

DISCOUNTED/SLIDING FEE SCHEDULE

Information Package

March 2008

Introduction

Safety-net providers are eligible to apply for technical 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 outpatient care to underserved populations. 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:

- Frequently Asked Questions about Discounted/Sliding Fee Schedules and the 2008 Department of Health and Human Services (HHS) Poverty Guidelines;
- Examples of Discounted/Sliding Fee Schedules for the lower 48 contiguous states, Alaska and Hawaii;
- Examples of Discounted/Sliding Fee Schedule Policies, Applications and Signage notifying patients about them.

FREQUENTLY ASKED QUESTIONS ABOUT DISCOUNTED/SLIDING FEE SCHEDULES

What is a discounted/sliding fee schedule?

Discounted/sliding fee schedules are a means of addressing the need for equitable charges for services rendered to patients. A discounted/sliding fee schedule is developed according to local fee standards and must be in writing. Discounted/sliding fees are based upon federal poverty guidelines, and 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. For patients whose household 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 direct patient charges. Billing for third party coverage (Medicare, Medicaid, SCHIP or private insurance carriers) 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 or challenge by federal reviewers during routine reviews by duly authorized federal staff or their state counterparts.

Which patients are covered by a discounted/sliding fee schedule?

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

How do we develop a discounted/sliding fee schedule?

When developing a discounted/sliding fee schedule, each safety-net provider should take the following into consideration:

- The discounted/sliding scale fee schedule must be in writing and non-discriminatory;
- The discounted/sliding scale fee schedule must be non-discriminatory;
- No patient should be denied services due to an inability to pay;
- Signage is posted to ensure that patients are aware that a discounted/sliding scale fee schedule is available to them;
- Patients must complete a written application to determine financial eligibility for the discounted/sliding scale fees;
- Every patient's privacy is protected;
- Records are kept to account for each visit and the charges incurred (if any);
- Patients below poverty are charged a nominal fee or not charged at all;
- Clinical practice sites may establish any number of incremental percentages (discount pay classes) as they find appropriate between 100-200% of poverty;
- Patients above 200% of poverty may be charged full fees for services, OR clinical practice sites may continue to charge incremental percentages for services 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. Eligibility also may be based on current participation in certain federal/state public assistance programs, including:

- Social Security Disability Income (SSDI);
- Temporary Assistance for Needy Families (TANF);
- 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 used, it must be uniformly and evenly applied, without discrimination of any kind.

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.

What are the federal poverty guidelines?

The poverty guidelines are a version of the income thresholds used by the Census Bureau to estimate the number of people living in poverty. The thresholds are annual income levels below which a person or family members are considered to be living 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, which 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/>.

2008 HHS Poverty Guidelines

Number of Persons in Family or Household	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$10,400	\$13,000	\$11,960
2	14,000	17,500	16,100
3	17,600	22,000	20,240
4	21,200	26,500	24,380
5	24,800	31,000	28,520
6	28,400	35,500	32,660
7	32,000	40,000	36,800
8	35,600	44,500	40,940
For each additional person, add	3,600	4,500	4,140

Source: *Federal Register*, Vol. 73, No. 15, January 23, 2008, pp. 3971–3972

Why are the poverty guidelines (and fee schedules) different for Alaska and Hawaii?

The differences are due to the administrative practices of the Office of Economic Opportunity beginning in the 1966-1970 period. See Frequently Asked Questions Related to the Poverty Guidelines and Poverty, <http://aspe.hhs.gov/poverty/faq.shtml#differences>

**Sample Schedules of Income Thresholds
Based upon 2008 Federal Poverty Guidelines**

Sources: *Federal Register*, Vol. 73, No. 15, January 23, 2008, pp. 3971–3972.
The Poverty Guidelines are posted online at: <http://aspe.hhs.gov/poverty/08poverty.shtml>

