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I. PURPOSE

The purpose of this policy is to define the eligibility criteria for discounts offered to patients who receive healthcare services at Stanford Medicine Health Care (SHC) and who are uninsured or under-insured.

II. POLICY

- A. SHC is committed to consistently providing a fair discount to individuals who are uninsured or, insured but without insurance coverage for certain medically necessary healthcare services offered by SHC, but who are not eligible for the financial need discount set forth in SHC’s Financial Assistance Policy. These discounts reflect a desire by SHC to respond to the individual financial situations of its patients, while satisfying its not-for-profit and teaching missions, and meeting its strategic, operational, and financial goals.
- B. SHC shall determine eligibility for the uninsured/under-insured patient discount and prohibits discrimination against applicants based on gender, race, ethnicity, religion, sex (including gender identity and sexual orientation), national origin, age, or disability.
- C. This policy establishes the guidelines for discounts available to certain uninsured/under-insured patients. Discounts may be offered to patients residing in the United States or internationally for hospital services and physician services billed by SHC.
- D. SHC shall provide the uninsured/under-insured patient discount to those individuals who meet the definition of an [uninsured/under-insured patient](#).
- E. Patient balances post-insurance processing are generally excluded from this discount, including co-payments, co-insurance and insurance deductibles unless specifically noted in this policy.

III. DEFINITIONS

- A. Financial Need Discount: If a patient is eligible for SHC’s Financial Assistance program, that program will supersede the Uninsured/Under-insured Patient Discount program.
- B. Medically Necessary Services: Healthcare services, including emergency care, which, in the opinion of an SHC treating physician, is a service, item, procedure or level of care that is:
 - 1. Necessary for the proper treatment or management of the patient’s illness, injury or disability; or
 - 2. Reasonably expected to prevent the onset of an illness, condition, injury or disability, or is routine, generally accepted preventive care; or
 - 3. Reasonably expected to reduce or ameliorate the physical, mental or developmental effects of the patient’s illness, condition, injury or disability; or
 - 4. Will assist the patient to achieve or maintain maximum functional capacity in performing daily activities, taking into account both the functional capacity of the patient and those functional capacities that are appropriate for the patient’s age.
- C. Uninsured/Under-Insured Patient: An individual, who meets one of the following sets of criteria:
 - 1. with private or public insurance or third party coverage, including but not limited to a Federal Health Care Program (including without limitation Medicare, Medicaid, Medi-Cal, Medi-Cal Restricted or Medi-Cal limited benefits, State Children's Health Insurance Program, TRICARE, Worker’s Compensation), but has either exceeded their benefit cap; or their insurance or coverage does not cover the medically necessary service provided by SHC; or

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their insurance has denied coverage or authorization for the medically necessary services to be provided by SHC.

2. the individual has third-party coverage but does not seek to have a claim for services received submitted to their plan or coverage thereby opting to pay out-of-pocket (e.g., self-pay).
- D. Professional services: services provided by Stanford physicians, Stanford University employed faculty physicians, or other physicians contracted to provide services at SHC.
- E. Hospital/Facility fee: An additional charge for a healthcare service when it is delivered in a hospital or other facility that bills for its services separately from the physician or other provider who actually performs the service.

IV. PROVISIONS

A. Guidelines


1. Under the Uninsured/Under-insured Patient Discount program, SHC shall limit the expected payment by an Uninsured/Under-insured Patient for medically necessary hospital and physician services, as those terms are defined below, to an amount determined by SHC to be within a range between the average discount from billed charges for all commercial fee-for-service managed care payers and the least discount extended to any managed care payer, provided that the patient balance is either fully paid or arrangements are made with SHC for a payment plan, within 90 days of the initial statement. Discounts are contingent on full payment of the agreed amount.
2. The uninsured/under-insured patient discount amount will be reviewed on a quarterly basis and is subject to change at any time without notice.
 - a. For current discount rate information, see Appendix A.
 - b. If a patient wishes to seek financial assistance greater than the current uninsured/under-insured patient discount, the patient is referred to the SHC Financial Assistance Policy and may complete a Financial Assistance Application pursuant to the Financial Assistance policy.

B. Eligible Services

1. The uninsured/under-insured patient discount shall apply to medically necessary hospital/facility fees and professional services billed by SHC.

C. Non-eligible Services

1. Patients who are treated by non-Stanford physician may contact their physician directly to inquire about available discounts for the services provided (non-Stanford physicians are not covered by this policy.)
2. Non-medically necessary services including, but are not limited to:
 - a. Reproductive Endocrinology and Infertility services
 - b. Cosmetic or plastic surgery services
 - c. Vision correction services (e.g., LASEK, Photorefractive Keratectomy (PRK), Conductive Keratoplasty, Intac's corneal ring segments, Custom contoured C-CAP, and Intraocular contact lens)
 - d. Hearing aid and listening assistive devices
 - e. In rare situations where a Stanford physician considers non-eligible services to be medically necessary, requests will be reviewed and approved by SHC's office of the Chief Medical Officer.
3. SHC reserves the right to change the list of services deemed to be not medically necessary services at its discretion.

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4. Second opinions are not considered to be medically necessary services.
 5. Services that are identified in an SHC special pricing program (see Appendix B).
- D. Eligibility Determination
1. A patient who has third-party coverage shall provide coverage information when considering applying for the uninsured/under-insured patient discount.
 2. Patients shall cooperate fully with providing information SHC requires to determine eligibility. Failure to do so may affect SHC's ability to provide the uninsured/under-insured patient discount.
- E. Public Notice
1. Public notice concerning the availability of Uninsured/Under-insured Discounts under this Policy shall be by the following means:
 - a. Posted notices explain that SHC has a variety of options available including discounts and financial assistance to patients who are uninsured or underinsured.
 - b. Notices include a contact telephone number a patient can call to obtain more information about such discounts and financial assistance.
 2. SHC billing statements inform the patient that Uninsured/Under-insured Patient Discounts are available by contacting the SHC Customer Service Center.

