I. PURPOSE
Provide a detailed overview of UW Health’s payment collection processes and pre-service patient payment requirements.

II. DEFINITIONS
A. Co-Insurance: Part of health insurance benefits, it is the percentage of the total charges that the patient will owe for each covered service they receive.

B. Co-Payment: Typically a flat amount due from the patient, based upon their insurance benefits for specific services covered by the plan. Co-payments typically apply to each date of service.
C. **Deductible:** The amount the patient will owe for health care services before their insurance begins to pay. High deductible plans are becoming more prevalent.

D. **In-Network/Out-of-Network:** In-network providers/facilities are contracted with the insurance plan to provide a full range of covered services. Visiting a provider that is out-of-network usually results in higher out-of-pocket costs for the patient.

E. **Out-of-Pocket Maximum:** The most a patient will pay for covered services in a benefit year. After this limit is reached, insurance will pay for covered services from an in-network provider.

F. **Financial Assistance:** UW Health’s Financial Assistance program helps people who are unable to pay for the medical services they receive, through a sliding scale discount.

G. **Medically Necessary:** Those services required to identify or treat an illness or injury that is either diagnosed or reasonably suspected to be necessary, taking into account the most appropriate level of care. Depending on a patient’s medical condition, the most appropriate setting for the provision of care may be a home, a physician’s office, an outpatient facility, or a long-term care, rehabilitation or hospital bed. In order to be medically necessary, a service must:

1. Be required to treat an illness or injury
2. Be consistent with the diagnosis and treatment of the patient’s conditions
3. Be in accordance with the standards of good medical practice
4. Be the level of care most appropriate for the patient as determined by the patient’s medical condition and not the patient’s financial or family situation
5. The term “medically necessary” does not include services provided for the convenience of the patient or the patient’s physician, or elective health care. For purposes of this policy, UW Health reserves the right to determine, on a case-by-case basis, whether the care and services provided to the patient meet the definition and standard of “medically necessary.”

H. **Medical Urgency:** Any illness or severe condition which under reasonable standards of medical practice should be diagnosed and treated within a twenty-four (24) hour period, and if left untreated, could rapidly become a crisis or emergency situation posing immediate risk to the person’s life or limb.

I. **Non-Covered:** Services that will not be covered by insurance due to the place of service, diagnosis, and/or limits of coverage based upon the provisions of the patient’s insurance policy.

J. **Price Estimates:** Estimates are not price guarantees, they are approximations based off charges, historical data, insurance benefit information (where applicable) and anticipated services.

K. **Uninsured** - Patients who do not have any insurance coverage for medical services.

### III. POLICY ELEMENTS

UW Health aims is to provide services to all our patients in need of medical care. In order to continue to provide high quality services and support community needs, UW Health has a responsibility to seek prompt payment for services rendered. UW Health recognizes the cost of necessary healthcare can impose a significant burden on patients. The processes associated with estimating costs for upcoming care can be complex. UW Health has implemented procedures to assist patients in the understanding of their out-of-pocket costs and their financial assistance options prior to service. UW Health’s intent is to collect all foreseen patient out of pocket costs prior to services being rendered, assist patients in developing a plan for satisfying this liability in a reasonable timeframe, or to proactively identify patients who need financial assistance to meet these financial obligations.
Prompt identification and collection of these balances will increase cash flow while minimizing the cost of collections, statements, and postage, thereby contributing to decreasing the cost of healthcare. And most importantly, allow UW Health the chance to reach out to patients prior to accumulating balances to make a financial plan and alleviate unnecessary financial stress. UW Health Administrative Policy 2.33 – Patient Billing and Collections describes the post service billing, payment, and collection processes applicable to services provided to UW Health patients in more detail.

UW Health carefully evaluates the patient’s medical needs and financial status and tries to be as generous and responsive as possible to all patients seeking services, without regard to race, ethnicity, citizenship, religion, gender, sexual preference, age, or disability.

IV. PROCEDURE

A. Scheduling of Patient Services

1. **Scheduled** patient services should be given sufficient lead time whenever possible to allow time to financially clear patients prior to service.
   a. Outpatient Clinic Visits: No lead time required if prior authorization/referral is not needed.
   b. Ambulatory Procedures: Prefer two (2) week lead time from date of scheduling to date of service.
   c. Radiology/Advanced Imaging: Prefer two (2) weeks lead time from date of scheduling to date of service.
   d. Surgeries: Prefer four (4) weeks lead time from date of **scheduling** to date of service.
   e. Complex Surgeries (i.e., spine surgery): Prefer five (5) weeks lead time from date of scheduling to date of service.
      * Medically urgent cases can be scheduled as needed for patient safety.
      * Insufficient lead time may lead to last minute cancelations, insurance denials, large bills to patients, and write-offs.

