

SUBJECT: FINANCIAL HARDSHIP

PURPOSE:

This Policy is intended to establish criteria to determine the appropriateness of waiving or lowering co-pays, co-insurance, and/or deductible amounts and to assure that this Policy authorizes any such waivers or reduced payments that may occur.

POLICY:

The Facility and its managed practices will not waive or discount out-of-pocket amounts and/or deductibles and/or co-insurance unless authorized by this Policy. If the waiver involves a whole or partial waiver of any deductible or coinsurance obligation, (1) the Director of Revenue Cycle must review any applicable contract with the insurer to ensure such waiver is permissible, and (2) if so, the insurer must be informed in writing of that reduction so that the insurer is aware of the arrangement.

PROCEDURE:

1. **Waiver Policy.** It is the policy of this practice to bill all applicable out-of-pocket amounts and to make reasonable efforts to collect such amounts in accordance with our collection practices and procedures. Exceptions may be made for the following situations:
 - a. **Financial Hardship-** If we determine that the patient's financial situation meets the criteria in this policy and that a patient is financially unable to pay any out-of-pocket amounts, the practice may waive or lower such amounts.
 - b. **Administrative-** Reasonable collection efforts have failed to produce a reasonable prospect of payment.

Waivers will be reviewed periodically to ensure that the items and/or services provided in accordance with this policy do not violate federal or state anti-kickback statutes or any billing or claims submission laws or regulations. This policy is not offered with the intent to induce referrals.

2. Other Policies

Under no circumstances will a practice engage in any of the following practices with respect to the waiving or lowering of co-insurance and/or deductibles:

- a. Waive or lower co-insurance and deductibles that do not meet the requirements outlined in our Policy.
- b. Advertise or in any way communicate to the public that payments from private insurance, Medicare, or Medicaid will be accepted as payment in full for healthcare services, or advertise or otherwise communicate to patients or to the public that patients will incur no out-of-pocket expenses.
- c. *Routinely* use financial hardship forms which state that the patient is unable to pay co-insurance and deductible amounts.
- d. Charge Medicare/Medicaid beneficiaries or private insurance beneficiaries different amounts than those charged to other persons for similar services.

- e. Fail to collect co-pays, co-insurance, and deductibles from a specific group of patients for reasons unrelated to indigence or managed care contracting (ex., to obtain referrals or to induce patients to seek care in my practice vs. another provider's practice who does not waive co-pays and/or deductibles).
- f. Fail to make a reasonable collection effort to collect a patient's balance.
- g. Grant professional courtesies (waiver or reduction of charges) to physicians, their families, employees, other professionals, or friends.

3. Determination of Financial Need

- a) Decisions to waive or reduce any co-insurance and/or deductible amounts owed by a patient will be made on a **case-by-case** basis. To ensure that decisions to waive or reduce co-pays, co-insurance, and/or deductible amounts are documented and based upon uniform objective criteria, each patient who desires a waiver or reduction of any co-insurance and/or deductible amount must complete the attached confidential Financial Worksheet and submit the additional information requested. The information on this worksheet will be compared to our policies to determine eligibility for waivers or lower payments.
- b) Decisions to waive or lower fee amounts are based on the financial information supplied by the patient.
- c) The Practice reserves the right to modify the criteria considered for a waiver or payment reduction without notice.
- d) The Practice reserves the right to decline to grant waivers or payment reductions to patients without explanation.

4. Factors considered to determine financial hardship

- a) Income- If other financial resources are not identified as viable funding sources, the Federal Poverty Income Guidelines will be used to determine the amount to waive. Qualifying income for a 100% waiver of all deductibles and co-pays will be 200% of the National Poverty level.
- b) Employment status
- c) Other financial obligations
- d) Amount and frequency of healthcare bills