

CAROLINA FAMILY HEALTH CENTERS, INC.

PROCEDURE

TITLE: FIN-116.01 Sliding Fee Discount Program

EFFECTIVE DATE: December 2004

SECTION: Finance

REFERENCE POLICY: FIN-116 Sliding Fee Discount Program

RESPONSIBLE CHIEF OF STAFF: Chief Financial Officer

RESPONSIBLE COMMITTEE: Central Committee

REVIEWED: 10/09, 4/12, 11/13, 10/14, 8/16, 2/17, 10/18, 2/21, 02/04/2022, 04/28/2025

I. PURPOSE

The purpose of this procedure is to establish guidelines for the Sliding Fee Discount Program, including the definition of family and income at Carolina Family Health Centers, Inc. (CFHC, Inc.).

II. PROCEDURE

Any patient of CFHC, Inc. is eligible to apply for the Sliding Fee Discount (SFD) Program. The SFD Program is evaluated at least once every three years. The evaluation is based on the vantage point of the patient to reduce financial barriers to care and ensure the nominal fee is considered nominal from the patient's perspective. The evaluation may be in the form of a patient satisfaction survey, focus group(s), or another method that provides quantifiable results and is reviewed by the Board of Directors.

Schedule of Fees:

CFHC, Inc. has prepared an official Schedule of Fees in the Patient Management System for the provision of services that is designed to cover reasonable costs of providing services included in the approved scope of the project and that is consistent with locally prevailing rates. The Schedule of Fees is used as the basis for seeking payment from patients as well as third-party payers.

The Schedule of Fees is reviewed annually by the Chief Financial Officer (CFO) to ensure the appropriate services have distinct fees. These fees are reasonable to cover the actual costs of providing such services, and these fees are consistent with locally prevailing charges. The updated Schedule of Fees is reviewed by the Executive Team and presented to the full Board of Directors for final approval. Refer to FIN-136.01.

CFHC, Inc. maintains multiple SFD Program schedules for all services within CFHC, Inc.'s approved scope of project, for which there is an established charge regardless of the service type. While there are multiple CFHC, Inc. SFD Program schedules, not all discounts are identical; however, access to each service category has been considered, and varying SFD Program schedules do not result in additional barriers to care.

Sliding Fee Discount Schedule:

CFHC, Inc. maintains a Sliding Fee Discount Schedule, which is based on the patient's ability to pay. The SFD Program discount rate schedule and procedures for administration of the SFD Program are reviewed on an annual basis. When available each year, the Director of Revenue Cycle and Health Information Technology obtains the updated federal poverty income guidelines from the Federal Register and updates the Sliding Fee Discount Schedule. In conjunction with the discount schedule review, the policies and procedures related to the administration of the SFD Program are reviewed and updated if needed. The annual update to the Sliding Fee Discount Schedule and any procedural updates is the responsibility of the Chief Financial Officer.

The CFHC, Inc. SFD Program discount rate is applicable to patients with annual incomes at or below 200% of the Federal Poverty Guidelines (FPG). An adjustment of fees (partial discount) is applicable to patients with annual incomes above 100% and at or below 200% of the FPG. A nominal charge (full discount) is assessed to patients at or below 100% of the FPG. There is no discount for patients with annual incomes above 200% of the FPG.

While patients with annual incomes above 200% of the FPG are not eligible for fee discounts, CFHC, Inc. does receive access to other funding sources that contain terms or conditions for reducing patient costs for specific services, and in some cases, apply to patients over 200% FPG. In these cases, CFHC, Inc. allocates a portion (or all) of the patient's charge to the grant or subsidy funding source.

Patient notification:

CFHC, Inc. ensures that patients are informed about the availability of the SFD Program. A notice informing patients of the availability of the SFD Program is posted in all patient waiting areas of CFHC, Inc. centers. CFHC, Inc. issues periodic reminders to patients regarding the availability of the SFD Program through lobby signs, printed messages on billing statements, and other appropriate communication means.

Patient eligibility:

CFHC, Inc. maintains a uniform process for applying for the SFD Program. A patient's eligibility for the SFD Program is based on the patient's annual income and family size under the U.S. Department of Health and Human Services' annual FPG. For a patient to be eligible for the SFD Program, the patient must provide evidence of household income at or below 200% of FPG, which is adjusted based on the size of the family that resides together. To assist patients in providing evidence of eligibility, CFHC, Inc. has incorporated a program application as a part of the patient registration process.

