

Self-Pay Discount Policy

POLICY 3.04.06
Finance & Business
Operations Patient
Self-Pay Discount
Policy Last
Approval: 07/2025

Office of Origin: Patient Financial Services

I. **PURPOSE**

The purpose of this policy is to provide guidelines for identifying patients who may qualify for self-pay discounts based on UCSF Health guidelines.

II. **REFERENCES**

California Health & Safety Code §127400 et seq

UCSF Medical Center Administrative Policies:

[3.07.01 Medication Billing Integrity](#)

[3.04.07 Patient Financial Assistance, Prescription Assistance, and Charity Care](#)

[6.03.08 Transferring Patients to Other Hospitals](#)

[6.03.09 EMTALA Requirements for Emergency Medical Treatment](#)

[6.04.04 Patient Complaints and Grievances](#)

[6.04.10 Patient Rights and Responsibilities](#)

Department of Pharmacy Policies:

[221.410 340B Program Contract Pharmacy](#)

[221.400 Medication Management: 340B Program Oversight and Administration](#)

III. **DEFINITIONS**

Charity care: refers to free medical care provided to patients.

340B: A federal drug discount program established by Section 340B of the Public Health Service Act.

Family Income: The annual earnings of all members of the Patient Family from the prior twelve (12) months or prior tax year as shown by the recent pay stubs or income tax returns, less payments made for alimony and child support.

Financial Assistance: The discounts available to patients who UCSF Medical Center determines are eligible to be a Full Charity Care Patient or a High Medical Cost Charity Care Patient.

Full Charity Care Patient: A patient who:

1. Is a Self-Pay Patient; and
2. Has Family Income at or below 400% of the Federal Poverty Level (FPL).

Contract Pharmacy: A pharmacy that contracts with a 340B covered entity to provide prescriptions to eligible patients.

Self-Pay Discount Policy

POLICY 3.04.06
Finance & Business
Operations Patient
Self-Pay Discount
Policy Last
Approval: 07/2025

High Medical Cost Charity Care Patient: A patient who:

1. Is not a Self-Pay Patient (i.e. the patient has a third party source of payment);
2. Has Family Income at or below 400% of the Federal Poverty Level (FPL); or
3. Has out-of-pocket medical expenses in the prior twelve (12) months (whether incurred at UCSF Medical Center or at other medical providers) that exceed 10% of Family Income.

Discount: A reduction applied to billed charges to determine patient liability for any charge that is reduced but not free.

Medically Necessary Service: A medical service or treatment that is necessary to treat or diagnose a medical condition, the omission of which could adversely affect the patient's condition, illness or injury, and is not an elective or cosmetic surgery or treatment.

Retail Drug: A medication that is dispensed in a retail pharmacy setting upon the prescription of a healthcare provider.

Patient Family: For patients eighteen (18) years of age and older, the Patient Family includes the patient's spouse, domestic partner, dependent children under twenty-one (21) years of age, and dependent children of any age if those children are disabled whether living at home or not. For patients under eighteen (18) years of age, the Patient Family includes the patient's parent(s) or caretaker relative(s), and other children under twenty-one (21) years of age, or dependent children of any age if disabled.

Patient Responsibility: A copayment, coinsurance, deductible, or other amount due from an insured patient under the insured patient's benefit plan. Patient Responsibility does not include amounts due from an insured patient for services that are not covered benefits under the insured patient's benefit plan.

Prescription Assistance: The discounts available to patients who UCSF Medical Center determines are eligible for help with pharmacy charges and out-of-pocket expenses.

Self-Pay Patient: A patient who has no third-party source of payment for health care services. Self-Pay Patients include without limitation: (i) patients who qualify for a government program but receive services that are not covered under the program; and (ii) patients whose benefits have exhausted prior to or during the provision of services.

Self-Pay Discount Policy

POLICY 3.04.06
Finance & Business
Operations Patient
Self-Pay Discount
Policy Last
Approval: 07/2025

Insured Patient (Type I): An Insured Patient who seeks non-emergent Medically Necessary Services at UCSF Medical Center that are either (i) not covered at UCSF Medical Center because UCSF Medical Center is not a participating provider under the patient's benefit agreement; or (ii) not covered at all under the patient's benefit agreement.

Insured Patient (Type II): An Insured Patient who could receive coverage for Medically Necessary Services at UCSF Medical Center from a commercial payer, but the patient elects not to seek coverage for such services.

IV. **POLICY**

- A. This policy applies to Self-Pay Patients or Insured Patients (Type I or Type II as defined above) with high medical costs who meet the applicable financial eligibility requirements.
- B. The policy does not include routine waiver of deductibles, co-payments and/or co-insurance imposed by insurance companies, services which are not medically necessary (e.g. cosmetic surgery), or separately billed physician services. Financial Assistance, Prescription Assistance, Charity Care and Discounts does not replace other financial resources available to the patient, including but not limited to group or individual medical plans, workers compensation, Medicare, Medicaid, pharmaceutical assistance programs provided directly to the patient(s) by drug manufacturers, state, federal or military programs, county aide, third party liability payers, or any other situation in which another person or entity may have a legal responsibility to pay for the costs of medical services, including prescription drugs.
- C. A patient will not be eligible for Financial Assistance if the patient/responsible party provides false information about financial eligibility.

