

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 his/her 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 included 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 existing patients – or prospective patients for whom contracts or regulations trigger an obligation to treat (e.g., an EMTALA-related referral or 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, then the patient should be informed and given a deadline to pay the balance to avoid discharge. The practice should provide the patient with adequate written notice of this possible termination from the practice to allow him/her sufficient time to pay the unpaid balance or secure another provider. Additionally, this action should be documented in the patient’s health record.

Documentation

If a scheduling decision requires a healthcare provider’s evaluation, then the provider should document his/her 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 his/her health.

Resources

- [Hospital Billing and Collection Practices: Statement of Principles and Guidelines](#) (American Hospital Association)
- [Patient Friendly Billing Resources](#) (Healthcare Financial Management Association)
- [Items and Services Not Covered Under Medicare](#) (Centers for Medicare & Medicaid Services, Medicare Learning Network)

This document should not be construed as medical or legal advice. Because the facts applicable to your situation may vary, or the laws applicable in your jurisdiction may differ, please contact your attorney or other professional advisors if you have any questions related to your legal or medical obligations or rights, state or federal laws, contract interpretation, or other legal questions.

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