

**HACKETTSTOWN REGIONAL MEDICAL CENTER**  
**Administrative Policy and Procedure**

**SECTION: FINANCIAL SERVICES**

**Number: FI16**  
**Number of Pages: 1 of 3**  
**Issue Date: January 1996**  
**Reviewed/Revised: January 2008**

**TITLE: PATIENT DISCOUNT WRITE-OFF PROCEDURE**

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**POLICY:**

Hackettstown Regional Medical Center charges all patients for services provided at the Hospital, using a master schedule of charges. These charges were developed, to the extent possible, to reflect costs of supplies and services, including overhead. The Hospital does not provide discounts/adjustments to its schedule of charges with exception of:

1. Contracted discounts offered to insurance companies which sign an agreement with the Hospital.
2. Self-pay discounts can be negotiated by patients and approved by the patient business manager.
3. Patient/visitor occurrences that require medical intervention which are billed to their private insurance carrier, sent to Princeton for liability determination and reviewed by the Risk Manager for payment of the balance, if any.
4. Discounts approved by patient relations or the safety officer.

**PROCEDURE:**

Contracted Discounts

1. The Chief Financial Officer will contract with insurance companies offering reasonable discounts to secure the managed care contracts.
2. The Finance Department will monitor financial compliance with each contract. Any discrepancies should be communicated to the Director of Finance and Reimbursement.
3. All other compliance deficiencies will be communicated to the Chief Financial Officer.

**FI16 – PATIENT DISCOUNT WRITE-OFF PROCEDURE**

Prompt Pay Discount

1. A five percent (5%) discount may be provided to any self-pay patient, if the Hospital services are paid for on the day of the service.
2. This discount will be recorded as follows:
  - a) Patient Registration and/or Patient Billing will write a receipt for the amount paid by the patient. The receipt should detail the amount paid and the discount given.
  - b) All receipts and corresponding deposits will be turned in to Accounting for processing. The breakdown of the total deposits and discounts will be provided.

Patient/Visitor Occurrence

1. The Patient Representative/Business Manager will investigate the patient complaint/circumstances and will attempt to verify the facts relating to the situation. The Patient Representative/Risk Manager will prepare a written report (form attached) and recommend as to adjustment to the Chief Financial Officer.
2. Patient Account Adjustments of up to \$1,000 may be processed with approval of the Chief Financial Officer. Adjustment in excess of this amount requires approval by the Chief Executive Officer.
3. The Patient Representative's report will be reviewed by the Chief Financial Officer. If approved for adjustment, the Chief Financial Officer will notify the billing supervisor to adjust the bill.
4. A copy of the Patient's Account Adjustment will be returned to the Patient Representative after a decision is made for filing.

Employee Medical

Discounts for Hospital services for employees will be in accordance with the employee personal handbook and corporate compliance guidelines.

Medical Staff Discount

Discounts for Hospital services to physicians will be in accordance with Corporate Compliance Guidelines.

**COURTESY DISCOUNTS**

**DATE:** \_\_\_\_\_

**TO:** Chief Financial Officer

**FROM:** \_\_\_\_\_

**SUBJECT:** Patient Account Adjustments

An investigation was conducted on the following account:

**PATIENT:** \_\_\_\_\_

**ACCOUNT:** \_\_\_\_\_

**DATE OF SERVICE:** \_\_\_\_\_

**REASONS FOR ADJUSTMENT:** \_\_\_\_\_

\_\_\_\_\_

As a courtesy to the patient, please write off \$\_\_\_\_\_ on the above patient.

Thank you!

Patient Representative

**\*NOTE: Patient is not to be notified of any write-off until approved by CFO/CEO.**

• APPROVED

• REASON FOR DENIAL: \_\_\_\_\_

\_\_\_\_\_

Chief Financial Officer

(Forward to the patient account and send a copy to the Department Manager.)

**NOTE: Copies of all pertinent documentation must accompany this form.**