**SIX Discounted/Sliding Fee Pay Classes
for Use in the 48 Contiguous States
Annual Basis**

Annual Income Thresholds by Sliding Fee Discount Pay Class and Percent of Poverty						
Family Unit Size	Minimum Fee	20% pay	40% pay	60% pay	80% pay	100% pay
Poverty	100%	125%	150%	175%	200%	> 200%
1	\$10,400	13,000	15,600	18,200	20,800	20,801
2	14,000	17,500	21,000	24,500	28,000	28,001
3	17,600	22,000	26,400	30,800	35,200	35,201
4	21,200	26,500	31,800	37,100	42,400	42,401
5	24,800	31,000	37,200	43,400	49,600	49,601
6	28,400	35,500	42,600	49,700	56,800	56,801
7	32,000	40,000	48,000	56,000	64,000	64,001
8	35,600	44,500	53,400	62,300	71,200	71,201

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

Notes: The income ceiling for the minimum fee pay class is equal to the federal poverty level.
The 2008 federal poverty guideline increases by \$3,600 for each family member. For example, a family of nine at 100% of poverty is \$39,200, a family of ten is \$42,800 etc.

Monthly Basis

Monthly Income Thresholds by Sliding Fee Discount Pay Class and Percent 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	867	1,083	1,300	1,517	1,733	1,734
2	1,167	1,458	1,750	2,042	2,333	2,334
3	1,467	1,833	2,200	2,567	2,933	2,934
4	1,767	2,208	2,650	3,092	3,533	3,534
5	2,067	2,583	3,100	3,617	4,133	4,134
6	2,367	2,958	3,550	4,142	4,733	4,734
7	2,667	3,333	4,000	4,667	5,333	5,334
8	2,967	3,708	4,450	5,192	5,933	5,934

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

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

**FIVE Discounted/Sliding Fee Pay Classes
for Use in the 48 Contiguous States**

Annual Basis

Annual Income Thresholds by Sliding Fee Discount Pay Class and Percent of Poverty					
Family Unit Size	Minimum Fee	25% pay	50% pay	75% pay	100% pay
Poverty	100%	133%	166%	200%	201%
1	10,400	13,832	17,264	20,800	20,801
2	14,000	18,620	23,240	28,000	28,001
3	17,600	23,408	29,216	35,200	35,201
4	21,200	28,196	35,192	42,400	42,401
5	24,800	32,984	41,168	49,600	49,601
6	28,400	37,772	47,144	56,800	56,801
7	32,000	42,560	53,120	64,000	64,001
8	35,600	47,348	59,096	71,200	71,201

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

Notes: The 2008 federal poverty guideline increases by \$3,600 for each family member. For example, a family of nine at 100% of poverty is \$39,200, a family of ten is \$42,800 etc.

Monthly Basis

Monthly Income Thresholds by Sliding Fee Discount Pay Class and Percent of Poverty					
Family Unit Size	Minimum Fee	25% pay	50% pay	75% pay	100% pay
Poverty	100%	133%	166%	200%	201%
1	\$867	1,153	1,439	1,733	1,734
2	\$1,167	1,552	1,937	2,333	2,334
3	\$1,467	1,951	2,435	2,933	2,934
4	\$1,767	2,350	2,933	3,533	3,534
5	\$2,067	2,749	3,431	4,133	4,134
6	\$2,367	3,148	3,929	4,733	4,734
7	\$2,667	3,547	4,427	5,333	5,334
8	\$2,967	3,946	4,925	5,933	5,934

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

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

**Six Discounted/Sliding Fee Pay Classes
for Use in ALASKA**

Annual Basis

Annual Income Thresholds by Sliding Fee Discount Pay Class and Percent of Poverty						
Family Unit Size	Minimum Fee	20% pay	40% pay	60% pay	80% pay	100% pay
Poverty	100%	125%	150%	175%	200%	> 200%
1	\$13,000	16,250	19,500	22,750	26,000	26,001
2	17,500	21,875	26,250	30,625	35,000	35,001
3	22,000	27,500	33,000	38,500	44,000	44,001
4	26,500	33,125	39,750	46,375	53,000	53,001
5	31,000	38,750	46,500	54,250	62,000	62,001
6	35,500	44,375	53,250	62,125	71,000	71,001
7	40,000	50,000	60,000	70,000	80,000	80,001
8	44,500	55,625	66,750	77,875	89,000	89,001

