

Professional Courtesies for Health Services

ROWAN UNIVERSITY POLICY

Title: Professional Courtesies for Health Services
Subject: Office of Compliance & Corporate Integrity (OCCI)
Policy No: OCCI:2013:C06
Applies: RowanSOM
Issuing Authority: President
Responsible Officer: Chief Audit, Compliance & Privacy Officer
Adopted: 07/01/2013
Last Revision: 01/26/2021
Last Reviewed: 01/26/2021

I. PURPOSE

To establish a policy to govern the practice of Related Healthcare Entities, offering professional courtesies to patients.

II. ACCOUNTABILITY

This policy applies to and should be read by employees of the schools, departments and units that are a part of RowanSOM and other departments that bill federal or state programs for patient goods or services ("Related Healthcare Entity" or "Related Healthcare Entities"). The employees of other University departments that support the Related Healthcare Entities in contracting for goods and services, including but not limited to RowanSOM Finance and the Office of the General Counsel should also read this policy.

III. APPLICABILITY

This policy provides guidance to healthcare providers, employees and independent contractors of the school, departments and units that are a part of Rowan University School of Osteopathic Medicine, the RowanSOM Faculty Practice Plan and departments that bill federal or state programs for healthcare-related goods or services ("Related Healthcare Entity" or "Related Healthcare Entities") as to the appropriateness of Professional Courtesies for Healthcare Services.

IV. DEFINITIONS

Regulatory Guidelines

1. Under Medicare and other federal and state programs, and based on the Health Portability and Accountability Act ("HIPAA"), effective January 1, 1997, the act of discounting services constitutes a violation of federal law and may subject the physician to civil penalties.
 - a. Specifically, Section 231(h) of HIPAA provides for the imposition of civil monetary penalties against any person who offers or transfers remuneration to any individual eligible for benefits under Federal health care programs (including Medicare or Medicaid) that such person knows or should know is likely to influence such individual to order or receive from a particular provider, practitioner, or supplier any item or service for which payment may be made, in whole or in part, [by a Federal health care program].
 - b. Section 231(h) defines "remuneration" as including the waiver or coinsurance and deductible amounts or any part thereof. The exceptions for waiving co-insurance or deductibles are: if it has

been determined that the patient is in financial need or if the co-insurance or deductibles cannot be collected after making reasonable collection efforts.

2. Other payers view the practice of submitting insurance claims based on a physician's or healthcare provider's actual charges and then failing to seek payment from the patient for the co-pay, deductible and/or remaining balance, as a fraudulent misrepresentation of charges. The practice of waiving co-insurance or deductibles results in an "overstatement" of the physician's charges, since the charge includes an amount that the patient is not being asked to pay. If the payer considers this a misrepresentation of the Related Healthcare Entity's charges they could legally reduce reimbursement by the discounted amount. Additionally, there are issues relative to discrimination and violation of contracts.

V. POLICY

Pursuant to the current regulatory guidelines and provisions, RowanSOM healthcare providers are prohibited from offering professional courtesies to their patients in the form of discounts or waivers of deductibles or insurance co-payments. All RowanSOM healthcare providers submitting a charge for services provided to any patient must submit that charge according to the established charge schedule and payment collected should include the co-payments, deductibles and balances after insurance.

VI. NON-COMPLIANCE AND SANCTIONS

Any individual who violates this policy shall be subject to discipline up to and including dismissal from the University in accordance with their union and University rules. Civil and criminal penalties may be applied accordingly. Violations of this policy may require retraining and be reviewed with employee during the annual appraisal process. The Deans of each College, Vice Presidents, and University President, with the assistance of the Department of Human Resources, will enforce the sanctions appropriately and consistently to all violators regardless of job titles or level within the University and in accordance with bargaining agreements for represented employees. Any sanction costs or fines will be borne by the Department and the Department Chair or VP will determine how these funds will be assigned.

By Direction of the President:

Signature on file

Chief Audit, Compliance and Privacy Officer