V. **PROCEDURES**

An application is not required for uninsured patients to receive a self-pay discount. Uninsured self-pay discounts are applied automatically and are separate from the Financial Assistance Program

Discounts: The discounted amounts set forth in Table 2 below shall apply to (i) Self-Pay Patients who do not qualify for Financial Assistance; and (ii) Insured Patients (Type I) as defined above. No discount shall be afforded to Insured Patients (Type II) as defined above:

Self-Pay Discount Policy

POLICY 3.04.06
Finance & Business
Operations Patient
Self-Pay Discount
Policy Last
Approval: 07/2025

TABLE

Patient Type	Discount
Self-Pay Patients	<i>Facility Charges:</i> Discount is 70% of billed charge amount <i>Professional Charges:</i> Discount is 50% of the billed charge amount. <i>340B Prescription Retail Drugs:</i> Discount is 50% of the billed charge amount if paid in full at the time of pick-up or delivery.
Insured Patient (Type I as defined above) insured Patients seeking non-emergent medically necessary services not covered by their health plan, including when UCSF is an out-of-network provider.	<i>Facility Charges:</i> Discount is 70% of billed charge amount <i>Professional Charges:</i> Discount is 50% of the billed charge amount <i>340B Retail Drugs:</i> Discount is 50% of the billed charge amount if paid in full at the time of pick-up or delivery.
Insured Patient (Type II as defined above) Insured Patients who elect not to use available commercial insurance coverage for medically necessary services.	No discount

A. Pharmacy Limitations on Prescription Assistance:

1. The discount on 340B Retail Drugs is only available at a UCSF Contract Pharmacy or UCSF-owned retail pharmacy.
2. Only Retail Drugs purchased through the 340B program are eligible for the Prescription Assistance program.
3. Narcotics, lifestyle medication and over-the-counter items are excluded from the Prescription Assistance program.

B. Payment Plans

1. Except as otherwise stated, patients can be offered a payment plan. Payment plans will be interest-free.
2. Standard payment plan length will be twelve (12) months or less, depending on the outstanding balance. Longer payment plans can be provided on an exception basis, with sufficient management approval. If the hospital and patient are unable to agree on the terms of a payment plan, the default payment plan shall be a monthly payment of not more than ten percent (10%) of the patient's Family Income after excluding essential living expenses. "Essential living expenses" means any of the following: rent or house payment and maintenance, food and

Self-Pay Discount Policy

POLICY 3.04.06
Finance & Business
Operations Patient
Self-Pay Discount
Policy Last
Approval: 07/2025

household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or childcare, child or spousal support, transportation and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.

3. A payment plan may be declared inoperative after the patient's failure to make all consecutive payments due during a ninety (90)-day period. Before declaring a payment plan no longer operative, the hospital, collection agency, or assignee shall make a reasonable attempt to contact the patient by telephone and to give notice in writing that the extended payment plan may become inoperative, and of the opportunity to renegotiate the extended payment plan. Prior to the payment plan being declared inoperative, the hospital, collection agency, or assignee shall attempt to renegotiate the terms of the defaulted extended payment plan, if requested by the patient.

C. Appeal

1. A patient who is denied self-pay discounts may appeal the decision by writing to: Self-Pay Billing Office Assistant Director, UCSF Medical Center, Patient Financial Services, Box 0810, San Francisco, CA 94143-0810. In the event of a dispute or denial, patients may seek a second level appeal by writing to the Director of Patient Financial Services at the same listed address.

VI. RESPONSIBILITY

Questions about the implementation of this policy should be directed to the Self-Pay Billing Office.

VII. HISTORY OF POLICY

Revised January 2008 by Lucia Kwan, Patient Financial Services

Reviewed March 2009 by Lucia Kwan, Patient Financial Services, Ann Sparkman, Legal Affairs, Cindi Drew, Ambulatory Services, Susan Penney, Risk Management

Approved April 2009 by Mark Laret, Chief Executive Officer

Reviewed February 2013 by Lucia Kwan, Patient Financial Services Director and Bryan Chamberlin, Executive Director of Revenue Cycle (Interim)

Reviewed and Approved March 2013 by Barrie Strickland, CFO on behalf of Policy Steering Committee

Reviewed July 2014 by Lucia Kwan, Patient Financial Services Director and Michael Sciarabba, Admissions and Registration Director (no changes); Approved on behalf of Policy Steering Committee

Revised July 2016 by Joseph Zheng, Credit and Collections Manager (Interim)

Revised April 2019 by Laura Vance, Director Patient Access, Lucia Kwan, Director

Self-Pay Discount Policy

POLICY 3.04.06
Finance & Business
Operations Patient
Self-Pay Discount
Policy Last
Approval: 07/2025

Patient Financial Services and Joseph Zheng, Assistant Director, Self-Pay Billing Office

Reviewed and Approved June 2019 by Policy Steering Committee

Revised October 2019 by Michael Powell, Chief Pharmacy Officer, Gil Radtke, Director of Patient Financial Services and Joseph Zheng, Assistant Director, Self-Pay Billing Office

Reviewed and Approved October 2020 by Policy Steering Committee

Revised February 2023 by Laura Vance, Director Patient Access

Reviewed and Approved March 2023 by Policy Steering Committee

Reviewed and Approved June 2025 by Antonio Fonseca, Director, Revenue Cycle

Reviewed and Approved July 2025 by Policy Steering Committee

VIII. **APPENDIX**

Not applicable.

This guideline is intended for use by UCSF Medical Center staff and personnel and no representations or warranties are made for outside use. Not for outside production or publication without permission. Direct inquiries to the Office of Origin or Medical Center Administration at (415) 353-2733.