

**Informational Session**  
**Policy Information Notice 2014-02:**  
**Sliding Fee Discount and Related**  
**Billing and Collections Program**  
**Requirements**  
**October, 2014**

**Bureau of Primary Health Care**  
**Health Resources and Services Administration**  
**Department of Health and Human Services**



# Agenda

- Overview of PIN
- Effective Date
- Next Steps
- Additional Questions



# PIN 2014-02: Sliding Fee Discount and Related Billing and Collection Program Requirements

- This PIN is the primary HRSA policy source for information on the sliding fee discount program and related billing and collections requirements for all health centers.
- The PIN does contain new elements. However, the bulk clarifies the amount of flexibility that health centers have in meeting these requirements
- You are encouraged to read the entire PIN.



# Section I: Purpose

- To provide clarification on Health Center Program sliding fee discount program requirements:
  - a fee schedule
  - a corresponding schedule of discounts for eligible patients that is adjusted based on the patient's ability to pay (sliding fee discount schedule (SFDS));
  - governing board-approved policies and the organization's supporting operating procedures, including those around billing and collections.



# Section II: Applicability

- This PIN applies to all health centers (Health Center Program grantees and look-alikes) and subrecipients
- This PIN supersedes all other previous Health Center Program guidance and policy issued on these requirements.
- This policy does not supersede billing requirements resulting from FQHC status.



# Section III: Background

- This section assists the reader in understanding the link between the statutory language and the requirements discussed in the PIN.
- The intent of the sliding fee discount program is to minimize financial barriers to care for patients at or below 200 percent of the FPG.



# Section IV: General Requirements

- This section provides a brief, general overview of the sliding fee discount program requirements.
- Each requirement is described in more depth in the PIN.



# Section V: Governing Board Oversight

- Outlines the governing board's responsibilities in setting policies that form the foundation of supporting operating procedures.
- The Board is responsible for reviewing evaluations of the sliding fee discount program and updating policies or directing the CEO as appropriate.
- PIN clarifies the areas that must be addressed in the health center's sliding fee policies and supporting operating procedures.



# Section VI: Fee Schedule

- The fee schedule must be based on reasonable costs and locally prevailing charges.
- The fee schedule must include all in-scope services, and is used as the basis for seeking payment from all patients as well as third party payors.



# Section VII: Sliding Fee Discount Schedule

- The SFDS must be applied uniformly all patients, and to all services within the approved scope of project.
- Patient eligibility for the SFDS is based on income and family size, as defined by the Board.
- The SFDS must discount the amount on the fee schedule for patients at or below 200% of the FPG with patients at or below 100% of the FPG receiving a full discount (or a nominal charge).
- The SFDS must have at least three discount pay classes above 100% and at or below 200% of the FPG.



# Section VII: Sliding Fee Discount Schedule (continued)

Example: A SFDS with discount pay classes of:

Class A: 100% FPG and below

Class B: 101 to 125% FPG

Class C: 126% to 150% FPG

Class D: 151% to 175% FPG

Class E: 176% to 200% FPG

Class F: Above 200% FPG

Has four pay classes above 100% of FPG and at or below 200% FPG.



# Section VII: Sliding Fee Discount Schedule (continued)

- Clarifies that health centers are permitted to have multiple SFDS, but each of them must meet the SFDS criteria in the PIN.
- In some circumstances, health centers are permitted to charge patients based on different structure for discounting for supplies and equipment (e.g., eyeglasses, prescription drugs, dentures) from a third party that are considered related to, but not included in, the service as part of prevailing standards of care.
- As long as this is not precluded by contract terms, the charge for each SFDS pay class is the maximum amount an eligible patient in that pay class is required to pay for a certain service, regardless of insurance status.



# Section VII: Sliding Fee Discount Schedule (continued)

## Example

*John Doe* is insured AND is at 150% FPG

Fee Schedule Fee for Service A = \$80

*John Doe's* insurance plan for Service A = \$60

Health Centers SFDS for Service A for patients at 150% FPG = 50% discount of \$80, or \$40.

Rather than the \$60 co-pay, the health center would charge *John Doe* no more than \$40 out-of-pocket, consistent with its SFDS, as long as this is not precluded by the insurance contract terms.



# Section VIII: Billing and Collections

- Health centers must participate in Medicaid and CHIP and make every reasonable effort to collect from Medicare, Medicaid, CHIP, other public assistance programs, and private third party payors used by their patients.
- Health centers must educate patients on options available to them based on their eligibility for insurance and/or related third party payors.



# Section VIII: Billing and Collections (continued)

- Health centers must make reasonable efforts to collect from patients, while ensuring that no patient is denied services based on inability to pay.
- Health centers must establish policies and supporting operating procedures for waiving charges for specific patient circumstances.



# Section VIII: Billing and Collections (continued)

- Health centers may accept negotiated fees and amounts from third party payors and health centers may determine which particular public and private insurance plan they participate in.
- Health centers may elect to offer billing incentives, which must be offered to all patients regardless of SFDS pay class.
- Health centers may elect to establish “refusal to pay” policies, but must establish supporting operating procedures.



# Section VIII: Billing and Collections (continued)

- If a health center elects to have refusal to pay policies/supporting operating procedures they must establish:
  - what constitutes refusal to pay
  - what individual circumstances are to be considered in making such determinations
  - what collection efforts/enforcement steps are to be taken (such as grace periods, payment plans, meetings with financial counselors).
- Health centers are allowed to discharge the patient from normal practice as an action of last resort.



# Next Steps

- The PIN was issued on September 22, 2014, and is currently effective.
- HRSA will oversee compliance with the PIN and work within the Progressive Action process described in PAL 2014-08.
- Health centers should contact their Project Officer with any questions.



# Next Steps

- BPHC will review currently placed conditions related to requirements clarified in the PIN.
- BPHC will update the site visit guide, post it to the BPHC web site, and announce in the BPHC Primary Care Digest.
- BPHC will train both internal BPHC staff and consultants on the PIN.



# Next Steps

- Frequently asked questions (FAQs) related to sliding fee requirements and Health Center Outreach and Enrollment Assistance are available at:

<http://bphc.hrsa.gov/outreachandenrollment/index.html>

- More extensive FAQs will be posted on the BPHC website, and will be announced in the BPHC Primary Care Digest.



# Additional Questions?

- Health centers should direct questions related to their individual circumstances to their BPHC Project Officer.
- General policy questions (typically from the general public or external parties) may be directed to [BPHCPolicy@hrsa.gov](mailto:BPHCPolicy@hrsa.gov).

