

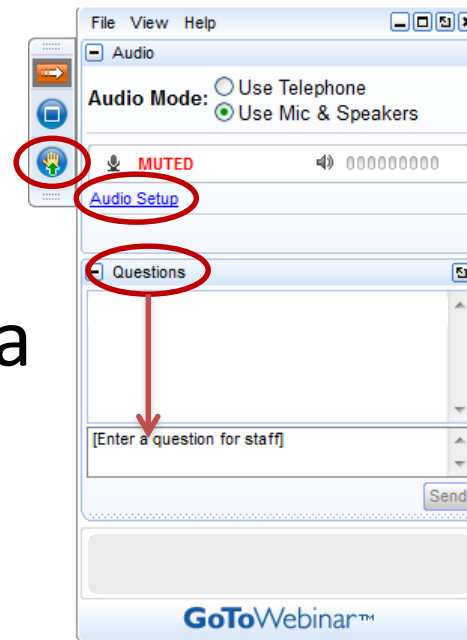
# Sliding Fee / Schedule of Discounts

March 30, 2017

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# Logistics

- Panel
- Live questions
- Typed questions/cha
- Raise hand
- Tech Difficulties
  - 1-888-259-8414



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# Today's Objectives

- Title X Guidelines
- Cost Analysis
- Setting Fees and Discounts
- Q&A

# Title X and Setting Fees

- Title X-funded health centers provide services regardless of one's ability to pay, insurance or lack thereof, and documentation status
- For patients without insurance, service fees must be adjusted according to an established **Schedule of Discounts**
- Uses the Federal Poverty Guidelines, household income and size

# Federal Poverty Guidelines

Issuing Agency	Department of Health and Human Services (HHS)
Purpose/Use	Administrative — determining financial eligibility for certain programs
Characteristics	<ul style="list-style-type: none"><li>• Guidelines vary by family size.</li><li>• In addition, there is one set of figures for the 48 contiguous states and D.C.; one set for Alaska; and one set for Hawaii.</li></ul>
Updates	HHS issues poverty guidelines in late January of each year in the Federal Register

# 2017 Poverty Guidelines

PERSONS IN FAMILY/HOUSEHOLD	POVERTY GUIDELINE*
1	\$12,060
2	\$16,240
3	\$20,420
4	\$24,600
5	\$28,780
6	\$32,960
7	\$37,140
8	\$41,320

- For families/households with more than 8 persons, add \$4,180 for each additional person.
- FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA

# Household Size



- Your household size includes:
  - Patient applying
  - Spouse/Partner
  - Any children being supported in your household
  - **Anyone who is included on patient's federal income tax return**



# Verification of Income

- Title X grantees have a large measure of discretion in determining the extent of income verification activity that they believe is appropriate for their client population.  
*(Section 8.4.1)*

# Income Verification

The following  
forms of  
verification can be  
used to verify  
reported  
household income:

- Recent paycheck stubs
- Unemployment statements
- Disability/Social Security papers
- Letter from employer
- Tax return
- W-2 form
- Bank statements...

# Talking to Patients



- Set expectations about fees at first scheduling call with patient
- It may be difficult staff to talk to patients about income verification and fees

**Best Practice:** Scripts that incorporate messaging about income verification are a good way to support staff who interact with patients and ensure consistency with every patient at every visit.

# Title X Program Guidance – 2 Parts



# Title X Program Requirements

## 8.4 Charges, Billing, and Collections

Grantee is responsible for the implementation of policies and procedures for charging, billing, and collecting funds for the services provided by the projects.

Clients must not be denied project services or be subjected to any variation in quality of services because of inability to pay.

# Complying with Guidelines

**≤ 100% of FPL** must not be charged, but third parties authorized to pay must be billed  
(8.4.1)

**Between 101% - 250% of FPL** must be charged discounted fees based on your Schedule of Discounts, with effort made to obtain third party reimbursement  
(8.4.2, 8.4.6)

Fees must be waived for individuals w family incomes above 100% of FPL who, as determined by the service site project director, are unable, for good cause, to pay for family planning services (8.4.3)

# Complying with Guidelines

For client's from families whose income **exceeds 250% of FPL**, charges must be made in accordance with a schedule of fees designed to **recover the reasonable cost of providing services**. *(Section 8.4.4)*

# Guidelines – Waiving Fees

- 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)



# Guidelines - Minors

- Eligibility for discounts for minors who receive **confidential services** must be based on the income of the minor (*Section 8.4.5*)



# Guidelines – Third Party Billing

- 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)).

