

# Program Income & Imposition of Charges



# **PROGRAM INCOME**

#### WHAT IS IT?

Program Income is any income that is generated for a subrecipient by a Ryan White grant or earned as a result of the grant.

 Reimbursement/payments for services provided include: self-pay, Sliding Fee Scale, Medicaid, Medicare, private insurance, Alliance, and other third party sources (e.g Managed Care)

#### **PROGRAM INCOME**

#### WHY ARE WE ASKING YOU ABOUT IT?

- Legislative Mandate
- · (2664)(a)(1)c
- Source Citation
- 45 CFR 74.24 and 92.25.
- Part A Program Guidance

The secretary may not make a grant under this part unless-the applicant submits to the secretary – the extent to which the costs of HIV-related health care for such individuals are paid by third-party payors.

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# **PROGRAM INCOME**

#### PROGRAM INCOME REQUIREMENTS

- ☐ Typically, program income is generated by sub-recipients that charge for services and receive reimbursement for third-party billing.
- □ Sub-recipients generating program income must maintain records documenting the amount and disposition of income received and the source of funds.
- □All program income generated by Ryan White funding shall be returned to benefit the HIV program!

## **PROGRAM INCOME**

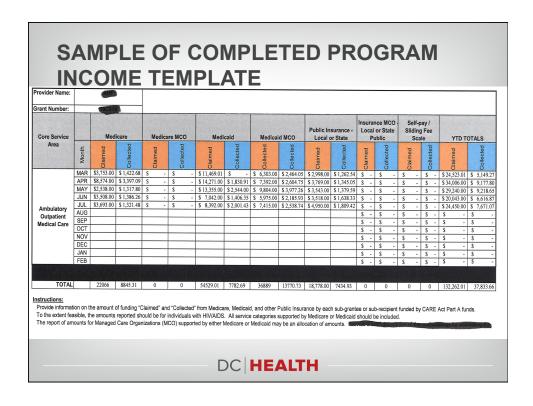
#### **USE OF PROGRAM INCOME**

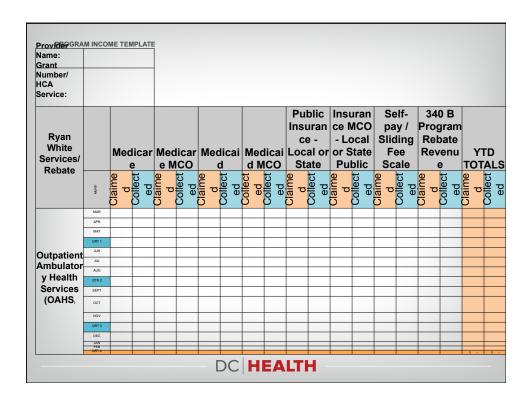
- □ Program Income can: be used to cover costs of the program, fund expansion of services, support other eligible programs
- □ Program income funds are not subject to federal limitations on administration (10%), quality management (5%)
- ☐ HAHSTA's monitoring staff will review monthly program income reports & review sub-recipient tracking system on site to ensure appropriate use of funds.

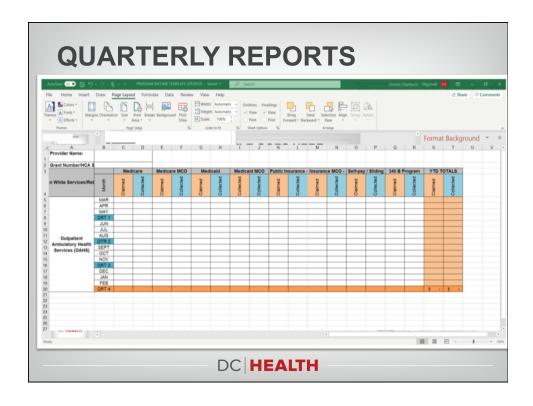


#### PROGRAM INCOME TEMPLATE

- Documentation of Income generated Monthly
  - Quarterly Submission of Program Income to HAHSTA.









## IMPOSITION OF CHARGES

#### **DEFINITION**

"Imposition of Charges" is a term used to describe all activities, policies, and procedures related to assessing RWHAP patient charges, as outlined in legislation

 Imposition of Charges applies to those services for which a distinct fee is typically billed within the local health care market

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#### IMPOSITION OF CHARGES

#### **SUB-RECIPIENT REQUIREMENTS**

- No RW patient shall be denied service due to an individual's inability to pay
- HRSA RWHAP statute does not require that patients that fail to pay be turned over to debt collection agencies

#### It's the Law:

Public Health Service Act Sections 2605(e), 2617(c), and 2664(e)(1)(B)(ii)

#### IMPOSITION OF CHARGES

- √RW Patients ≤ 100% FPL **Not** charged any fee
- √RW Patients above ≥ 100% FPL Charged
- ✓Establish system to track imposed charges
- ✓Track Patients reported Charges
- ✓ Establish Cap on imposed charges
- ✓Ensure provision of service regardless of ability to pay



