

**Silverton Health
GENERAL MANUAL**

TITLE: PATIENT DISCOUNTS

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Policy No: GEN-LEA-2019**

Date Issued: September 2014

Source/Reference:

Date Reviewed:

Date Revised: November 2014

Departments Affected: Finance, Patient Access Services, Clinic Business Office

Author: Revenue Cycle Director

PURPOSE: The purpose of this policy is to outline the limited circumstances under which discounts may be offered to patients/guarantors for services provided by Silverton Health (SH), and the procedural and documentation requirements for any such discount. The policy is designed to reduce SH account receivables and the costs of debt collection, increased cash flow, and provide needed financial relief to those patients who cannot afford their medical bills.

POLICY STATEMENT:

- SH will not use discounts to induce referrals for items or services reimbursable by any federal health care program, will not offer discounts to influence a federal health care program beneficiary's choice of provider, and will not provide routine or automatic discounts on copayments and deductibles.
- SH may provide discounts to qualified patients/guarantors under the terms of this policy.
- All discounts must be properly documented including the reason for the discount, dates of service and the amount of the discount. Where applicable, documentation should reflect the cost collection efforts (copies of bills, follow-up letters, reports of telephone and personal contact). Prompt pay and cost of collection discounts will not be claimed as bad debt or claimed under Medicare, Medicaid or other third-party payers.
- This policy does not cover financial assistance under SH Financial Assistance Policy or risk management or quality of service issue discounts.
- SH employees and their immediate family members, physicians on the medical staff at any SH facility and insiders (board members, representatives of vendors and unions, or any other party having a material relationship with SH) will be treated identically to all other patients receiving discounts under this policy.
- SH will not disclose or advertise discounts in promotional materials, but may communicate the availability of discounts to qualified patients/guarantors during the ordinary course of dealing with patients/guarantors.
- SH will ensure that its cost reports reflect full uniform charges.

PROCEDURE:

1. Patients/guarantors may be offered various options to resolve the account after qualification. These options may include payment plans and/or discounts under this policy including Uninsured Discount, Prompt Pay Discount, and Cost of Collection Discount.
2. Qualification for discounts include the following.

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- a. Uninsured Discount – The patient/guarantor is confirmed as uninsured or is not covered by his/her insurance for services provided by SH which SH considers medically necessary (coverage is denied as the service is not a covered service, coverage is denied as not reasonable and necessary under payer coverage policy, or benefits are exhausted).
- b. Prompt Pay Discount – The patient/guarantor pays his/her account balance in full within sixty days of the first statement, qualifying for a prompt pay discount.
3. Prompt pay and cost of collection discounts are applied after insurance, charity and uninsured discounts where applicable.
4. After qualification, a 30% discount may apply to hospital account balances remaining after insurance over \$250.00 and clinic balances remaining after insurance over \$50.00.
5. All co-pays, including those over \$250.00 (usually for Emergency Room visits), are not eligible for discount if restricted by the payor contract.
6. Bundled package balances and traditional Medicare outpatient account balances are not eligible for discounts under this policy.
7. If it is determined that the patient/guarantor has insurance or other coverage after the uninsured discount has been taken, the discount will be reversed. Insurance will then be billed the original charge for the service.
8. Balances that have been forwarded to a collection agency are not eligible for discounts under this policy.
9. Reasonable payment plans will be offered as outlined below.

Amount Owed and Months to Pay							
Approval	\$1- \$250	\$251- \$500	\$501- \$1,000	\$1,001- \$3,000	\$3,001- \$5,000	\$5,000- \$10,000	\$10,000+
FC & Self Pay Staff	3	5	7	12	18	18	24
Supervisor/Manager	4	8	12	18	24	24	30
Director	6	9	12	18	24	30	Discretionary

- a. Patients/guarantors meeting the terms of an agreed payment plan will not be assigned to a collection agency.
- b. Lack of communication from a patient/guarantor about being unable to comply with a payment plan may result in further account collection action.
- c. Payment plans extending beyond the above timeframes with inadequate security or documentation may be forwarded to a collection agency for extended payments. These may be interest free with no legal action pursued as long as the payment plan terms are met.
- d. Payment plan collections will not exceed 20% of patient's annual household income in any twelve month period.

Approvals: Policy Review Team 2/5/15, Governing Board 4/29/15

Related Policies: