

 <b>Palisades Medical Center</b> Hackensack University Health Network	<b>TITLE: Patient Financial Services SELF PAY POLICY</b>
<b>REFERENCE MANUAL: Patient Accounts Policy/Procedure Manual</b>	<b>DISTRIBUTION: Departmental</b>
<b>RECOMMENDED BY: Director of Patient Financial Services</b>	<b>APPROVED BY: VP of Finance and Chief Financial Officer (CFO)</b>
<b>EFFECTIVE DATE: January 2000</b>	<b>REVISED: November 2015</b>

## POLICY

The purpose of this policy is to ensure all patients receive essential emergency and other medically necessary healthcare services provided by the hospital and any other substantially related entity, regardless of ability to pay.

AT NO TIME WILL ANY PATIENT BE DENIED NECESSARY EMERGENCY MEDICAL CARE BASED UPON THE PATIENT'S ABILITY PAY OR WILLINGNESS OR ABILITY TO PARTICIPATE IN THE FINANCIAL SCREENING PROCESS.

For those self-pay patients not eligible for Financial Assistance, Medicaid, Family Care, Charity Care Assistance or other government or state sponsored medical assistance programs and insured patients who seek or require non-covered healthcare services, Palisades Medical Center established a maximum fee of 115% of the Medicare rate.

## SELF-PAY FEE SCHEDULE

To facilitate the application of this Self Pay Policy, the Finance Department, in consultation with and the approval of the Chief Financial Officer, shall establish and periodically review the "Self-Pay Fee Schedules" which are available upon request by visiting Palisades Medical Center Patient Financial Services Department located at 7600 River Road, North Bergen, NJ 07047 or calling 201-854-5092.

The fee schedules may include fees for specific services, case rates, and per diem rates, as deemed necessary. The fee schedule also will include default percentages that will be applied for the special price determinations for eligible self-pay patients, as described below, including the default percentage that will be applied against Medicare reimbursement for inpatient services not identified in the schedule, as well as the default percentage that will be applied against the medical center's charges for any outpatient services not identified in scheduled.

The Finance Department shall review and update this fee schedule at least annually to ensure that the fees specified under the schedule are reasonable and appropriate, with due consideration of the medical center's resources used in providing services and the effects these fees may have, if any, on the medical center's reimbursement under any government or state commercial third party payor program with which it participates.

### SELF PAY FINANCIAL CLASS

If a patient is uninsured and does not qualify or elects not to be screened for any of the medical center's financial assistance programs, the patient will be registered in the medical center's Self-Pay Financial Class (8) and Self-Pay Insurance Plans (S01 for In-Patient and S99 for Out-Patient) regardless of the point of entry for services, i.e.: emergency department admission, pre-registered admission, same day surgery or outpatient clinic referral.

Any patient registered in the Self-Pay Financial Class may be eligible for the special price determinations, but only if the patient participates in the financial screening process and is determined to be below the income and assets thresholds established by the medical center, and only if the patient or another responsible party complies with the following inpatient or outpatient payment requirements, as determined by the Patient Financial Services Department.

a. Inpatient Services.

The special price determinations described below are available to eligible self-pay patients only if the following payment requirements for inpatient services are satisfied:

Inpatient services require a minimum deposit equal to 50% of the aggregate fees anticipated for the services of the medical center, based upon the special price determinations set forth below. This deposit must be paid prior to admission and, as reasonably determined by the Patient Financial Services Department based on their initial review to determine if the patient is expected to be eligible for Financial Assistance under FAP, unless alternative arrangements are agreed upon by the patient and the Patient Financial Services Department. A deposit is not required for emergency medical care. The balance of the actual fees and costs incurred by the patient, based upon the special price determinations set forth below, must be paid within 30 days after receipt of the bill unless alternative arrangements are agreed upon by the patient and the Patient Financial Services Department.

If a patient fails to make the deposit for non-emergency services, admission of the patient should be rescheduled pending such payment or agreement upon alternative arrangements. Urgent or Emergency services will not be delayed.

b. Outpatient Services.

The special price determinations described below are available to eligible self-pay patients only if the following payment requirements for outpatient services are satisfied:

Outpatient services require payment in full immediately upon delivery of such services, unless alternative payment arrangements are agreed upon by the patient and the Patient Financial Services Department.

c. Payment Methods.

