

Discount Policy & Payment Arrangements

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Jump to: [navigation](#), [search](#)

Mayo Regional Hospital

Hospital Administrative District #4

Policy Name: Discount Policy & Payment Arrangements

Policy #: PFS.POL.11

Approval Date: 08-18

Approvers: CFO, Board of Directors

Reviewers: Manager of Patient Financial Services

Applicable to: Mayo Regional Hospital

Compliance:

Forms:

POLICY STATEMENT

It is the policy of Mayo Regional Hospital (the Hospital) to provide discounts to eligible patients under the specific programs described in this policy and in coordination with the Financial Assistance Policy (FAP) PFS.POL.06 and the Billing and Collections Policy (BCP) PFS.POL.10. This policy and these guidelines will be followed consistently for all applicable and qualifying patients as identified.

I. Hierarchy of discount and assistance programs The FAP, discounts, and payment arrangements are implemented in a specific hierarchy in order to preserve consistency and compliance with State and Federal regulations. The order in which the Hospital's assistance programs are applied is as follows:

- a. Uninsured discount (this policy - PFS.POL.11)
- b. Free Care/Sliding Fee/Financial Assistance (FAP - PFS.POL.06)
- c. Prompt Pay Discount (this policy - PFS.POL.11)
- d. One-time payment in full / account settlements (BCP - PFS.POL.10)
- e. Defined payment plan (BCP - PFS.POL.10)

II. Uninsured Discount and Process Flow

- a. All uninsured patients are eligible for an Uninsured Discount on medically necessary and emergency services. Once a determination of uninsured status has been made, the Hospital will reduce the account balance by 15% off of billed charges.
- b. If the patient has been determined to be eligible for the FAP for the date and services of the account in question, the FAP will be applied to the remaining account balance.
- c. If the patient has not yet been determined to be eligible for the FAP for the date and services of the account in question, reasonable efforts will be made to inform and engage the patient in the FAP application process to address the remaining account balance.
- d. Any balances remaining after the FAP has been applied may be paid in full or the patient may enter into a defined payment arrangement to pay the balance over a period of months as outlined in the BCP.

III. Free Care / Sliding Fee / Financial Assistance Policy

- a. The Hospital's Financial Assistance Policy (PFS.POL.06) fully describes the FAP and ensures compliance with State and Federal regulations. Refer to this policy for requirements for application of the FAP to patient accounts.

IV. Prompt Pay Discount

- a. Prompt Pay Discounts will be offered on balances remaining after processing for Uninsured and FAP discounts in accordance with section b-d.
- b. Patients will be notified of the prompt payment discount offer on the first statement for an encounter. The offer provides for a discount of 10% of the statement balance, provided that the prompt payment discount offer is accepted and payment of the remaining balance is made in full within 30 days of the statement date. The balance due net of the discount and the due date by which payment must be made will be printed on the statement.
- c. Acceptance of the offer of the prompt payment discount within 30 days of the first statement date is the responsibility of the patient.

V. One-time payment in full / account settlements

- a. Hospital leadership may from time to time determine that a one-time pay-in-full/settlement discount may be offered to all patients meeting certain criteria (i.e., balances greater than a certain amount, etc.).
- b. If so, the Hospital will make reasonable efforts to publicize the offer to all patients who owe balances.
- c. If such a program is initiated the criteria will be determined and approved by CFO/CEO.
- d. The identified program will be administered consistently across all similar patient types as identified within the structure of the one-time program offering.

VI. Defined payment plan



- a. Patients who are unable to pay their balance off in full may enter into a defined payment arrangement.
- b. Payment arrangements are defined in the BCP (PFS.POL.10). Refer to the BCP for further information.

Originated: 06-16

Reviewed (no changes): 07-18, 08-17

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Next Review Due: 07-19

Date Deleted: References: