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. 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 only in the following circumstances:
    i. Under the Financial Assistance Policy, which offers free care to qualifying individuals under 600% FPL or
    ii. As described in Section F below, COH may provide certain preventive care services without collecting co-payments, co-insurance, or deductibles.

c. Discounts for Uninsured Patients and for Services Not Covered by an Insured Patient's Non-Government Insurance

   If a discount pursuant to this policy is requested by an uninsured patient (i.e., the patient not only does not have coverage for a specific service or procedure, but also does not have insurance for any service or procedure) or an insured patient for services not covered by the patient's non-government insurance (e.g., the service is considered experimental, or the patient is out-of-network with no out-of-network benefits), COH may evaluate whether the patient qualifies under the Financial Assistance Policy, which offers free care to qualifying individuals under 600% FPL. If COH determines that the patient meets the criteria set forth in the Financial Assistance Policy, COH may offer assistance pursuant to that policy, and such assistance will be governed by the terms of that policy.

   For patients who have not qualified for the Financial Assistance Policy, which offers free care for qualifying individuals under 600% of the FPL, and who do not have insurance coverage for the services provided at COH, COH may offer a discount of 50% off of COHNMC charges, and COHMF may offer a 15% discount off of COHMF charges, so long as the discount will not violate any contractual obligations COH has with a commercial insurer.

d. Discounts to Government-Insured Patients for Non-Covered Services

   This section addresses services the government (e.g., Medicare, Medi-Cal) does *not* cover, and whether COH may extend a discount in any form to a government-insured patient on a non-covered service.

   i. Government-insured patients may qualify for assistance under the COH Financial Assistance Policy, which offers free care for qualifying individuals under 600% FPL.

ii. Other discounts for medically necessary services may only be provided if the CCO determines that the discount is not being provided as an inducement to obtain covered items and services from COH.

e. Free Goods and Services to Promote the Delivery of Certain Preventive Care Services
   i. 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.
   ii. 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:
      i. 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.
      ii. 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.

iii. 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 CCO and the Chief Medical Officer of COH or their designees for review and approval prior to implementing any such program.

f. Disputes about patient eligibility for a discount under the policy will be reviewed by the Patient Financial Services Executive Director or above.

g. 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:
   i. COH offers interest-free payment plans to assist patients in settling hospital and professional bills.
   ii. 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.
   iii. 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).
   iv. 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
Requestor	a. Request discount on patient financial responsibility.
Receiving Person	b. If the requestor is a patient (or the request is made on behalf of a specific patient), send the request to Manager, Patient Financial Services, for hospital services and/or Manager, Patient Business Services/Revenue Cycle, for physician and/or community practice services. All requests for discounts must be referred to PFS and PBS. No discount
	c. If the request relates to the provision of free goods or services or a price reduction in connection with the promotion of the delivery of certain preventive care services as set forth in Policy Section II(F), advise the requestor that they must make such a request to the Chief Compliance Officer and the Chief Medical Officer.
Financial Support Services	d. If a financial assistance assessment has not already occurred, the patient should be referred to Financial Support Services for determination of whether the patient meets COH criteria as set forth in the Financial Assistance Policy (see the Financial Assistance Policy for Procedures). If so, provide discount in accordance with the Financial Assistance Policy. If not or if the patient chooses not to comply with the Financial Assistance
Financial Support Services/Patient Financial Services (COHMNC)/PBS/Revenue Cycle (COHMF) or Designee	e. If patient does not qualify for financial assistance, determine whether patient has non-government insurance, government insurance or is uninsured.

RESPONSIBLE PERSON(S)/DEPT.	PROCEDURE
	i. If the patient has non-government insurance: 1. If the patient is seeking a waiver or discount of a copayment, coinsurance, or deductible, complete a Patient Discount Request Form and submit it to the Chief Compliance Officer (CCO) to determine whether the discount can be offered for any other reason. 2. If the patient is seeking a discount on services that are not covered by non-government insurance, follow the uninsured/self-pay procedure below.
	ii. If patient has Medi-Cal or Medi-Cal Managed Care, Step D above will have resolved this request.

