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Owner Sasha Renning:
Training Coord-
Revenue Cycle
Policy Area Patient Financial
Services/Patient
Access Services
Applicability SCOR SCV SGH
SMB SMC SMH
SMV
References SCOR, SCV,
SGH
+ 6 more

Discounts, 15603.99

I. PURPOSE

To define the extent to which employees, volunteers, physicians (community and staff), and patients are entitled to discounts on their self-pay portion/responsibility received within the Sharp HealthCare system.

II. DEFINITIONS

- A. CO-INSURANCE – The percentage of the contracted rate the patient is responsible for according to their insurance benefits.
- B. CO-PAYMENT – The amount set by the HMO insurance that the patient must pay when accessing the Primary Medical Group (PMG), Emergency Room, and other services. HMOs are designed to contain cost and the providers are bound to control costs.
- C. DEDUCTIBLE – An annual amount set by the insurance that the patient must pay out of pocket prior to benefits coverage.
- D. EMPLOYEES – Persons on the payroll of Sharp HealthCare and affiliates.
- E. HEALTH & SAFETY CODE 127400(g) – Defines a "patient with high medical costs" as follows:
(g) "A patient with high medical costs" means a person whose family income does not exceed 350 percent of the federal poverty level, as defined in subdivision (b), if that individual does not receive a discounted rate from the hospital as a result of his or her third-party coverage. For these purposes, "high medical costs" means any of the following:

1. Annual out-of-pocket costs incurred by the individual at the hospital that exceed 10 percent of the patient's family income in the prior 12 months.
 2. Annual out-of-pocket expenses (including Essential Living Expenses) that exceed 10 percent of the patient's family income, if the patient provides documentation of the patient's medical expenses paid by the patient or the patient's family in the prior 12 months.
 3. A lower level determined by the hospital in accordance with the hospital's charity care policy.
- F. PATIENTS – Persons obtaining health care services from Sharp HealthCare hospital associated entity.
- G. PHYSICIANS – Medical practitioners, active or retired, with doctorate degrees in medicine or osteopathy that are staff, community, or hospital based.
- H. SELF-PAY – Is a courtesy 25% discount rate granted to uninsured patients within our community.
- I. SHARE OF COST – Refers to Medi-Cal patients that have an amount that must be contributed towards the cost of their care before they receive coverage through Medi-Cal.
- J. VOLUNTEERS – Are persons with a verifiable and current active volunteer status with no lapse of service greater than three (3) months and who have at least 250 hours of service through a Sharp HealthCare facility. The Volunteer Services Assistant or the Manager of the Volunteer Services department will confirm volunteer status.

III. TEXT

Discount pricing is available on most self-pay portions/responsibilities, including patients who are at or below 350 percent of the federal poverty level, and who are also either uninsured or who have "high medical costs." An emergency room physician who provides emergency medical services in a hospital that provides emergency care is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 350 percent of the federal poverty level (emergency room physician's bill and review for discounts/financial assistance separately from the hospital). The following reductions/discounts **may be offered** during discount negotiations with the patient or patient representative:

A. EMPLOYEES, PHYSICIANS, AND PATIENTS

1. Self-Pay Discounts – Following department guidelines, discount of the self-pay portion/responsibility (either after insurance or straight self-pay plan codes and excludes co-payments and/or deductible amounts). As part of the Self-Pay Discount process, the patient/guarantor is offered a 25% discount on total charges as a courtesy to the community. Self-Pay discounts are only for revenue financial status classification (FSC) 1 visits. Plan Codes Z102, Z103, Z717 and Z718 are automatically adjudicated with the 25% discount upon billing with transaction code 7525; transaction code 7303 is used to manually apply a Self-Pay Discount. Any other combination of a discount should be reviewed with a Team Leader (TL), Manager or Upper Management to determine which discount should be applied.

2. Courtesy Discounts – Following department guidelines, discount of the self-pay portion/responsibility either after insurance or straight self-pay. This includes service quality adjustments as identified by a TL or Management. Transaction code, 7307 Discount Courtesy is used for Courtesy Discounts only. Any Courtesy Discount outside the guidelines needs approval from a TL, Manager or Upper Management and must be documented by PAS/PFS staff.
3. Administrative Adjustments – Defines discounts or other reductions as requested by Administration or Patient Relations. Transaction code, 7301 *Discount Administrative is to be used for Administrative Adjustments and needs approval from a TL, Manager or Upper Management and must be documented by PAS/PFS staff.
4. Patient Relations Adjustments – Defines discounts or reductions as requested by the Patient Relations department, Transaction code 7103. This adjustment is not to be used unless there is proper approval and direction from the Patient Relations Department and must be documented by PAS/PFS staff.
5. If discount conditions accepted prior to discharge, add the Z102/SELF NO INSURANCE plan, document patient visit (via **Action Code AT or NA**), and send email to Private Pay at PFSPivate.Pay@sharp.com for notification of discount agreement.

B. VOLUNTEERS

When requested, Volunteers receive a 50% discount; up to a maximum of \$2,000 of the balance after insurance or other third party payment. If the patient has no other coverage, apply a discount following department guidelines not to exceed maximum. This is not an automatic deduction taken by the patient billing system. This is part of the patient/guarantor services contact.

