

## Guidance on Billing Requirements

### Local Health Department-Sponsored School Based Health Centers

April 13, 2016

Health-Gen. § 16-201(b)(1) requires the local health departments (LHD) to set charges for the services that they provide subject to approval by the Secretary.<sup>1</sup> Additionally, state regulations require LHDs to assess a patient's ability to pay and, if necessary, collect payment using a sliding fee scale developed by the Department.<sup>2</sup> However, Health-Gen § 16-201(b) (2) allows Local Health Officers (LHOs) the authority to waive charges entirely when doing so is in the best interest of public health.<sup>3</sup> This guidance document provides clarification on LHD billing requirements, specifically related to MSDE-approved, LHD-sponsored School Based Health Centers (SBHCs).

SBHCs are safety net providers operating within schools to improve access of children and families to needed clinical services. Coordinating billing and payment collection within a school setting is challenging, and even minimal charges to families may deter use of an important safety net service. Students obtaining services within a SBHC may have varying insurance status including public or private insurance or be uninsured. SBHCs may bill and be reimbursed for services by the Maryland Medicaid fee-for-service (FFS) program, the Medicaid HealthChoice managed care organizations (MCOs), private insurance or other insurers.

Several LHD sponsored SBHCs have asked for clarification regarding whether the SBHC may waive charges for some students, specifically uninsured students, or if the SBHC is still bound by the Maryland requirement to charge according to a LHD sliding fee scale.

SBHCs should charge students who are uninsured using the Department approved sliding fee scale, or SBHCs may seek a waiver from their LHO from this requirement.

For SBHCs that choose *not* to bill uninsured students and the LHO approves a waiver, recent federal guidance clarifies that providers can bill Medicaid for these services that are provided free of charge to the non-Medicaid population. The Centers for Medicare and Medicaid Services (CMS) issued guidance in December 2014 clarifying that Medicaid may pay providers (including SBHCs) for services provided free of charge to non-Medicaid patients. The guidance primarily impacts public health providers who may have previously wanted to bill Medicaid for certain services provided free of charge to those without any insurance or to undocumented individuals, but could not before this Free Care Policy clarification from CMS.

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<sup>1</sup> Health-Gen. § 16-201(b)(1): "The Secretary shall require political subdivisions and grantees to set, subject to approval and modifications of the Secretary, charges for services that are provided by the political subdivisions or grantees and that are supported wholly or partly by State or federal funds administered by the Department."

<sup>2</sup> COMAR 10.02.01.08B (4): "All local health departments and other providers shall use the uniform method of determining ability to pay as set forth by the Secretary." Department funded programs should use the sliding fee scale set forth by the Secretary.

<sup>3</sup> Health-Gen § 16-201(b)(2): "If a health officer for a political subdivision considers it to be in the best interest of public health, the health officer may waive a charge set under this subsection." The basis for granting waivers must be documented and be applied in accordance with the Department's Service Nondiscrimination Policy 01.02.01.