

CORPORATE POLICY

SUBJECT: Fees for Medical, Dental, and Behavioral Health Services Sliding Fee Discounts and Adjustments

CATEGORY: Finance
ORIGINAL DATE: October 1, 2015
REVIEWED DATE: May 24, 2017
REVISION DATE: ~~February 17, 2022~~ March 28, 2024

I. POLICY:

Lake County Health Department and Community Health Center (LCHD/CHC) is committed to providing high quality medical, dental, and behavioral health services to ~~patients~~clients -while ensuring that reasonable fees and discounts are consistently and evenly applied to all ~~patients~~clients for those services rendered. A sliding fee discount process is used to address financial barriers in order for ~~patients~~clients to receive access to care. LCHD/CHC does not deny services based on inability to pay.

II. SCOPE:

All LCHD/CHC ~~patients~~and ~~clients~~ receiving medical, dental, and behavioral health services for which a fee has been established and will be billed to Medicaid, Medicare, third party insurance, grantors, ~~or~~and the ~~patient~~client.

III. PROCEDURE:

- A. LCHD/CHC will establish fees for medical, dental, and behavioral health services on an annual basis at minimum.
 1. Fees are established by analyzing volume, costs, fees from Medicare and Medicaid, commercial insurance contracts, grant, and other service contracts, and purchasing locally prevailing rates from a commercial source such as the Optum Customized fee analyzer.
 2. The Director of Finance is responsible for coordinating the process and bringing the proposed fees to the Governing Council, Board of Health, and Tuberculosis (TB) Board in order to be effective annually by December 1st.
 3. In addition to approving the fees, the boards also approve a methodology to use on an interim basis for establishing fees for new current procedure terminology (CPT) and healthcare common procedure coding (HCPC) codes needed due to changes in codes or new procedures being provided.
 4. New CPT and HCPC codes that cannot be established using the approved methodology will be brought before the Governing Council, Board of Health, and TB Board as appropriate, based on the service for approval.
- B. LCHD/CHC collects gross ~~income~~ earnings and family size information on all ~~patients~~clients seen in its Federally Qualified Health Center (FQHC) and Behavioral Health (BH) programs as required by their funding sources. Income information will be collected verbally unless a ~~patient~~client would like to apply for a discount.
- C. LCHD/CHC will establish a sliding fee discount based on specific criteria for all applicable uninsured and underinsured ~~patients~~clients living within a household unit and supported by the reported gross earnings for a specified time period by adult members in the household unit.
 1. The sliding fee must have a minimum of four tiers of income levels with the lowest income receiving the highest discount.

CORPORATE POLICY

2. All patientsclients at or under 100% of the Federal Poverty Level (FPL) will receive a 100% discount but may have to pay a nominal fee.
 3. PatientsClients over 100% of the FPL will not receive a full discount but will pay a nominal fee based on their income.
 4. The sliding fee discount will be applied as follows:
 - a. up to 200% of FPL for all patientsclients into the medical, dental and behavioral health center locations;
 - b. up to 250% of the FPL for family planning grant requirements;
 - c. up to 500% of the FPL for behavioral health residential programs; and
 - d. patientsclients receiving Ryan White program services are eligible to receive discounts up to 500% of the FPL with caps on services as follows:
 - i. 5% for patientsclients at 101-200% of the FPL
 - ii. 7% for patientsclients at 201-300% of the FPL
 - iii. 10% for patientsclients at the 301-500% of the FPL.
 5. PatientsClients with income over these levels will not be eligible for a sliding fee discount and will be charged the full fee.
 6. All third-party coverage and grants should be verified and billed if the patientclient is eligible.
 7. After all third-party coverage is reimbursed, any co-payments including deductibles are also eligible for the sliding fee discount.
 8. Underinsured patientsclients may not pay more than uninsured patientsclients in the same income category.
 9. LCHD/CHC cannot turn away patientsclients with third-party commercial insurance coverage. If LCHD/CHC is out-of-network with the patientclient's insurance company, the patientclient will be advised to see a provider in their network or will be informed that they may attend our program if they are willing to pay the full fee or apply for the sliding fee discount.
 10. LCHD/CHC cannot require patientsclients to enroll in Medicaid or Medicare if a patientclient chooses not to enroll. The sliding fee discount should be offered if the patientclient is eligible.
 11. Documentation is required if Federal and State laws related to Medicare and Medicaid and the terms and conditions of private payer contracts and grants are applicable in limiting the sliding fee discount.
 12. Changes to the sliding fee tiers, nominal fees and application of federal poverty limits must be approved by the applicable Boards based on the services.
- D. The following sliding fee documentation and guidelines are for all applicable patientsclients of LCHD/CHC.
1. The patientclient must complete a sliding fee application form and provide proof of gross income within 30 days of services being provided.
 - 1-a. ClientPatients without proof of household income at the time of service will sign an income attempt document form verifying the clientpatient's acknowledgement of income requirements due within 30 days.
 2. The patient-client must also provide proof of gross income earnings such as a current paycheck stub for each working adult in the household. The household includes an individual who is a household unto themselves and is not supported by another person or all members who live in the household unit and are

