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Perfecting the OSV Financial Program Requirements:  
An Overview of key FQHC Finance related Program  
Requirements

# Perfecting the OSV Financial Program Requirements:

- S330 Finance related Program Requirements:
  - PR#7 – Sliding Fee Discount program
  - PR#12 – Financial Management and Control Policies
  - PR#13 – Billing & Collections
  - PR# 14 – Budget
  - PR#15 – Program Data Reporting requirements
- Related PRs:
  - PR#2, PR#6, PR#8, PR#9, PR#10, PR#16, and PR#17

# Program Requirement #7

## Sliding Fee Discounts

- Health center has a system in place to determine eligibility for patient discounts adjusted on the basis of the patient's ability to pay.
  - This system must provide a **full discount** to individuals and families with annual incomes **at or below 100%** of the Federal Poverty Guidelines (**only** nominal fees may be charged) and for those with incomes between 100% and 200% of poverty, fees must be charged in accordance with a sliding discount policy based on **family size and income**.

## PR#7 Continued

- No discounts may be provided to patients with incomes over 200 % of the Federal Poverty Guidelines.
- No patient will be denied health care services due to an individual's inability to pay for such services by the health center, assuring that any fees or payments required by the center for such services will be reduced or waived.
- HRSA PIN 2014-02 "Sliding Fee Discount and Related Billing and Collections Program Requirements"
  - <http://bphc.hrsa.gov/programrequirements/policies/pin201402.html>

# PR#7 Continued

- Other Resources: National Health Service Corp SFD Training Brochure.  
<https://nhsc.hrsa.gov/downloads/discountfeeschedule.pdf>
- Related PRs
  - PR #2
  - PR #3
  - PR #10
  - PR #16
  - PR #17

## Program Requirement #12

### Financial Management and Control Policies

- Health center maintains accounting and internal control systems appropriate to the **size and complexity** of the organization reflecting Generally Accepted Accounting Principles (GAAP) and **separates functions** appropriate to organizational size to **safeguard assets** and **maintain financial stability**. Health center assures **an annual independent financial audit** is performed in accordance with federal audit requirements,

## PR#12 Continued

- including submission of a **corrective action plan** addressing all findings, questioned costs, reportable conditions, and material weaknesses cited in the Audit Report.
- Related PRs: PR#17
- HRSA PIN 2013-01 "Health Center Budgeting and Accounting Requirements"
  - <http://bphc.hrsa.gov/programrequirements/policies/pin201301.html>

# Program Requirement #13

## Billing and Collections

- Health center has systems in place to **maximize collections and reimbursement for its costs** in providing health services, including **written** billing, credit and collection policies and procedures.
- Related PRs: PR #7, PR #13, PR #17



## PR#13 Continued

- PAL 2011-04 "Process for Becoming Eligible for Medicare Reimbursement under the FQHC Benefit"
  - <http://bphc.hrsa.gov/programrequirements/policies/pal201104.html>
- HRSA PIN 2014-02 "Sliding Fee Discount and Related Billing and Collections Program Requirements"
  - <http://bphc.hrsa.gov/programrequirements/policies/pin201402.html>

# Program Requirement #14

## Budget

- Health center has developed a budget that reflects the **costs of operations**, expenses, and revenues (**including** the federal grant) necessary to accomplish the service delivery plan, including the **number of patients** to be served.
  - Federal grant versus Non-Federal grant expenditures
  - Monitoring Budget Variance

## PR #14 Continued

- Related PRs: PR #17
- HRSA PIN 2013-01 "Health Center Budgeting and Accounting Requirements"
  - <http://bphc.hrsa.gov/programrequirements/policies/pin201301.html>

# Program Requirement #15

## Program Data Reporting Systems

- Health center has systems which **accurately collect** and **organize data** for program reporting and which support management decision-making.
  - Health Center Program Clinical and Financial Performance Measures
    - <http://bphc.hrsa.gov/qualityimprovement/performanceasures/index.html>
  - Health Center Program grantee data
    - <http://bphc.hrsa.gov/uds/datacenter.aspx?q=d&year=2014>
    - Uniform Data System (UDS) Resources  
<http://bphc.hrsa.gov/datareporting/reporting/index.html>

# PR #15 Continued

- Related PRs:
  - PR #8
  - PR #12
  - PR #17

# Frequently Asked Questions:

- PR#7 - Sliding Fee Discounts
  - What do we do if we have a procedure that commercial insurance pays e.g. orthodontic work, some specialized procedure, tests, etc,?
    - What is if a SFSD eligible patient also wants to have the same procedure done?
    - Can the SFSD patient access this procedure?
    - How about billing?

# FAQ Continued

- What should be included in a written SFD program policy?
  - Family and Income criteria
  - Less than 100%, between 100% and 200%, greater than 200%
  - Fixed pricing versus percentage of charges?
- 
- Can Health Centers develop SFD schedules for medical, behavioral health, dental, and pharmacy?
  - Yes. And should.

# FAQ Continued

- PR#12 – Financial Management and Control Policies
  - Use of Accrual versus Cash accounting basis?
    - Accrual accounting is required.
    - Generally Accepted Accounting Practices (GAAP)



# FAQ Continued

- PR#13 – Billing & Collections

# FAQ Continued

- PR#14 – Budget
  - Must the annual operating and capital budgets be approved by the Board of Directors?
    - Yes
  - What should be included in the total budget that the BOD approves?
    - Annual Operating Budget
    - Capital Budget
    - S330 Grant Budget(pro-rated as needed to fit Fiscal Year)
  - Must there be a business plan to go with the budget?
    - Yes.

# FAQ Continued

- PR#15 – Program Data Reporting Systems
  - Regular reporting of financial and clinical performance measures?

# Questions?

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