



CREDIT POLICY

SUBJECT: Credit and Discount Policy	PREPARED BY: Michael H. Smith, Interim VP Revenue Cycle	EFFECTIVE DATE: October 1, 2016	POLICY NUMBER: CNE-
PAGE: 1 of 2	APPROVED BY: Care New England Board of Directors	REPLACES: Finance 2	REPLACES:

- I. **Purpose.** The purpose of this Credit Policy is to ensure that Care New England (hereafter identified as CNE) defines both the patient and organization’s responsibilities for securing payment for services provided and to outline available Discount Programs.
- II. **Scope.** This Policy applies to Care New England (CNE) hospitals as defined below:
 - Butler Hospital
 - Kent Hospital
 - Memorial Hospital
 - Women & Infants Hospital
- III. **Policy.** All patients will be provided treatment for all emergent and medically necessary healthcare services regardless of their ability to pay as outlined in the CNE Emergency Medical Treatment and Active Labor Act (EMTALA) Policy. However, for patients without valid coverage from a participating health plan, non-essential services will not be rendered prior to payment unless financial arrangements are in place. CNE provides Discount Programs to assist patients in meeting their financial obligation to CNE.
- IV. **Definitions.** Patient: For purposes of this policy, Patient is defined as the individual or legal designee responsible for payment of all medical expenses associated with the services provided.
- V. **Procedure.**
 - (a) Third Party Accounts: While all services rendered are the responsibility of the patient, each hospital will attempt to collect payment from participating health plans prior to pursuing payment from the patient. Payment arrangements prior to

service are required from patients insured by non-participating health plans. Each hospital will attempt to collect payments from the non-participating health plans and/or provide information as need to support the patient in securing payment from their health plan.

- (b) Self Pay Accounts: All patients are required to make financial arrangements for all non-essential care prior to service. CNE reserves the right to postpone non-essential care of any non-compliant patient.
- (c) Discount Programs:
 - **Community Benefit Discount**: All uninsured patients receive a 30% discount for medically necessary services regardless of their ability to pay.
 - **Advance Payment Discount**: All uninsured patients are eligible to receive a 20% discount for payment of the expected liability prior to or on the date of service. This discount will apply to any additional unexpected liability provided that the patient remits payment in full within thirty (30) days of the final bill. In the event that the payment of the expected liability exceeded the 20% requirement, CNE will issue a refund to the patient no later than 30 days after the charges are finalized.
 - **Prompt Payment Discount**: All uninsured patients not already benefiting from the advance payment discount are eligible for a 10% discount on their balance, provided that the patient remits payment in full within thirty (30) days of the final bill.
- (d) Amount Collected: The amount or percent of the total charges collected on the private pay portion will be not be greater than the Amount Generally Billed (AGB) as stipulated in the IRS 501(r) regulation. The AGB is the percent of billed charges that is normally collected, as defined by CNE to include hospital services from Fee for Service Medicare and Commercial payers from the prior fiscal year. Uninsured patients who meet the criteria to qualify for an uninsured discount will be charged the lesser of AGB or charges less discounts.
- (e) CNE will follow established collection procedures to obtain payment from individuals with a financial obligation.

VI. Exclusions: Insurance co-payment, deductible and co-insurance balances due from the patient are not eligible for either the Advance Payment or Prompt Payment Discounts

APPROVED: [INSERT DATE]