FA-4 CHARGES, BILLING, COLLECTION AND DONATIONS

POLICY:

Title X delegate agency must have written policies and procedures for charges, billing, collection and donations that meet the requirement of Title X and applicable Federal Regulations (Section 100(c)(2), PHS Act; 42 CFR Section 52). The formulation of charges, billing, collection and donation policies and procedures should be a collaborative process involving different types of staff (e.g. administrative, clinical, etc.), knowledgeable board members, and the agency’s accountant.

PROCEDURE:

Charges:

1. Verification of Client Income.
   a) income verification is aligned with Title X requirements and does not present a barrier to receipt of services or supplies
   b) all service sites will use current Federal Poverty Guidelines to determine client income
   c) client income is assessed at the beginning of the family planning visit
   d) all clients must complete an income worksheet at least annually. It is recommended that clients complete an income worksheet whenever a change in income occurs
   e) a delegate agency may request, but not require verification of income (e.g., paycheck stubs, income tax records)
   f) although not required, a delegate agency that has lawful access to other valid means of income verification because of the client’s participation in another program, may use that data rather than re-verify income or rely solely on the client’s self-report

2. Title X Schedule of Discounts.
   a) the Title X Schedule of Discounts is distributed to the delegate agencies by the North Dakota Family Planning Program. The Title X Schedule of Discounts is updated annually after the publication of the new poverty guidelines in the Federal Register
      i. discounts will be based on ability to pay according to the client’s income and family size

3. Title X Schedule of Fees.
   a) the Title X Schedule of Fees must cover all required services and supplies or those identified as within the scope of the North Dakota Family Planning Program as offered by the delegate agency regardless of whether provided onsite or by referral
   b) Title X delegate agencies must have documented policies and procedures with sound rationale for determining the cost of services or supplies. This may be accomplished utilizing a cost analysis methodology or another methodology
   c) the cost of services or supplies must be reviewed and updated periodically
d) the *Title X Schedule of Fees* must cover the following:
   i. visit types,
   ii. laboratory tests,
   iii. procedures,
   iv. counseling services,
   v. contraceptives, and
   vi. medications.

4. 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 or supplies (*Section 1006(c)(2), PHS Act; 42 CFR 59.5(a)(7)).
   a) third party is authorized or legally obligated to pay for services or supplies that the delegate agency has billed accordingly
   b) documentation in client records indicates that clients whose documented income is at or below 100% of FPL, are not charged for services or supplies

5. 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) third party is authorized or legally obligated to pay for services or supplies that the delegate agency has billed accordingly
   b) documentation in client records indicates that discounts are applied appropriately to the costs of services or supplies

6. For clients 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 or supplies. (*42 CFR 59.5(a)(8)).
   a) third party is authorized or legally obligated to pay for services or supplies that the delegate agency has billed accordingly
   b) documentation in client records indicates that discounts are applied appropriately to the cost of services or supplies

7. Fees may be adjusted or 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 inability to pay.
   b) When a client is unable, for good reason, to pay for services, the fee may be adjusted or waived
   c) the *Title X* clinic director, clinic manager, or other responsible official may decrease the amount owed based upon consideration of the following:
      i. amount of current bill,
      ii. anticipated future medical services required,
      iii. client’s other financial obligations, or
      iv. employment status potential.
   d) 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
   e) direct service delivery staff customarily will have no authority to adjust or waive the fee
f) third party is authorized or legally obligated to pay for services or supplies that the delegate agency has billed accordingly

g) documentation in client records indicates fees are adjusted or waived appropriately to the costs of services or supplies

8. Eligibility for discounts for un-emancipated minors who receive confidential services must be based on the income of the minor (42 CFR 59.2).
   a) any minor (defined as a person under 18 years of age) must be billed according to her/his household/family income except when the minor is:
      i. completely emancipated under state law, or
      ii. seeking confidential services.
   b) if the minor qualifies under i. or ii., then the Title X Schedule of Discounts is applied based solely on her/his income.

9. 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)).
   a) Family income should be assessed before determining whether copayments or additional fees are charged. With regard to insured clients, clients whose family income is at or below 250% FPL should not pay more (in copayments or additional fees) than what they would otherwise pay when the schedule of discounts is applied.

Billing:

1. Billing to clients will show total charges less any allowable discounts.

2. 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)).
   a) client household income must be assessed before determining whether copayments or additional fees are charged. With regard to insured clients, clients whose family income is at or below 250% of the FPL cannot pay more (in copayments or additional fees) than what they would otherwise pay when the schedule of discounts is applied
   b) the delegate agency 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 at either the delegate agency is required
   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. Delegate agency shall establish policies and procedures to offer or provide a credit payment plan for a client or upon client request.
2. A method for the aging of outstanding accounts must be established. Aging is defined as writing off a client’s outstanding balance after a certain defined period of time (e.g. 12 months). Delegate agencies should develop a methodology to write off overdue accounts either through their existing system or through some other internal mechanisms or software program. A common practice is to send out three statements (30, 60 and 90 days). If the payment is not received after the third statement then the account is either written off or turned over to a collections agency.

3. If a client whose chart has been placed in inactive status and their account is written off as “bad debt”, returns for services or supplies, the balance that was written off may be reinstated. The client may be asked to pay the balance that was written off.

4. Delegate agency may turn clients who are behind in their payments over to a collection agency only if they are not “confidential”. If the client is a confidential or “no contact” client, the delegate agency must not turn the client over to a collection agency. If a delegate agency chooses to use a collection agency for non-confidential clients, the following must occur:
   a) develop a clear local policy for when a client may be turned over to a collection agency
   b) collections of past due amounts must be done in a non-coercive manner

5. Reasonable efforts to collect charges without jeopardizing client confidentiality must be made.
   a) safeguards are in place that protect client confidentiality, particularly in cases where sending an explanation of benefits could breach client confidentiality
   b) clinic staff must assess whether the client is requesting confidential services and is a “no contact” client
   c) bills must not be mailed directly to “no contact” clients

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.

3. An overpayment may not be considered a donation without the client’s permission.