# Guidelines - Collections

- Reasonable efforts to collect charges without jeopardizing client confidentiality must be made



# Guidelines - Donations

- Voluntary donations from clients are permissible
- Clients must not be pressured to make donations, and donations must not be a prerequisite to the provision of services or supplies (Section 8.4.9)



# Guidelines – Copays / Deductibles

- Family income should be assessed before determining whether copayments or additional fees are charged
- Insured clients whose family income  $\leq 250\%$  FPL should not pay more (in copayments or additional fees) than what they would otherwise pay when the schedule of discounts is applied (Section 8.4.6 )

# Applying Discounts

- Determine client's income, household size and whether she/he has insurance
- Check insurance eligibility and determine client's co-pay
- Determine where income puts client on sliding fee scale
- If co-pay < client would pay on sliding fee scale, pay co-pay, and agency should bill insurance company fee for services.
- If the co-pay > what client would pay based on sliding fee scale, pay based on the sliding fee scale, and the agency should bill the insurance company the fee for the services.

- Your client's income is \$25,000/year. [?]
- She has two children. [?]
- She has insurance. Her co-pay is \$20. [?]
- To apply the sliding fee scale, first, match her income to your sliding fee scale. [?]
- The sliding fee scale will show you the discount she would receive. In this situation, her discount would be 80%.

2017					
GROSS FAMILY INCOME:	<= 100%	120%	140%	160%	250%
# IN FAMILY					
1	\$12,060	\$14,472	\$16,884	\$19,296	\$30,150
2	\$16,248	\$19,488	\$22,736	\$25,984	\$40,600
3	\$20,420	\$24,504	\$28,588	\$32,672	\$51,050
4	\$24,600	\$29,520	\$34,440	\$39,360	\$61,500
5	\$28,780	\$34,536	\$40,292	\$46,048	\$71,950
6	\$32,960	\$39,552	\$46,144	\$52,736	\$82,400
7	\$37,140	\$44,568	\$51,996	\$59,424	\$92,850
8	\$41,320	\$49,584	\$57,848	\$66,112	\$103,300
DISCOUNT	100%	90%	80%	70%	10%

### 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 < 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 < co-pay, client pays the discounted fee**





- Clients should never pay more than what they owe based on the sliding fee scale
- If the client requests confidential services, do not bill the insurance company
- Under the ACA, an insured patient does not pay a co-pay or deductible for preventive services and contraception (excluding exceptions)

# Clients Who Don't Want to Disclose Income

- Agencies should ensure that all clients are treated equally and consistently according to their written policies.
- Although it is acceptable to charge clients full fee if they do not disclose their incomes, they cannot be denied services because of inability to pay

# Best Practice



- Review the patient volumes in each of your slide categories
  - Is there a distribution of discount amounts applied across self pay clients or are all your clients at 100% slide and no fees?
  - Does it make sense to you or seem like an opportunity for improvement?



# COST ANALYSIS



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# What is a Cost Analysis?

- An analysis that distributes family planning program costs (expenses) to each of the individual services offered by a program.
- Driven by:
  - our expenses
  - our utilization of services

# Why Is Cost Analysis Important?

- It's good business
- Title X requires Schedule of Fees and Discounts
- Need to set reasonable fees
- Keep our doors open



# Does Title X Still Require a Cost Analysis?

- NO – but it's still good business to do one
  - Title X Program Guidelines (2001)
    - Programs must **demonstrate** they have done a cost analysis on which their fees are based.
  - Title X Program Guidelines (2014)
    - For persons from families whose income exceeds 250% of the FPL, charges must be made in accordance with a schedule of fees designed to recover the **reasonable cost of providing services**. (42 CFR 59.5(a)(8))



