Self-Pay Discount and Free Services Policy

PURPOSE / BACKGROUND

A. This policy addresses City of Hope National Medical Center's (**COH**) and City of Hope Medical Foundation's (**COHMF**) (collectively, City of Hope or **COH**) granting of discounts to patients. Any questions relating to this policy should be directed to the Chief Compliance Officer (**CCO**).
B. Because different payors have different rules regarding discounts, in some instances, this policy separately addresses different categories of payors. Additionally, certain types of services are addressed separately to the extent that there are specific guidelines that apply to those services. Finally, the availability of discounted or free services will often depend on an analysis made pursuant to COH's Financial Assistance Policy. Even persons who are not "indigent" may be unable to pay catastrophic medical bills, and consequently the Financial Assistance Policy addresses a broad range of patient financial circumstances. Therefore, any time a patient's ability to pay their bill is in question, the Financial Assistance Policy should be consulted in addition to this policy. Please refer to COH's Patient Financial Service: Self Pay Collections Policy, Section IV. Procedure, which outlines COH's commitment to negotiate payment plans for patients in need, along with details on how COH offers financial support to patients whose income falls at or below 600% of the Federal Poverty Level.
C. COH's Financial Assistance Policy will be disseminated to patients and potential patients in the manner described in the Financial Assistance Policy. However, the availability of waivers of co-payments and deductibles may not be advertised, displayed, or used in any marketing activity in a manner that implies that waivers are available other than in connection with the requirements of this Policy and the Financial Assistance Policy.
D. For patients receiving services funded through a research grant, to the extent that COH provides any services for which the patient has a financial obligation (e.g., the research grant does not provide for full coverage of all services required), any discount on that portion of the payment will be analyzed in accordance with the guidelines set forth herein.

POLICY

A. **This policy applies to amounts billed by COHNMC for hospital services and COHMF for physician and community practice services. COH does not provide emergency care as defined in California Health & Safety Code 127450, meaning that the requirements regarding emergency physicians in California Health & Safety Code 127405(a)(1)(B) do not apply to COH.**
B. **For all patients with high medical costs who are at or below 400% FPL, regardless of insurance status, Financial Assistance outcome, or International Medicine status, COH's expected payment shall not exceed the amount COH would reasonably expect to receive from Medicare or Medi-Cal, whichever is greater.**
C. **Waiver or Discounts of Co-payments, Co-insurance and Deductibles for Insured Patients, Regardless of Payor**

   COH does not **routinely** waive or discount co-payments, co-insurance, or deductibles for insured patients. Co-payments or deductibles are also not routinely waived in cases where external funding agencies may be covering the cost of certain routine clinical services when individuals enroll in a clinical trial. Waivers or reductions of co-payments, co-insurance and deductibles for insured patients are permitted in the following circumstances:

   1. Under the Financial Assistance Policy, which offers free care to qualifying individuals under 600% FPL.

a. This includes patients with high medical costs who are at or below 400% FPL, regardless of insurance status. COH does not charge these patients, who receive care at no cost to the patient. As a result, COH's expected payment is lower than what COH reasonably expects to receive from Medicare or Medi-Cal, whichever is greater.

2. For self-pay patients, pursuant to this policy, and
3. Certain preventive care services, pursuant to this policy.

D. **Self-Pay Discount**

For self-pay services (i.e. patient has no insurance coverage, or has coverage that excludes specific services):

1. Patients not in the International Medicine program:
    a. At or below FPL of 600%: may apply for Financial Assistance and receive free care.
        i. This includes patients with high medical costs who are at or below 400% FPL, regardless of insurance status. COH does not charge these patients, who receive care at no cost to the patient. As a result, COH's expected payment is lower than what COH reasonably expects to receive from Medicare or Medi-Cal, whichever is greater.
    b. All others: 50% off of COHNMC charges and 15% off COHMF charges.
2. Patients in the International Medicine Program:
    a. High medical costs who are at or below 400% FPL: Discount down to what COH would reasonably expect to receive for Medicare or Medi-Cal services, whichever is greater.
    b. All others: 50% off of COHNMC charges and 15% off COHMF charges.

E. **Exceptions**

1. Other discounts for medically necessary services may only be provided if the Chief Ethics & Compliance Officer (CECO) determines that the discount is not being provided as an inducement to obtain covered items and services from COH.