#### IMPOSITION OF CHARGES CONT'D

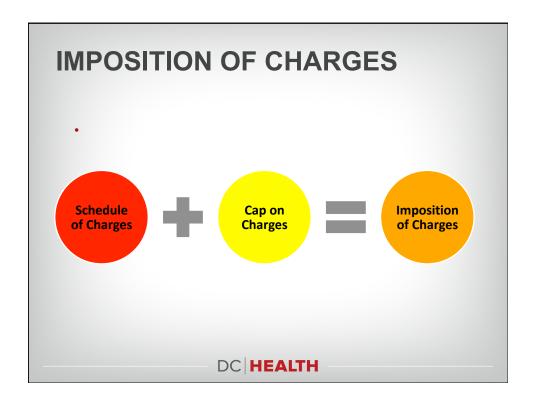
- Fee Schedule: complete listing of billable services and their associated fees based on locally prevailing rates or charges ( Not required by Ryan White Legislation but considered best practice
- Schedule of charges: fees imposed on the patient for services based on the patient's annual gross income. A schedule of charges may take the form of a flat rate or a varying rate (e.g. sliding fee scale).
- · Nominal Charge: fee greater than zero.



#### IMPOSITION OF CHARGES CONT'D

- Cap on charges: limitation on aggregate charges imposed during the calendar year based on RW patient's annual gross income. All fees are waived once the limit on annual aggregate charges is reached for that calendar year.
- Waiver: recipients operating as free clinics (e.g. healthcare for the homeless clinics) have the option to waive the imposition of charges on RW patients.





#### **SCHEDULE OF CHARGES**

**Schedule of charges:** applies to uninsured RW patients.

- Prohibits fees imposed on individuals with income ≤ 100% FPL
- ➤ Required fees be imposed on Individuals with income > 100% FPL

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# **SCHEDULE OF CHARGES**

- Schedule of charges is based on individual annual gross income, not household income.
- A RW patient's placement on the schedule of charges will change if there is a change in an individual's annual gross income or the FPL Guidelines.

# **SCHEDULE OF CHARGES**

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1.	Clinic A: Flat Rate		
	Nominal fee		
2	Clinia D. Vancina Da		

- 2. Clinic B: Varying Rate
  Nominal fee
- 3. Clinic C: Varying Rate Sliding fee scale

FPL Category	Clinic	Clinic B	Clinic C
	Α		
<=100% FPL	\$0	\$0	0%
101-200% FPL	\$5	\$5	10%
201-300% FPL	\$5	\$10	20%
>300% FPL	\$5	\$25	100%

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# **SCHEDULE OF CHARGES**

#### WHAT DO YOU HAVE TO DO?

- ✓ Develop a schedule of charges
- ✓Post the schedule of charges
- ✓Use patient income to determine charges
- ✓Inform patient of placement on schedule of charges

# **CAP ON CHARGES**

Cap on charges is based on income as a percentage of FPL:

- √101-200% FPL 5% cap
- √201-300% FPL 7% cap
- ✓>300% FPL 10% cap

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# **CAP ON CHARGES**

#### WHAT DO YOU HAVE TO DO?

- ✓ Calculate each RWHAP patient's annual cap based on their individual annual gross income
- ✓Inform the patient of the cap and their responsibility to track all charges
- ✓Aggregate/add up or track all applicable charges
- Stop imposing charges on RWHAP patient when cap is met

# Applicable Charges counts towards Cap

- The Law States
- ...the annual aggregate of charges imposed for such services [during the calendar year] without regard to whether they are characterized as enrollment fees, premiums, deductibles, cost sharing, copayments, coinsurance, or other charges



# Imposition of Charges Summary Imposition of Charges Applicability Any service or set of services for which a distinct fee is typically billed for within the local health care market No RWHAP patient shall be denied service due to an individual's inability to pay Fee Schedule Recommended Schedule of Charges (flat or varying rate) Patients eligible for reduced rates/discounts All Ryan White eligible patients may receive a reduced rate. Assessment of charges All patients above 100% FPL must be charged. Patients at or below 100% FPL MUST NOT be charged. Cap on charges Annual limit based on RW patient's income level

021 Federal Poverty	Levels and	DO IXVV LIVIA
2021 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA		
PERSONS IN FAMILY/HOUSEHOLD For families/households with more than 8 persons, add \$4,540 for each additional person.	POVERTY GUIDELINE For families/households with add \$22,700 for each addit	DC EMA 500% FPL, RW PART A, B AND ADAP th more than 8 persons, in DC ional person
1	\$12,880	\$ 64,400
2	\$17,420	\$ 87,100
3	\$21,960	\$109,800
4	\$26,500	\$132,500
5	\$31, 040	\$155,200
6	\$35,580	\$177,900
7	\$40,120	\$200,600
8	\$44,660	\$223,300

