

Effective Date: Not applicable; this is a reminder of existing policy. **Medlearn Matters Number:** SE0405

Reminder: Hospital Discounts Permitted for Indigent, Uninsured, and Underinsured Patients

Providers Affected

Hospitals.

Provider Action Needed

This special article serves as a reminder to hospitals of existing Medicare policy that permits hospitals to offer discounts to certain patients so long as a few general guidelines are followed in doing so. This article reflects **no change to existing policy**. The Centers for Medicare & Medicaid Services (CMS), however, wants to be certain that hospitals understand existing policies that enable hospitals to provide affordable health care to as many of their patients as possible without compromising long-standing Medicare policies or the appropriate use of Medicare's trust funds.

Background

Recently, several hospital groups and associations raised questions with CMS and some of its fiscal intermediaries (FI) regarding the ability of hospitals to offer discounts to indigent, uninsured, or other low-income patients. In addition, they have raised some questions about Medicare's role in the collection of patient debts owed for hospital services.

To address these issues, Secretary Tommy G. Thompson sent a letter to the American Hospital Association on February 19, 2004. A press release was issued by the Department of Health and Human Services containing the text of that letter and may be viewed at:

<http://www.os.dhhs.gov/news/press/2004pres/20040219.html>

Also, CMS has posted a number of questions and answers related to this issue on its Web site. This information may be viewed at:

http://www.cms.hhs.gov/FAQ_Uninsured.pdf

CMS hopes this information will help answer hospitals' questions and permit them to move forward in giving discounts wherever possible for those who need and cannot afford care. At the same time, hospitals and other providers must assure that these discounts are offered in accordance with the Medicare guidelines so as to protect the Medicare trust funds for those who rely on Medicare services.

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Additional Information

For those who would like more detailed information on the Medicare guidelines related to this issue, please refer to the Medicare Provider Reimbursement Manual for this area. The relevant chapter and sections can be found at:

http://www.cms.hhs.gov/manuals/pub151/PUB_15_1.asp

Also, you may direct questions to your FI via their toll free number. Should you need the number for your FI, you may find those posted at:

<http://www.cms.hhs.gov/medlearn/tollnums.asp>

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