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| \\hcmc\users\bmckee\My Documents\My Pictures\HCMC Horizontal_1 copy 3.jpg301 Tyson Avenue\* Paris, TNPolicies/Procedures | Policy: Patient Discount Policy |
| Approved By: |
| Department: Patient Financial Services | Policy Number: 8310.1.1.225 |
|  | Approval Date:5/1/18 |
|  | Supersedes: |

**PURPOSE:** To document discounts provided by HCMC to Private Pay and insured patients.

**SCOPE:** All Henry County Medical Center (HCMC) (owned, operated, leased, and managed) including, but not limited to, hospitals, ambulatory surgery centers, outpatient imaging centers, physician practices, Corporate Departments, Groups, and Divisions.

**DEFINITIONS:**

**Contracted Payer:** Third party payers, including health plans, self-insured employers, and indemnity plans, which have entered into a written managed care or pricing agreement with HCMC with respect to the health care services in question. Contracted payers included managed care agreements with Medicare Advantage Plans and/or contract with any other Governmental Payers.

**Eligible Health Care Services:** Services which are emergent and other medically necessary care.

Eligible Health Care Services exclude:

* Services disallowed through payer utilization reviews or denials
* Cosmetic surgery or elective services that are not medically necessary
* Services not reimbursed (ie: contractual allowances or write offs)
* Experimental Services
* Transplant Services

**Financial Assistance:** Discounts or elimination of payment for health care services provided to eligible patients with documented and verified financial need.

**Non-Contracted Payer:** Third party payers, including health plans, self-insured employers, or indemnity plans which have not entered into a formal managed care or pricing agreement with HCMC.

**Non-Covered Services:** Services not covered by insurance provided to individual with contracted payer coverage.

**Private Pay:** Patient identified as having no insurance coverage or opting out of their insurance coverage for specific services/event.

**Private Pay Discount:** A discount on charges for medical services for patients identified as having no insurance coverage.

**POLICY:** Henry County Medical Center is committed to providing a fair discount to individuals who are uninsured or underinsured, but do not qualify for the Financial Assistance, as set forth in the HCMC Financial Assistance Policy. Patients are informed of HCMC’s Financial Assistance Policy primarily through the HCMC website, Financial Counselors, Patient Financial Services Customer Service and brochures distributed in HCMC hospital locations. The website information is listed on all billing statements with a link to a plain language summary of this policy. For patients without internet access, this policy is available as disclosed via a phone call to HCMC Patient Financial Services. These communications are available in English and Spanish.

**PROCEDURE:** Discount request will be evaluated on their individual merits. Consideration will be given to factors including but not limited to, patient insurance status, cost of health care services requested, payer contracts with HCMC, patient liability amount, and/or the time in which the Payer or individual can adjudicate and/or pay claims.

**Discounts for Services Provided to Uninsured Individuals:**

All Uninsured Patients will be provided a Private Pay Discount prior to the first billing statement. This discount is given even if the patient qualifies for Financial Assistance. HCMC staff shall be responsible for verifying Private Pay Discount eligibility, working with the patient to determine ability to pay, and connecting the patient to any applicable resources. The Private Pay Discount is set for in this policy, under the Summary of Discount Approval Levels. Only in unusual circumstances will the discount amount be approved in excess of the percentages outlined in this policy.

**Discounts for Non-Covered Services:**

A discount from billed charges, consistent with that for uninsured individuals, will be offered to patients with contracted payer coverage for all services which are adjudicated by the payer in a way that does not allow the patient to benefit from a contractual adjustment. These are services determined to be non- covered or have limited benefit coverage by the insurance provider. Specifically, this includes services denied for maximum benefits, medical necessary non-covered services, and non-authorized services that can be billed to the patient.

**Discounts for Services Provided to Non-Contracted Payers:**

A discount from billed charges, consistent with the Private Pay Discount will be offered to patients with non-contracted payer coverage.

**Small Balance Discounts:**

No formal approval is needed for small balance discounts for accounts with outstanding patient balances up to $5.00

**Prompt Pay Discounts:**

A discount will be given, as requested by the patient, for prompt payment in full for an account balance. This discount will not be offered unless patient specifically asks for a discount while submitting payment in full on their account balance(s). The amount will be 10% of the patient balance(s) if account balance is paid within 10 days of the payment arrangement. The discounted amount may be subject to increase during tax filing season. Total prompt pay discount should not exceed 30% of the total charges billed.

**Summary of Discount Types**

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| **Type** | **Discount Amount** |
| Uninsured Individuals/Private Pay Discount | 48.70% |
| Services Not Covered by Insurance provided to Individuals with Contracted Payer Coverage | 48.70% |
| Non-Contracted Payers | 48.70% |
| Prompt Pay | 10% of Remaining Patient Balance |

Only in unusual circumstances will Discount amounts in excess of the percentages outlined in this policy be approved. Discounts not addressed in the above policy, should be limited and take in consideration contractual obligations set forth by individual third party payers. A Discount request of this type requires formal approval of the Supervisor, Director, or Administration.

*References*

Financial Assistance Policy