V. COMPLIANCE

- A. All workforce members including employees, contracted staff, students, volunteers, credentialed medical staff, and individuals representing or engaging in the practice at Stanford Medicine Health Care (SHC) are responsible for ensuring that individuals comply with this policy.
- B. Violations of this policy will be reported to the Department Manager and any other appropriate Department as determined by the Department Manager or in accordance with SHC policy. Violations will be investigated to determine the nature, extent, and potential risk to SHC. Workforce members who violate this policy will be subject to the appropriate disciplinary action up to and including termination.

VI. APPENDICES

- A. Appendix A: Current Uninsured/Under-insured Discount Rate Information
- B. Appendix B: SHC Special Pricing Program Services

VII. RELATED DOCUMENTS

- A. Financial Assistance Policy
- B. Debt Collection Policy
- C. Cash Pay Services Policy

VIII. DOCUMENT INFORMATION

- A. Legal Authority/References
 1. California Hospital Fair Pricing Act of 2006, California Health and Safety Code 127400-127462 as applicable.
 2. Federal Patient Protection and Affordable Care Act, Section 501(r) of the Internal Revenue Code and regulations thereunder.
 3. American Hospital Association Patient Billing Guidelines (2020)
- B. Original Document:
 1. Author/Original Date: June 2007, David Haray, Vice President, Patient Financial Services
- C. Stored in: SHC Organization wide Document Management System, Administrative Manual

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D. Review and Renewal Requirements

1. This policy will be reviewed biennially or as required by change of law or practice. Any changes to the policy must be approved by the same entities or persons who provided initial approval.

E. Review and Revision History

1. June 2007, Sarah DiBoise, Chief Hospital Counsel, Gary May, VP Managed Care, SUMC, David Haray, VP Patient Financial Services, SUMC
2. November 2007, Sarah DiBoise, Chief Hospital Counsel, Gary May, VP Managed Care, SUMC, David Haray, VP Patient Financial Services, SUMC
3. September 2010, Steve Chinn, DPM, Director, Accreditation, Quality & Safety
4. March 2014, Sarah DiBoise, Chief Hospital Counsel, David Haray, VP Patient Financial Services
5. December 2014 Andrea M. Fish, Office of General Counsel, Terri Meier, Director Patient Financial Services, Michael Honeyman, Assistant Director Patient Financial Services
6. July 2018, Andrea M. Fish, Office of General Counsel, Kristine Grajo, Director Patient Financial Services – Self-Pay Management Office
7. June 2019, Sarah J. DiBoise, Office of General Counsel, Noel Juare, Interim Executive Director Patient Financial Services, Kristine Grajo, Director Patient Financial Services – Self-Pay Management Office
8. January 2023, Sarah J. DiBoise, Office of General Counsel, Sondra Hornsey, Interim Chief Compliance and Privacy Officer, Noel Juare, Executive Director Patient Financial Services, Kristine Grajo, Director Patient Financial Services – Self Pay Management Office; Debra Bohn, Administrative Director, Decision Support Services

F. Approvals

1. August 2007 SHC Core Operations Group
2. February 2008 SHC Core Operations Group
3. October 2010 Quality, Patient Safety & Effectiveness Committee
4. November 2010 SHC MEC; SHC Board Credentials, Policies and Procedures Committee
5. May 2014 Quality, Patient Safety and Effectiveness Committee
6. June 2014 Medical Executive Committee; Credentials, Policies & Procedures Committee
7. August 2015 SHC Board Credentials, Policies & Procedures Committee
8. August 2019 Policy & Procedure Steering Committee
9. September 2019 Medical Executive Committee; SHC Board Credentials, Policy & Procedure Committee
10. September 2023 Policy & Procedure Steering Committee; Operational Leadership Team Committee
11. October 2023 SHC Board Credentials, Policy & Procedure Committee

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Appendix A

Current Uninsured/Under-Insured Discount Rate Information As of January 12, 2023

Pursuant to this Policy, individuals identified as Uninsured/Under-insured Patients may receive the following discounts for services qualifying as medically necessary. Discounts for 340B drugs are only for 340B eligible patients and are not applicable to this policy.

1. A fifty percent (50%) discount for physician fees of Stanford Physicians (as defined in Part IV, Section B(1) of the Policy).
2. A sixty percent (60%) discount for hospital fees charged by Stanford Health Care (SHC) for domestic patients.
3. A sixty percent (60%) discount for hospital fees charged by Stanford Health Care (SHC) for international patients.

Additionally, the cost of select outpatient drugs, device and supplies will be charged to the Uninsured/Under-insured Patient at SHC's cost plus five percent (5%).

The current discount amounts are reviewed on a quarterly basis and are subject to change at any time without notice.

Appendix B
SHC Special Pricing Program Services
As of January 12, 2023

The following services are part of Special Pricing Programs offered by SHC. These services may have discounted rates that are lower than the standard Uninsured/Under-insured Policy Discount rates outlined in Appendix A.

Patients must meet clinical guidelines and be properly qualified into these programs.

Payment must be made prior to services being rendered.

1. Endoscopic Skull-base Surgery (ESS)
2. Safe Harbor Reproductive Health Services
3. Radiology Wellness Services
4. Gender Affirmation Services

Eligibility criteria and acceptance of patients in these programs are managed by the clinics that provide these services with oversight by the Stanford Health Care Strategic Pricing Council.