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

Notes: The income ceiling for the minimum fee pay class is equal to the federal poverty level.
The 2008 federal poverty guideline increases by \$4,500 for each family member. For example, a family of nine at 100% of poverty is \$49,000, a family of ten is \$53,500 etc.

Monthly Basis

Monthly Income Thresholds by Sliding Fee Discount Pay Class and Percent 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	\$1,083	1,354	1,625	1,896	2,167	2,168
2	\$1,458	1,823	2,188	2,552	2,917	2,918
3	\$1,833	2,292	2,750	3,208	3,667	3,668
4	\$2,208	2,760	3,313	3,865	4,417	4,418
5	\$2,583	3,229	3,875	4,521	5,167	5,168
6	\$2,958	3,698	4,438	5,177	5,917	5,918
7	\$3,333	4,167	5,000	5,833	6,667	6,668
8	\$3,708	4,635	5,563	6,490	7,417	7,418

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

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

**FIVE Discounted/Sliding Fee Pay Classes
for Use in ALASKA**

Annual Basis

Annual Income Thresholds by Sliding Fee Discount Pay Class and Percent of Poverty					
Family Unit Size	Minimum Fee	25% pay	50% pay	75% pay	100% pay
Poverty	100%	133%	166%	200%	201%
1	\$13,000	17,290	21,580	26,000	26,001
2	17,500	23,275	29,050	35,000	35,001
3	22,000	29,260	36,520	44,000	44,001
4	26,500	35,245	43,990	53,000	53,001
5	31,000	41,230	51,460	62,000	62,001
6	35,500	47,215	58,930	71,000	71,001
7	40,000	53,200	66,400	80,000	80,001
8	44,500	59,185	73,870	89,000	89,001

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

Notes: The income ceiling for the minimum fee pay class is equal to the federal poverty level.
The 2008 federal poverty guideline increases by \$4,500 for each family member. For example, a family of nine at 100% of poverty is \$49,000, a family of ten is \$53,500 etc.

Monthly Basis

Monthly Income Thresholds by Sliding Fee Discount Pay Class and Percent of Poverty					
Family Unit Size	Minimum Fee	25% pay	50% pay	75% pay	100% pay
Poverty	100%	133%	166%	200%	201%
1	\$1,083	1,441	1,798	2,167	2,168
2	\$1,458	1,940	2,421	2,917	2,918
3	\$1,833	2,438	3,043	3,667	3,668
4	\$2,208	2,937	3,666	4,417	4,418
5	\$2,583	3,436	4,288	5,167	5,168
6	\$2,958	3,935	4,911	5,917	5,918
7	\$3,333	4,433	5,533	6,667	6,668
8	\$3,708	4,932	6,156	7,417	7,418

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

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

**Six Discounted/Sliding Fee Pay Classes
for Use in HAWAII**

Annual Basis

Annual Income Thresholds by Sliding Fee Discount Pay Class and Percent of Poverty						
Family Unit Size	Minimum Fee	20% pay	40% pay	60% pay	80% pay	100% pay
Poverty	100%	125%	150%	175%	200%	> 200%
1	\$11,960	14,950	17,940	20,930	23,920	23,921
2	16,100	20,125	24,150	28,175	32,200	32,201
3	20,240	25,300	30,360	35,420	40,480	40,481
4	24,380	30,475	36,570	42,665	48,760	48,761
5	28,520	35,650	42,780	49,910	57,040	57,041
6	32,660	40,825	48,990	57,155	65,320	65,321
7	36,800	46,000	55,200	64,400	73,600	73,601
8	40,940	51,175	61,410	71,645	81,880	81,881

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

Notes: The income ceiling for the minimum fee pay class is equal to the federal poverty level.
The 2008 federal poverty guideline increases by \$4,140 for each family member. For example, a family of nine at 100% of poverty is \$45,080, a family of ten is \$49,220 etc.