CORPORATE POLICY

supported by the reported gross income earnings. The following gross income is used for all:

- a. If single, client's
 - b. If married, client's and spouse's
 - c. Combined household, all working adults'
 - d. If separated, client's
 - e. If a minor, parents'
 - f. If an emancipated minor, client's
 - g. For couples counseling, both
3. Current unemployment check stub
 4. Social Security Earnings
 5. LCHD/CHC Income Verification Form ~~or written documentation from employersigned and dated by employer~~ if wage earner(s) is working for cash ~~or receiving other forms of income.~~
 6. Most current income tax forms with total gross income listed. ~~, including signature page.~~
 - ~~7. Child support and/or alimony. Include only child support payments actually received as income.~~
 - ~~8. Annuity, pension, or retirement income.~~
 - ~~9. Participation in the Round Lake Area School District Free or Reduced Lunch Program (for School Based Health Center patients only).~~
 - ~~10.7. If N~~no reportable income, ~~used with the~~ Verification of Support Form will need to ~~must~~ be signed and include ~~the following types of documentation~~ a letter of unemployment denial:
 - ~~a. A letter of unemployment denial~~
 - ~~b. A letter of termination from the most recent job~~
 - ~~c. A letter from a former employer~~
 - ~~d. No income, living with someone that is supporting them~~
 - ~~e. Letter from work release program while looking for work~~
 - ~~f. Rent assistance, food stamp program documentation~~
 - ~~g. Mental health institution, or state or local jail~~
 - ~~11.8.~~ Self-Declaration Form must be signed for item 5, Wage Earner Working for Cash, and item 10, No Reportable Income, and the patientclient will be charged full fee until the form and requested documents are received and approved. The patientclient will be asked to pay the minimum nominal fee at the time of visit, if applicable.
 - ~~12.9.~~ Verification of income will be valid as follows:
 - a. No income is valid for 6 months, unless there are known changes in the client's income status
 - b. Unemployment is valid for 6 months
 - c. Verified income is valid for 6 months
 - d. Verbal or student is valid for 1 day
 - ~~13.10.~~ Definition and requirements for the status of a dependent are as follows:
 - a. Child 18 years of age or younger
 - b. ~~Full-time S~~student until age 2224, ~~full-time~~ class schedule must be presented
 - c. Parent or guardian is responsible for the child's bill
 - d. Wage earner paying the child support can claim the dependent

CORPORATE POLICY

- e. If the patient/client is 12-17 years of age without parental consent, they can be seen for these services with certain limits and information:
 - i. Behavioral Health Services
 - ii. STD Services
 - iii. Family Planning Services
 - iv. School-Based Health Center Services
 - v. The Mental Health and Developmental Disabilities code service limits are for eight 90-minute sessions
 - vi. The appropriate section of the Self Declaration form must be completed including any student income
- ~~14.11.~~ An employee cannot approve a sliding fee application for themselves or a family member. Another authorized employee, office manager or clinic/program coordinator must approve the application.
- ~~15.12.~~ Copies of all income documentation will be scanned into the system per NextGen instructions.
- ~~16.13.~~ Sliding fee discounts are subject to routine audits. If an audit results in an incorrect fee charged to the patient/client, the patient/client will be given the benefit of the error until notified. Once the error is determined and the patient/client is notified, all future discounts will be as stated above. If a patient/client is found to be overcharged the patient/client will receive a refund of the overpayment. All changes will be documented in the patient's/client's chart notes.
- E. LCHD/CHC has the following payment and collection options:
 - 1. Determine patient/client eligibility for the payers we currently have contracts with per the Electronic Health Record (EHR) system's payment eligibility training information.
 - 2. Refer the patient/client to the Navigator staff to determine eligibility for public assistance or insurance.
 - 3. Determine if the patient/client meets the sliding fee criteria.
 - 4. Collect applicable fee or discuss a payment plan option with the patient/client.
 - a. Per the "Right to Restrict Use and Disclosure of PHI" policy, the patient/client has the right to restrict the uses and disclosures of protected health information (PHI) that pertains solely to a healthcare item or service for which the individual, or person other than the health plan on behalf of the individual, has paid in full.
- F. LCHD/CHC adjusts amounts off of patient/client accounts authorized as follows:
 - 1. Amounts are adjusted off monthly for bad debts based on the Bad Debt policy by the Central Billing Office approved by the Billing Office management Associate Director of Finance and/or Director of Finance.
 - 2. Billing errors and corrections follow the Charge Correction, Write-offs, and Encounter Adjustments policy.
 - 3. Write-offs or adjustments due to hardship or collection matters will follow the Billing and Collections policy.

