

MULTICARE COMMUNITY SERVICES INC

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Sliding Fee Discount Program Information Package

MultiCare Community Services Inc is adhering for it's policy to implement for The Agency for HealthCare Administration in Florida the mission of the National Health Service Corps (NHSC) is to expand primary health care to those who need it most. In order to meet that mission, NHSC supports clinical sites that provide comprehensive medical, dental, and/or behavioral health care to all regardless of ability to pay. The NHSC statute mandates that NHSC-approved sites "not deny requested health care services and shall not discriminate in the provision of services to an individual... because the individual is unable to pay for the services." It stipulates, "the entity shall prepare a schedule of discounts (including, in appropriate cases, waivers) to be applied to the payment of such fees or payments. In preparing the schedule, the entity shall adjust the discounts on the basis of a patient's ability to pay." (42 U.S.C. § 254g)

To comply with these requirements, NHSC-approved sites must implement a Sliding Fee Discount Program, which ensures that patients have access to all primary care services regardless of their ability to pay. Specifically, the Sliding Fee Discount Program must include establishing the following: (1) a schedule of fees for services; (2) a corresponding schedule of discounts for eligible patients based on the patient's ability to pay; and (3) policies and operating procedures, including those around applying for the discount program.

While the Sliding Fee Discount Program supports the concept that patients can be monetarily invested in their care based on their ability to pay, its implementation is intended to minimize financial barriers to care for patients at or below 200 percent of the current Federal Poverty Guidelines (FPG). ¹Therefore, neither the fees themselves nor the supporting operating procedures for assessing patient eligibility and collecting payment should create barriers to care.

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¹ The Federal Poverty Guidelines, includes the income thresholds used by the U.S. Census Bureau to estimate the number of people living in poverty. The thresholds are annual income levels below which a person or family is considered to be living in poverty. The income threshold increases by a constant amount for each additional family member.

GENERAL REQUIREMENTS

NHSC-approved sites must offer a Sliding Fee Discount Program and apply a sliding fee schedule (SFS) so that the amount owed for services by eligible patients are adjusted based on the patient's ability to pay. All Sliding Fee Discount Programs must include the following elements:

- Applicable to all individuals and families with annual incomes at or below 200 percent of the most current FPG;
- Provide a full discount for individuals and families with annual incomes at or below 100 percent of the FPG, with allowance for a nominal charge only, consistent with site's policy; and
- Adjust fees (partial sliding fee discount) based on family size and income for individuals and families with incomes above 100 percent and at or below 200 percent of the FPG.

In order to facilitate patient access and utilization, NHSC- approved sites must ensure that:

- a) patients are made aware of the Sliding Fee Discount Program; and
- b) eligibility for discounts is based on income and family size and no other factors (e.g., assets, insurance status, participation in the Health Insurance Marketplace, citizenship, population type).

NHSC-approved sites must establish multiple methods of informing patients of the Sliding Fee Discount Program including prominently displaying notices about the discount program in common areas and on the site's website (if one exists). In addition, information about the Sliding Fee Discount Program must be available in appropriate languages and literacy levels for patient population served.

Sites interested in applying to the NHSC should have a Sliding Fee Discount Program in place for at least six (6) continuous months prior to applying to become an NHSC-approved site.

Exceptions:

Free clinics, correctional facilities, and Indian Health Service, Tribal, and Urban Indian sites are EXEMPT from submitting certain required documents, including the SFS documents and required signage, due to their inability to bill and charge for services. However, the site needs to provide the NHSC with documentation that no one is charged or billed for services, and individuals are not denied health services because of inability to pay.

SLIDING FEE DISCOUNT PROGRAM POLICY

NHSC-approved sites must develop policies around the SFS. These policies form the foundation for operating procedures.

The policies ensure that the sliding fee discount program is patient-centered, improves access to care, and assures that no patient will be denied health care services due to an inability to pay.

NHSC-approved sites must submit the following Sliding Fee Discount documentation at time of application, recertification and site visit:

- 1. Sliding Fee Discount Program Policy**
- 2. Sliding Fee Schedule**
- 3. Patient Application for the Sliding Fee Discount Program**
- 4. Posted Signage Notifying Patients about the Sliding Fee Discount Program**

(Although not required, uploading a copy of the site's schedule of fees or payments for basic services will assist the review team in processing the site application.)