The patient's eligibility for the SFD Program is verified no less than on an annual basis or upon the patient's next visit to the health center after the annual expiration. CFHC, Inc. makes every attempt to collect supporting documentation from patients; however, instances where documentation is not completed or the patient/family member is unwilling to provide documentation may arise. In this instance, no discount is given until the application in its entirety has been completed and all required paperwork has been received by CFHC, Inc. Patients who provide satisfactory proof of income and become eligible for reduced charges may have charges retroactively adjusted for a period not to exceed 30 days or their last visit. If the

patient is unable or unwilling to provide all required documentation, the patient is asked to pay 100% of charges. If the patient has a scheduled appointment and is unable to pay the 100% of charges the patient is offered the option of rescheduling the appointment. Some patients may choose not to provide information that CFHC, Inc. requires to determine eligibility, even after being informed that they may qualify for fee discounts; consequently, these patients are declining to be assessed for eligibility.

Application process:

As part of the registration process, a CFHC, Inc. staff member informs the patient about the SFD Program and assists the patient in completing the Sliding Fee Discount Program Application. CFHC, Inc. allows the Front Office Staff to utilize one application for all members of the household, provided that all members are listed on the application, the information is accurate, and as long as each individual patient signs his/her own Patient Attestation form.

The Sliding Fee Discount Program Application is divided into sections as detailed below:

Section I: Patient Information – this section of the application requires the name, address, date of birth, and any insurance information of the patient applying for the SFD Program. If one application is being used for all members of the household, the application must include the name, date of birth, and any insurance information for all patients. This is a required section of the application.

Section II: Family Information – the purpose of this section of the application is to determine the family size. The family size is defined by the number of family members in a household who would be included on one account. Family members are persons related by birth, marriage, or adoption who reside together and have a shared financial responsibility. Unrelated individuals, even in the same house, are considered to be separate families. For example, if an older married couple, their daughter and her husband, and two children, and the older couple's nephew all lived in the same house or apartment, the family size would be considered seven (7).

In this section, the patient is asked to list members who are part of the patient's household, beginning with the guarantor (person responsible for payment of the patient's account). If the patient is covered by health insurance (i.e., Medicaid, Medicare, etc.), the patient (or guarantor) is asked to disclose that information as well as provide a copy of the insurance coverage.

Due to the patient-specific dynamics at CFHC, Inc., there is one exception to determining family size: Prevention of homelessness: In the event a related (by birth, marriage, or adoption) family member resides but does not earn any income and the sole purpose of the family member residing in the house with relatives is to prevent homelessness, the family member is not be counted as family size on the application. In this situation, the family member does not have a shared financial responsibility. The patient would be required to complete the Application Attachment/No Source of Income of the application.

Section III: Income Information – to determine if a patient is eligible for the SFD Program the total annual income must be determined. Income is defined as gross annual earnings (i.e., before taxes, overtime, tips, and bonuses excluded) for all members of the family (as determined by Section III) from all sources including salaries, public assistance, unemployment, retirement

payments, social security, child support, alimony and earnings from self-employment. Income does not include earned over time, gifts, assets from the sale of property, or non-cash benefits such as Medicaid, food stamps, public housing, etc.

If the patient or any member of the family reports income, independent, written verification (a.k.a proof of income) must be provided. Acceptable forms of proof of income can include but are not limited to: Form 1040 or 1040EZ (latest available year) adjusted gross income, Form W-2, payroll check stubs (dated no older than 45 days prior to application), letters from employers, unemployment documentation, Social Security statements, and/or Welfare recipient statements. Additionally, acceptable forms of proof of income include a no-source-of-income statement and a self-declaration of income (see below). The proof of income documentation must be current. Copies of proof of income are attached to the application.

Patients unable or unwilling to provide any level of documentation are not eligible to participate in the SFD Program and are required to pay 100% of their charges until such time as they provide documentation. Patients who do provide satisfactory proof of income and become eligible for reduced charges may have charges retroactively adjusted for a period not to exceed 30 days.