F. **Free Goods and Services to Promote the Delivery of Certain Preventive Care Services**

1. COH may provide certain preventive care services without collecting co-payments, coinsurance, or deductibles in connection with promotion of the delivery of certain preventive care services that are covered by government health care programs and described in the then current U.S. Preventive Services Task Force's *Guide to Clinical Preventive Services.* (The *Guide* and updates can be found at http://www.ahrq.gov/professionals/clinicians-providers/guidelines-recommendations/guide/.) Examples of clinical services listed in the *Guide* include, but are not limited to: AIDS and HIV testing, mammograms, pap smears and prostate cancer screening.
2. Incentives to obtain preventive care may include (i) free goods or services, or (ii) a price reduction on the preventive care service itself, in accordance with the following guidelines:
    a. In the event COH desires to provide free goods or services in connection with preventive care, the free goods or services must be (a) granted as an inducement to the patient to utilize preventive care, and (b) must not be disproportionately large in relation to the value of the preventive care service.
    b. In addition, COH may offer a discount for a covered preventative care service in one of two ways: (i) providing the service without collecting co-payments, coinsurance, or deductibles from the patient, or (ii) by offering care as a free community service and foregoing billing the insurer or the patient.
3. Documentation supporting COH's justification for the provision of free goods or services (e.g., documentation evidencing the preventive care service) must be submitted to the CECO and the Chief Medical Officer of COH or their designees for review and approval prior to implementing any such program.

G. Disputes about patient eligibility for a discount under the policy will be reviewed by the Patient

Financial Services Executive Director or above.

H. **Payment Plans**: Patients who receive a discount pursuant to this policy are also eligible for payment plans that allow payment of the discounted price over time, as follows:
    1. COH offers interest-free payment plans to assist patients in settling hospital and professional bills.
    2. COH and the patient shall negotiate the terms of the payment plan. COH is committed to working with patients and will customize extended payment plans accordingly, taking into consideration the patient's family income and essential living expenses.
    3. If COH and the patient cannot agree on the payment plan, COH shall create a reasonable payment plan, where monthly payments are not more than 10% of the patient's monthly family income, excluding deductions for essential living expenses, in accordance with HSC § 127400 (i).
    4. If the patient establishes a payment plan and fails to make a payment under the payment plan arrangements for 90 days, the hospital will make a reasonable attempt to contact the patient before terminating the payment plan. This 90-day period shall be extended if the patient has a pending appeal for coverage of the services until a final determination of that appeal is made, if the patient makes a reasonable effort to communicate with the hospital about the progress of any appeals.

PROCEDURE

RESPONSIBLE PERSON(S)/DEPT.	PROCEDURE
Patient Financial Services	There is no application for a self-pay discount. For patients registered without insurance, or who receive services not covered by their insurance, the self-pay discount will be automatically applied prior to the patient receiving a bill.
Project Leader for Free Goods or Services Program	If the request relates to the provision of free goods or services or a price reduction for certain preventive care services, contact the Ethics & Compliance department for additional guidance and analysis.

References

1. U.S. Preventative Services Task Force's Guide to Clinical Preventive Services
2. California Health & Safety Code 127405
3. California Health & Safety Code 127450

Related Policies

1. Financial Assistance Policy
2. Enterprise New Patient Application and Acceptance Policy (Medical Center and Foundation)
3. Medicare Advantage Patient Billing (Medical Center)
4. Patient Financial Service: Self-Pay Collections Policy (Medical Center and Foundation)
5. Professional Courtesy Discounts (Medical Center and Foundation)

Appendix One: Acronyms, Terms, and Definitions

1. "**Co-payments and Deductibles**": For purposes of this Policy refers to the portion of COH's bill for hospital services that is the responsibility of a patient who is covered by a third party payor, including governmental payors. These payments may include, but are not limited to, a fixed payment per service, a percentage of the bill (or a percentage of the payor's allowable charge pursuant to COH's contract with the payor), an amount that must be paid before the payor will pay for services, or an amount that must be paid after exhaustion of benefit limits.
2. **COH:** Refers to all COH licensed facilities, clinics, and community practices. For the purposes of this policy, City of Hope National Medical Center (COHNMC), City of Hope Medical Foundation (COHMF), and Beckman Research Institute (BRI) are collectively referred to as **City of Hope (COH)**.
3. **Medical Center:** Refers to all facilities owned and operated by City of Hope National Medical Center (including all facilities on City of Hope Helford Clinical Research Hospital's hospital license and City of Hope Orange County Cancer Specialty Hospital).
4. **PBS:** Patient Business Services
5. **PFS:** Patient Financial Services

Appendix Two: Discounts Available to COH Patients

Table 1: Discounts Available to COH Patients

Patient Population	Applicable Discount	Applicable Policy	Notes
Patients not in International Medicine, with FPL of 600% or lower	100% of patient responsibility	Financial Assistance Policy	This includes uninsured patients and patients with high medical costs who are at or below 400 percent FPL, including insured patients.

Patient Population	Applicable Discount	Applicable Policy	Notes
International Medicine patients, with insurance, with FPL of 600% or lower	100% of patient responsibility	Financial Assistance Policy	This includes insured International Medicine patients with high medical costs who are at or below 400 percent FPL.
International Medicine patients, self-pay, with high medical costs who are at or below 400% FPL.	Discount down to what COH would reasonably expect to receive for Medicare or Medi-Cal services, whichever is greater.	Self-Pay Discount and Free Services Policy	This includes self-pay International Medicine patients with high medical costs who are at or below 400 percent FPL.
International Medicine patients, self-pay, who do not have high medical costs or FPL below 400%	15% off of professional changes and 50% off of hospital charges	Self-Pay Discount and Free Services Policy	