Day-to-day direction and management responsibility for implementing the Sliding Fee Discount Program operating procedures rests with the site's NHSC Point of Contact under the direction of site administrators. Sites must periodically review evaluations of these operating procedures and assess their effectiveness in reducing barriers to care and their appropriateness for the site and its community. This review includes, as appropriate, taking follow-up action to update policies and/or directing the site administrators to update operating procedures. In addition, NHSC-approved sites should routinely provide staff training on implementation of Sliding Fee Discount Program policies and operating procedures.

All aspects of an NHSC-approved site's Sliding Fee Discount Program must be based on written policies, applied uniformly to all patients, and supported by operating procedures. At a minimum, the following areas must be addressed in the policy:

1. Patient eligibility for the Sliding Fee Discount Program, including definitions of income and family size (including what/who is included or excluded) and frequency of re-evaluation of patient eligibility;
2. Documentation and verification requirements to determine patient eligibility;
3. How the Sliding Fee Discount Program will be advertised to the patient population;
4. If the site chooses to collect a nominal charge for those at or below 100% Federal Poverty Level, an explanation of the nominal charge and policies concerning establishing and collecting nominal charges; and
5. If any patient using the Sliding Fee Discount Program will be sent to collections for outstanding debt, the site must submit a description of their collection policies.

The site has discretion regarding certain additional aspects of the Sliding Fee Discount Program. If an NHSC-approved site elects to include the following, then the items must be addressed in policies and supporting operating procedures:

- Alternative mechanisms for determining patient eligibility for the SFS for circumstances in which documentation/verification is unavailable (e.g., self-declaration, conditional SFS eligibility) and for making these mechanisms available to the entire patient population, regardless of income level, sliding fee discount pay class, or population type;
- Use of different SFS for medical, dental, and behavioral health services, if applicable, with appropriate justification(s);
- Billing and collections;
- Applicability of SFS or other discounts relative to supplies and equipment associated with services covered by the SFS (e.g., dentures or durable medical equipment);
- Provisions for waiving fee(s) and nominal charges for specific patient circumstances; and/or
- Other provisions related to billing and collections including payment incentives, grace periods, payment plans, or refusal to pay guidelines.

NHSC-approved sites must make reasonable efforts to secure payment in accordance with the schedule of fees or schedule of discounts from patients and/or any other third party for services rendered.

However, in balancing the statutory requirement of ensuring that no patient is denied services based on inability to pay, the applicable definition of “reasonable” effort may vary depending on elements unique to the individual NHSC-approved site, such as the target population. The act of billing and collecting from patients should be conducted in an efficient, respectful, and culturally appropriate manner, ensuring that procedures do not present a barrier to care and patient privacy and confidentiality are protected throughout the process.

Provisions for Waiving Charges

The provision for waiving charges must be consistently made available to qualified patients. Therefore, NHSC-approved sites are encouraged to establish policies and supporting operating procedures that identify circumstances with specified criteria for waiving charges. These procedures should also identify specific staff with the authority to approve the waiving of charges.

Payment Incentives

NHSC-approved sites may elect to offer incentives through billing and collections policies. Such incentives are often referred to as “prompt payment, cash payment incentives, or lines of credit” to patients who pay with cash, credit and/or who pay their bills within a specific, expedited timeframe as a method of increasing collections and reducing billing costs. NHSC-approved sites should thoroughly research the potential consequences of implementing prompt payment/cash payment incentives for patients and conduct cost-benefit

analyses in determining the amount of the payment incentive. The operating procedures that support such a policy must ensure that these incentives are accessible to all patients, regardless of income level or sliding fee discount pay class, and consistently applied without preferential treatment of any kind. In addition, sites must have a mechanism for communicating the availability of these incentives to all of their patients.

Refusal to Pay

There may be instances when patients refuse to pay the amount, they owe the NHSC-approved site. If the site elects to establish policies to address these instances, including discharging patients from the site, they must establish supporting operating procedures that define:

- What constitutes "refusal to pay";
- What individual circumstances are to be considered in making such determinations; and
- What collection efforts/enforcement steps are to be taken when these situations occur (e.g., offering grace periods, establishing payment plans, meetings with a financial counselor).