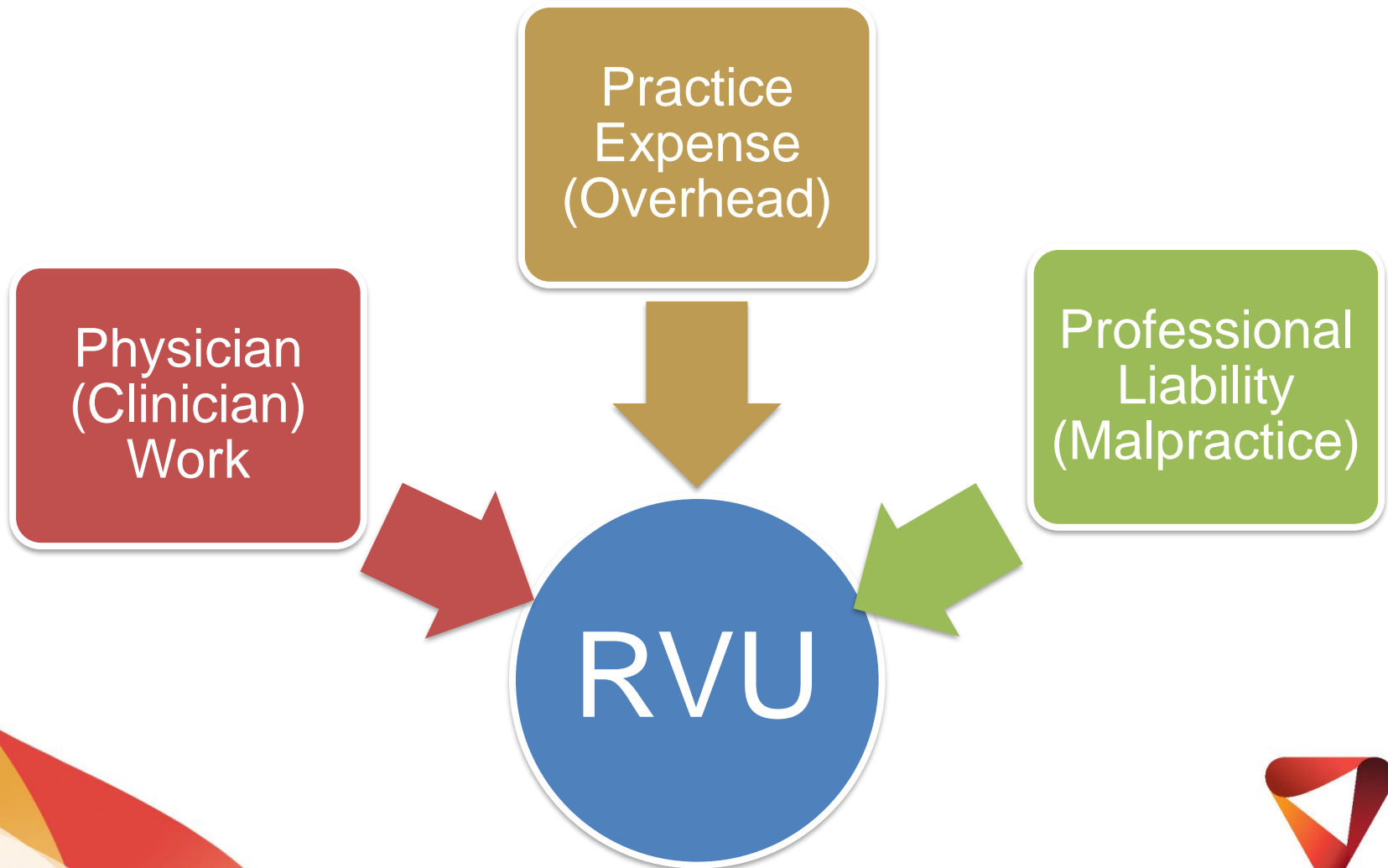
# Relative Value Units (RVUs)

- Sets a value for each CPT code based on the relative value of the resources that are needed to provide that service
- Updated by American Medical Association (AMA) RUC

# Key Steps

- Gather CPT codes and volumes per time period
- Gather Cost data for same period
- Apply Relative Values and **determine a cost per RVU** for your family planning program
- Apply this cost factor to the RVU's per CPT to determine your costs per service – model visits
- Calculate regionally adjusted Medicare payments as a comparison basis (not your fees)
- Use the data to compare costs and and set reasonable fees / reimbursement

# RVU Components



# 1 - “Physician Work” (Work) RVU

- Considers the following resources applied for any given service:
  - Physician time required to perform the service
  - Technical skill and physical effort
  - Mental effort and judgment
  - Psychological stress associated with physician’s concern about the iatrogenic risk to the patient
- Work component represents ~ 52% of the total RVUs for each service

## 2 - “Practice Expense” (PE) RVU

- Considers the following resources applied for any given service:
  - Staffing
  - Tools
  - Supplies
  - Overhead
- PE component represents ~ 44% of the total RVUs for each service

# 3 - “Malpractice” (MP) RVU

- Also called Professional liability insurance RVUs
- Considers the risk cost for any given service
- MP component represents  $\sim 4\%$  of the total RVUs for each service

# Geographic Practice Cost Indices (GPCIs)

- Account for **Regional Cost Differences**
  - Cost of living
  - Practicing medicine
  - Providing medical services
- CMS applies separate GPCI's to each of the 3 relative values used to calculate payment

# Geographic Areas

- 5 NYS regions for GPCIs:

2017 GPCI by Region	Work GPCI	PE GPCI	MP GPCI
MANHATTAN, NY	1.052	1.174	1.690
NYC SUBURBS/LONG ISLAND, NY	1.044	1.207	2.182
POUGHKPSIE/N NYC SUBURBS, NY	1.013	1.072	1.399
QUEENS, NY	1.052	1.200	2.151
REST OF NEW YORK	1.000	0.948	0.678
CPT 99213 unadjusted	0.97	1.01	0.07



# Conversion Factor (CF)

- Conversion Factor translates the relative value units into an actual dollar amount

Adjusted RVUs x CF =  
Expected Medicare Payment as a base  
(NOT what is actually paid!)

- 2017 CF: \$35.88

# Calculating 2017 Medicare Expected Payment

$$\text{Total RVU's for reimbursement} = (\text{Work RVUs} \times \text{work GPCI}) + (\text{MP RVUs} \times \text{MP GPCI}) + (\text{PE RVUs} \times \text{PE GPCI}) \times \text{CF}$$

- Example – 99213:
  - Rest of New York : 1.98 RVUs x 35.88 CF = \$71.04
  - Manhattan : 2.32 RVUs x 35.88 CF = \$83.24
- 99214
  - Rest of New York : 2.92 RVUs x 35.88 CF = \$104.77
  - Manhattan : 3.41 RVUs x 35.88 CF = \$122.35

# The Case for RVUs

- Objective
- Easily Measurable
- Payer Mix independent
- Tied to intensity of work
- Comparable to outside entities
- Abundant survey data available
- Encourages attention to coding

- Other considerations:
  - Fee for Service based (outdated model?)
  - Quantity not Quality
  - Valuation of services
  - RVUs vs. Financial reality



# UNDERSTANDING RESULTS



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# Summarizing Data

Visit Type	Cost (Based on RVU)	Full Fee	Medicaid FFS and FPBP	Contract 1	Contract 2	Contract 3
Well Woman (18-39 years)						
Problem Focused Visit						
Pill Check						
IUD Insertion...						

BY CPT	Cost (Based on RVU)	Full Fee	Medicaid FFS and FPBP	Contract 1	Contract 2	Contract 3
CPT 99385						
99395						
99203						
99213...						

