

Financial Hardship Discounts / Prohibition Against Waivers of Co-pays and Deductibles (Critical Illness Recovery Hospitals, Inpatient Rehabilitation Hospitals, and Provider Based Outpatient Clinics, excluding certain Joint Venture locations)



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Policy Owner	Compliance Officer
Approved By	Compliance and Audit Committee

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GENERAL INFORMATION

In accordance with the Select Medical Compliance Program, Select Medical does not allow routine waiver of insurance co-payments or deductibles under any circumstances. In limited circumstances, patients may qualify for a financial hardship discount.

POLICY

Waivers of Co-Payments and Deductibles

It is the policy of Select Medical that co-payments and deductible amounts relating to payment for services shall be collected to the full extent required by Federal and state laws and private payor agreements. In accordance with the Select Medical Compliance Program, Select Medical does not allow routine waiver of insurance co-payments or deductibles under any circumstances. In limited circumstances, patients may qualify for a financial hardship discount.

Financial Hardship

Select Medical providers may provide discounts on payment for services or may waive or reduce co-payment or deductible amounts to patients who demonstrate financial hardship and who qualify for such discounts, based on inability to pay. Financial hardship will be determined in accordance with this policy based on two factors – net income and net assets. The first factor considered is the patient’s income level compared to the US Department of Health and Human Services Poverty Guidelines. The initial percentage discount will vary based on the patient’s income level. The second factor considered is the patient’s net assets and will be used to adjust the initial percentage discount.

PROCEDURES

Waivers of Co-Payments and Deductibles

1. Waiver of co-payments or deductibles may be offered to patients who demonstrate financial hardship and who qualify for such discounts, based on inability to pay in accordance with this policy and the US Department of Health and Human Services Poverty Guidelines (see Attachment A). Such waivers are considered financial arrangements of last resort and proper documentation **must** accompany all requests (see Attachment B).
2. In accordance with Federal and state law, Select Medical providers may not “balance bill” patients for covered services rendered to patients.

Financial Hardship

1. It is the responsibility of the Central Business Office Supervisor or Manager to determine the need for financial hardship discounts and determine the amount of the discount (as outlined in #3). At no time is inability to pay determined by the patient, i.e. a patient's signed declaration of his/her inability to pay his/her medical bills cannot be considered proof of financial hardship.
2. The patient's ability to pay may be reviewed at any time during the course of treatment. Typically, the patient's financial responsibility and ability to pay is determined before admission.
3. The following steps should be completed when considering and processing financial hardship discounts:
 - I. Determine if the pay source meets one of the following criteria for financial hardship eligibility:
 - a. Private pay, uninsured
 - b. Private pay, insurance will not cover treatment
 - c. Patient responsibility; insurance has paid and the remaining patient responsibility amount is under consideration for a financial hardship discount.
 - II. Assist the patient in completing a Financial Hardship Disclosure Form (see Attachment B). Determine if the income and assets are for an individual or family. If for a family, determine the family size.
 - III. Use the Sliding Scale Schedule (see Attachment A) to determine the patient's ability to pay.
 - IV. Inform the patient that you will need proof of income and net assets. This can include, but is not limited to pay stubs, income tax returns, bank accounts, and loan documents.
 - V. Forward the Financial Hardship Disclosure Form to the Central Business Office Supervisor or Manager who will determine the amount of the discount and approve.
 - VI. When a patient qualifies for a financial hardship discount, unless otherwise specified, the discount should consistently apply to all services rendered until the financial status is reconsidered, updated and documented.
 - VII. Financial hardship discounts are considered financial arrangements of last resort. Proper documentation **must** accompany all requests for discount arrangements.

Notes

- If patients inquire how financial hardship discount amounts are determined, you may tell them they are determined in accordance with Federal Poverty Guidelines, which are based on monthly gross income and number of dependents
- Please be aware that all government and most managed care contracts forbid *routine* waiver of co-pay and deductibles.
- Some Joint Venture locations have an Agreement that requires following the other partner's Charity Care Policy or similarly titled policy and supersedes this policy. In these cases, the Joint Venture partner's policy must be followed.