

ADDENDUM G

SPECIALIZING IN YOU **Applicable to:**

Affected Departments:

I. PURPOSE:

It is the purpose of this procedure to define the Self Pay Discount and Extended Payment Plan processes within Palomar Pomerado Health's (PPH) billing practices. The Self pay accounts that do not meet the criteria for Financial Assistance are addressed within this procedure. Extended Payment Plans are an option also discussed in this procedure for encounters where the patient is unable to pay in full at the time of initial billing.

II. DEFINITIONS:

Self Pay: is defined as having no health plan insurance coverage. Palomar Pomerado Health has exhausted pursuit of Assistance programs (to include but not limited to: Count Medical Services, Medi-cal, Govt Disability) to obtain insurance coverage.

Discount: is defined as a dollar amount reduced off of the patient bill.

Co-Insurance: is defined as an amount determined by the insurance after adjudication of a claim identifying the patient's direct financial responsibility in relation to that claim.

Carepayment: is the extended payment plan program. PPH partnered with Aequitas Inc. to administer this program for PPH patients. Patients will be issued a Carepayment, Palomar Pomerado Health ID card along with monthly statements (similar to credit card bills).

III. TEXT / STANDARDS OF PRACTICE:

1. **SELF PAY DISCOUNT:** A discount will be applied to all encounters that are registered into the patient accounting system as "Self Pay", as defined above. This discount is applicable for the life of the encounter and is to be automatically applied to the Palomar Pomerado Health patient encounter and will reflect on the patient's initial statement.

A. An automatic discount of 10% of total charges will be applied to every Self Pay encounter upon generation of the first patient statement (Excluding any patient encounters pending assistance program, as defined above, approval).

B. The 10% Self Pay discount is not based on income or application process.

C. The 10% Self Pay discount is not to be reversed or removed. This Self Pay discount will remain on the encounter for the life cycle of the encounter up through the possible referral of unpaid encounters to a collection agency.

D. The 10% Self Pay discount is only to be reversed or removed from the patient encounter if the patient or authorized persons notifies PPH of insurance information that takes precedence.

2. **PROMPT PAY DISCOUNT:** "Self Pay" encounters are also eligible for an additional Prompt Pay discount of 30% from total charges (for a total of a 40% discount) if the patient payment is received on or before the "due date" indicated on the patient statement. This due date is dated 30 days after the initial statement's print date.

A. If the payment is not received within 30 days from the first statement the encounter will no longer be eligible for the additional 30% Prompt Pay Discount. The encounter would revert to following the normal patient account collection procedures. The patient statement will document clearly the patient has this opportunity for an additional discount.

B. The encounter will be reviewed after the additional payment is received to ensure the payment was received within the allotted time frame. After review a Patient Financial Services Representative will make the appropriate Prompt Pay Discount.

C. After the Prompt Pay Discount is applied, the Patient Financial Services Representative will initiate a zero balance statement and send it to the patient. This will ensure the patient knows their prompt payment was received and their encounter was discounted accordingly.

3. **EXTENDED PAYMENT PLAN:** The Extended Payment Plan as defined above is for both Self Pay encounters and all encounters considered "self pay after insurance" which would include the following: Co-Insurance, deductibles, copays and

non-covered services as determined by the patient's insurance carrier. The extended payment plan is called "Carepayment" and is administered in partnership with Aequitas Incorporated. The extended payment plan does not require an application process and is not based on income guidelines.

A. The Extended Payment Plan is available upon request at the point of registration or via an automated process as defined further in this procedure. Patient's who are already a part of the program can show their Palomar Pomerado Health ID card and their "co-pay", "Deductible" or "Co-insurance" will automatically be a part of the extended payment plan.

B. The Extended Payment Plan is a two year payment plan where the payment would be the lesser of either 4% of the encounter balance or \$25.00.

C. The Extended Payment Plan does not incur fees to the patient. The following is **not** passed onto the patient: No pre-payment penalty, no interest charge, no credit reporting reflecting financing.

D. All encounters less than \$10,000 qualify for the Extended Payment Plan and the encounter will automatically be placed into the Extended Payment Plan program 31 days after the first statement is sent to the patient.

E. Encounters greater than or equal to \$10,000 need prior approval from both the patient and the Patient Financial Services Manager to enter into the Extended Payment Plan.

F. "Self Pay" encounters will be discounted 20% prior to assignment into the Carepayment program. The message to the patient will indicate that this additional 20% discount will be considered an additional prompt pay incentive to maintain the Carepayment Extended Payment Plan program. If the patient defaults from the Carepayment program the 20% discount will be removed from the encounter prior to the possible referral to a collection agency.

6. "Insurance to self pay" encounters will not receive any discount prior to assignment to the Carepayment program. "Insurance to self pay" encounters have been adjudicated by the insurance in accordance of the patient's benefit plan. These encounters do not qualify for any further discounts other than the Financial Assistance Program. (Please refer to the procedure for the Financial Assistance Program).

IV. ADDENDUM:

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V. DOCUMENT / PUBLICATION HISTORY: (template)

Revision Number	Effective Date	Document Owner at Publication	Description
(this version) 0		Cindy S Burns, PBS Supervisor	Self Pay discount procedure and extended payment plan process documented and updated

Authorized Promulgating Officers: (unsigned) Bob Hemker, Chief Financial Officer

VI. CROSS-REFERENCE DOCUMENTS:(template)

Reference Type	Title	Notes
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