# Organizing Results

Visit Type	Article 28 DTC Non-Contracting Rest of New York		Reimbursement															
			Cost of Visit (RVUs Only)	Total Cost Per Visit	Geographically Adj. Medicare Reimbursement	Operating Margin	Full Fee	Operating Margin	Medicaid APG	Operating Margin	Plan 1- Label Here	Operating Margin	Plan 2- Label Here					
TYPICAL VISITS																		
PREGNANCY TEST WITH BRIEF EXAM, NEW	\$	92.75	\$	94.75	\$	74.17	-28%	\$	100.00	5%	\$	114.91	18%	\$	75.00	-26%	\$	
METHOD CHECK, EST, FOCUSED	\$	90.97	\$	90.97	\$	69.70	-31%	\$	75.00	-21%	\$	189.11	52%	\$	100.00	9%	\$	
WELL WOMAN, NEW, FOCUSED (18 - 39 YR) - W CM AND PAP	\$	164.99	\$	214.99	\$	191.74	-12%	\$	170.00	-26%	\$	173.63	-24%	\$	173.00	-23%	\$	
WELL WOMAN, NEW, FOCUSED (18 - 39 YR) WITH CM & 2nd E/M FOR PROBLEM	\$	257.75	\$	307.75	\$	262.73	-17%	\$	170.00	-81%	\$	173.63	-77%	\$	173.00	-76%	\$	
WELL WOMAN, EST, FOCUSED (18 - 39 YR) WITH CM	\$	148.05	\$	198.05	\$	178.85	-11%	\$	160.00	-24%	\$	164.38	-20%	\$	173.00	-13%	\$	
WELL WOMAN, EST, FOCUSED (18 - 39 YR) WITH CM & 2nd E/M FOR PROBLEM	\$	202.45	\$	252.45	\$	220.39	-15%	\$	175.00	-44%	\$	164.38	-54%	\$	173.00	-44%	\$	
STI SCREEN	\$	134.67	\$	174.67	\$	152.89	-14%	\$	150.00	-16%	\$	113.56	-54%	\$	140.00	-25%	\$	
GC FU - FEMALE	\$	90.97	\$	90.97	\$	69.70	-31%	\$	120.00	24%	\$	115.32	21%	\$	125.00	27%	\$	
GC FU MALE	\$	90.97	\$	90.97	\$	69.70	-31%	\$	120.00	24%	\$	120.30	24%	\$	125.00	27%	\$	
HIV COUNSELING & TESTING - 8-14 MIN (may be part of visit)	\$	45.48	\$	54.48	\$	54.89	1%	\$	40.00	-36%	\$	39.73	-37%	\$	25.00	-118%	\$	
SMOKING CESSATION COUNSELING (may be part of visit)	\$	17.39	\$	17.39	\$	13.45	-29%	\$	15.00	-16%	\$	17.59	1%	\$	25.00	30%	\$	
IUD PACKAGE - PARAGARD (w Contraceptive Counseling Pre-Visit on separate day)	\$	222.52	\$	417.52	\$	367.72	-14%	\$	450.00	7%	\$	520.15	20%	\$	500.00	16%	\$	
IUD PACKAGE - MIRANA (w Contraceptive Counseling Pre-Visit on separate day)	\$	222.52	\$	532.52	\$	482.72	-10%	\$	600.00	11%	\$	635.15	16%	\$	650.00	18%	\$	
IUD REMOVAL	\$	122.18	\$	122.18	\$	92.39	-32%	\$	150.00	19%	\$	152.45	20%	\$	50.00	-144%	\$	

*Note - Numbers are sample for display only*

# Understanding Results

- Understand if your cost per service unit (RVU) is above or below your peers
- Model your typical visits and compare costs to expected reimbursement by payer
- Do your costs exceed revenue?
- Take action





# Creating a Balance



# **ESTABLISHING YOUR TITLE X FEES AND SCHEDULE OF DISCOUNTS**



## Best Practice: Developing Fees

Reflect  
operational costs

Be competitive

Be reasonable

# Sliding Fees / Discounts

- You can set as many discount categories as you want between 101 and 250%
- Increments no longer need to be proportional

# Adjusting Fees

- Gather data on volumes of clients by fee category
- Consider reasonable dollar/percent increases for each sliding fee scale category
- Develop scenarios and determine total impact
- Calculate potential revenue for each option, while considering impact on each sliding category of clients
- Work as a team

Discount	Visits	Payment if \$150 fee	Total revenue \$150
100%	100	\$0	\$0
75%	85	\$38	\$3,188
50%	20	\$75	\$1,500
25%	10	\$113	\$1,125
0%	5	\$150	\$750
	220		\$ 6,563

