

PROMPT PAY DISCOUNT

POLICY: Onslow Memorial Hospital will render medical care to all persons in need regardless of their ability to pay. Onslow Memorial Hospital will render medical care to patients for as low a cost as possible. The hospital will offer a prompt pay discount in order to provide a legitimate prompt payment incentive, in order to avoid collection costs, in an effort to encourage timely payment for the legitimate business purpose to enhance cash flow and avoid cost associated with collections efforts.

PROCEDURE:

1. All billing for non-covered services to Medicare beneficiaries shall be in compliance with Organizational Policy No. 1221 entitled "Advance Beneficiary Notice"
2. Patients will be instructed to contact Patient Financial Services for questions regarding a prompt payment discount or for the assistance of a credit coordinator.
3. Patient Financial Services will record a note regarding any discount offered to a patient in the Comment Inquiry. The patient will be advised to send payment to the attention of: Patient Financial Services Prompt Pay Plan.
4. The prompt pay discount will be applied as follows:

A discount of 25% will be applied to all patient responsible amounts (including co-payments and deductibles) when those amounts are paid in full within seven (7) days from the date the first post-service bill is mailed to the patient or responsible party.

5. OMH shall not disclose/advertise the prompt payment discount in promotional materials or in any manner designed to target or attract Medicare/other federal health care program beneficiaries or to generate business payable by Medicare/other federal health care programs to OMH.
6. No prompt pay discount will be applied to accounts where the patient is covered by a third-party payer whose provider agreement with OMH prohibits such discount and the relevant provision of the agreement has not been waived. OMH will maintain a current list of third-party payers whose plan insureds are not subject to the prompt pay discount.
7. The Prompt Pay Discount will be offered without regard to the reason for admission, the length of stay, or diagnostic related group for which the claim for reimbursement is filed.

8. OMH will ensure that its cost report reflects full uniform charges (not discounted amounts) and will make its fiscal intermediary aware that it has reported its full charges on its cost report. OMH will also ensure that the amount of fees discounted to patients under the prompt pay discount bears a reasonable relationship to the avoided collection costs.
9. At no time will discounted amounts be categorized as “bad debt” for payment purposes under any Federal health care program or otherwise shift the burden of the reduction or waiver onto any Federal health care program, a State health care program, other payers, or individuals.

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