Applicability: UW Medicine

Policy Title: Applying Charge Waivers and Discounts to Patient Accounts and Balances

Policy Number: COMP.205

Date Established: November 17, 2014

Date Effective: December 18, 2024

Next Review Date: December 18, 2027

PURPOSE

The purpose of this policy is to define when charge waivers and/or discounts may be applied to patient accounts and balances for UW Medicine healthcare services in a way that ensures compliance with health care regulations, commercial payer contracts, and financial assistance standards in accordance with the UW Medicine Financial Assistance Policy.

This policy is applicable to all UW Medicine entities except UW Physicians (UWP) and pertains to non-UWP professional and/or facility charges submitted by the entity. UWP has its own policy addressing these matters which was adopted by the UWP Board of Trustees in November 2010, and is congruous with this policy.

DEFINITIONS

See UW Medicine Compliance Glossary.

POLICY

One of the goals of the UW Medicine Compliance program is to reduce the enterprise's risk of fraud, waste and abuse. Toward that end, this policy aims to reduce the risk of providing inappropriate financial incentives to UW Medicine patients, as well as to ensure UW Medicine meets its contractual obligations with third party payers, or patients who are self-pay. Accordingly, the discounting of charges and waivers of UW Medicine patient accounts or patient balances (including co-pays, deductibles and coinsurance amounts owed) for healthcare services provided to any patient, including UW Medicine workforce members, is prohibited *except as follows*:

1. Waiver of patient account or patient balance (including patients who are self-pay).

    a. UW Medicine may decide to waive all or a portion of a patient's bill in response to a specific issue as authorized by UW Medicine Patient Accounts and Support Services (PASS) and/or the appropriate administrative review and approval.

    Waivers for partial or full amounts of a patient's bill in response to a potential risk management issue must be limited to the charges related to the particular issue and shall include all charges to the patient and third party payor, except in cases where UW Medicine Compliance approves the waiver of the patient balance only. Consult with UW Medicine Compliance and the appropriate entity financial official as needed.

b. For inpatient service charges provided to a Federal healthcare program beneficiary (e.g., Medicare, Medicaid, TriCare, etc.), UW Medicine may decide to waive only a patient balance, and not the third-party liability. Such waivers are made without regard to the reason for admission, the length of stay or the diagnosis-related group (DRG). The waiver may not be claimed as bad debt (see 42 CFR 1001.952(k)). Please see the Anti-Kickback Statute (AKS) Exceptions – Waiver of Beneficiary Copayment, Coinsurance and Deductible Amounts under the REGULATORY/LEGISLATION/REFERENCES section below.

2. Discounts applied in accordance with previously negotiated single case agreements.

3. Discounts granted in accordance with entity-based cash discount policies, where applicable.

4. Account credits granted in accordance with the Valley Medical Center (VMC) Tax Dividend Program.

5. Exceptions as approved in writing by the appropriate financial official. This includes any exceptions pertaining to a UW Medicine clinical research study for which cost-sharing assistance for a UW Medicine patient has been approved in conjunction with COMP.202 (Budgeting and Billing Requirements for Human Subjects Research Using UW Medicine Faculty, Facilities or Services).

6. The patient does not have the means to pay for services and has been evaluated and approved for financial assistance in accordance with the UW Medicine Financial Assistance Policy.

Discounts and waivers under circumstances not listed above are prohibited without the express written permission of the appropriate entity or system financial official, and in consultation with UW Medicine Compliance as needed.

REGULATORY/LEGISLATION/REFERENCES

- Anti-Kickback Statute Exceptions, Waiver of Beneficiary Copayment, Coinsurance and Deductible Amounts, 42 C.F.R. §1001.952(k)
- Civil Monetary Penalties, Assessments, and Exclusions, Definitions, *Remuneration*, 42 C.F.R. § 1003.110
- U.S. Department of Health and Human Services, Office of Inspector General Advisory Opinion 16-13

PROCEDURE ADDENDUM(s)/REFERENCES/LINKS

- UW Medicine Compliance Glossary
- UW Medicine Compliance Policy COMP.202
- UW Medicine Financial Assistance Policy
- UW Medicine, PASS, Waiver and/or Discount of Charges Policy
- HMC, APOP 5.14 Patient Complaints and Grievances
- HMC, APOP 5.58 Service Recovery Program Policy
- UWMC, APOP Patient Complaints and Grievances
- UWMC, APOP Service Recovery Program Policy
- UWP, Board of Trustees Policy on Waiver and Discount of Professional Charges
- UWP, APOP A-30 Charging
- UWP, APOP A-31 Fee Setting Process (Standard Fee Schedule)
- VMC, Financial Division, Administering Valley Dividend Program Policy, PFS.1000.6

- VMC, Financial Division, Uninsured and Non-Covered Service Discount Policy, PFS.5000.8

ROLES AND RESPONSIBILITIES

Defined within POLICY.

APPROVALS

/s/ Beth DeLair — 12/20/2024

Beth DeLair — Date

Chief Compliance Officer, UW Medicine

Associate VP for Medical Affairs, UW