2. Uninsured patients who are new to UW Health should be referred to a community care financial counselor for review prior to scheduling services.
   a. A community care financial counselor will ensure UW Health is the appropriate facility for care, explore potential coverage options, including assisting them with applications as necessary, and assist patients with developing a financial plan which may include screening them for Financial Assistance.
   
   b. Please allow up to one (1) week for the community care financial counselor to review these patients and to determine appropriate access.

3. **Patients** with significant bad debt account balances may be required to prepay for any future non-medically urgent services. These patients will be referred to a financial counselor for assistance.
   a. Some services may be **excluded** from this discretionary prepay requirement to maintain patient safety and ensure EMTALA compliance.

B. UW Health’s Financial Assistance Program

1. **UW Health’s** goal is to assist patients in developing a plan for paying their out-of-pocket health care expenses. We recognize that sometimes that plan is or may include financial assistance.

2. UW Health offers patients information on our financial assistance program at every encounter.

3. Any time a patient has concerns with paying their bills at UW Health, we encourage them to apply for assistance.

4. **Please** see UW Health Admin Policy 2.16 - Financial Assistance, for full information on the application process, eligibility, and potential discounts.
C. Price Estimates and Determining Patient Out-of-Pocket Costs

1. Prior to service, the financial counseling team may determine the estimated patient liability associated with the upcoming service.

2. This estimate will either be released to MyChart, mailed, or given verbally over the phone.
   a. UW Health proactively provides patients with estimates for select services but estimates for other services can be requested at any time prior to, or at the time of service. These requests are routed through UW Health’s financial counselors. Said estimates are made in good faith based on the known facts and circumstances at the time of the estimate; however, there is no guarantee the actual cost(s) will coincide with the estimates provided.
   b. Patients may generate self-service price estimates via MyChart for selected services.

D. Pre-Service Payment Expectations

1. Ambulatory/Clinic Visits
   a. Copayments
      i. UW Health shall request the payment of Copayments at time of service.
   b. Outstanding Balances
      i. Patients will be asked to pay any outstanding balances, not currently set up on a payment plan, at arrival.
      ii. Patients can pay their balance in full or opt to pay a portion. Except as otherwise stated in Section A.3. of this policy, a patient’s services will not be stopped if they choose to not pay any portion of their outstanding balance,
      iii. Patients can request information on UW Health’s financial assistance program if they have concerns on how they will pay their bills.
   c. Prepayments
      i. If the full prepayment is required, these required prepayments must be paid in full prior to service, otherwise the services will not be rendered.
      ii. If the full prepayment is not required, as is the case for estimated out of pocket costs due to deductible and co-insurance, the patient must have a plan for satisfying their financial liability. This plan can be:
         (a) Paying in full pre-service
         (b) Consenting to autopay after the final self-pay balance is determined
         (c) Setting up a payment arrangement
         (d) Applying for financial assistance.
         * If a patient does not comply with one of those options, non-medically urgent services may be deferred or cancelled

2. Emergency Department
   a. No payment collection conversations or financial counseling will occur before the patient has received a medical screening examination and either (i) it is determined that the patient does not have an emergency medical condition, (ii) all emergency medical conditions have been stabilized, or (iii) the patient has been admitted in good faith as an inpatient for stabilizing treatment, in accordance with EMTALA.
   b. After the patient has received a medical screening examination and either (i) it is determined that the patient does not have an emergency medical condition, (ii) all emergency medical conditions have been stabilized, or (iii) the patient has been admitted in good faith as an inpatient for stabilizing treatment, the UW Health Patient Access
Department staff will request payment for any out of pocket liabilities. This can include copayments, co-insurance, and deductibles, as well as asking for payments on outstanding balances.

