Payment Issues in Healthcare Practices

Question

At the time of an appointment, or as a condition of scheduling an appointment, can a healthcare practice require a patient to pay their portion of an expected deductible, copayment, or other charge not covered by insurance? If the patient does not pay, can the appointment be cancelled or rescheduled upon receipt of the patient's payment?

Answer

Patients are obligated to pay for services they receive from healthcare practices, and clinicians are obligated to provide a reasonable standard of care for existing patients and patients for whom contracts or regulations trigger an obligation (e.g., EMTALA referrals, insurance plan contracts, hospital bylaws, etc.).

Balancing business and clinical obligations requires a fact-specific approach. A healthcare practice's payment expectations and consequences for nonpayment should be specified in written policies and procedures as well as patient informational materials.

Before making scheduling decisions (e.g., cancellation or rescheduling) based on a patient's ability to pay, the healthcare provider should confirm that the scheduling decision will not adversely affect the patient's health. Additionally, healthcare administrators should determine whether regulations or contractual agreements affect the decision.

Fact variations may include the following related to payment at time of service:

- **Cosmetic or other elective procedures**. The patient's expected portion of payment (or executed financial arrangement) is required before or at the time of an appointment.

- **Clinical symptoms or ongoing clinical care management**. For current patients — or prospective patients for whom contracts or regulations trigger an obligation to treat (e.g., a

patient who is in an ongoing clinical care management relationship) — schedule an appointment based on the patient's clinical need. Or, consult with a clinician to determine whether the appointment can be rescheduled or whether a referral is appropriate.

- **Outstanding unpaid balances**. If the providers in a healthcare practice agree that a patient should be discharged from the practice for an outstanding unpaid balance, they should inform the patient in writing and give a sufficient timeframe for the patient to either pay the unpaid balance or find another provider. Additionally, this action should be documented in the patient's health record.

Finally, if a scheduling decision requires a healthcare provider's evaluation, then the provider should document a clinical assessment and scheduling recommendations in the patient's health record. For example, the provider might document that because the patient is stable, rescheduling the appointment will not adversely affect their health.

Resources

- American Hospital Association: Patient Billing Guidelines

- Centers for Medicare & Medicaid Services, Medicare Learning Network: Items & Services Not Covered Under Medicare

- Healthcare Financial Management Association: Patient Friendly Billing Resources

- Health Resources & Services Administration: Billing and Collections

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