Monthly Basis

Monthly Income Thresholds by Sliding Fee Discount Pay Class and Percent 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	\$997	1,246	1,495	1,744	1,993	1,994
2	\$1,342	1,677	2,013	2,348	2,683	2,684
3	\$1,687	2,108	2,530	2,952	3,373	3,374
4	\$2,032	2,540	3,048	3,555	4,063	4,064
5	\$2,377	2,971	3,565	4,159	4,753	4,754
6	\$2,722	3,402	4,083	4,763	5,443	5,444
7	\$3,067	3,833	4,600	5,367	6,133	6,134
8	\$3,412	4,265	5,118	5,970	6,823	6,824

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

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

**FIVE Discounted/Sliding Fee Pay Classes
for Use in HAWAII**

Annual Basis

Annual Income Thresholds by Sliding Fee Discount Pay Class and Percent of Poverty					
Family Unit Size	Minimum Fee	25% pay	50% pay	75% pay	100% pay
Poverty	100%	133%	166%	200%	201%
1	\$11,960	15,907	19,854	23,920	23,921
2	16,100	21,413	26,726	32,200	32,201
3	20,240	26,919	33,598	40,480	40,481
4	24,380	32,425	40,471	48,760	48,761
5	28,520	37,932	47,343	57,040	57,041
6	32,660	43,438	54,216	65,320	65,321
7	36,800	48,944	61,088	73,600	73,601
8	40,940	54,450	67,960	81,880	81,881

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

Notes: The income ceiling for the minimum fee pay class is equal to the federal poverty level.
The 2008 federal poverty guideline increases by \$4,140 for each family member. For example, a family of nine at 100% of poverty is \$45,080, a family of ten is \$49,220 etc.

Monthly Basis

Monthly Income Thresholds by Sliding Fee Discount Pay Class and Percent of Poverty					
Family Unit Size	Minimum Fee	25% pay	50% pay	75% pay	100% pay
Poverty	100%	133%	166%	200%	201%
1	\$997	1,326	1,654	1,993	1,994
2	\$1,342	1,784	2,227	2,683	2,684
3	\$1,687	2,243	2,800	3,373	3,374
4	\$2,032	2,702	3,373	4,063	4,064
5	\$2,377	3,161	3,945	4,753	4,754
6	\$2,722	3,620	4,518	5,443	5,444
7	\$3,067	4,079	5,091	6,133	6,134
8	\$3,412	4,538	5,663	6,823	6,824

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 Healthcare Discount Fee Policy

Policy

It is the policy of ABC Healthcare to provide essential medical services regardless of the patient's ability to pay. Discounts are offered based 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.

**ABC HEALTHCARE CLINIC
Discounted/Sliding Fee Application**

It is the policy of ABC Healthcare, Inc., to provide essential services regardless of the patient's ability to pay. Discounts are offered based 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 this clinic, but not those services which are purchased from outside, including reference laboratory testing, drugs, x-ray interpretation by a consulting radiologist, and other such services. In the hope that your financial situation 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			
Dependent Children under age 18			
Total			

Note: Include 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, and public aid.

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 _____

**ABC HEALTHCARE CLINIC
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: _____

PUBLIC NOTICE SIGNAGE

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

Sample Discount Fee Policy Signs

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

* * *

AVISO PARA PACIENTES

**Los centros de salud ofrecen servicios de atención médica
primaria y preventiva, sin considerar la capacidad de los
pacientes para pagar.**

**Los cargos generados por servicios de salud son calculados
de acuerdo al nivel de ingreso del paciente.**

**Pacientes pueden aplicar para servicios médicos con la
recepcionista en la clínica.**

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.