While health centers are required to impose Medicare coinsurance for CMS/Medicare care management services, the coinsurance may be “slid” commensurate with the sliding fee discount program (SFDP) policy of the health center. Federal anti-kickback statutes and beneficiary inducement prohibitions include exceptions allowing health centers to discount coinsurance for patients who are eligible for the health center’s sliding fee discount program without violating Medicare rules.

HRSA’s guidance (Compliance Manual, Chapter 9, Element K) allows health centers to discount coinsurance for their SFDP eligible patients to an amount no more than what the patient would have paid under his/her applicable SFDS payment level.

**Coinsurance for Patients with annual income < 100% Federal Poverty Line (FPL)**

- Under both Medicare rules and HRSA requirements, health centers can slide the coinsurance for patients who are eligible for the sliding fee discount program (SFDP). Health centers can slide the coinsurance to $0 for the patients earning annual incomes at or below 100% of the FPL.
- Under the health center regulations, patients who are eligible for the nominal fee should be provided care at “full discount” (i.e., $0) but can be charged a nominal fee where “imposition of such fees is consistent with project goals.” (42 CFR 51c.303(f)). This latter phrase is generally interpreted to allow nominal fees, provided that the fees do not create a barrier to care.
- If the health center determines that imposition of a nominal fee for these services would create a barrier to care, it can establish a $0 charge for eligible patients (patients earning annual incomes at or below 100% of the FPL) for this service.
- Note that a Medicare beneficiary with income at or below the poverty level would almost always be a Medicare-Medicaid dual eligible beneficiary, and so Medicaid as secondary payor would typically cover the coinsurance – although health centers should check with their Medicaid state plans regarding individuals who are “full benefit dual eligible” but not meet the “qualified Medicare beneficiary” definition.

**Coinsurance for Patients with annual income >100% and < 200% Federal Poverty Line (FPL)**

- Under both Medicare rules and HRSA requirements, health centers can discount the coinsurance: based on the patient’s payment level prior to billing the patient; or can discount based on payment level, or can waive/reduce payment.
- Patients who are eligible for the sliding fee discount rather than the nominal fee (i.e., patients earning annual incomes above 100% of the FPL and up to and including 200% of the FPL) cannot be slid to $0 under the sliding fee discount rules.
- Patients eligible for the sliding fee discount can have their coinsurance waived under the provision in Chapter 16 (element h) of the Compliance Manual that requires health centers to have a board-approved policy and related operating procedures “that include the specific circumstances when the health center will waive or reduce fees or payments required by the center due to any patient’s inability to pay.” HRSA considers such waivers would be determined on a patient-to-patient basis (rather than setting the fee for all such patients at $0), based on individualized determinations of financial hardship.
- Health centers can establish an attestation for patients to sign that includes a brief description of why the coinsurance charge would be a barrier to care for purposes of fulfilling the case-by-case waiver (see sample).

Legal review and interpretation provided by FTLF, LLP at NACHC’s request, April 2020