee Discount Policy Considerations

- Utilization Analysis – Reducing financial barriers

## Utilization - patients

|             | Slide A | Slide B | Slide C | Slide D | Full Fee | Total |
|-------------|---------|---------|---------|---------|----------|-------|
| Preventive  | 188     | 193     | 198     | 203     | 19       | 799   |
| Restorative | 63      | 68      | 73      | 78      | 8        | 288   |
|             | 250     | 260     | 270     | 280     | 26       | 1,086 |

## Utilization - visits (total)

|             | Slide A | Slide B | Slide C | Slide D | Full Fee | Full Fee |
|-------------|---------|---------|---------|---------|----------|----------|
| Preventive  | 750     | 755     | 760     | 765     | 75       | 3,105    |
| Restorative | 250     | 255     | 260     | 265     | 30       | 1,060    |
|             | 1,000   | 1,010   | 1,020   | 1,030   | 105      | 4,165    |

## Average Required Payment per Sliding Fee Discount Schedule (fixed fee example)

|             | Slide A | Slide B | Slide C | Slide D | Full Fee |
|-------------|---------|---------|---------|---------|----------|
| Preventive  | 20      | 25      | 30      | 35      | 75       |
| Restorative | 50      | 55      | 60      | 65      | 350      |

## Average Required Payment per Sliding Fee Discount Schedule (% based example)

|             | Slide A | Slide B - 30 % | Slide C - 40% | Slide D - 50% | Full Fee |
|-------------|---------|----------------|---------------|---------------|----------|
| Preventive  | 20      | 23             | 30            | 38            | 75       |
| Restorative | 50      | 105            | 140           | 175           | 350      |

## Sliding Fee Discount Schedule

- No discounts for families over 200%
- Unless...
  - Health center has access to other funding sources & can allocate charges to this other funding source (Federal, state, local, etc.?)
    - Local charities & churches
    - Ryan White
    - BCCS (in some states)
    - Title X
  - Health center must comply with terms of grantors when using these types of funding sources

## Sliding Fee Discount Schedule

- **Patients with Third-Party Coverage**

- Underinsured individuals may not pay more than uninsured patients in same income category
  - SFDS charge is the maximum amount an eligible patient in pay class is required to pay for service
    - SFDS is applicable to patient fees not covered by third- party payers, *i.e.*, co-insurance, co-payments & deductibles
  - Documentation required if SFD's are limited due to applicable Federal & state laws related Medicare & Medicaid and/or terms & conditions of private payer contracts
  - Is there contract language with commercial/Medicare Advantage payors that permits collecting lesser of what patient owes per insurance or SFDS?

## Sliding Fee Discount Schedule

- **Medicaid Managed Care considerations**
  - Health center can provide assistance to re-assign or re-enroll patient to the health center
  - Health center must then assess for income & family size
    - Can you deny services for patients who do not wish to re-assign?
    - Can health centers require any patient to apply for any insurance program?
      - No, health center must serve patient & charge patient in accordance with Sliding Fee Discount Schedule



## Sliding Fee Discount Schedule

- **Multiple SFDS for service categories**
  - Must be based on service areas (medical or dental) or distinct subcategories of service types (preventive or restorative dental) and / or service delivery methods (directly by HC or via formal written contract) and no other factors
    - Homelessness?
    - SBHC?
- **Health centers must ensure written referral arrangements address SFDS & monitor relationships - What are criteria?**
  - Same Sliding Fee Discount Schedule required?
  - Under 100% - Full discount, between 100 – 200% - equal or greater discount

## Sliding Fee Discount Schedule

- Supplies & services “incident to” service (supplies for cast when setting bone)
  - Single fee should be charged for service inclusive of associated supplies/materials
- Related charges “not incident to” service (eyeglasses, dentures, pharmaceuticals)
  - Not required to apply SFDS but should be noted on SFD schedule
  - Pharmaceutical dispensing fee?

## Sliding Fee Discount Schedule

- Health center staff may not independently waive charges for a patient
  - Provisions for waiving charges that identify circumstances with specific criteria for when charges will be waived must be board approved & identify staff with authority
  - Inability to pay vs. refusal to pay – should be defined in HC Policy
  - Waiver Criteria (when patients have inability to pay)
    - Loss of job
    - Loss of home
    - Death of spouse
    - Others
- Policies must be applied to all patients equally

## Sliding Fee Discount Schedule

- Policies should be applied consistently & uniformly to all patients
  - Grace periods or self declaration
  - Emergency fees or discounts/waivers
  - Temporary eligibility – insurance coverage waiting periods
  - Frequency of re-evaluation of patient eligibility

## Sliding Fee Discount Schedule

- How frequently should a health center update the
  - Sliding Fee discount program
    - Analyze at least every three years from the perspective of the patient & reducing financial barriers to care
      - Patient Surveys? Discussions with consumer board members?
  - SFD Schedule
    - Annually with FPG Updates
      - Needs to be board approved
  - Patient Eligibility: At least annually
    - Processes for new & existing patients can be different

## Sliding Fee Discount Schedule – Hot Topics

- Labs, x-rays and dispensation of pharmaceuticals...
- Dentures and other supplies ...
- Dental services and fixed fee under 100%
- Telehealth Services
- All services must be made available on a slide
  - What services is your Health Center treating differently?



# Questions?



# Thank you!

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