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Next Review 09/2025

Owner William Caldwell
Area PT FIN SVCS - CASH/ADJ POSTING & BALANCING
Applicability Quorum System-Wide
References Corporate

Uninsured Self Pay Discount Policy

Audience:

All Employees

Purpose:

To provide procedures for writing off Self Pay discounts given to patients

Responsibility:

The Chief Financial Officer and VP of Patient Financial Services will be responsible for implementing this policy.

Policy:

It is the policy of QHCCS, LLC to provide self-pay patients a discount according to the hospital specific policy or state requirements. Please reference J1 Uninsured/Self Pay Discount Policy under Accounting, Manuals, Financial Policies and Procedures. This is a policy of Community Health Systems Professional Services Corporation and is intended to be the minimum standard requirement.

Purpose:

Self-Pay Discount Policy

1. Each facility should have an Uninsured/Self Pay Discount Policy approved and signed by Vice-President of Patient Financial Services and the Divisional Vice-President.

2. If the state that the facility resides in has specific guidelines for uninsured/self-pay discounts, the facility should follow the state guidelines. This should be outlined in their policy.
3. If the hospital changes the percentage of uninsured/self-pay discount they offer, a revised policy should be issued and signed by the Divisional Vice-President.
4. The facility should retain a copy of the signed Uninsured/Self-Pay Discount policy.

Self-Pay Discounts

1. The self-pay discount is set up in all QHC Medhost facilities to automatically discount at final bill, unless the Division authorizes not to have the discount setup to automatically discount.
2. The discount is posted when the final bill is produced.

Insurance Coverage on Self Pay Patient

1. If after the uninsured/self-pay discount has been credited to an account it is determined that the patient has insurance, the billed should be cancelled. The Self Pay discount will be automatically reversed off. A warning message will be displayed stating a contractual was on the account and it will be cancelled.
2. The account will need the current insurance added after the bill is cancelled; it will produce a corrected bill with dayend.
3. The revenue will need to be reclassified from Self Pay to the new insurance financial class.
4. After the bill is generated within Medhost the Cycle 96 will need to reallocate to cycle 1.
NOTE: Do not use the Prompt Pay discount transaction code to reverse off the Uninsured/Self Pay Discount.

Uninsured/Self Pay Discounts Scenarios – Additions and Corrections

For those hospitals not on Medhost follow, the appropriate steps for removing the discount, adding the correct payor and rebilling the account.

1. **Issue:** Patient is registered with MVA (Motor Vehicle) and benefits are exhausted. Patient would qualify for an uninsured/self-pay discount.
Correction: The Uninsured/Self Pay payer plan should be added as second insurance and discount should be manually added leaving MVA as the primary payor.
2. **Issue:** Patient is registered as Self Pay, the account is final billed and the patient receives the Uninsured/Self Pay discount. Later the patient applies for Charity and is approved.
Correction: When the account is approved for Charity Care, the Uninsured/Self Pay discount should be debited back to the account using the same transaction code . The account should then be written off to Charity using the correct charity transaction code.
3. **Issue:** Patient is registered as Self Pay, the account is final billed and the patient receives the Self Pay discount. The patient later comes back and gives the facility their insurance information (ex. Blue Cross, United, Aetna).
Correction: The bill should be cancelled which will automatically reverse the Self Pay discount

- a. The insurance information should be added
 - b. A day end must be completed
 - c. When the payment and contractual is posted they should be posted using the transaction code for that payor.
4. **Issue:** Patient is registered with Self Pay, the account is final billed and the patient receives the Uninsured/Self Pay discount. The patient account goes to bad debt.
Correction: The Uninsured/Self Pay discount should remain on the account and the balance would be written off to bad debt using the appropriate transaction code.
5. **Issue:** Patient is registered as Self Pay, the account is final billed and the patient receives the Self Pay discount. The patient applies for Medicaid and the payor is changed to Medicaid Pending.
Correction: The bill should be cancelled which will automatically reverse the Self Pay discount.
 - a. The insurance information should be changed to Medicaid Pending until the patient is approved for Medicaid.
 - b. A day end must be completed.
 - c. The revenue will need to be reclassified from Self Pay to Medicaid Pending.
 - d. The new bill should drop with the current insurance information.
 - i. After the bill is generated within Medhost the Cycle 96 will need to be reallocated to cycle 1 (Refer to SPAM Manual, Section 13.17 Medhost Cancel Bill and Unallocated Transaction Report).
 - e. When the patient is approved for Medicaid, the bill would need to be cancelled and the insurance changed to Medicaid.
6. **Issue:** Patient is registered with Medicaid Pending or the primary payor was changed to Medicaid Pending before the bill dropped. The patient is denied Medicaid. The patient did not have the Uninsured/Self Pay discount posted to their account.
Correction:
 - a. The bill should be cancelled.
 - b. Self-Pay should be added as the new payor.
 - c. A day end must be completed
 - d. The revenue will need to be reclassified from Medicaid Pending to Self-Pay.
 - e. The bill should drop again with the correct payor and the Uninsured/Self Pay discount will be automatically posted to the account by the system.
NOTE: If the Uninsured/Self Pay discount does not post then it will need to be posted manually by the Patient Accounting staff.
7. **Issue:** Patient is registered as Self Pay, the account is final billed and the patient receives the Uninsured/Self Pay discount. The bill is not paid and the account is placed in bad debt. It is then discovered that the patient had insurance or was eligible for Medicaid for the service date.
Correction: For those hospitals on Medhost the account that is in bad debt will need to be reinstated into AR. The following steps are for hospitals on Medhost:

- a. The account will need to be reinstated to active A/R using the using the appropriate transaction code
- b. A day end must be completed
- c. The bill should be cancelled. The Self Pay discount will be automatically reversed with day end.
- d. The correct payor will need to be added.
- e. The revenue will need to be reclassified from Self Pay to the insurance financial class.
- f. A bill should drop with the corrected insurance information

For those hospitals not on Medhost follow the appropriate steps for reinstating the account from bad debt, removing the discount, adding the correct payor and rebilling the account.

Queries in Medhost to Identify Self Pay Discounts

- Query Name: TRN5565572 (Union Co – TRN556557U)
Query Library: QRYQHC
This query will help identify accounts that have adjustment transaction code 556 or 557 that are not Self Pay.
- Query Name: NODISCOUNT
Query Library: QRYQHC
This query will show patients that have Self Pay as their primary payor but have not received the self-pay discount. This will help identify those patients that did not receive a discount i.e. patient was registered with insurance, but later find the patient did not have insurance. The bill may have to be cancelled so the account can be discounted through the automated contractual process in Medhost or the account will have to be manually discounted.
- Query Name: NODSCOUNT2
Query Library: QRYQHC
This query will show bad debt accounts that have Self Pay as their primary payor but have not received the self-pay discount

Attachments

[Uninsured/Self Pay Discount Policy](#)

[Uninsured/Self Pay Discount Policy](#)

Approval Signatures

Step Description	Approver	Date
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Policy Coordinator	Kelleya White	09/2022
	Stephanie Daniels	07/2022
Policy Owner	Stephanie Daniels	07/2022

Applicability

1 - Quorum Corporate, Barstow Community Hospital, Big Bend Regional Medical Center, Evanston Regional Hospital, Forrest City Medical Center, Kentucky River Medical Center, Martin General Hospital, McKenzie-Willamette Medical Center, Mesa View Regional Hospital, Mimbres Memorial Hospital, Mountain West Medical Center, Three Rivers Medical Center, Z Archive - Crossroads Community Hospital, Z Archive Gateway Regional Medical Center, Z Inactive DeKalb Regional Medical Center

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