3. Estimated Out of Pocket Costs for Insured Patients
   a. When an estimate for out-of-pocket costs exists for an upcoming service, a financial counselor may call the patient to inform and counsel the patient on this liability.
   b. During this phone call, payment will be requested from the patient/guarantor. If the patient/guarantor chooses not to make a pre-payment, set up a payment plan, or apply for Financial Assistance, non-medically urgent services may be deferred or cancelled.
   c. Payment on the estimated out of pocket costs may be collected at the point of service.
      i. If the full payment is required, financial counselors will communicate this requirement to patients ahead of time. There will be a comment in the prepay comments field indicating the payment requirement. These prepayments must be paid prior to service, otherwise the services will not be rendered.
      ii. If the full payment is not made or required, the patient must have a plan for satisfying their financial liability. This plan can be:
         (a) Paying in full pre-service
         (b) Consenting to autopay after their final self-pay balance is determined
         (c) Setting up a payment arrangement
         (d) Apply for financial assistance.
         *If a patient does not comply with one of those options, non-medically urgent services may be deferred or cancelled.

4. Services Without an Insurance Referral
   a. Commercial Coverage:
      i. Patient may be asked to pay a down payment for services at arrival because there is no referral from their insurance to be seen at UW Health.
      ii. Patient will also sign a financial responsibility form and will be responsible for any additional balance owed.
   b. Out-of Network Medicaid HMO and Out-of-State Medicaid:
      i. There is a hard stop at scheduling to prevent patients with an out-of-network or out of state Medicaid product from scheduling without a referral in place. However, sometimes patients schedule an appointment and then change to an out-of-network Medicaid HMO post-scheduling.
      ii. Patient Access staff will contact these patients prior to their date of service to redirect them back in network.
         (a) If patient wants to continue with services at UW Health without a referral, the service must be prepaid in full (less the self-pay discount).
         (b) If the service is medically urgent, no prepayment will be required.

5. Services Without Financial Clearance/No Authorization
   a. If prior authorization is not in place for an upcoming service, the financial clearance team will discuss the medical urgency of the services with the clinical team. If the service is:
      i. Medically Urgent: The service can proceed without pre-payment; however, payment plans and eligibility for financial assistance may be discussed. The patient will sign a financial responsibility form (FRF) and may be responsible for any balance owed.
      ii. Not Medically Urgent: The service must be canceled, rescheduled, or prepaid in full less the self-pay discount, unless
UW Health made an error in getting their authorization secured in a timely manner.
(a) In the rare case that UW Health made an error, we may allow services to continue without authorization from the payor and no prepayment from the patient. Patient will not be responsible for any balance owed in these scenarios.

b. The prepayment will be determined through the creation of an estimate. A Financial Clearance team member will communicate this requirement with the patient and coordinate with the clinical staff appropriately.

c. UW Health retains the right to redirect patients back in network, request that patients enroll in other available insurance that would provide coverage for their services, or require additional testing be done in order to obtain authorization from insurance for services.

6. Non-Covered Services
   a. Clinic Appointments/Minor Procedures
      i. Patient has Commercial Coverage:
         (a) The service must be prepaid in full (less the self-pay discount), or the patient must qualify for financial assistance.
         (b) Patient will sign a financial responsibility form.
      ii. Patient has Medicare Coverage:
         (a) If an ABN (Advanced Beneficiary Notice) is required, the patient will be asked to sign the ABN and will be billed any remaining balance owed.
         (b) If an ABN is not required, the service must be prepaid in full (less the self-pay discount), or the patient must qualify for financial assistance. Patient will sign a financial responsibility form.
   b. Advanced Imaging/High Dollar Diagnostic Procedures/Surgeries
      i. Patient has Commercial Coverage:
         (a) The service must be prepaid in full (less the self-pay discount).
         (b) Patient will sign a financial responsibility form.
      ii. Patient has Medicare Coverage:
         (a) If an ABN is required, the patient signs the ABN and is billed any remaining balance owed.
         (b) If an ABN is not required, the service must be prepaid in full (less the self-pay discount), or patient must sign up for payment plan with the initial month’s payment made, or the patient must qualify for financial assistance. Patient will sign a financial responsibility form.
   c. Services are Medically Urgent
      i. If the non-covered services are medically urgent (as defined by the definition of medical urgency), prepayment will not be required. However, UW Health may discuss payment, payment plan arrangements, and eligibility for financial assistance.
      ii. Patient will sign a financial responsibility form and may be responsible for any balance owed.

