PURPOSE:
To establish Health Quest (“HQ”) policy related to the waiver or reduction of copayment, deductible, or other patient financial obligations.

POLICY:
It is the policy of HQ to maintain the highest standard of ethical conduct in its relationships with its patients. This includes compliance with Applicable Requirements with regard to the waiver or reduction of copayment, deductible, or other patient financial obligations (collectively, “Patient Waivers”).

It is HQ policy not to provide Patient Waivers on a routine or regular basis. HQ may only provide Patient Waivers as set forth below or as set forth in the HQ System Business Office Prompt Pay Discount policy or similar policies issued by another HQ entity and approved by HQ’s Compliance and Legal Departments:

A. Hospital Inpatient Services

A hospital may provide a Patient Waiver to a Federal health care program beneficiary related inpatient hospital services paid under a prospective payment system as long as the Patient Waiver meets the requirements of the regulatory safe harbor (42 C.F.R. 1001.952(k)(1)), as set forth below:

i) The hospital shall not later claim the amount reduced or waived as bad debt for payment purposes under a Federal health care program or otherwise shift the burden of the reduction or the waiver onto a Federal health care program, other payors, or individuals;

ii) The hospital shall offer to reduce or waive the patient financial obligations without regard to (a) the reason for admission, (b) length of stay of the beneficiary, or (c) the diagnostic related group for which the claim for reimbursement is filed; and

iii) The hospital’s offer to reduce or waive the patient financial obligations must not be made as part of a price reduction agreement between the hospital and a third-
party payer, unless the agreement is part of a contract for the furnishing of items or services to a beneficiary of a SELECT Medicare Supplement plan.

B. Financial Need

HQ may provide Patient Waivers based on financial need if the following requirements are met:

(i) The Patient Waiver is not promoted, advertised, or offered as part of any solicitation;

(ii) The Patient Waiver is not routinely or regularly offered; and

(iii) The Patient Waiver satisfies one of the following:

   (a) the Patient Waiver is provided only after HQ makes an individualized, good faith assessment of financial need with documentation in the patient record, or

   (b) the Patient Waiver is provided only after HQ has made reasonable efforts but has failed to collect patient financial responsibility amounts directly from the patient.

DEFINITIONS:

Applicable Requirements: Any federal or state statutes, regulations, or guidance applicable to HQ’s operations; Medicare and Medicaid Manuals and transmittals; National Coverage Determinations; and publications issued by Medicare Administrative Contractors, including Local Coverage Determinations (“LCDs”).

Patient Waivers: The waiver or reduction of copayment, deductible, or other Patient financial obligations

ENFORCEMENT:
Any Patient Waiver related to a Federal Health Care Program that does not strictly comply with this policy is prohibited. For Patient Waivers related to other programs or payors, the Chief Compliance Officer and his or her designee and the Chief Legal Officer and his or her designee must approve in advance any exceptions to this policy in writing and the exception must comply with applicable payor requirements.
REFERENCES:

- Patient Gifts policy (HQ 5.1.08)
- Anti-Kickback Statute and regulations: 42 U.S.C. § 1320a-7b(b); 42 C.F.R. § 1001.952
- Beneficiary Inducements Civil Monetary Penalty Law and regulations: 42 U.S.C. § 1320a-7a(a)(5); 42 C.F.R. §§ 1003.101, 1003.102(c)(13)
- OIG Special Fraud Alert: Routine Waiver of Copayments or Deductibles Under Medicare Part B (May 1991)
- OIG Statement Regarding Hospital Discounts Offered to Patients who Cannot Afford to Pay Their Hospital Bills (February 2, 2004)
- OIG Policy Statement Regarding Hospitals That Discount or Waive Amounts Owed by Medicare Beneficiaries for Self-Administered Drugs Dispensed in Outpatient Settings (October 29, 2015)

POLICY HISTORY:
Supersedes: 10/19/2018
Original Implementation Date: 10/19/2018
Date Reviewed: 2/24/2020
Date Revised: 10/19/2018, 2/24/2020

APPROVAL:

[Signature]
Policy Owner

[Date]
Date