

El Paso Children's Hospital	Policy # PAD-6.0
Patient Access Department	Effective Date : 08/2014 Revision Date : 04/2016

DISCOUNTING AND COLLECTIONS AT TIME OF SERVICE

POLICY

- To define the El Paso Children's Hospital (EPCH) policy for prompt payment discounts and other settlement/liens discounts.
- It is the policy of EPCH to offer prompt payment discounts in an effort to get large dollar accounts paid in full in an expedient manner. In addition, other discounts may be offered for payment in full or payment plans at time of service to uninsured (self-pay) patients/guarantors. In limited situations insured patients may be offered a prompt payment discount.

RESPONSIBLE

Medical Staff
Allied Healthcare Professionals
EPCH Employees

POLICY REFERENCES

None

LITERATURE REFERENCES

None

DEFINITIONS

Patient - All inpatients, outpatients, Clinic, and Emergency patients.

Paid at Time of Service/Prompt Payment - Any payment made, applied to a patient account for services, paid prior to, on, or within seven (7) days of the date of service/date of discharge.

PROCEDURE

A. Physician, Board and Employee

1. EPCH does not provide discounts or services at no charge to physicians or their families; Board members or their families; or employees including family members.

B. Payment at Time of Service

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1. EPCH will provide a 55% discount to any uninsured patient who pays the estimated account balance, in full, at the time of service.
2. EPCH will also provide a discount of 50% to any uninsured patient who cannot pay in full at time of service, but who authorizes a documented payment plan, and agrees to pay the defined amount on time.

NOTE: Failure to meet the requirement to pay on time and the amount as agreed, may result in loss of the discount.

3. The EPCH Payment Plan Schedule follows:
 - a. Ten percent (10%) of the estimated balance due must be paid at time of service as an initial installment payment. Once the 10% is paid, EPCH may extend a documented payment plan following the schedule below:
 - 1) Balance \$25.00 - \$250.00 = minimum monthly payment of \$25.00
 - 2) Balance \$250.01 - \$1000.00 = minimum monthly payment of \$50.00
 - 3) Balance \$1000.01 - \$2000.00 = minimum monthly payment of \$100.00
 - 4) Balance \$2000.01 - \$3000.00 = minimum monthly payment of \$150.00
 - 5) Balance \$3000.01 - \$4000.00 = minimum monthly payment of \$200.00
 - 6) Balance \$4000.01 & greater = minimum monthly payment of 5% of the balance due

NOTE: Because deductibles have increased dramatically, EPCH does wish to assist the insured population by offering a 20% discount for payment in full of the estimated balance due, if paid at the time of service.

4. Post discharge discounts of 15% may be offered to uninsured patients/guarantors at any time, as a "last resort" to obtain a final payment resolution. Payment of the full balance less the discount must be received to qualify for the discount.
5. Agencies may also offer a 15% discount to the uninsured and insured guarantor as a settlement for full payment regardless of the age of the account.

C. Discounts for Liens

1. EPCH frequently receives calls from attorneys requesting a discount to settle an account on which there is a lien. EPCH's official position is that we do NOT

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discount in cases where a lien exists. However, in extenuating circumstances, the Revenue Cycle V.P., or his/her designee, reserves the right to negotiate a settlement if it is understood that all that can be done has been done to receive payment in full, and that the only option remaining is bankruptcy if there is no settlement agreement. These accounts will be addressed on a case by case basis. The attorney should also agree to discount his/her fees.

D. Discounts to Insurance Companies for Prompt Payment

1. HMOs and PPOs have a fiduciary duty under Texas Law, to pay claims to hospitals for services rendered to their insured, and to do so "promptly."
2. Simply put, insurance companies must respond to a hospital "clean claim" within no more than 45 days of the receipt of the claim by doing one of the following:
 - a. Pay the claim according to contracted terms.
 - b. Pay the portion of a claim that is not being contested.
 - c. Notify the hospital, in writing, that the claim is being denied in total, specifying the reason (s) for the denial.
3. Other key points of the law:
 - a. If a claim audit is planned, the payer must pre-pay 85% of the benefits.
 - b. Claims faxed to payers after hours will be deemed received.
 - c. Failure to pay the claim per the code should result in 18% per annum interest penalties.
 - d. See Texas Code – House Bill 610 – most recent amended law for more information. EPCH has no fiduciary or moral obligation to discount contracted amounts owed by HMOs and PPOs, or any other non-government payer. Therefore, it is the policy of EPCH to not negotiate "prompt payment" settlements with insurance companies.

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ATTACHMENTS

None

FORMS

None

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Director of Department

Date

Chief Nursing Officer & Chief Operating Officer

Date

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