7. Out-of-Network Insurance Plans
   a. If services are authorized at UW Health, but UW Health is in a higher tier for benefits (the patient will have higher out of pocket costs at UW Health versus a tier one networked facility):
      i. The patient may be required to prepay their estimated liability in full or they must sign up for a payment plan with the initial month’s payment made.
      ii. Patient is not eligible for financial assistance as they have chosen to receive care at a facility in a lower benefit tier with their
insurance.

b. Services are not authorized at UW Health:
   i. Patient is redirected back in network
   ii. To continue with services at UW Health, the patient must prepay in full (less the self-pay discount). Patient will sign a financial responsibility form.
   iii. Patient is not eligible for financial assistance.
   iv. If the services are medically urgent and the patient cannot go back in network in a safe timeframe, no prepayment will be required.
      (a) Full payment or setting up payment plan arrangements will still be discussed,
      (b) A one-time financial assistance adjustment may be an option if the patient qualifies.

8. Patients Wishing to Not Bill Their Insurance (Confidential Accounts)
   a. The service must be prepaid in full (less the self-pay discount). Patient will sign a financial responsibility form.

9. Packaged Services, Non-Covered Cosmetic Procedures and Retail Services
   a. A majority of non-covered cosmetic services rendered within UW Health will be provided at an Ambulatory Surgery/Procedural Center.
   b. The packaged or non-covered service must be prepaid in full prior to or immediately after (at check-out) services being rendered.
   c. If the service is unplanned and rendered while patient is in the office, payment must be made in full at check out.
   d. Patients may need to sign a price contract for services.
   e. Many of these services have a packaged rate, and thus do not receive an additional self-pay discount on top of this packaged price.

10. Self-Pay/Uninsured Patients
    a. UW Health provides a self-pay discount.
    b. Primary Care Visits
       i. Prepayment is not required, but
       ii. Payment plan arrangements may be discussed, or
       iii. Financial Assistance application must be complete
       iv. Patient will be responsible for any balance owed.
    c. Post Op Visits (including therapy/rehab)
       i. Prepayment is not required, but
       ii. Payment plan arrangements may be discussed, or
       iii. Financial Assistance application must be complete
       iv. Patient will be responsible for any balance owed.
    d. Specialty Care Visits
       i. Full prepayment may be required (less self-pay discount), OR patient has financial assistance approval
       ii. UW Health must consider the services medically necessary to qualify for financial assistance.
    e. Advanced Imaging/Diagnostic Procedures/Surgeries
       i. Full prepayment may be required (less self-pay discount), OR patient has financial assistance approval
       ii. UW Health must consider the services medically necessary to qualify for financial assistance.
    f. Emergency Department
       i. No payment collection conversations or financial counseling will occur before the patient has received a medical screening examination and either (1) it is determined that the patient does not have an emergency medical condition, (2) all emergency medical conditions have been stabilized, or (3) the patient has been admitted in good faith as an inpatient for stabilizing treatment, in accordance with EMTALA.
g. Patients will not be required to make prepayments for medically urgent care. However, payment plan arrangements may be discussed, and they must complete a financial assistance application.

h. Patients must explore other coverage options available to them. UW Health may request that patients delay non-emergent or non-urgent care until they have coverage.

i. UW Health will consider the affect that the patient’s health condition has on their ability to work and perform daily living activities when determining if care is medically necessary.

E. Refunds
1. For estimate prepayments, after insurance processes the claim, the patient will either be billed the remaining amount due or, except as stated below, refunded any overpayment.
2. If the patient has any patient balances for other dates of service, the overpayment will be applied to those balances.

F. Financial Counseling
1. UW Health will make every effort to determine the need for financial counseling and refer patient to a UW Health Financial Counselor as needed.
2. Patients can also self-refer to a Financial Counselor.
3. Financial counselors will explain financial liabilities, including estimated costs for future services and/or outstanding balances, with the intention of assisting patients in making a plan for resolving their accounts. They will assist patients in the following ways:
   a. Taking payments
   b. Setting up payment plans
   c. Assisting patients in applying for other available coverage (Medicaid, the Health Insurance Marketplace, etc.)
   d. Assessing patients for financial assistance eligibility. (See UW Health’s Financial Assistance policy (2.16) for more information on program rules and guidelines)

V. REFERENCES
A. UW Health Administrative Policy 2.16 - Financial Assistance
B. UW Health Administrative Policy 2.33 - Patient Billing and Collections

VI. COORDINATION
Sr. Management Sponsor: Chief Financial Officer
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Approval committee: UW Health Administrative Policy and Procedure Committee

SIGNED BY
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