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I. **PURPOSE**

The purpose of this Policy is to define the eligibility criteria for discounts offered to patients who receive hospital services at Stanford Health Care (SHC or hospital) and who are uninsured. This policy is intended for Uninsured Patients. Patient balances post-insurance processing are generally excluded from this discount, including co-payments, co-insurance and insurance deductibles unless specifically noted in this policy.

II. **POLICY**

SHC is committed to consistently providing a fair discount to individuals who are uninsured, or, in some cases, insured but without insurance coverage for certain medically necessary healthcare services offered by SHC, but who are not eligible for the Financial Need Discount set forth in the hospital's Financial Assistance/Charity Care Policy. These discounts reflect a desire by SHC to respond to the individual financial situations of its patients, while satisfying its not-for-profit and teaching missions, and meeting its strategic, operational, and financial goals.


This Policy establishes the guidelines for an Uninsured Patient Discount. Discounts may be offered to patients residing in the United States or internationally for hospital services provided by SHC and physician services provided by Stanford University employed faculty physicians.

III. **PROCEDURE**


A. **UNINSURED PATIENT DISCOUNT – GUIDELINES**

1. **Definition of Uninsured Patient Discount:**

- a. Under the Uninsured Patient Discount, SHC shall limit the expected payment by an Uninsured Patient for medically necessary hospital and physician services, as those terms are defined below, to an amount determined by SHC to be within a range between the average discount from billed charges for all commercial fee-for-service managed care payers and the least discount extended to any managed care payer, provided that the patient balance is either fully paid or arrangements are made with SHC for a payment plan, within 90 days of the initial statement. Discounts are contingent on full payment of the agreed amount. The Uninsured Patient Discount amount will be reviewed on a quarterly basis and is subject to change at any time without notice. For current Discount rate information, see Attachment A.

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- b. If a patient wishes to seek financial assistance greater than the current Uninsured Patient Discount, the patient is referred to the SHC Financial Assistance/Charity Care Policy, and may complete a Financial Assistance Application pursuant to that Policy.
- 2. Eligible Services:**
- a. The Uninsured Patient Discount shall apply to medically necessary hospital services provided at or by SHC. In addition, the Stanford University employed faculty physicians (Stanford Physicians) have agreed that the Uninsured Patient Discount under this Policy shall also apply to medically necessary physician services provided at SHC by Stanford Physicians. (Patients who are treated by a physician who is not a Stanford physician may contact their physician directly to inquire about whether a discount is available for physicians' services provided by the non-Stanford physician; such physicians are not covered by this Policy.) In the event that there is uncertainty as to whether a particular service is medically necessary, a determination shall be made by the Chief Quality Officer of SHC. Except as specifically stated, reference to "healthcare services" or "hospital services" shall mean such medically necessary physician services provided by Stanford Physicians.
- b. Services that are generally not considered to be medically necessary and are therefore not eligible for the Uninsured Patient Discount include:
- 1) Reproductive Endocrinology and Infertility services
 - 2) Cosmetic or plastic surgery services
 - 3) Vision correction services including LASEK, PRK, Conductive Keratoplasty, Intac's corneal ring segments, Custom contoured C-CAP, and Intraocular contact lens
 - 4) Hearing aid and listening assistive devices
- In rare situations where a SHC physician considers one of these services to be medically necessary, such services may be eligible for the Uninsured Patient Discount upon review and approval by the Chief Medical Officer of SHC. SHC reserves the right to change the list of services deemed to be not medically necessary at its discretion.
- c. Second opinions are not considered to be medically necessary hospital or physician services and are therefore not eligible for the Uninsured Patient Discount.
- 3. Uninsured Patient Eligibility Requirements:**

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- a. SHC shall provide the Uninsured Patient Discount to those individuals who meet the definition of an Uninsured Patient as set forth below and who attest to their eligibility.
- b. An Uninsured Patient for the purposes of this Policy is an individual who meets the criteria set forth in both (1) and (2):
 - (1) The term “patient” shall also mean the patient’s “family.” A patient’s “family” means:
 - i. For an individual 18 years of age and older, that individual’s spouse, domestic partner and dependent children under 26 years of age, whether living at home or not.
 - ii. For an individual under 18 years of age, that individual’s parent, caretaker, relatives and other children of the parent, caretaker or relative who are under 26 years.
 - (2) The patient is “self-pay” and therefore deemed to be “uninsured” for the purposes of this Policy if any of the following apply:
 - i. The patient does not have third-party coverage from a health insurer, health care service plan, Medicare, or Medi-Cal, and does not have an injury that is compensable for the purposes of workers’ compensation, automobile insurance, or other insurance as determined and documented by SHC.
 - ii. The patient has third-party coverage, but the patient has exceeded the benefit cap for such coverage prior to admission to SHC.
 - iii. The patient has third-party coverage but the third-party payer has either denied coverage or does not provide coverage for the particular healthcare services for which the patient is seeking treatment from SHC.
 - iv. The patient is not covered by Medicare, Medicaid or any other governmental program and has third-party out-of-network coverage with no or limited out-of-network benefits for non-emergency services.

4. Information To Be Provided By Patient For Eligibility Determination:

- a. SHC shall determine eligibility for the Uninsured Patient Discount in accordance with this Policy, and shall not take into account an individual’s age, gender, race, immigrant status, sexual orientation or religious affiliation.