C. ELIGIBILITY AND EXCLUSIONS

The eligibility criteria for a discount price on a patient portion/responsibility include:

- Any patient portion/responsibility based on the patient's Explanation of Benefits (EOB)
- Straight self-pay visit
- Extreme financial hardship – the patient is to complete a patient financial statement along with the eligibility criteria (refer to Financial Assistance Policy # 15602.99), which based upon income consistent with the application of the federal poverty level and if needed, includes an extended hospital/patient negotiated payment plan:
 - a. The hospital shall limit expected payment to the amount the hospital would expect, in good faith, to receive from Medicare, Medi-Cal, Healthy Families, or another government-sponsored health program of health benefits in which the hospital participates, whichever is greater. If the hospital provides a service for which there is no established payment by Medicare or other government sponsored program of health benefits in which the hospital participates, the hospital shall establish an appropriate discounted payment.

- b. For purposes of determining eligibility for discounted payment, documentation of income shall be limited to most recent 3 months of pay stubs, bank statements and/or most recent income tax returns.
 - c. If the patient fails to provide information that is reasonable and necessary for the hospital to make a discount determination, the hospital may deny the application and inform the patient/patient representative via correspondence.
 - d. Information about a patient's assets may not be used for collections activities; it does not prohibit the use of information obtained by the hospital, collection agency, or assignee independently of the eligibility process for charity care or discounted payment.
1. For Flat Rates, Package Price Rates, refer to Policy # 15612.99 Flat Rate, Self Pay Quotes, & Discounted Pricing.
 2. Medicare inpatient charges and Medi-Cal Share of Cost will not be discounted without Management authorization.
 3. Prompt Payment Discounts will not be offered on visits with allowances such as partial Financial Assistance or administrative/discretionary write-off without Upper Managements approval.
 4. Multiple discount combinations should not be offered (i.e., Flat Rate and Prompt Pay, Administrative and Prompt Pay, or Volunteer Discount and Prompt Pay Discount), without Upper Managements approval.

D. SPECIAL CIRCUMSTANCES:

1. Discounts can be combined in special circumstances to achieve appropriate customer service outcome as documented in patient visit notes (via **Action Code AT** or **NA**). Discount combination cannot exceed authorization level by user. Use appropriate transaction codes to reflect actual agreement and discounts given.
2. SMH Outpatient Pavilion/Patient Type OCC/OPL – only:
Effective 11/1/05, for commercial patients (HMO and PPO), (Excluding Capitated & Medicare fee-for- service patients):
 - a. Patient Financial Services (PFS) Self-Pay Business Analyst to review the EOB to determine the lesser of the patient's co-insurance or the authorized discount rate. If the existing insurance plan co-insurance contract requires a lesser amount (for example \$15.00), then the hospital will only collect the lesser amount of the two calculations. Patient visit notes to be documented (via AT or NA) of findings.
 - b. Use transaction code 7301 *Discount Administrative if necessary to adjustment.
3. Plan code Z650/ALAB visit discounts are applied with transaction code 2121 by the PFS Self-Pay Business Analyst.
4. Surrogacy services and International patients will be reviewed on a case by case basis by PAS Management.

E. DOCUMENTATION

1. Once discount is extended to patient/guarantor, document in patient visit notes (via **Action Code AT** or **NA**) the agreement and any conditions (i.e., payment timelines).
2. If Prompt Payment Discount should be entered after payment received enter transaction code 7303/Discount Prompt Payment. If adjustment is conditional upon payment receipt it is recommended that payment be sent directly to the staff member-negotiating discount. If adjustment is not conditional upon receipt of payment within certain timelines, adjustment should be taken when agreement with patient/guarantor is made. Use appropriate transaction code for the type of discount extended to patient/guarantor:
7301 – *Discount Administrative
7303 – Discount Prompt Payment
7307 – Discount Courtesy
7103 – Patient Relations
3. All Administrative Discounts and Patient Relations Discounts need approval of a TL and/or Manager.
Appropriate documentation is required.

F. AUTHORIZATION

1. Prompt Payment and Courtesy Discounts within department guidelines require staff level documentation.
2. Prompt Payment and Courtesy Discounts over the department guidelines require documented approval from the TL, Supervisor and/or Manager.
3. Administrative Discounts and Patient Relations Discounts require documented approval from the TL, Supervisor, Manager or Upper Management.

IV. REFERENCES:

V. ORIGINATOR:

Patient Financial Services

VI. LEGAL REFERENCES:

AB 774 (1/1/2007) & AB 1503 (1/1/2011), Health & Safety Code 127400(g) & 127405

VII. CROSS REFERENCES

- A. Policy #15602.99, Financial Assistance for Uninsured or Low Income Patients
- B. Policy # 15612.99, Flat Rates, Self Pay Quotes, & Package Price Rates

VIII. APPROVAL

- A. PFS Policy and Procedure Committee - 8/96, 7/98, 05/02; 04/03; 10/04; 01/06; 12/09; 12/10; 12/13; 03/15; 7/2023

- B. PFS - Team Leader - 04/03; 02/16
- C. Policy & Procedure Steering Cmte - 09/98

IX. HISTORY

System #15603.99; orig. dtd. 7/96

Reviewed\Revised: 12/98; 05/02; 04/03; 10/04; 01/06; 12/09; 12/10; 12/13; 03/15; 03/16; 02/19; 07/2023

Approval Signatures

Step Description	Approver	Date
Administrator	Karen Whitten: Policy & Procedure Coord [TW]	7/18/2023
	Sasha Renning: ,4/2/2021 4:17:54 PM	7/14/2023

Applicability

Chula Vista, Coronado, Grossmont, Mary Birch, McDonald Center, Memorial, Mesa Vista, Sharp HealthCare

References

SCOR, SCV, SGH, SMB, SMC, SMH, SMV, Self Pay Visits/Accounts, policy & procedure