# Calculating Impact

Discount	Visits	New fee of \$250	Pymt. Increase	Total revenue \$250
100%	100	\$0	\$0	\$0
75%	85	\$63	\$25	\$5,313
50%	20	\$125	\$50	\$2,500
25%	10	\$188	\$75	\$1,875
0%	5	\$250	\$100	\$1,250
	220			\$ 10,938

# Revised Fee and Schedule of Discounts

New Discounts	Visits	New fee of \$250	New Pymt. Increase	Total revenue \$250
<b>100%</b>	100	\$0	\$0	\$0
<b>90%</b>	45	\$25	(\$13)	\$1,125
<b>80%</b>	40	\$50	\$13	\$2,000
<b>70%</b>	10	\$75	\$0	\$750
<b>60%</b>	5	\$100	\$25	\$500
<b>50%</b>	5	\$125	\$50	\$625
<b>25%</b>	6	\$188	\$75	\$1,125
<b>10%</b>	4	\$225	\$113	\$900
<b>0%</b>	5	\$250	\$100	\$1,250
	<b>220</b>			<b>\$ 8,275</b>

<b>Service</b>	<b>Fee</b>
<b>99201</b>	<b>\$130</b>
<b>99202</b>	<b>\$135</b>
<b>99203</b>	<b>\$140</b>
<b>99204</b>	<b>\$150</b>
<b>99205</b>	<b>\$160</b>
<b>99211</b>	<b>\$125</b>
<b>99212</b>	<b>\$125</b>
<b>99213</b>	<b>\$125</b>
<b>99214</b>	<b>\$125</b>
<b>99215</b>	<b>\$125</b>



# Contraceptive Fees

- Fees between 101 -250% for contraceptives should be reflective of the 340B acquisition cost, and a reasonable “handling” fee to reflect that they are obtained at a discount



# LOOKING AT SUSTAINABILITY



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# Are We Sustainable...?

**PROFIT**  
**LOSS**

# Best Practice: Fees



- Individual eligibility for a discount must be documented in the client's financial record
- Review costs and fees at least annually
- Monitor contraceptive and medication costs for changes from manufacturers
- Be sensitive to your market

# Best Practices – Collecting Fees



- Advise clients when scheduling, confirming appointment, arriving, and checking out about your payment policies, schedule of discounts, income verification policies and the expectation of payment at the time of visit

## **Methods of Payment:**

Our health centers accept cash, check, Visa, or MasterCard. In order to use a check or credit card, you must show a valid photo ID.

If you can not afford to keep your doors open -  
you may not be able to help your patients  
who depend on you





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# Resources

- OPA - Program Requirements for Title X Funded Family Planning Projects, Version 1.0 April 2014

<https://www.hhs.gov/opa/guidelines/program-guidelines/program-requirements/index.html>

- Providing Quality Family Planning Services Recommendations of CDC and the U.S. Office of Population Affairs

<https://www.cdc.gov/mmwr/pdf/rr/rr6304.pdf2>



# Resources:

- E-Learning: Cost Analysis:  
It Pays to Know Your Costs: Why and How to  
Conduct an Effective Cost Analysis: Putting the  
Pieces Together for an Effective Cost Analysis  
(part three of a three-part webinar course)
  - <http://www.fpntc.org/training-and-resources/webinar-recording-it-pays-to-know-your-costs-why-and-howto-conduct-an-0>

# Resources

- Collecting Co-Pays and Applying Sliding Fee Scales: A Job Aid for Front Desk Staff
  - [http://fpntc.altaruminstitute.net/sites/default/files/resource-library-files/FP%20copay%20job%20aid\\_FINAL\\_508.pdf](http://fpntc.altaruminstitute.net/sites/default/files/resource-library-files/FP%20copay%20job%20aid_FINAL_508.pdf)



# Resources

- CMS RVU files
  - <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Relative-Value-Files.html>

# Disclaimer

- The guidance and scenarios provided today are meant for educational purposes only.
- Nothing herein is a specific recommendation about billing, charging of services or coding.
- CAI and AFC encourages providers to review their internal policies, or contact their Title X grantee or payers for specific information on their fee schedules and discounts, coding, coverage, and payment policies.