Setting a Full Fee Schedule

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A family planning agency's full fee schedule, also known as a charge schedule or chargemaster, is typically based on private insurance, market, and/or Medicare rates. Data from a cost analysis can help an agency to determine what the costs of providing services are in relation to an agency's full fee, third-party payer (TPP), and/or market rates. Title X agencies may find it helpful to reference [Key Terms for Completing a Cost Analysis] while reviewing this document.

Best Practices[1]

- Align fees with charges from other family planning providers in the community.
- Establish a full fee for each service and consistently use it with all payers. Self-pay clients must be offered a discount that reflects their family size and income. If an agency offers deeper discounts to clients who pay in full at the time of service, this should be documented in the agency's policy and used consistently.
- Always read an insurer's contract thoroughly before signing it and keep a copy of the agency's current contract on file. Avoid sudden changes in fees. If a family planning agency determines the fees are too low, an agency may consider increasing them gradually (e.g., 5–10% semi-annually or yearly) until the fees are where they need to be considering market rates, TPP rates, and the costs of providing services.
- Create an internal tracking worksheet to organize payer-specific information that includes: renewal date, key contacts, contraceptive coverage, and other relevant billing/coverage specifics.

Strategies for updating a full fee schedule

Title X requires that charges be made in accordance with a schedule of fees designed to recover the reasonable cost of providing services. Both CMS, who is instrumental in setting Medicare reimbursement rates, and private insurance set their rates to allow for this to occur. Therefore, both of these strategies represent a reasonable cost of providing services.

- **Strategy 1:** Compare and set full fees[2] at or slightly above (e.g., 5–10%) the highest TPP contractual rate for each CPT code (or service).
- **Strategy 2:** Set full fees to a percentage above (e.g., 120% or 150%) of the Medicare Fee Schedule, which is an industry standard that TPPs use to set their rates.

Considerations

- TPPs typically pay the lesser of either the fee (or charge) reported on the claim or the contractual rate. If an agency's fees are lower than the contractual rates, then the agency will lose revenue.
- If an agency's fees are lower than the highest TPP rate, consider adjusting fees to at least the highest TPP rate (recommended 5–10% higher) to optimize fees and revenue.
- If an agency's proposed fees would significantly increase, it could be burdensome for uninsured clients who pay for services on an agency's Sliding Fee Discount Schedule (SFDS). This can often be managed by adjusting an agency's SFDS.

When setting a full fee schedule, it is important to review the SFDS to review discount categories for clients

1 Adapted from: Houseman, K. (17 March 2016). Fee Schedule Dos and Don'ts [Blog post]. GroupOne Health Source. Retrieved from: https://www.grouponehealthsource.com/blog/fee-schedule-dos-and-donts
2 Note: Fees or charges can be interchanged here.

with family incomes between 101–250% of the federal poverty level (FPL) to ensure that any increased charges are reasonable and will not create a barrier to services. Clients must not be denied project services or be subjected to any variation in quality of services because of inability to pay.

Family planning agencies should also compare their revised fees to the results of a cost analysis. If an agency's costs are higher than the proposed fees, it is typically not recommended adjusting fees to costs as this can lead to pricing services above market rates. Rather, when costs are higher than the proposed fees, it is recommended that an agency consider expense management and/or increased utilization strategies.

Strategies for Managing Expenses

- Reduce lease and/or share space.
- Adjust staffing amounts if additional client volume is not feasible.
- Review staffing types to determine if a type can be adjusted to manage expenses.
- Ensure staff is working to the highest level of their credentials and expertise. Shift administrative or unnecessary tasks away from providers to increase their ability to see more clients.

Strategies for Managing Utilization

- Assess clinic flow for efficiency and streamline systems where possible.
- Analyze client demand for visits and/or services. If there are unmet needs, determine the feasibility of adding visits or services (including those outside of the agency's core family planning services) into the schedule.
- Determine cost effectiveness of existing services and scale back or eliminate as needed. Costly services include those with low Medicaid reimbursement or a high percentage of clients with Medicaid, as well as services that result in revenue loss or require costly contracted staff.

For resources and tools related to clinic efficiency and quality improvement, review the Clinic Efficiency training package on fpntc.org. Title X agencies may find it is helpful to reference Key Terms for Completing a Cost Analysis while reviewing this document.

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