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# CUSTOMER WAIVER OF CO-PAYS AND DEDUCTIBLES

ETHICS & COMPLIANCE DEPARTMENT

**SCOPE:**

Applies to all AMSURG colleagues associated with the billing and coding process in any way, including all internal and external billing companies utilized by AMSURG. For purposes of this policy, all references to “teammate” or “teammates” include temporary, part-time and full-time associates, independent contractors, covered persons, clinicians, officers and directors.

**PURPOSE:**

To establish specific and limited circumstances under which it is permissible for a representative of AMSURG to waive or reduce a patient’s obligation to pay co-insurance or deductible amounts owed for the provision of medical services.

**POLICY:**

Company’s colleagues and internal/external billing entities may not waive or reduce a patient’s obligation to pay co-payments and deductible amounts owed for the provision of medical services except as described below. This policy applies to patients who are covered by Medicare, Medicaid, other government payors, and private insurers.

**PROCEDURE:**

Providers or suppliers of medical services may waive or reduce co-insurance or deductible amounts in the following situations:

- Waive the patient’s co-pay and deductible, on a case-by-case basis, when the cost of billing and collection of the debt would exceed, or be disproportionate to, the amount to be collected. Apply “no charges” and discounts equally to all payors for a particular patient.
- The “no charges” and discounts must be granted on a case-by-case basis and not across entire groups of individuals, such as physicians’ families. If a physician wishes to provide a discount to the patient, then all payors that the patient is covered by must receive the same discount.
- If the physician wants the patient to pay nothing, then no insurance or government payor should be billed. The patient’s charges would be written-off

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to \$0. If the physician wants to give the patient a 75% discount, then all payors for that patient should receive a 75% discount.

- The waiver is made after reasonable efforts have failed to collect the co-payments or deductibles directly from the patient, referred to as bad debt write-offs. The billing entities must follow standard collection policies.

It is *not* acceptable to waive or reduce co-pay and deductible amounts in the following situations:

- Failing to make a reasonable effort to collect a patient’s balance.
- Applying discounts to the patient’s balance without also providing the same discount to all other payors.

***Guidelines***

Decisions to waive a patient’s co-pay and/or deductible should be made on a case-by-case basis and not a specific group of patients for reasons unrelated to indigence.

Company colleagues shall not offer any waiver of co-pays or deductibles to potential patients.

- The Company shall not advertise to the general public that Medicare or private insurance is accepted as payment in full.
- The Company shall not advertise to the general public that patients will incur no out-of-pocket expenses.
- The Company shall not advertise the availability of waivers or reduce co-pays and deductibles in any way, except to advise individual patients or physicians of the limited availability of such waivers upon inquiry.
- The Company shall not charge Medicare beneficiaries higher amounts than those made to other persons for similar services.
- A billing entity can only waive a patient’s co-pay or deductible due to financial hardship if the patient has been determined to be indigent.
- Billing entities must follow their standard collection procedures for all patient accounts. The patient’s balance may be waived or reduced when they reach bad debt status.
- It is acceptable to write-off all patient balances after reasonable collection efforts have been made. Also, the cost of collecting patient balances may be written-off if the balance would exceed the amount collected.

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*Any waiver or reduction of co-insurance or deductible amounts that do not strictly comply with the above policy standards are subject to potential criminal and civil sanctions and are strictly prohibited by this policy.*

***Question and Answers***

**Q:** A patient complains about the wait time to be seen for his/her appointment and the provider wants to give a discount of \$50 on the total bill. The patient’s co-pay is 20% (\$50) and the total amount of the charge is \$250. Can the Company bill the insurance company \$200?

**A:** No. If the patient owes a 20% co-pay on a \$250 charge and you are giving a discount of \$50, then the patient owes \$40 and the insurance company owes \$160. If the patient owes a \$50 co-pay regardless of the amount of the charge, then the patient owes \$50 and the insurance company must pay \$150. If you want to waive the \$50 co-pay for the patient, then the insurance company pays nothing.

**Q:** A patient complains about the level of care received from Dr. Crow during his/her visit. You have already received an insurance payment from United. Dr. Crow requests that you write-off the patient’s balance and accept insurance payment as payment in full. Is this appropriate?

**A:** Inform Dr. Crow that if she writes-off the patient’s balance we must also refund the payment to United.

***Marketing, Advertising or other promotional materials***

Any marketing, advertising or other promotional materials provided to or focused toward patients are strictly prohibited. If a hospital that the Company contracts with offers this type of promotion, such materials must clearly state that any offered waiver of benefits DOES NOT apply to medical services rendered by physicians. The Company colleague and healthcare provider may endorse products or services of other entities provided these products or services are endorsed in the colleague’s name and not as a colleague or representative of the Company.

***Other Benefits***

In addition to the above described specific and limited waiver benefits, the following benefits are permissible:

Participation in free preventive health fairs offered and organized for the purpose of promoting the delivery of preventive healthcare through health screenings, hearing and vision tests, mammograms, pap smears, prostate cancer screenings, EKGs, or flu vaccines offered at such fairs. Free local transportation services, such as through a community courtesy van, may be provided to and from such fairs.

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- Periodic social and educational sessions and meetings conducted at Company owned facilities by Company staff for sessions or meetings that feature or include a lecture or presentation promoting preventive healthcare. Free local transportation services, such as through a community courtesy van, may be provided to and from such sessions and meetings.

Any other benefits not described above, or any exceptions to the above policy, must be approved by the Legal department or the Ethics & Compliance Department prior to being offered.

***Benefits which may not be offered to Other Groups or Patients***

The following benefits may NOT be offered by an AMSURG facility to any member of a group, or to any patient, and are strictly prohibited under any circumstances:

- Financial or monetary credits given for outpatient encounters, which are or can be applied as a credit toward any out-of-pocket patient expense or any hospital service or charge (including but not limited to credits toward inpatient admissions, emergency room services, outpatient surgery services, outpatient diagnostic services, rehabilitation services, or personal amenities).
- A cash rebate paid to any patient for the provision or furnishing of any medical services or items.
- The waiver or reduction of Medicare co-payments or deductible amounts in violation of the requirements of this policy, including waivers or reductions limited to the provision of certain types of medical services.
- The waiver or reduction of Medicare co-payments or deductible amounts made as part of a price reduction agreement between a billing facility and a third-party payor, including a Medigap supplemental insurance payor, but excluding a Medicare SELECT payor.

**POLICY REVIEW**

The Ethics & Compliance Department will review and update this Policy, when necessary, in the normal course of its review of the Company’s Ethics & Compliance Program.