

# Baptist Health Care- Patient Financial Services

## POLICIES/PROCEDURES

Subject: Discount Policy

### PURPOSE

The purpose of offering patient discounts is to encourage rapid payment of amounts owed to reduce Baptist Health Care's (BHC) overall cost of collecting self-pay (no insurance and balance after insurance) balances. Additionally, patient discounts provide uninsured patients with account reductions that are equitable with pre-negotiated managed care payor rates.

### POLICY

BHC provides several discount options for a variety of patient financial needs. The Financial Assistance Discount, as further described below, may not be combined with any other discount. The Automatic Self-Pay Discount may be combined, if applicable, with a Prompt Pay or a Settlement Discount. Covered Services include those within BHC facilities not to include physician charges for services rendered.

1. **Automatic Self-Pay Discount** - Patients with no insurance to help cover medical expenses will automatically be given a 30 percent discount on charges for hospital based medical services. The amount of this discount is similar to rates negotiated between BHC and managed care payers. This discount is applied automatically at the time of billing.
  - a) This discount is not available on pre-paid elective procedures that must be paid in full prior to the service (such as cosmetic procedures) or "packaged pricing" that already include all discounts (such as bariatric procedures, etc.).
  - b) This discount is not available if some form of insurance or other third-party coverage may be responsible for paying for the care provided, e.g., prisoners, third-party liability situations, workers' compensation, etc.
2. **Prompt Payment Discount** - A discount of 25 percent will be offered for prompt and complete payment of estimated uninsured account balances if full payment is made prior to service or on the day of service or discharge.
  - a) Due to provider participation and/or managed care contractual obligations, some third-party coverage plans are excluded from this discount.
  - b) Pre-payment from funded Medical Savings Accounts must be deferred and processed as a Settlement Discount.
  - c) Patient co-payment amounts are not eligible for this discount.
  - d.) Patient will be able to make a down payment for out-of-pocket balance in accordance with BHC's Credit and Collections Policy.

- e. Patient will not be able to enter into an external loan program if certain discounts have been applied to the outstanding balance.
- f. If the patient is given a price estimate indicating that if the estimate is more than \$25 underestimated the patient will be responsible for the outstanding balance. If the patient paid more than needed and the credit balance is less than \$25, the patient's credit balance will be applied to any outstanding balance, either BHC or employed physician.

3. **Promotional Discount at Time of Service** – BHC reserves the right to present other discount for certain services in conjunction with market promotions.

4. **After Service Settlement Discount** - A negotiated discount in amounts outlined in the table below available on account balances that are more than 30 days old.

- a) Accounts may be in active or with a collection agency.
- b) If patient has not made any attempt to resolve balance prior to the settlement presentations (i.e. setting payment plans and making payments, providing a deposit for the service), the patient will not qualify for settlement. This provision applies for any service after March 1, 2012.
- c) Special Negotiated Settlement Campaigns may be authorized by the Executive Director of PFS or designee but must be offered in a non-discriminatory way.
- d) Due to provider participation and/or managed care contractual obligations, some third party coverage plans are may be excluded from this discount.

5. **Self-Pay Pricing** – BHC will provide a set price for common services. This predetermined price will be available to those patient's without insurance. The common services will be reviewed and prices set at least annually. BHC reserves the right to remove at any time any service from the common self-pay pricing list.

Patient's with insurance can also choose to pay the predetermined price and not have BHC file their insurance.

6. **Financial Assistance Discount** - This discount provides account balance reductions for patients who are financially or medically indigent and is based upon the patient's household income as defined annually by the U.S. Department of Health and Human Services in the *Federal Register* as the Federal Poverty Level (FPL) guidelines.

- a) Patients may be deemed financially indigent if their income is below 300 percent of FPL.
- b) Accounts eligible for Financial Assistance Discounts **are not** eligible for any other discounts.

See BHC's *Financial Assistance Policy* for more information.

8. **Service Recovery-Administrative Discount**- All discounts given outside of the above specified must be approved by the VP of Revenue Management and/or the Executive Director of Patient Financial Services or designee.