

## MEMO

**To:** Maryland Community Health Resources Commission  
**From:** Laura Spicer  
**Date:** July 5, 2006  
**Re:** Sliding Fee Scales

This is an overview of research conducted on sliding fee scales and policies for ten organizations that span federal, state, and local levels. Miguel McInnis of the Mid-Atlantic Association of Community Health Centers and Salliann Alborn of Maryland Community Health Systems were contacted for the sliding fee protocol that their organizations use. The protocol of the Department of Health and Human Services and several local providers were also researched. In addition to these sources, several fee scales from the Department of Health and Mental Hygiene were also obtained.

### Sliding Fee Scale Summary

#### General Rules

- Discount must be offered to all patients who meet eligibility criteria
- Eligibility criteria must be developed from the Federal Poverty Guidelines, based on family size and income
- Sliding scale policy must be updated annually (As FPG is updated annually)
- Discounts apply to any amount due from patients
- Discounts need to be all inclusive, covering visits, procedures, etc.

#### Fee Scale

- Discounts to **all patients below 200% FPL**
- Patients between 101-200% FPL receive a discount
- Patients below 100% FPL receive a 100% discount, however most organizations require a nominal fee (Nominal fee varies, but \$10 seems to be the most common fee for medical services. Other organizations varied from \$2-\$20 for medical services. Only one fee chart for dental services was found, and the organization charged a \$40 minimum fee).
- Ryan White HIV patients are eligible for the sliding fee scale and an annual payment cap (cap is set at a % of patient's annual income)

#### Determining Eligibility for Discounts

- The collection of family size and income information from all patients must be a part of the usual registration process
- Patients who decline to offer this information are ineligible for a discount
- Grace periods are given to patients without the required documentation (A standard time frame for the grace period was not found, but several organizations allow patients 2 weeks and one allows 30 days).

- Discounts are granted to patients on their initial visit based on self-reporting (Documentation is not required)
- Discount application form is separate from registration form
- Discount application form is completed on initial registration and is updated at least once per year

### **Required Documentation for Discounts**

- Documentation is required for discounts after the initial visits
- **Proof of Income** (If Employed) One of the Following:
  - 1040
  - W2
  - 2 recent pay stubs
  - Written statement by employer
- **Proof of Income** (If Unemployed) One of the Following:
  - Public Assistance check stub/copy
  - Social Security check stub or letter of award
  - Certification Letter from Medical Assistance or Department of Social Services
  - Completed zero income form
  - Written statement from friend or relative with whom patient lives (if other forms not available)
  - Letter of reference from a 501 (c)(3) organization, such as a church (if other forms not available)
- **Proof of Address** One of the following:
  - Driver's license
  - MVA ID,
  - Any document (envelope) recently addressed to patient such as a utility bill
  - A written statement by relative or friend with whom patient lives
- **Proof of Address** (Immigrants) One of the Following:
  - Form 1551
  - Form 194

### **Recertifying Clients for Discount**

- Patients are re-certified at least once per year, some organizations require re-certification every 6 months

### **Postage of Discount Policy**

- Postage of discount policy in a visible location is generally required, such as at the cashier's desk, in the waiting room, or in the lobby.

### **Additional Features**

- Maryland CHC's are encouraged to develop handouts or brochures for distribution about their discount programs

- Maryland CHC's are encouraged to do their financial screening, billing, and collection of co-payment in a culturally appropriate manner
- Maryland CHC discount policies should be written in all languages relevant to target population
- Several providers post their sliding scales and guideline information for patients on their websites
- Many NHSC sites offer discounts to families above 200% FPL

**The following documents are attached to this memo:**

- An Outline of the Available Protocol for Each Organization
- Two Sample Sliding Fee Application Forms
- A Sample Sliding Fee Notice (for Postage in a provider's office)

# **Appendix A**

## **Outline of Sliding Fee Protocol by Organization**

### **I. Organization A**

#### **Guideline Summary**

- CHC's must provide services to all patients, regardless of ability to pay
- CHC's must offer discounts to patients who meet eligibility criteria based on family size and income
- Eligibility criteria are developed using the Federal Poverty Guidelines (updated annually)
- Bureau of Primary Health Care sets upper and lower parameters for patient eligibility
- CHC's design their own sliding scale policies within these parameters
- These sliding scale policies must be updated annually
- Discounts must be offered to all patients below 200% FPL, patients above 200% must pay full charge
- Patients 101%-200% FPL receive a % discount (% at CHC's discretion)
- Patients below 100% FPL receive a 100% discount, but nominal fee is charged
- Discounts apply to any amounts due from patients, including deductibles/co-insurance for insured patients

#### **Determining Eligibility for Discounts**

- CHC's must collect income/family size information from all patients as part of the Usual registration process
- Patients who decline to provide this information are not eligible for a discount
- Patients without required documentation can be given a grace period to turn it in
- Discounts may be granted on initial visit based on self-reporting
- CHC's are encouraged to develop handouts/brochures about the discount program

#### **Discount Eligibility Application**

- Discount Eligibility Form is separate from Patient Registration Form
- Form must be completed upon initial registration & updated annually
- Form should include language that explains application of information
- Include a statement of confidentiality
- Define family size on form (such as listing names/birthdates/ages)
- Family size is self-defined & does not have to be restricted to those listed as dependents on IRS forms
- Define income on application
- Require patient signature

- Require staff signature
- Include a statement of consequence for providing false information

### **Other Protocol**

- Billing/collection of co-payment and financial screening must be done in a culturally appropriate manner to assure that these administrative steps do not present a barrier to care
- Discounts need to be all inclusive and include visits, procedures, lab, radiology, and pharmacy
- Discount policies must be posted (lobby/cashier's desk, etc)
- Discount policies should be written in all languages relevant to target population

## **II. Organization B**

### **Sliding Scale Information**

- Available on website
- Required proof of income if employed (one of the following): 1040 or W-2, two recent pay stubs, or written statement by employer
- Required proof of income if unemployed (one of the following): public assistance check stub or copy, unemployment check stub or copy, Social Security check stub or letter of award, certification letter from Medical Assistance or DSS, or written statement by friend or relative with whom patient lives
- Required proof of address (one of the following): driver's license, MVA ID, any document (envelope) recently addressed to patient such as a utility bill, or a written statement by relative or friend with whom patient lives
- Required proof of address for immigrants (documented/undocumented): Form 1551 Or 1151, Form 194

## **III. Organization C**

### **Sliding Scale Information**

- Available on website
- Required proof of income (one of the following): 2 current pay stubs, 1 unemployment stub, letter from employer, award/benefit letter, 1040, Pharmacy Assistance Card, completed zero income form, if none of the above are available, a letter of reference from an organization, such as a church
- \$10 nominal fee for those below 100% FPL

## **IV. Organization D**

### **Sliding Scale Information**

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- Available on website
- Offers discounted medical services fees up to 90% for qualified patients
- Required proof of income (one of the following): 1040, 2 current pay stubs, 1 unemployment stub, letter from employer, award/benefit letter, completed zero income form, Pharmacy Assistance, letter of reference from any 501(c)3 organization if other sources unavailable

## **V. National Health Services Corps**

### **Guideline Summary**

- Practices employing NHSC clinicians have some flexibility in designing discount schedules
- NHSC sites must assure patients below 100% FPL pay a nominal or no fee
- Patients between 100-200 % FPL are discounted
- Many NHSC sites offer discounts to families above 200% FPL
- NHSC sites should use the HHS Federal Poverty Guidelines that are issued annually when designing discounts

### **Determining Eligibility for Discounts**

- Discount policy should include: procedure for qualifying for discounted fees, how discounts will be determined, what documentation is required for discount, and re-certifying clients for the discount. Most practices recertify patients at least once per year
- Preferable to accept patient's word on income during the initial visit and require verification on future visits
- Verification of income typically includes tax returns or current pay stubs
- Eligibility may also be based on current participation in certain federal/state public assistance programs, such as SSI, TANF, Free or Reduced School Lunch, and other public assistance programs
- NHSC does not require the extension of the discount to Medicare, Medicaid, or SCHIP recipients. Clinics that do offer discounts to these patients must apply the policy uniformly to all patients

### **Other Protocol**

- NHSC requires all sites to post notice of discount in a clearly visible location, such as front office or waiting room. Sites do not have to post details of policy.
- At least one staff member must know how to collect the necessary documentation and determine the discount percentage.

