



## FA-8 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



- a) 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





4. Clients shall be considered for write off as “bad debt” when the client’s record and ledger card are removed from the active file, placed in inactive status (18 months) and there is an outstanding balance.
5. 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.

**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.