IV. REFERENCES:

CORPORATE POLICY

Self Declaration and Income Verification Forms, Billing and Collections Policy, Bad Debt Policy, Charge Corrections, Write Offs, and Encounter Adjustments Policy, Hardship Policy, HRSA PIN 2014-02

V. AUTHORS/REVIEWERS:

Designated Review Team, Corporate Policy and Procedure Committee, Executive Team, Executive Committees of the Board of Health and Governing Council.

VI. APPROVALS:

Lake County Health Department and Community Health Center Executive Director

Signature: _____ Date: _____

CORPORATE POLICY

SUBJECT: Fees for Medical, Dental, and Behavioral Health Services Sliding Fee Discounts and Adjustments	CATEGORY: Finance ORIGINAL DATE: October 1, 2015 REVIEWED DATE: May 24, 2017 REVISION DATE: March 28, 2024
--	---

I. POLICY:

Lake County Health Department and Community Health Center (LCHD/CHC) is committed to providing high quality medical, dental, and behavioral health services to clients while ensuring that reasonable fees and discounts are consistently and evenly applied to all clients for those services rendered. A sliding fee discount process is used to address financial barriers in order for clients to receive access to care. LCHD/CHC does not deny services based on inability to pay.

II. SCOPE:

All LCHD/CHC clients receiving medical, dental, and behavioral health services for which a fee has been established and will be billed to Medicaid, Medicare, third party insurance, grantors, and the client.

III. PROCEDURE:

- A. LCHD/CHC will establish fees for medical, dental, and behavioral health services on an annual basis at minimum.
 - 1. Fees are established by analyzing volume, costs, fees from Medicare and Medicaid, commercial insurance contracts, grant, and other service contracts, and purchasing locally prevailing rates from a commercial source such as the Optum Customized fee analyzer.
 - 2. The Director of Finance is responsible for coordinating the process and bringing the proposed fees to the Governing Council, Board of Health, and Tuberculosis (TB) Board in order to be effective annually by December 1st.
 - 3. In addition to approving the fees, the boards also approve a methodology to use on an interim basis for establishing fees for new current procedure terminology (CPT) and healthcare common procedure coding (HCPC) codes needed due to changes in codes or new procedures being provided.
 - 4. New CPT and HCPC codes that cannot be established using the approved methodology will be brought before the Governing Council, Board of Health, and TB Board as appropriate, based on the service for approval.
- B. LCHD/CHC collects gross-income earnings and family size information on all clients seen in its Federally Qualified Health Center (FQHC) and Behavioral Health (BH) programs as required by their funding sources. Income information will be collected verbally unless a client would like to apply for a discount.
- C. LCHD/CHC will establish a sliding fee discount based on specific criteria for all applicable uninsured and underinsured clients living within a household unit and supported by the reported gross earnings for a specified time period by adult members in the household unit.
 - 1. The sliding fee must have a minimum of four tiers of income levels with the lowest income receiving the highest discount.
 - 2. All clients at or under 100% of the Federal Poverty Level (FPL) will receive a 100% discount but may have to pay a nominal fee.

CORPORATE POLICY

3. Clients over 100% of the FPL will not receive a full discount but will pay a nominal fee based on their income.
 4. The sliding fee discount will be applied as follows:
 - a. up to 200% of FPL for all clients into the medical, dental and behavioral health center locations;
 - b. up to 250% of the FPL for family planning grant requirements;
 - c. up to 500% of the FPL for behavioral health residential programs; and
 - d. clients receiving Ryan White program services are eligible to receive discounts up to 500% of the FPL with caps on services as follows:
 - i. 5% for clients at 101-200% of the FPL
 - ii. 7% for clients at 201-300% of the FPL
 - iii. 10% for clients at the 301-500% of the FPL.
 5. Clients with income over these levels will not be eligible for a sliding fee discount and will be charged the full fee.
 6. All third-party coverage and grants should be verified and billed if the client is eligible.
 7. After all third-party coverage is reimbursed, any co-payments including deductibles are also eligible for the sliding fee discount.
 8. Underinsured clients may not pay more than uninsured clients in the same income category.
 9. LCHD/CHC cannot turn away clients with third-party commercial insurance coverage. If LCHD/CHC is out-of-network with the client's insurance company, the client will be advised to see a provider in their network or will be informed that they may attend our program if they are willing to pay the full fee or apply for the sliding fee discount.
 10. LCHD/CHC cannot require clients to enroll in Medicaid or Medicare if a client chooses not to enroll. The sliding fee discount should be offered if the client is eligible.
 11. Documentation is required if Federal and State laws related to Medicare and Medicaid and the terms and conditions of private payer contracts and grants are applicable in limiting the sliding fee discount.
 12. Changes to the sliding fee tiers, nominal fees and application of federal poverty limits must be approved by the applicable Boards based on the services.
- D. The following sliding fee documentation and guidelines are for all applicable clients of LCHD/CHC.
1. The client must complete a sliding fee application form and provide proof of gross income within 30 days of services being provided.
 - a. Client without proof of household income at the time of service will sign an income attempt form verifying the client's acknowledgement of income requirements due within 30 days.
 2. The client must also provide proof of gross income earnings such as a current paycheck stub for each working adult in the household. The household includes an individual who is a household unto themselves and is not supported by another person or all members who live in the household unit and are supported by the reported gross income earnings. The following gross income is used for all:
 - a. If single, client's