SLIDING FEE SCHEDULE (SFS)

Sites must use a schedule of fees or payments for services that is consistent with locally prevailing rates or charges and designed to cover the site's reasonable costs of operation. Once the site has established its fee schedule, it must establish a corresponding SFS based on a patient's ability to pay. All primary care services must be provided on an SFS and without regard to the patient's ability to pay.

The SFS is established and implemented to ensure that uniform and reasonable fees and discounts are consistently and appropriately applied to all eligible patients. While the fee schedule is designed to cover reasonable costs for providing services, the purpose of the SFS is to address financial barriers to care. Therefore, the SFS enables the provision of services to individuals consistent with their ability to pay for such services. Once established, the SFS must be revised annually, at a minimum, to reflect annual updates to the Federal Poverty Guidelines.

Consistent with NHSC regulations, eligibility for the SFS is based on a patient's annual income and family size under the U.S. Department of Health and Human Services' (HHS) annual Federal Poverty Guidelines.

The NHSC-approved site must define in policy, consistent with any federal, state, or local laws and requirements, its definitions of "family" and "income." Sites may

consider accessing or adapting definitions and documentation from other sources for their use.²

The unique characteristics of HPSA populations (e.g., low-income or homeless) and service areas (e.g., areas with high cost of living) must be considered in developing policies and supporting operating procedures to ensure that these elements do not become a barrier to care. Once established, these policies and supporting operating procedures must be applied uniformly across the patient population.

A. DETERMINING ELIGIBILITY FOR SLIDING FEE DISCOUNTS

NHSC-approved sites must have supporting processes/operating procedures in place for assessing income and household size for all patients, both for NHSC reporting purposes and to assist patients in determining whether they are eligible for sliding fee discounts.

It is important that the eligibility determination process be conducted in an efficient, respectful, and culturally appropriate manner to ensure that administrative operating procedures for such determinations do not themselves present a barrier to care. Patient privacy and confidentiality must be protected throughout the process.

Once assessed, a patient who meets the income guidelines would receive a sliding fee discount based on the SFS. The site's eligibility determination process must be documented, and its implementation periodically reviewed for compliance and effectiveness. In addition to adjusting the SFS based on annual updates to the Federal Poverty Guidelines, patient eligibility for the SFS should be renewed/reviewed at least once a year or upon the patient's next visit to the site.

NHSC- approved sites may establish and implement streamlined SFS patient eligibility renewal/review procedures that are separate from the initial sliding fee discount screening.

Some patients may choose not to provide information that the site requires for assessing income and family size, even after being informed that they may qualify for sliding fee discounts. If the site has followed its policies and supporting operating procedures and the patient declines to be considered for the SFS, the site may consider the patient ineligible for such discounts.

² The Census Bureau uses [a standard definition of income for computing poverty statistics based on the poverty thresholds](#) that sites may use. Sites may also want to consider definitions that are used by federal programs, such as those based on modified adjusted gross income (MAGI), as defined by the IRS.

B. SLIDING FEE SCHEDULE STRUCTURE

In accordance with its SFS policies, NHSC-approved sites are required to apply a discount to fees charged to patients who have been determined eligible for sliding fee discounts.

As noted previously, individuals and families with annual incomes at or below 100 percent of the Federal Poverty Guidelines must receive a full discount for services with allowance for a nominal charge only, consistent with individual health center policies.

All sites, including those that serve a large proportion of patients with incomes at or below 100 percent of the Federal Poverty Guidelines, must have policies and supporting operating procedures that ensure sliding fee discounts are applied uniformly to patients who qualify for such discounts based on incomes above 100 percent and at or below 200 percent of the Federal Poverty Guidelines.

As long as the complexity of its structure does not create a barrier to care, each site has discretion regarding how it structures the SFS, including the number of discount pay classes, and the types of discounts (percentage of fee or fixed/flat fee for each discount pay class) it offers. In addition to revising the SFS annually to reflect updates to the Federal Poverty Guidelines, the structure of the SFS should also be evaluated at least annually for its effectiveness in addressing financial barriers to care and updated, as appropriate.

