

Patient Fee Structure

Your planning team must recommend a fee-for-service model for final Board approval.

Consider the following:

- Your mission
- Philosophy your Planning Team and/or Board of Directors has determined for your clinic
- Budget implications of collecting or not collecting a fee
- Policies and procedures associated with the fee collection process
- Value or perceptions that will be placed on your services from both patients and donors if a fee is/is not charged, etc.

Clinics across the country have implemented fee-for-service models, which have included:

- Flat fee-for-service – The same amount is charged to everyone seeking any type of service at the clinic
- Sliding fee-for-service – A patient is charged a certain amount based upon income; the less a patient makes, the less they pay
- Flat fee depending upon service – A set amount might be charged for a medical visit, another amount for dental, etc.
- Additional fees – Some clinics may also charge fees for ancillary services such as prescriptions and laboratory
- Administrative fee – Some clinics charge a flat fee not associated with any specific service
- Donations – Clinics either suggest a donation amount or allow patients to determine the amount they wish to give
 - This donation might be a specific amount; some clinics will share with the patient the value of the services they are receiving to help determine the amount, others use the patient's income to determine the suggested donation amount.

- Requesting a donation leaves the patient with the choice, and that choice should not determine service eligibility.
- Donations are not a condition of service; they are strictly voluntary, and allow a clinic to remain categorically free, even if donations are accepted.

If your clinic chooses to either collect a fee or implement a system of donations, it is important for the Planning Team to develop policies and procedures for collecting, reporting, and reconciling the income generated. A plan should be developed for handling situations where the patient is unable to pay/donate the fee-for-service. This might include funds that are earmarked to cover these circumstances or forgiving the fee.

Federal Tort Claims Act potential conflict with Fees-for-Service

You should be aware that charging specific fees for services, whether determined based on patient income or established as a flat fee, will make your clinic unable to qualify for coverage under the Federal Tort Claims Act (FTCA). This makes your clinic ineligible for the immunity protection offered your volunteer medical providers by FTCA. However, within the FTCA guidelines there are acceptable ways that clinics collect funds from patients and still qualify for coverage.

The FTCA program information notice 2004-24 and can be found at this link and contains the following: <http://bphc.hrsa.gov/ftca/freeclinics/>

FTCA Qualified Clinic Definition:

A free clinic is a healthcare facility operated by a nonprofit private entity that:

1. In providing healthcare, does not accept reimbursement from any third-party payor including reimbursement from any insurance policy, health plan, or Federal or State health benefits program
2. In providing health care, does not impose charges on patients to whom service is provided OR imposes charges on patients according to their ability to pay
3. May accept patients' voluntary donations for healthcare service provision

A Topic for Consideration

If qualifying for the FTCA program is a goal of your clinic, the Planning Team should weigh costs and benefits of charging fees for service at your clinic. Some clinics decide the revenue generated by a fee is sufficient to allow them to purchase professional malpractice coverage for their volunteer providers, circumventing the need for FTCA coverage. Others believe the protection afforded through this program is worth sacrificing funding received from fees.