CORPORATE POLICY

- b. If married, client's and spouse's
- c. Combined household, all working adults'
- d. If separated, client's
- e. If a minor, parents'
- f. If an emancipated minor, client's
- g. For couples counseling, both
3. Current unemployment check stub
4. Social Security Earnings
5. LCHD/CHC Income Verification Form signed and dated by employer if wage earner(s) is working for cash or receiving other forms of income.
6. Most current income tax forms with total gross income listed.
7. If no reportable income, the Verification of Support Form must be signed and include a letter of unemployment denial.
8. Self-Declaration Form must be signed for item 5, Wage Earner Working for Cash, and item 10, No Reportable Income, and the client will be charged full fee until the form and requested documents are received and approved. The client will be asked to pay the minimum nominal fee at the time of visit, if applicable.
9. Verification of income will be valid as follows:
 - a. No income is valid for 6 months, unless there are known changes in the client's income status
 - b. Unemployment is valid for 6 months
 - c. Verified income is valid for 6 months
 - d. Verbal or student is valid for 1 day
10. Definition and requirements for the status of a dependent are as follows:
 - a. Child 18 years of age or younger
 - b. Student until age 24, class schedule must be presented
 - c. Parent or guardian is responsible for the child's bill
 - d. Wage earner paying the child support can claim the dependent
 - e. If the client is 12-17 years of age without parental consent, they can be seen for these services with certain limits and information:
 - i. Behavioral Health Services
 - ii. STD Services
 - iii. Family Planning Services
 - iv. School-Based Health Center Services
 - v. The Mental Health and Developmental Disabilities code service limits are for eight 90-minute sessions
 - vi. The appropriate section of the Self Declaration form must be completed including any student income
11. An employee cannot approve a sliding fee application for themselves or a family member. Another authorized employee, office manager or clinic/program coordinator must approve the application.
12. Copies of all income documentation will be scanned into the system per NextGen instructions.
13. Sliding fee discounts are subject to routine audits. If an audit results in an incorrect fee charged to the client, the client will be given the benefit of the error until notified. Once the error is determined and the client is notified, all future

CORPORATE POLICY

discounts will be as stated above. If a client is found to be overcharged the client will receive a refund of the overpayment. All changes will be documented in the client's chart notes.

- E. LCHD/CHC has the following payment and collection options:
 - 1. Determine client eligibility for the payers we currently have contracts with per the Electronic Health Record (EHR) system's payment eligibility training information.
 - 2. Refer the client to the Navigator staff to determine eligibility for public assistance or insurance.
 - 3. Determine if the client meets the sliding fee criteria.
 - 4. Collect applicable fee or discuss a payment plan option with the client.
 - a. Per the "Right to Restrict Use and Disclosure of PHI" policy, the client has the right to restrict the uses and disclosures of protected health information (PHI) that pertains solely to a healthcare item or service for which the individual, or person other than the health plan on behalf of the individual, has paid in full.
- F. LCHD/CHC adjusts amounts off of client accounts authorized as follows:
 - 1. Amounts are adjusted off monthly for bad debts based on the Bad Debt policy by the Central Billing Office approved by the Associate Director of Finance or Director of Finance.
 - 2. Billing errors and corrections follow the Charge Correction, Write-offs, and Encounter Adjustments policy.
 - 3. Write-offs or adjustments due to hardship or collection matters will follow the Billing and Collections policy.

IV. REFERENCES:

Self Declaration and Income Verification Forms, Billing and Collections Policy, Bad Debt Policy, Charge Corrections, Write Offs, and Encounter Adjustments Policy, Hardship Policy, HRSA PIN 2014-02

V. AUTHORS/REVIEWERS:

Designated Review Team, Corporate Policy and Procedure Committee, Executive Team, Executive Committees of the Board of Health and Governing Council.

VI. APPROVALS:

Lake County Health Department and Community Health Center Executive Director

Signature: _____ Date: _____