DPC Sliding Fee Scale Example

A Fully Worked Example for Direct Primary Care Practices

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About This Example

This is an example of a complete sliding fee structure for a DPC membership practice.

It is meant to show how the pieces fit together. The exact income thresholds, discounts, and patient limits should still be checked against the practice's own finances.

Practice Assumptions

Standard adult membership: $100/month
Standard annual membership: $1,200/year
Target panel size: 500 patients
Required average annual revenue per patient: $1,000
Maximum reduced-fee patients: 50 patients
Maximum reduced-fee percentage of panel: 10%
Approval period: 12 months

Eligibility Is Based On

- Household size
- Annual household income
- Current HHS Poverty Guidelines
- Available sliding-scale capacity

Example Discount Schedule

Household Income → Discount → Monthly Membership → Annual Membership
Above 200% of HHS Poverty Guideline → 0% → $100 → $1,200
151%–200% → 20% off → $80 → $960
101%–150% → 40% off → $60 → $720
100% or below → 60% off → $40 → $480

Example Using Household Income

Assume the applicable HHS Poverty Guideline for a household is: $33,000

Household A

Annual household income: $72,000
Calculation: $72,000 ÷ $33,000 = 218%
Result: Above 200%
Monthly membership: $100

Household B

Annual household income: $59,400
Calculation: $59,400 ÷ $33,000 = 180%
Result: 151%–200%
Discount: 20%
Monthly membership: $80

Household C

Annual household income: $42,900
Calculation: $42,900 ÷ $33,000 = 130%
Result: 101%–150%
Discount: 40%
Monthly membership: $60

Household D

Annual household income: $29,700
Calculation: $29,700 ÷ $33,000 = 90%
Result: 100% or below
Discount: 60%
Monthly membership: $40

Example Patient Mix

Assume the practice has:

Tier → Patients → Monthly Price → Annual Price → Annual Revenue
Standard → 450 → $100 → $1,200 → $540,000
20% Discount → 20 → $80 → $960 → $19,200
40% Discount → 20 → $60 → $720 → $14,400
60% Discount → 10 → $40 → $480 → $4,800

Total patients: 500
Total annual membership revenue: $578,400
Average annual revenue per patient: $1,156.80
Calculation: $578,400 ÷ 500 = $1,156.80
Required average annual revenue per patient: $1,000

In this example, the practice remains above its required average revenue per patient.

Example Program Rules

A practice using this structure might write its policy this way:

Eligibility

Patients may apply if household income is at or below 200% of the applicable HHS Poverty Guideline.

Discount Levels

• 151%–200%: 20% discount
• 101%–150%: 40% discount
• 100% or below: 60% discount

Maximum Participation

Up to 50 patients or 10% of the active patient panel, whichever limit the practice chooses to use.

Approval Period

Approval lasts 12 months. Patients must reapply annually.

Required Information

Patients submit:
• Household size
• Annual household income
• Recent income documentation
• Completed sliding fee application

Example Program Rules (continued)

Accepted Documentation

- Recent pay stubs
- Federal tax return
- W-2
- 1099
- Social Security statement
- Disability statement
- Unemployment documentation
- Pension or retirement statement
- Self-employment documentation

Changes in Financial Circumstances

Patients should notify the practice if there is a significant change in:

- Household income
- Household size
- Employment status

When the Program Is Full

If all reduced-fee spots are filled:

- New qualified applicants are placed on a waiting list
- A spot opens when a current reduced-fee patient leaves or no longer qualifies
- Additional spots are added only if the practice's financial review supports it

Services Included

The reduced fee applies to: DPC membership fees.

Services Excluded

The reduced fee does not automatically apply to:

- Outside laboratory charges
- Imaging
- Medications
- Vaccines
- Supplies
- Services performed by outside organizations
- Other pass-through expenses

What This Looks Like in Practice

A patient applies. The practice determines:

1. Household size
2. Annual household income
3. Applicable HHS Poverty Guideline
4. Household income as a percentage of that guideline
5. Corresponding discount tier
6. Whether a reduced-fee spot is available

Example

Household income: $42,900
Applicable guideline: $33,000
Income percentage: 130%
Discount tier: 40% off
Standard membership: $100/month
Approved membership: $60/month
Approval period: 12 months

That patient is then counted as one of the practice's available reduced-fee spots.

Simple DPC Sliding Scale Template

A physician could use this as a starting structure:

Income Level → Discount → Patient Pays
Above 200% of HHS guideline → 0% → 100% of standard membership
151%–200% → 20% → 80% of standard membership
101%–150% → 40% → 60% of standard membership
100% or below → 60% → 40% of standard membership

Recommended Starting Limits

Maximum reduced-fee patients: 5%–10% of panel
Approval period: 12 months
Review: Annually

Using This Example

This worked example shows one way a Direct Primary Care practice might structure a sliding fee scale — the discount tiers, the household income math, the program rules, and the patient mix all built from the same set of assumptions.

The numbers here are illustrative, not prescriptive. Your own membership price, panel size, and required revenue per patient will set your own thresholds.

Use this example alongside the Sliding Fee Scale Guide's worksheets to test whether a similar structure works for your own numbers, then document your own policy using the same format.

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