



Policy No.: 303

Created: 6/2015

Reviewed: 7/2019

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## **CUSTOMER WAIVER OF CO-PAYS AND DEDUCTIBLES**

ETHICS & COMPLIANCE DEPARTMENT

### **SCOPE:**

All Evolution Health colleagues associated with the billing and coding process in any way, including all internal and external billing entities utilized by Evolution Health. For purposes of this policy, all references to “colleague” or “colleagues” include temporary, part-time and full-time associates, independent contractors, clinicians, officers and directors.

### **PURPOSE:**

To establish specific, limited circumstances under which it is permissible for a representative of Evolution Health (the “Company”) to waive or reduce a patient’s obligation to pay co-insurance or deductible amounts owed for the provision of medical services. For purposes of this policy, all references to patients include patients who are covered by Medicare, Medicaid, other government payors, and private insurers.

### **POLICY:**

Company colleagues and internal/external billing entities may not waive or reduce a patient’s obligation to pay co-pays and deductible amounts owed for the provision of medical services except as described below.

### **PROCEDURE:**

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

- If we receive confirmation that the patient qualifies for compassionate care and requests that a balance be written-off. This usually applies to a patient that has no insurance other than Medicare.
- 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.
- “No charges” and discounts may be applied equally to all payors for a particular patient. For example, if a clinician wishes to provide a 75% discount to the patient, all payors for which the patient is covered must receive the same discount. If the clinician wants the patient to pay nothing, no insurance or government payor may be billed and the patient’s charges would be written-off to \$0. The “no charges” and discounts must be granted on a case-by-case basis and not across entire groups of individuals, such as clinicians’ families.



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

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

- Prior to making a reasonable effort to collect a patient's balance.
- Applying discounts to the patient's balance unequally across all payors for which the patient is covered.

### ***General Guidelines***

- Decisions to waive a patient's co-payment and/or deductible should be made on a case-by-case basis and not a specific group of patients for reasons unrelated to compassionate care.
- 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 clinicians of the limited availability of such waivers upon inquiry.
- The Company shall not charge Medicare beneficiaries higher amounts than those charged to other persons for similar services.
- If a clinician requests the Company's billing entities to waive or reduce a patient's co-payment or deductible, the clinician must request that the entire bill be reduced by the same percentage for all payors.
- 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. Also, the cost of collecting patient balances may be written-off if the balance would exceed the amount collected.

### ***Compassionate Care Policy***

- Subject to the availability of resources, the Company may provide free or reduced cost health care services from time to time to uninsured or underinsured patients who are unable to pay for these services. In order to do so, the Company has established this Corporate Policy on Compassionate Care (the "Policy") to ensure that the decision to provide free or reduced cost health care services and supplies is based upon uniform and objective criteria.
- Compassionate Care shall refer to the provision of free or reduced cost health care services



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by the Company colleagues to uninsured or underinsured patients who are unable to pay for these services. Compassionate Care shall not include cash payment in any form, such as the payment of any individual's health insurance premiums, or free goods not otherwise furnished in the ordinary course of the Company's operations.

- The Company has also established this Policy to verify that recipients of Compassionate Care receive these free or reduced cost health care services and supplies in compliance with the Company's charitable intent.
- Patients requesting Compassionate Care ("Applicants") will be considered on a first-come, first-served basis. The total number of patients receiving compassionate care at the same time will be at the discretion of the Business Unit.

All questions regarding this Corporate Policy on Compassionate Care shall be directed to Ethics & Compliance Department.

### *Process*

- Decisions to provide Compassionate Care shall be made on a case-by-case basis.
- Decisions to provide Compassionate Care shall be based solely upon the information that the Applicant (or another authorized party on the Applicant's behalf) is required by this Policy to supply to the Company.
- Applicants requesting Compassionate Care must provide the Company with the following:
  1. The Applicant's most recent tax return, or other documentation of the Applicant's net income for the most recent year;
  2. Information regarding the Applicant's current income status; and
  3. Information regarding the Applicant's insurance status, including:
    - a. the name of the insurance company;
    - b. the name of the policy holder;
    - c. the policy number;
    - d. the effective date of the policy; or
    - e. a statement certifying that the Applicant is uninsured.

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- All information provided by an Applicant to the Company regarding a request for Compassionate Care will be kept confidential by Company Colleagues.

### *Determinations*

- The Company will provide Compassionate Care to an Applicant only if the following criteria are met:
  1. The Applicant's net income for the previous year is equal to or less than the state defined hardship level, as evidenced by the Applicant's most recent tax return or other documentation;
  2. The Applicant has no current source of income in an amount equal to or greater than the state defined hardship level; and
  3. The Company has determined that the Applicant is uninsured or underinsured
- If the designated personnel determine that the Applicant does not qualify for Compassionate Care, then they shall:
  1. Complete a Compassionate Care Certification Form (See approved Compliance Forms), indicating that the criteria for Compassionate Care have not been met. The Compassionate Care Certification Form should be filed with the Patient Care Report; and
  2. Notify the Applicant, in writing, of this determination.
- If the designated personnel determine that the Applicant qualifies for Compassionate Care, then they shall:
  1. Complete a Compassionate Care Certification Form indicating that the income threshold level has been met, that the Applicant is uninsured or underinsured and recommend the level of Compassionate Care to be provided. The Compassionate Care Certification Form should be filed in the patient's medical record; and
  2. Notify the Applicant, in writing, after final approval of the determination and advise the Applicant of the recommended amount of Compassionate Care.



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3. If the patient in question has private insurance, complete an adjustment notice letter to be sent to the commercial payor. A sample adjustment notice letter is attached to this policy.

### ***Obligations of Company Colleagues***

- Under no circumstances will Company colleagues, or anyone acting on behalf of the Company, offer any Compassionate Care to the Company's patients, or potential patients, unless specifically authorized under this Policy.
- The Company colleagues shall not advertise the availability of Compassionate Care in any way, except to advise individual patients or physicians of the availability of such care upon inquiry or upon the impression or knowledge of the colleague that a particular patient may qualify for Compassionate Care.
- Such advice by a colleague shall be limited to a statement that Compassionate Care is available at the Company, but only under the strict criteria set forth in this Policy.

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

### **POLICY REVIEW**

The Ethics & Compliance Department will review and update this Policy and all HIPAA policies when necessary in the normal course of its review of the Ethics & Compliance Program.



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## ATTACHMENT A

### SAMPLE LETTER TO COMMERCIAL PAYOR RE: RETURN OF PAYMENT

XYZ Insurance, Inc.  
123 Fake Street  
Anytown, Anystate, 12345

Re: Return of Payor Payment to **[Entity]**, Provider No. **[insert no.]**

To whom it may concern:

Based upon a review of services provided to **[patient's name]** on **[date of service]**, **[Entity]** has waived the **[deductible/co-insurance]** owed by **[insert patient]** to **[Entity]**. As **[Entity]** has relieved **[patient's name]**'s financial obligation in this particular circumstance, **[Entity]** is also prepared to return any payments made by **[insert commercial payor]** to **[Entity]** for **[patient's name]** date of service **[insert the relevant claims of patient]** upon the written request from **[insert commercial payor]** within thirty (30) days. Failure to respond within this time period waives any subsequent claim for recovery.

Please call **[insert number]** with any questions that you may have regarding this matter.

Sincerely,

**[Billing Colleague]**