

Collecting Co-Pays and Applying Sliding Fee Discount Schedule

A JOB AID FOR FRONT DESK STAFF



FPNTC
FAMILY PLANNING
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5 Steps for Collecting Co-pays and Applying the Sliding Fee Discount Schedule (SFDS)

1. Find out the client's income, family size and whether she/he has insurance.
2. Check the client's insurance eligibility and determine the client's co-pay amount based on her/his insurance plan.
3. Determine where the client's income puts her/him on the sliding fee discount schedule.
4. If the co-pay is less than the client would pay on the sliding fee discount schedule, she/he should pay the co-pay, and the agency should bill the insurance company the fee for the services.
5. If the co-pay is more than what the client would pay based on the sliding fee discount schedule, the client pays what she/he would pay based on the sliding fee discount schedule, and the agency should bill the insurance company the fee for the services.

REMEMBER!

Clients should never pay more than what they owe based on the sliding fee discount schedule.

How It Works

Below is a sample sliding fee discount schedule and two scenarios to show how to determine the co-pay when the client has insurance. Each year, the FPL guidelines are updated by the federal government and a Title X agency should update the dollar amounts in their SFDS. A Title X agency can also consider if they should update their SFDS discount levels and/or their FPL percentage groupings as appropriate. This is an example of how a Title X organization might group FPL levels and related discount percentages.

Sample Client:

- Your client's income is \$30,000/year.
- She has two children.
- She has insurance. Her co-pay is \$20.
- To apply the sliding fee discount schedule, first, match her income to your sliding fee discount schedule.
- The sliding fee discount schedule will show you the discount she would receive. In this situation, her discount would be 80%.

Table 1. 2020 Federal Poverty Level (FPL) Guidelines for the 48 Contiguous States and District of Columbia¹

Federal Poverty Levels, 2020						
Number of People in Family	100%	125%	150%	175%	200%	251%
1	\$12,760	\$15,950	\$19,140	\$22,330	\$25,520	\$32,028
2	\$17,240	\$21,550	\$25,860	\$30,170	\$34,480	\$43,272
3	\$21,720	\$27,150	\$32,580	\$38,010	\$43,440	\$54,517
4	\$26,200	\$32,750	\$39,300	\$45,850	\$52,400	\$65,762
5	\$30,680	\$38,350	\$46,020	\$53,690	\$61,360	\$77,007
6	\$35,160	\$43,950	\$52,740	\$61,530	\$70,320	\$88,252
7	\$39,640	\$49,550	\$59,460	\$69,370	\$79,280	\$99,496
8	\$44,120	\$55,150	\$66,180	\$77,210	\$88,240	\$110,741
9+	For families with more than 8 people, add \$4,480 for each additional person.					
Discount Level	100%	80%	60%	40%	20%	0%

SCENARIO 1:

- If fee for services = \$125
- With 80% discount, fee = \$25
- Insurance co-pay = \$20
- Client pays \$20
- Bill client's insurance the full fee
- Insurance co-pay is less than the fee, client pays the co-pay

SCENARIO 2:

- If fee for services = \$60
- With 80% discount, fee = \$12
- Insurance co-pay = \$20
- Client pays \$12
- Bill client's insurance the full fee
- Discounted fee is less than the co-pay, client pays the discounted fee

REMEMBER!

If the client requests confidential services, do not bill the insurance company.

FREQUENTLY ASKED QUESTIONS:

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Q: Our insurance contract says that we need to charge a specific co-pay. What can we do about this if the client's discounted fee is less than the co-pay?

A: No matter what, the client should be charged the lesser of the two: the co-pay or the discounted fee based on the sliding fee discount schedule. The agency should submit the full charge for the service to the insurance company.

Q: What is the federal rule that applies to collecting co-pays and applying the sliding fee discount schedule?

A: The [Title X Program Requirements](#) provide guidance on how clients should be charged. Family income should be assessed before determining whether co-pays or additional fees are charged. With regard to insured clients, clients whose family income is at or below 250% of the Federal Poverty Level (FPL) should not pay more (in co-pays or additional fees) than what they would otherwise pay when the sliding fee discount schedule is applied. Fees must be waived for individuals with family incomes above 100% of the FPL who, as determined by the service site project director, are unable, for good cause, to pay for family planning services. These rules apply to all client whether or not the client has insurance.

Q: Often clients with insurance do not want to tell us their income. What should we do?

A: Reassure your client that the reason you are asking for her/his income is because your agency's financial policy uses a sliding fee discount schedule based on client's income and family size and that she/he may be eligible to pay less than her/his co-pay if the discounted fee is LESS than her/his co-pay. If the discounted fee is not less, she/he will only be charged the co-pay.

Q: How should we charge clients if they will not tell us their income?

A: Title X agencies should follow their grantee's written policy on income verification and ensure that all clients are treated equally according to the policy. Check your grantee agency's policies regarding how to handle this situation.

Endnotes

1. U.S. Department of Health and Human Services, 2020. <https://aspe.hhs.gov/poverty-guidelines>. Your agency's scale may be different since each agency has its own sliding fee discount schedule.