

### 3.3 CHARGES, BILLING AND COLLECTION

**Policy:** Title X clinics must have written charges, billing and collection policies and procedures that meet the requirements of Title X and applicable Federal Regulations (*Section 1006(c)(2), PHS Act; and 42 CFR Section 52*). The formulation of charges, billing and collection policies and procedures should be a collaborative process involving different types of staff (e.g. administrative, clinical, etc.), knowledgeable board members, and the clinic's accountant.

**Procedure:**

Title X clinics must have a local policy describing the clinic's charges, billing, and collection policies and procedures. The local policy must meet the following standards. A sample policy with additional best practices can be found in the MT TX FP Administrative Manual Policy 8.7, *Sample Charges, Billing and Collection Policy*.

**Charges**

1. Clients whose documented income is at or below 100% of the Federal Poverty Level (FPL) must not be charged, although projects must bill all third parties authorized or legally obligated to pay for services (*Section 1006(c)(2), PHS Act; 42 CFR 59.5(a)(7)*).
  - a. All service sites will use the current Federal Poverty Guidelines when determining client income.
  - b. Client income is assessed at the beginning of the family planning visit.
  - c. Documentation in client records indicates that clients whose documented income is at or below 100% of FPL are not charged for services and supplies.
2. A schedule of discounts, or sliding fee scale, for client fees, based on ability to pay, is required for individuals with family incomes between 101% and 250% of the FPL (*42 CFR.5(a)(8)*).
  - a. The Title X Schedule of Discounts issued by FPP will be used unless it is determined that a local schedule would be more appropriate. If this is the case, the local Schedule of Discounts will be submitted to FPP for approval prior to use. The Schedule of Discounts should be designed to maximize income as well as reduce barriers to care.
  - b. Charges will be based on ability to pay according to the client's income and family size.
  - c. The Schedule of Discounts for client fees must be updated periodically.
  - d. Documentation in client records indicates that discounts are applied appropriately to the costs of services and supplies.

The sliding fee discount for Title X family planning services and supplies will be as follows:

Category	Discount	Amount/Fee
Income Category A (0 – 100% of poverty)	100%	\$0
Income Category B (101 – 137% of poverty)	80%	20% of Usual and Customary Charges
Income Category C (138 – 175% of poverty)	60%	40% of Usual and Customary Charges
Income Category D (176 – 213% of poverty)	40%	60% of Usual and Customary Charges
Income Category E (214 – 250% of poverty)	20%	80% of Usual and Customary Charges
Income Category F (Above 250% of poverty)	0%	100% of Usual and Customary Charges

Or

Category	Discount	Amount/Fee
Income Category A (0 – 100% of poverty)	100%	\$0
Income Category B (101 – 150% of poverty)	75%	25% of Usual and Customary Charges
Income Category C (151 – 200% of poverty)	50%	50% of Usual and Customary Charges
Income Category D (201 – 250% of poverty)	25%	75% of Usual and Customary Charges
Income Category E (Above 250% of poverty)	0%	100% of Usual and Customary Charges

3. 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 (*42 CFR 59.2*).
  - a. A client shall not be denied services because of an inability to pay.
  - b. When a client is unable, for good reason, to pay for services, the fee may be waived.
  - c. The Title X clinic director shall designate staff members who may exercise discretion in further adjusting the fee to be paid by the client in exceptional circumstances.
  - d. Direct service delivery staff customarily will have no authority to adjust the fee.
  - e. The Title X clinic director, clinic manager, or other responsible official may increase or decrease the amount of a discount based upon consideration of the following:
    - i. Size of current bill
    - ii. Anticipated future medical services required
    - iii. Client's other financial obligations
    - iv. Employment status potential
4. For clients from families whose income exceeds 250% of FPL, charges are set to recover the reasonable cost of providing services (*42 CFR 59.5(a)(8)*).
  - a. Title X sub-recipients must have documented policies and procedures with sound rationale for determining the cost of services. This may be accomplished by utilizing the FPP cost analysis methodology or another methodology. If a Title X sub-recipient would like to utilize an alternative cost analysis methodology, it must be submitted to FPP for approval prior to use.
  - b. The cost of services must be reviewed and updated periodically
  - c. Costs are used to determine charges to clients above 250% of FPL.

### Billing

1. Title X clinics must maximize third party reimbursement. Where there is legal obligation or authorization for third party reimbursement, including public or private sources, all reasonable efforts must be made to obtain third party payment without the application of any discounts (*42 CFR 59.5(a)(9)*). If it is determined that third party billing is the appropriate course of action it then should be initiated within 60 days of the initial visit.
  - a. Client family income must be assessed before determining whether co-payments or additional fees are charged. With regard to insured clients, clients whose family income is at or below 250% FPL cannot pay more (in co-payments or additional fees) than what they would otherwise pay when the schedule of discounts is applied.
  - b. The clinic may establish its own policy regarding payments by clients with private insurance, e.g. payment at time of service for procedures not covered by insurance or payment after insurance payment has been received.
  - c. Where reimbursement is available from Title XIX or Title XX of the Social Security Act, a written agreement with the Title XIX or the Title XX state agency is required. Evidence of such an agreement may be shown by proof of successful Medicaid billing and revenue.
  - d. Third party billing is processed in a manner that does not breach client confidentiality, particularly in sensitive cases (e.g. adolescents or young adults seeking confidential services, or individuals for whom billing the policy holder could result in interpersonal violence).

### Collection

1. Reasonable efforts to collect charges without jeopardizing client confidentiality must be made.
  - a. Clinic staff must assess whether the client is requesting confidential services and is a "no contact" client.
  - b. Bills must not be mailed directly to "no contact" clients.
  - c. Past due accounts for "no contact" clients cannot be referred to a collection agency.

**Donations**

1. Voluntary donations from clients are permissible; however, clients must not be pressured to make donations, and donations must not be a pre-requisite for the provision of services or supplies.
2. All clients, regardless of income level, insurance status or other characteristic must be equally encouraged to make donations.