



POLICY AND PROCEDURE Subject: Self-Pay Discount Policy		POLICY NO.: PA-COL 1
ORIGINAL DATE: 01/01/2016	SUPERSEDES: 01/01/2016	PAGES: 3

Key Words: Self Pay; Self-pay; Uninsured; Prompt Pay; Underinsured

Applies to: Inpatient: _ Outpatient: _ Provider: _ All: X
Video: N/A

I. POLICY:

The Methodist Hospitals, Inc. (“Methodist”) is dedicated to servicing the health care needs of its patients. To assist in meeting those needs, we have established this “Self-Pay Discount Policy” to provide financial relief to those patients who first meet the following requirements: patient does not qualify for financial assistance under the Financial Assistance Policy or other funding sources; patient requests a discount; the service provided is not covered by health insurance or health benefit coverage; patient legally resides within the Country; and the patient complies with the terms of this policy. Methodist is committed to providing emergency and medically necessary healthcare services to patients regardless of their insurance status or ability to pay. This self-pay discount policy is intended to be in compliance with applicable federal and state laws for our service area. Patients qualifying for assistance under this policy will receive a discount for care received. **Note:** Patients who enter this country to seek health care services are covered by the Service Discount policy

II. DEFINITIONS:

- A. **Helping Hand Loan:** This loan program is through Methodist. It has a fixed interest rate of 4.25% and payments can extend to 36 months.
- B. **Self-pay patient:** A patient who is uninsured and does not qualify for financial assistance, and does not have any governmental or third party funding sources. For purposes of the Self-pay policy, a patient who has health insurance or health benefit coverage will be considered to be uninsured for a service provided that is not covered by the health insurance or health coverage policy or if benefits are exhausted.
- C. **Self-pay account:** An account owed by a patient who meets the definition of Self-pay patient.
- D. **Financial Assistance Policy:** Methodist’s policy to provide financial assistance to patients with incomes at or below 400% of the poverty level or have catastrophic balances as defined in the Financial Assistance policy.

III. PROCEDURE:

Methodist offers a 30% discount off of total billed charges on a Self-pay account when the patient agrees to pay the balance owed within 12 months based on an agreed payment plan. The plan will be interest free if paid in full within 12 months. A prompt pay discount of an additional 20% off of total billed charges will be applied, if payment in full is made within 30 days after receiving service.

For payment plans extending beyond 12 months, the Helping Hand Loan program will be utilized and the patient will incur interest charges unless extenuating circumstances exist. The term of a payment plan will be based on the applicant's outstanding medical bills, family income and any extenuating circumstances. Patients are responsible for communicating with Methodist anytime an agreed upon payment plan cannot be fulfilled. Lack of communication from the patient may result in the account being assigned to a collection agency.

The Self-Pay Discount Policy applies to inpatient services, outpatient services, Emergency Department services, and professional fees for services of providers employed by Methodist.

Self-Pay Discount Policy does not apply to:

- Patient portion remaining after insurance/health benefits coverage, if an insurance discount has already been allowed.
- Accounts with health benefits coverage.
- Accounts that are applied to the insurance deductible; coinsurance, copayments or other patient responsibility.
- Accounts that became self-pay due to insurance denial due to patient/insured negligence.
- Accounts for which there is another discount program, i.e., Cosmetic surgery and pregnancy.
- Accounts that have been sent to a collection agency. Methodist may rescind any discounts previously applied to any account which goes to a collection agency.

Additional Requirements:

1. The self-pay patient may be required to make a deposit on all non-emergent procedures. The amount of the deposit and when the deposit is made are to be determined by Methodist.
2. The self-pay patient has the choice of paying the balance owed within 30 days to receive the additional discount of 20% (prompt pay discount) or forego the prompt pay discount and make a payment plan for up to 12 months. Special circumstances may allow for a longer payment plan. A payment plan shall have equal monthly payment, unless otherwise agreed.
3. If the self-pay patient fails to honor the payment plan, the account may be transferred to a collection agency. If continued non-payment occurs on the account, judicial proceedings may be undertaken to collect payment.
4. If it is determined that the account qualifies under the financial assistance program after payment has been made for the episode of care, the adjustment will be added back to the balance and written off under financial assistance.

IV. Reference

None

V. DOCUMENT INFORMATION

A. Prepared by

Dept. & Title

Director of Revenue Cycle

B. Review and Renewal Requirements

This policy will be reviewed annually and as required by change of law, practice or standard.

C. Review / Revision History

Reviewed on: 01/16

Revised on: 06/16

D. Approvals

1. This Policy & Procedure has been reviewed and approved by the Department Director & Vice President(s) of the Service Group(s):

Department Director

Director of Revenue Cycle

Date

06/2016

Vice President

Chief Financial Officer

Date

06/2016

2. This Policy & Procedure has been reviewed and/or approved by the following committee(s):

Committee(s)

Finance Committee

Date

11/2016