RESPONSIBLE PERSON(S)/DEPT.	PROCEDURE
	iii. If the patient has Medicare or Medicare Advantage: 1. Consult the Chief Compliance Officer to determine whether the discount can be offered. 2. If a Medicare patient is seeking a discount on a service typically covered by Medicare, but for which medical necessity cannot be demonstrated, verify that patient has executed an ABN pursuant to COH's Advance Beneficiary Notice (ABN) Policy. If the patient has not executed an ABN, the patient cannot be billed for this service, and it must be written off if medical necessity cannot be demonstrated. If the patient has executed an ABN, a discount can only be approved by the CCO in accordance with Policy section II(C).

RESPONSIBLE PERSON(S)/DEPT.	PROCEDURE
	iv. If patient is uninsured or is self-pay: Verify that the patient is either uninsured (does not have insurance for any service or procedure) or does not have insurance that covers the services being discounted. If so, discount may be granted in accordance with Section II(D) of this policy. If the patient is part of the International Medicine Program, this policy does not apply.

RESPONSIBLE PERSON(S)/DEPT.	PROCEDURE
	f. Within 5 business days of determination whether a discount will be granted, notify requestor of such determination. g. Maintain documentation of decision in PFS/PBS Office.

When the request relates to the provision of free goods or services or a price reduction in connection with the promotion of the delivery of certain preventive care services	h. H. Submit written request to the Chief Compliance Officer and the Chief Executive Officer of COH that: i. Identifies the free goods or services or the price reduction on the preventive care service; ii. Confirms that the relevant preventive service is covered by Medicare or Medicaid; iii. Confirms that the relevant preventive service is described in the then current U.S. Preventive Services Task Force's Guide to Clinical Preventive Services; iv. Confirms that the free goods or services or price reduction provided will be granted as an inducement to the patient to utilize preventive care; and v. Provides evidence that the value of the free goods and services or price reduction is not disproportionately large in relation to the value of the preventive care service. vi. If a request relates to the provision of a price reduction on a preventive care service, the requestor must also identify whether COH plans to offer a discount by waiving all or part of the co-payment obligation for such service or by offering care as a free community service and forgo billing Medicare, Medicaid, third party payors or beneficiaries for such services.

RESPONSIBLE PERSON(S)/DEPT.	PROCEDURE
Chief Compliance Officer	i. In connection with a request pursuant to Procedure Sections E or H: i. Review documentation supporting COH's justification for the provision of free goods or services submitted pursuant to Procedure Section H above; ii. Consult with Chief Medical Officer regarding the sufficiency of such documentation; iii. Within 5 business days of receipt of documentation, notify requestor, PFS or PBS, CEO Medical Center, and CFO in writing of determination as to COH's provision of free goods or services in connection with preventive care; iv. Maintain documentation of such written response in Compliance Office.

RESPONSIBLE PERSON(S)/DEPT.	PROCEDURE
Chief Medical Officer	j. J. In connection with a request pursuant to Procedure Section H to provide free goods or services or a price reduction: i. Consult with Chief Compliance Officer regarding the sufficiency of documentation supporting COH's justification for the provision of free goods or services submitted pursuant to Section H above.

References

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

Related Policies

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

Appendix One: Acronyms, Terms, and Definitions Applicable to this Policy

1. CCO: Chief Compliance Officer
2. CEO: Chief Executive Officer
3. CFO: Chief Financial Officer
4. "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.
5. 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).

6. Medical Center: Refers to all facilities owned and operated by City of Hope National Medical Center (including all facilities on Helford Hospital's license and City of Hope OC Hospital).
7. PBS: Patient Business Services
8. PFS: Patient Financial Services