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- b. A patient who has third-party coverage and is applying for the Uninsured Patient Discount shall provide information regarding such coverage as requested by SHC so that the hospital can make an independent determination whether the patient is an Uninsured Patient as set forth above.
- c. SHC expects a patient to cooperate fully in the information gathering process under this Policy, and failure to do so **many** affect the hospital's ability to provide the Uninsured Patient Discount.

B. PUBLIC NOTICE

1. Public notice concerning the availability of Uninsured Discounts under this Policy shall be by the following means:
 - a. Posted notices explain that SHC has a variety of options available including discounts and financial assistance to patients who are uninsured or underinsured.
 - b. Notices include a contact telephone number a patient can call to obtain more information about such discounts and financial assistance.
2. SHC billing statements inform the patient that Uninsured Discounts are available by contacting the SHC Customer Service Center.

IV. COMPLIANCE

- A. All workforce members including employees, contracted staff, students, volunteers, credentialed medical staff, and individuals representing or engaging in the practice at SHC are responsible for ensuring that individuals comply with this policy;
- B. Violations of this policy will be reported to the Department Manager and any other appropriate Department as determined by the Department Manager or in accordance with hospital policy. Violations will be investigated to determine the nature, extent, and potential risk to the hospital. Workforce members who violate this policy will be subject to the appropriate disciplinary action up to and including termination.

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V. APPENDICES

- A. Attachment A: Current Uninsured Discount Rate Information

VI. RELATED DOCUMENTS


- A. SHC Financial Assistance / Charity Care Policy
- B. SHC Debt Collection Policy

VII. DOCUMENT INFORMATION

- A. Legal Authority/References
None
- B. Author/Original Date
June 2007, David Haray, Vice President, Patient Financial Services
- C. Gatekeeper of Original Document
Director, Patient Financial Services - Self-Pay Management Office
- D. Review and Renewal Requirements

This Policy will be reviewed semi-annually or as required by change of law or practice. Any changes to the Policy must be approved by the same entities or persons who provided initial approval.


- E. Review and Revision History
 - June, 2007, Sarah DiBoise, Chief Hospital Counsel, Gary May, VP Managed Care, SUMC, David Haray, VP Patient Financial Services, SUMC
 - November, 2007, Sarah DiBoise, Chief Hospital Counsel, Gary May, VP Managed Care, SUMC, David Haray, VP Patient Financial Services, SUMC
 - September 2010, Steve Chinn, DPM, Director, Accreditation, Quality & Safety
 - March, 2014, Sarah DiBoise, Chief Hospital Counsel, David Haray, VP Patient Financial Services

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- December, 2014 Andrea M. Fish, Office of General Counsel, Terri Meier, Director Patient Financial Services, Michael Honeyman, Assistant Director Patient Financial Services
- July, 2018, Andrea M. Fish, Office of General Counsel, Kristine Grajo, Director Patient Financial Services – Self-Pay Management Office
- June, 2019, Sarah J. Diboise, Office of General Counsel, Noel Juairé, Interim Executive Director Patient Financial Services, Kristine Grajo, Director Patient Financial Services – Self-Pay Management Office

F. Approvals

- August 2007, SHC Core Operations Group
- February 2008, SHC Core Operations Group
- October 2010, Quality, Patient Safety & Effectiveness Committee
- November 2010, SHC MEC
- November 2010, SHC Board Credentials, Policies and Procedures Committee
- May 2014, Quality, Patient Safety and Effectiveness Committee
- June 2014, Medical Executive Committee
- June 2014, Credentials, Policies & Procedures Committee
- August 2015, Credentials, Policies & Procedures Committee

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Attachment A

**Current Uninsured Discount Rate Information
As of March 28, 2019**

Pursuant to this Policy, individuals identified as Uninsured Patients may receive the following discounts for services qualifying as medically necessary. Discounts for 340B drugs are only for 340B eligible patients and are not applicable to this policy.

- A fifty percent (50%) discount for Physician Fees of Stanford University employed faculty (Stanford) physicians.
- A sixty percent (60%) discount for Hospital Fees charged by Stanford Health Care (SHC) for domestic patients.
- A fifty percent (50%) discount for Hospital Fees charged by Stanford Health Care (SHC) for international medicine patients.

Additionally, the cost of select outpatient drugs, device and supplies will be charged to the Uninsured Patient at SHC's cost plus five percent (5%) for Hospital Fees.

Additional discounting for Stanford Physicians will be applied to the following Physician Fees Only:

- Multiple surgery: fifty percent (50%) discount for second procedure, seventy five percent (75%) discount for third procedure and any additional procedure
- Assistant surgeon: seventy five percent (75%) discount
- Co-surgeon: thirty three percent (33%) discount
- Bi-lateral procedure: thirty three percent (33%) discount
- Psychiatry: sixty percent (60%) discount

This additional discounting for the Stanford Physician services listed above shall apply to the Uninsured Patient Discount. Such additional discounts will be taken first from billed charges. The Uninsured patient discount of fifty percent (50%) will be applied to the balance as applicable pursuant to the Policy.

The current discount amounts are reviewed on a quarterly basis and are subject to change at any time without notice.