

## Greensboro Specialty Surgical Care Center Billing & Collections Policy & Procedure Manual

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**SECTION:** 1-Surgery Operations  
**TITLE:** FINANCIAL HARDSHIP-CHARITY DISCOUNTS–Addendum  
**POLICY:** 1-5A  
**EFFECTIVE DATE:** 01-01-2013, Reviewed and approved 12-21-2020

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### Statement of Policy:

For all payers, including self pay, a patient may request a Financial Hardship-Charity Discount. Financial need and any discount must be verified and documented. Facilities may deem Medicare beneficiaries indigent or medically indigent when such individuals have also been determined eligible for Medicaid as either categorically or medically needy individuals. If a facility wishes to offer a financial hardship or charity discount to a patient with Medicare benefits and the patient also qualifies for Medicaid, additional effort to determine financial hardship is not necessary with **proof** of Medicaid eligibility. The documented proof of Medicaid eligibility must be retained in the patient's chart as a permanent document.

The discount should be applied before the claim is generated, therefore, the Third Party Payor and patient equally benefit from the discount. These discounts do not apply to cosmetic procedures, see policy 2-9 Cosmetic Cases.

Discounts for all reasons indicated in **policy 1-6** combined should not exceed 3% of monthly gross revenue or number of cases performed each month. The Business Office Manager is responsible for monitoring these discounts and notifying the Administrator of any excess discounts.

**The Greensboro Specialty Surgical Care Center policy for financial hardship-charity discounts is as follows:**

- A. Patients below 125% of the Federal Poverty Guidelines (FPG) will be billed for services rendered.**
- B. Patients above 125% but less than or equal to 150% of the FPG will be responsible for 5% of billed charges plus the cost of the implant, if applicable.**
- C. Patients above 150% but less than or equal to 175% of the FPG will be responsible for 10% of billed charges plus the cost of the implant, if applicable.**
- D. Patients above 175% but less than or equal to 185% of the FPG will be responsible for 15% of billed charges plus the cost of the implant, if applicable.**
- E. Patients above 185% but less than or equal to 200% of the FPG will be responsible for 20% of billed charges plus the cost of the implant, if applicable.**
- F. Patients above 200% but less than or equal to 235% of the FPG will be responsible for 25% of billed charges plus the cost of the implant, if applicable.**
- G. Patients above 235% of the FPG will be responsible for 30% of billed charges plus the cost of the implant, if applicable.**

*Procedure for Financial Hardship-Charity Discounts:*

- 1. Complete a Financial Disclosure Form, see attachment on policy 1-5, to determine eligibility and a Write-Off Approval Form, see attachment on policy 1-5. Submit both to the Business Office Manager or Administrator for approval.*
- 2. Approval is at the Center's discretion and should be made on a case by case basis. Follow the HHS poverty guidelines, see Figure 1 attachment on policy 1-5, to determine if the patient is at or below the poverty level for their respective state.*

3. Center Management must determine the discount percent the facility offers to those who qualify for a Financial Hardship and apply that percent consistently to all patients who qualify. The Center must receive written approval from the Medical Executive Committee, a Vice-President and the Division Compliance Officer. The documented and approved discount policy must be inserted behind this policy for reference.

The Health and Human Services guidelines are updated annually and can be located at <http://www.aspe.hhs.gov/poverty/index.shtml>. They are typically published in February.

4. Place the signed, approved Financial Hardship Waiver in the patient's medical record for reference during the billing process.
5. Enter a memo in the patient account.
6. Biller enters charges according to the Charge Entry procedure.
7. Prior to Claim Generation if the patient has insurance, post the discount using transaction code 617, Charity. Sample transaction history of patient, see Figure 2 attachment on policy 1-5. If there's no insurance involved and the discount does not reduce the patient's balance to zero, immediately mail the patient a statement.
8. Full charges will print on the claim form even though the charge has been reduced. Due to system limitations the claim will print full charges, thus hand editing is required prior to mailing. The charge on the claim should be changed to match the total charges in the patient's account after the discount has been applied.
9. Copy the Financial Disclosure form and attach to the claim when it's mailed to the payer.
10. Print the Transaction Report #1004 by transaction code 617 Charity, see Figure 3 on policy 1-5, at the end of each month and place in the month end package.
11. Self pay patients that do not qualify for financial hardship waiver should be requested to pay in full at the time of service. These patients may be offered the same day discount, see policy 1-6 Other Waivers/Discounts; however this discount should not be classified as bad debt or charity.

<b>Policy 1-5A—Addendum has been approved by:</b>		
Governing Body or Administrator	<u>Debbie Murphy</u> signature	<u>12.21.20</u> date
Director of Operations	<u>Chief Stena</u> signature	<u>12.21.20</u> date
Compliance	<u>Dennis Douglas</u> signature	<u>12.21.20</u> date