



## Purpose

The Prompt pay discount policy is intended for the uninsured patient population and supports the organization's commitment to provide healthcare services to all in need regardless of their ability to pay. The prompt-pay discount shall be applied to eligible accounts to encourage patients to pay their bills promptly.

## Definitions

**Financial Assistance Award:** for purposes of this policy, the term "award" shall mean the reduction to a patients' account balance as a result of qualifying for financial relief per SRH's [Financial Assistance Policy](#).

**Prompt Payment Discount Percentage:** A specified discount and partial write-off of amounts due from an individual patient to health system in exchange for payments received per the terms of this policy.

**Services:** For purposes of this policy, the term "services" shall include all clinic, inpatient and outpatient hospital services.

**Uninsured:** for purposes of this policy, the term "uninsured" shall mean those individuals without commercial, or governmental health insurance (including Medicare/Medicaid). Patients who have insurance but direct the organization not to bill same shall not be considered uninsured.

## Policy

Skagit Regional Health shall assist uninsured patients and/or responsible parties with their financial obligations whenever possible by providing financial counseling and assistance, screening patients for available assistance programs, and applying available discounts. All revenue cycle staff members who interact with patients will communicate the availability of prompt-pay discounts to the uninsured population. The initial statement that is sent to an uninsured patient will notify them of this payment option.

## Procedure

1. Prompt-Pay Discounts
  - a. Skagit Regional Health will offer patients a twenty percent (20%) discount toward their financial liabilities if the patient resolves the liabilities in full within 30 days of the first billing date.
  - b. The Prompt-Pay Discount may be combined with any applicable Financial Assistance awards and applies to all residual self-pay liabilities for patients without insurance coverage.
  - c. The Prompt-Pay Discount of twenty percent (20%) will be applied to the balance of an account after any Financial Assistance awards have been recognized and not to original charges. For example on an \$1,000 account where the patient qualifies for 25% Financial Assistance, the twenty percent (20%) Prompt Pay discount will be applied to the remaining \$750 balance resulting in a patient responsibility of \$600 ( $\$1,000 \times (1-.25) = \$750$ .  $\$750 - (1-.20) = \$600$ ).
  - d. If third-party coverage or other funding is identified, the discount will be reversed and the appropriate third party will be billed. The patient will subsequently be billed for any remaining balance. The Prompt Pay discount will not apply to balances after a third-party insurance has paid.

- e. These discounts will not be applied to; court mandated payments, co-pay/deductibles, or offered to any individual that resides outside of the United States and travel to the United States for the purpose of receiving services.
- f. This discount shall not apply to the following services:
  - i. Cosmetic treatment or surgery already offered at a bundled case rate,
  - ii. Reversal of previous sterilization procedures already offered at a bundled case rate,
  - iii. Care, testing or treatment of infertility, frigidity, or impotency,
  - iv. Experimental or investigational services,
  - v. More costly services when MAA determines that less costly, equally effective services are available,
  - vi. Sports Physicals,
  - vii. Circumcision, and
  - viii. Retail Pharmaceuticals.
- g. Approved discounts will be noted on the patient account and managed by appropriate staff based on prompt-pay timeliness criteria. Prompt pay discount adjustments shall not be made to an account unless eligibility criteria are met.

## Eligibility Criteria

Prompt Pay discounts will be available for uninsured patients with no alternative funding source. In the instance where a patient has no health insurance or other insurance coverage has been exhausted, remaining balances shall be considered self-pay. This policy will not apply to patients with insurance benefits that already discount billed charges to an 'allowed amount'. The discount will be available for each account/encounter where the patient meets their timely payment obligation.

## Eligibility Determination

Prompt Pay discounts will be accepted when the patient has been determined to have no alternate funding source and the patient pays within 30 days of invoice.

## References

Reference Type	Title	Notes
<b>Documents referenced by this document</b>		
Referenced Documents	Skagit Regional Health Financial Assistance/Sliding Fee Scale	Skagit Regional Health Financial Assistance/Sliding Fee Scale
<b>Signed/Approved By</b>	( 10/17/2019 ) SRH Policy Procedure Committee	
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