Unless otherwise required by the Patient Financial Services Department, the deposits and balances paid by patients in the Self-Pay Financial Class may be made in cash, by personal check or money order, or by any credit card then accepted by Palisades Medical Center. Upon adoption of this policy, the medical center accepts credit and debit cards from VISA, DISCOVER and MasterCard, and credit cards from American Express. The Patient Financial Services Department is authorized to limit the payment methods available to any patient on a case-by-case basis as reasonably determined in consideration of past experience with the patient or other responsible party.

d. Special Price Determinations.

If the patient requires emergency or other medically necessary care and is properly assigned to the Self-Pay Financial Class plus satisfies the financial eligibility requirements, as noted above, the patient will be eligible for and Palisades Medical Center shall extend to the patient the special price determinations set forth below:

- For Self Pay Patients with incomes below 500% of the federal poverty level the medical center will apply its Financial Assistance Policy
- For those self-pay patients with incomes greater than 500% of the Federal Poverty level the medical center will adjust their bills to 115% of the Medicare rate.

e. Alternative Arrangements: installment Plans

In an effort to make health care services available to all those that require services, and to make available the special price determinations set forth below to all patients

willing to accept responsibility for the financial obligations, the Patient Financial Services Department is authorized to accommodate the financial limitations of the patients served by the medical center. Accordingly, the financial counselors are authorized to offer flexible payment plans to patients in the Self-Pay Financial Class, both in respect to required deposits and balances for actual fees incurred. Such payment plans, referred to as “Installment Plans” or “Contract Plans,” must be approved by the Financial Planning Manager before being implemented, and such plans must qualify as set forth below:

(i) The payment arrangement ordinarily offered to patients should require full payment in as short a period as possible. Installment Plans that require equal monthly installments over a period of no more than 12 months following the services may be offered without additional approval. Installment Plans over a longer period of time require approval of the Chief Financial Officer or his designee. Requests for approval of an Installment Plan in excess of 24 months should be reserved to only extraordinary circumstances.

(ii) If available, and if deemed cost effective by the Patient Financial Services Department, the Installment Plan should be effectuated through automatic, non-swipe, credit card payments authorized in advance by the patient or other responsible party.

(iii) The patient or other party responsible for payment is required to sign a promissory note or payment contract, in a form approved by the Chief Financial Officer, pursuant to which the patient or other responsible party acknowledges and agrees to the financial obligation, including fees and costs incurred in excess of the estimated fees, and pursuant to which the patient or other responsible party agrees to make monthly installments or, if applicable, authorizes the medical center to charge the patient’s or responsible party’s credit card, in such amounts and on or before such dates as specified in the note or contract.

(iv) The patient or responsible party will be provided a copy of the promissory note or payment contract, and the original will be maintained in the patient’s financial file.

(v) The Installment Plan or Contract Plan will be recorded by the financial counselors in the medical center’s electronic database, including the contract amount, periodic installments expected, and first payment due date.

## PRICE SETTLEMENTS

In furtherance of this Policy, the Patient Financial Services Department is encouraged to consider reasonable compromises in order to facilitate prompt payment of fees, such as with respect to patients classified as Self-Pay Patients, and to consider reasonable compromises in response to bona fide fee disputes and to facilitate the collection of late or delinquent accounts receivable. In doing so, the department should consider, among other things, the value to the medical center of prompt payments, the potential legal and administrative costs of the collection actions that may be required to collect disputed fees, or late or delinquent accounts, and the benefits of amicable solutions to issues of fees and costs in terms of overall customer satisfaction, understanding that the medical center’s customers include its patients and their families and friends, and the medical staff members.

The compromises may include price reductions or payment plans or a combination of them; collectively, they are referred to as “Settlements.” Financial counselors may offer Settlements, but may do so only in accordance with the following guidelines:

a. Proposed Settlements must be approved by the Financial Planning Manager. Such approvals may be obtained by submitting a “Self-Pay Price Quote” form or such other settlement forms that the Credit Department Patient Financial Services Manager may require.

b. If a Settlement includes a reduction in fees, the Settlement must be posted to the patient’s account, and the account balance must be adjusted using an *Administrative Allowance* code or a *Self-Pay* code, as applicable.

c. If a Settlement includes installment or periodic payments, then it must comply with the requirements for Installment Plans or Contract Plans set forth above in this Compassionate Billing and Financial Assistance Policy.