

<b>Applicability:</b>	UW Medicine
<b>Policy Title:</b>	Applying Charge Waivers and Discounts to Patient Accounts and Balances
<b>Policy Number:</b>	COMP.205
<b>Date Established:</b>	November 17, 2014
<b>Date Effective:</b>	July 16, 2021
<b>Next Review Date:</b>	July 16, 2024

---

## **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 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 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 the UW Medicine clinical risk management department 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 under the Medicare inpatient prospective payment system, 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.
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, in consultation with UW Medicine Compliance as needed.

#### **REGULATORY/LEGISLATION/REFERENCES**

- [AKS 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

#### **PROCEDURE ADDENDUM(S)/REFERENCES/LINKS**

- [UW Medicine Compliance Glossary](#)
- [UW Medicine Financial Assistance Policy](#)
- HMC, APOP 5.14 Patient Complaints and Grievances
- HMC, APOP 5.58 Service Recovery Program Policy
- UWMC, APOP 5-33 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  
Beth DeLair  
Interim Chief Compliance Officer, UW Medicine  
Interim Associate VP for Medical Affairs, UW

7/28/2021  
Date