This is a required section of the application; however, due to the patient-specific dynamics at CFHC, Inc., there are a few exceptions to determining income:

- (1) No source of income: A patient may report no source of income, and in that instance, they are not required to provide proof. Examples of when this may occur are when the patient is residing with a friend or family member for the purposes of preventing homelessness or if the patient is residing in a shelter. The family's earning income is not required to report their income as part of the SFD Program. The patient is asked to complete the section "Application Attachment/No Source of Income" and obtain the appropriate signatures.
- (2) Self-declaration of Income: A patient may report income but is unable to provide proof of income. Examples of when this may occur are if the employer does not provide proof of income, if the patient experiences theft, loss, or damage that prevents the patient from providing proof of income, or if the patient escapes from a high-risk situation that prevents the patient from providing proof of income. If any of the examples apply, the patient is asked to complete the Application Attachment/Self-Declaration of Income section.

Section IV: Patient Attestation – Any patient applying for the SFD Program is informed that they are obligated to contact CFHC, Inc. in the event that their income, family size, or insurance status changes. Additionally, patients applying for the SFD Program are informed that any remaining third-party charges (after all applicable discounts are applied) are the responsibility of the patient. The patient is informed that the information they provide may be subject to an audit, and they authorize permission to appropriate third-party groups to investigate the application for the purposes of an audit. This is a required section of the application for all patients.

Application Attachment/No Source of Income – This is not a required section of the application; this section only needs to be completed if the patient’s specific situation necessitates. All applicable signatures must be obtained.

Application Attachment/Self-Declaration of Income – Self-declaration may only be used in special circumstances as detailed under the Income Information Section. However, situations do exist, and the SFD Program application requires the patient to provide a signed statement of income and why he/she is unable to provide independent verification. This is not a required section of the application; this section only needs to be completed if the patient’s specific situation necessitates it.

Using the completed Sliding Fee Discount application, the CFHC, Inc. Front Office Associate (FOA) compares the income and family size to the most recent FPG. The patient is informed as to where he/she fall on the SFD Program and is explained any and all applicable charges.

In the event that the patient is responsible for a percentage of charges, the FOA explains in detail how payments are calculated. If the FOA determines the patient may have a difficult time paying the entire balance for each office visit, or if there is a current balance, the patient is encouraged to set up a payment plan.

The FOA logs the information contained on the *Sliding Fee Discount Program Application* into the Patient Management System. The completed application, along with supporting financial documentation, is filed electronically in the Patient Management System.

Grace period:

As stated above, for a patient to qualify for discounts for services rendered as a part of the SFD Program, the full *Sliding Fee Discount Program Application* (see attachment) and supporting documentation must be completed.

CFHC, Inc. allows a 30-day grace period for submission of supporting documentation for patients seeing a medical/behavioral health provider. The patient completes the SFD program application along with the application attachment. The patient must declare his/her income on the application attachment and is charged for that visit according to the income declared. If documentation is not provided within 30 days or the next visit, whichever comes later, the patient is taken off the sliding fee program and charged 100% for all future visits until a new application with proof of income is obtained.

CFHC, Inc. staff enters an expiration date of 30 days from the start of the grace period, as well as a notation under the guarantor account of the electronic health record. This note indicates that the patient did not provide his/her supporting documentation at the time of application. When the patient returns with the supporting documentation, the application is updated to include this information, the expiration date is extended to one year from the date of the original application, and the notation under the guarantor account is updated to indicate the patient has brought supporting documentation.

A patient is only allowed one 30-day grace period per year (365 days) per guarantor.

Patients seeing a Dental provider are not given a grace period. A Dental patient must pay 100% of charges until such time as they can provide documentation. At the time documentation is provided, notation under the guarantor account is updated to indicate the patient has brought supporting documentation, and any eligible discount is applied to previous services retroactively up to 30 days.

Billing and collections:

CFHC, Inc. makes reasonable efforts to secure payment from patients for services rendered based on the established discount.

Billing third-party payers:

CFHC, Inc. makes reasonable efforts to secure payment from third-party payers for any patient identified as having applicable third-party insurance coverage (Medicare, Medicaid, or other private third-party). The reimbursement for such services is on the basis of the full amount of charges for such services without any application of a discount.

In the event that the patient is considered “underinsured” (patient below 200% of the FPG with third-party coverage), the SFD Program is applicable to patient fees not covered by the third-party payor.

Nominal charges:

The CFHC Inc. SFD Program has an established nominal charge for patients who have an annual income at or below 100% of the FPG. This nominal charge is a fixed, small fee that does not reflect the true value of the services provided.

III. ATTACHMENTS

- *Sliding Fee Discount Program Application*