## **VI. Organization E**

### **Sliding Scale Information**

- Available on website with a “cost calculator” for services/procedures
- Required Proof of income (one of the following): school id/class schedule, college financial award letter, two current pay stubs, unemployment letter, two recent bank statements, notarized letter from parent or caretaker, other household income from partner or spouse, or a recent W-2
- Adolescents living at home may report their personal income only
- Scale based on weekly income/ # of people supported by that income
- Allows a grace period to turn in documentation

## **VII. Organization F**

### **Sliding Scale Information**

- Must provide services to all patients, regardless of ability to pay
- Must offer discounts to patients who meet eligibility criteria based on gross household income
- Sliding fee scales determine payment for low-income, uninsured, and underinsured patients
- Sliding fee scale also determines cap for out-of-pocket-HIV-related medical expenses for Ryan White patients
- Ryan White patients do not have to pay for services once they reach their annual payment cap
- Discount eligibility criteria is based on the Federal Poverty Guidelines
- Sliding fee scales are updated annually (As FPG is updated annually)
- Discount applies to all services, but only HIV patients receive a Ryan White payment cap
- Discount application form is given to all new patients
- Primary care patient information is re-certified annually
- HIV patient information is re-certified every 6 months
- Patients are allowed a 30 day grace period for Proof of Income documentation
- Required Proof of Income documentation (one of the following): W2, pay stubs, letter of salary from employer, public assistance award letters, unemployment letter, Social Security award letter, verification of no income form, child support/alimony statements
- Patients below 100% FPL pay a \$5 nominal fee

# Appendix B

## Example Discount Application Form People's Community Health Centers Application Form (Available on Web)

### Fee Determination Data Sheet

Date of Intake \_\_\_\_\_ Renewal Date \_\_\_\_\_ Renewal Date \_\_\_\_\_

Patient Name \_\_\_\_\_

Name of wage earners in household \_\_\_\_\_

Billing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Phone Numbers: Home \_\_\_\_\_ Office \_\_\_\_\_ Cell \_\_\_\_\_

Place of employment \_\_\_\_\_

Driver's License No. \_\_\_\_\_ SS# \_\_\_\_\_

Occupation/Trade \_\_\_\_\_ No. of Family Members \_\_\_\_\_

Combined Annual Income \_\_\_\_\_ Age \_\_\_\_\_ Race \_\_\_\_\_ Sex \_\_\_\_\_

Documents provided by patient to prove income \_\_\_\_\_

The Financial Counselor has explained to me my financial responsibility. My percentage of discount from People's full fee is \_\_\_ % based on my current income and family size. My one year period of eligibility starts on . I will need to be redetermined for this program on my anniversary date which is\_\_\_. I understand I must bring in more current documentation at the point of my annual anniversary.

I understand that the fee on People's Laboratory fee schedule has already been discounted by People's reference Lab and will not be discounted any further. Lab fees will be paid in full by me before lab specimens are drawn.

Patient / Guardian Signature \_\_\_\_\_

Financial Counselor Signature \_\_\_\_\_

Date Signed \_\_\_\_\_

## Example 2 Sample Discount Application Form (From NHSC and Mid-Atlantic Association of Community Health Centers)

It is the policy of ABC Clinic to provide essential services regardless of the patient's ability to pay. Discounts are offered depending upon household 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 our office, but not those services which are purchased from outside, such as reference laboratory testing, drugs, x-ray interpretation by a consulting radiologist, and similar services. Please inquire at the front desk if you have questions.

Number of persons living in your household: \_\_\_\_\_

Total household income: (complete one column)

Household Member Household Income (Complete one column)			
	Annual	Monthly	Bi-Weekly
Self			
Spouse			
Relatives			
Others			
Total			

NOTE: Include income from all persons in household and 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, public aid, and other.

I certify that the household 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 and will be provided as may be requested.

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Signature                      Date

### Office Use Only

Patient Name: \_\_\_\_\_

Discount: \_\_\_\_\_

Date of Service: \_\_\_\_\_

Approved By: \_\_\_\_\_

## **Appendix C**

### **Sample Discount Fee Policy Signs (Posted in Provider's Office)**

**(Words to this effect are okay)**

#### **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 Los Pacientes:**

**Este centro de salud atiende a todo paciente, sin importar su  
capacidad de pago.**

**Descuentos por servicios esenciales son ofrecidos  
dependiendo del acuerdo al tamaño de la familia y el sueldo.**

**Puedo ud aplicar por un descuento en el mostrador del frente.**