

HRSA Program Requirements

Examining Requirement 7: Sliding Fee Discounts

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Community health centers, or Federally Qualified Health Centers (FQHCs), are non-profit private or public entities that serve designated medically underserved populations/areas or special medically underserved populations comprised of migrant and seasonal farmworkers, the homeless or residents of public housing. Awarded funding from the Health Resources and Services Administration (HRSA), these health centers must operate within 19 HRSA Program Requirements.

As the demand placed on FQHCs becomes more stringent, through Meaningful Use and Health Care Reform, a summary of these 19 health center program requirements will continued to be examined in *IPHCA HealthSource™*. The 19 program requirements fall into one of four categories: Need, Services, Management and Finance, and Governance.

Each article will provide an in-depth look at one requirement to assist health center leaders in understanding these program requirements and preparing for compliance in future HRSA site visits. HRSA Program Requirement 7 falls into the “Services” category.

Program Requirement 7: Sliding Fee Discounts

According to the *HRSA Health Center Program Requirements*, Program Requirement 7 states:

"Health center has a system in place to determine eligibility for patient discounts adjusted on the basis of the patient's ability to pay."

- This system must provide a full discount to individuals and families with annual incomes at or below 100% of the Federal poverty guidelines (only nominal fees may be charged) and for those with incomes between 100% and 200% of poverty, fees must be charged in accordance with a sliding discount policy based on family size and income.*
- No discounts may be provided to patients with incomes over 200 % of the Federal poverty guidelines.*
- No patient will be denied health care services due to an individual's inability to pay for such services by the health center, assuring that any fees or payments required by the center for such services will be reduced or waived.

Sliding Fee Discounts

- Individuals at or below 100% FPL must receive a full discount on fees for services, however a nominal fee may be charged.
- The fee schedule must slide/provide varying discount levels on charges to individuals between 101% and 200% of the FPL.
- There must be no discount for patients above 200% FPL.
- The fee schedule must be based on the most recent Federal Poverty Level/Guidelines, available at <http://aspe.hhs.gov/poverty/> and must be updated annually.
- Patients must be notified/made aware of the availability of the sliding fee discounts.

Performance Improvement

Prompting questions for performance improvement discussions:

Health center must assure that no patient will be denied services due to their inability to pay for such services.

- Are all health center patients provided services regardless of ability to pay?
- Does the health center have an established sliding fee discount schedule(s)?
- Are there signs in the lobby and at the front desk or other mechanisms for communicating the availability of the sliding fee discount schedule for eligible low-income patients?

Health center has a system in place to determine eligibility for patient discounts adjusted on the basis of the patient's ability to pay. Under this system:

- Does the health center's schedule of fees and corresponding sliding fee discount schedule(s) cover the cost of all services (i.e., medical, dental, mental health, etc.) within the approved scope of project?
- Is the sliding fee discount schedule(s) based on a schedule of fees or payments that is consistent with locally prevailing rates or charges and designed to cover the reasonable costs of operation?
- Does the health center have written board approved policies and implementing procedures that support the sliding fee discount schedule program and which assure that it is applied equally to all eligible patients?
- Is the sliding fee discount schedule based on the most recent Federal Poverty Guidelines?

Are the following items available in languages and/or literacy levels appropriate to the patient population?

- Signs in the lobby and the cashier's desk announcing the availability of discounts?
- Description of the how the sliding fee discount schedule (SFDS) works?
- Are all patients evaluated during registration to determine eligibility for insurance and/or related third party coverage and assisted with applying for such coverage, as appropriate, prior to and/or as part of determining their eligibility for the sliding fee discount?
- If the health center charges a nominal fee to individuals below 100% of poverty, is the fee reasonable and aligned with program goals?
- Is the health center's schedule of fees/payments and corresponding SFDS and any nominal fees, reviewed and updated on an annual or other regular basis as appropriate? Note that at minimum, the SFDS must be revised annually to reflect annual updates to the Federal Poverty Guidelines.
- To apply for the SFDS, the patients are required to complete an application form that:
 - Requests their name?
 - Reflects or requires documentation of family size?

Lists all forms of income as defined in the related board approved SFDS policy(ies)?

- Includes a statement about the consequences of providing false information?
- Requires the patient's signature?
- Requires a staff person's verification and signature?
- If the grantee serves a substantial number of patients with limited English proficiency or low literacy levels, is the SFDS form explained verbally and/or in the appropriate language?

- If the health center serves special populations with unique characteristics and needs (e.g., homeless, migrant/seasonal farmworkers) are eligibility and documentation requirements appropriate for these populations?
- For services the health center provides via a formal written referral arrangement where the health center does not pay (i.e., Form 5A, Column III), does the agreement between the health center and the referral provider include conditions which require that the service is available to all health center patients regardless of their ability to pay and offered on a SFDS? Is the health center afforded an opportunity to review the outside provider's sliding fee discount schedule?
- Does the center provide medically related supplies or equipment (e.g., dentures, durable medical equipment, etc.) that are directly tied to the provision of a particular health center service, but are not typically included within the service charge, on some type of sliding fee discount schedule?
- Does the health center utilize more than two or three separate sliding fee discount schedules (e.g., primary care, dental, behavioral health)? If so, are these multiple SFDSs routinely evaluated to ensure that they do not inadvertently create a barrier to care?
- Are billing and collections for amounts owed based on the sliding fee discount schedule, conducted in an efficient, respectful and culturally appropriate manner to assure that administrative procedures do not themselves present a barrier to care, and that patient privacy and confidentiality is protected throughout the process?

References

- "Program Requirements." Health Resources and Services Administration website. Retrieved January 29, 2013, from <http://bphc.hrsa.gov/about/requirements/index.html>.
- Health Center Site Visit Guide*. Health Resources and Services Administration website. Retrieved January 28, 2013, from <http://bphc.hrsa.gov/policiesregulations/centerguide.html>.