C. ESTABLISHING AND COLLECTING NOMINAL CHARGES

Although sites must provide a full discount for individuals and families with annual incomes at or below 100 percent of the Federal Poverty Guidelines, program regulations permit sites to adopt a nominal charge for services for these patients. Electing to establish a nominal charge is at the discretion of the NHSC-approved site.

Depending on the site's patient population, applying a nominal charge may be an appropriate means for patients to invest in their care and to minimize the potential for inappropriate utilization of services.

Any NHSC-approved site that chooses to establish a nominal charge must ensure that patients are not impeded in accessing services due to an inability to pay. Specifically, a nominal charge must be a fixed fee that does not reflect the true value of the service(s) provided and is considered nominal from the perspective of the patient. As they are not intended to create a payment threshold for patients to receive care, nominal charges are not "minimum fees," "minimum charges," or "co-pays." In addition, the nominal charge must be less than the fee paid by a patient in the first "sliding fee discount pay class" beginning above 100 percent of the Federal Poverty Guidelines.

D. PATIENTS WITH THIRD PARTY COVERAGE WHO ARE ELIGIBLE FOR SFS

NHSC-approved sites may serve patients with third party insurance that does not cover or only partially covers fees for certain health center services. These patients may also be eligible for the SFS based on income and family size. In such cases,

subject to potential legal and contractual limitations, the charge for each SFS 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.

Example: John Doe, an insured patient, receives a service for which the site has established a fee of \$80, per its fee schedule. Based on John Doe's insurance plan, the co-pay would be \$60 for this service. The health center has also determined, through an assessment of income and family size, that he is at 150 percent of the Federal Poverty Guidelines and thus qualifies for the site's SFS.

Under the SFS, a patient at 150 percent of the Federal Poverty Guidelines would receive a 50 percent discount off the \$80 fee, resulting in a charge of \$40 for this service. Rather than the \$60 co-pay, the site would charge John Doe no more than \$40 out-of-pocket, consistent with its SFS, as long as this is not precluded by the insurance contract terms.

As NHSC-approved sites are responsible for ensuring adherence to applicable laws and regulations and for following the terms and conditions of their contracts, they may wish to consult with their third party payors and/or private legal counsel regarding the permissibility of discounting patients' out-of-pocket costs relative to the terms and conditions of private payor contracts.

The Medicare law requires clinicians to charge Medicare beneficiaries the same as they charge other patients. Waiving or discounting the Medicare co-pay on an ad-hoc or case-by-case basis is not allowed. Medicare will, however, accept a sliding fee discount schedule if appropriately designed and implemented. The key is to establish a discount policy that is uniformly applied to all patients based upon ability to pay. As long as the discount policy is uniformly applied to all patients, all the time, it is acceptable to discount deductibles and co-payments for Medicare beneficiaries if they qualify under the discount policy established by the clinic.

E. MULTIPLE SLIDING FEE SCHEDULES

As discussed previously, sliding fee discounts must apply to all primary care services, regardless of the service type or mode of delivery (direct, by contract, or by formal referral agreement). NHSC-approved sites may elect to have multiple SFS based on services/mode of delivery.

Each SFS must meet all of the following criteria:

- It must conform to the specific structural requirements outlined in this Information Package.
- In cases where the NHSC-approved site has elected to establish a nominal charge for patients at or below 100 percent of the Federal Poverty Guidelines, this charge meets the criteria for a nominal charge.
- Patient access and uniform implementation have been taken into consideration in developing each SFS.
- The site has a plan for routinely evaluating each SFS and ensuring that it does not create a barrier to care.

For primary care services that the NHSC-approved site provides only via a formal written referral arrangement, the site is responsible for ensuring that the referral provider's discounts for the NHSC- approved site's patients meet the criteria above.

A site may enter into a formal written referral arrangement that results in greater discounts to patients than they would receive under the NHSC- approved site's SFS policy if it were applied to the referral provider's fee schedule, as long as:

- All NHSC-approved site patients at or below 200 percent of the Federal Poverty Guidelines receive a greater discount for these services than if the NHSC site's SFS were applied to the referral provider's fee schedule; and
- Patients at or below 100 percent of the Federal Poverty Guidelines receive no charge or only a nominal charge for these services.

NHSC-approved sites must post notices on their website and at the front desk advertising the sliding fee discount program and stating that the practice serves all patients regardless of ability to pay.