

Financial Hardship Policies: Steps for Your Protection

Rob Rodrigues - President & CEO, MP Cloud Technologies

In an industry whose sole focus is to help those in need, it's natural for us to want to assist patients financially when they're in hardship situations.

Waiving deductibles and copays for patients that have either claimed poverty, or simply for bills that seem too small to make a difference has become common practice. Although this is well-intentioned, it can easily put your company in harm's way.



“ There is no question of if Medicare will audit you, but when. ”

The Federal False Claims Act requires businesses to bill patient's copays and deductibles unless the company puts in place a clearly defined, legally binding policy. Without such a policy, any actions taken in regard to waiving payments would effectively overbill Medicare, leading to Medicare auditing the company for payment as well as instituting additional penalties. And in this day and age, **there is no question of if Medicare will audit you, but when.**

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You can still help out the less fortunate while working within the letter of the law, but only with the proper Financial Hardship Policies put into practice. We urge you to seek legal counsel when crafting and adopting a hardship policy, however be sure to consider the following points as you get started:

Things to consider when creating your financial hardship policy:

Make it clear that you are not offering kickbacks

Clearly state in your guidelines that you do not offer incentives, such as kickbacks, bribes, rebates, or waiver of copayments or deductibles, for anyone bringing your company business.

Assign a decision maker

Granting waivers involves state and federal anti-fraud laws, so a compliance officer or administrator would be best suited to assign who is exempt and who is not.

Define your threshold for financial hardship

There is no true definition of financial hardship; every case is different. Most standards suggest waiving copayments and deductibles for patients with a gross family income at or below 200% of the federal poverty guidelines. Your definition should be updated annually to ensure effective practices.

Require Documentation

A valid documentation trail is required as evidence for a patient who claims financial hardship, such as W-2 forms, pay stubs, tax returns, or unemployment compensation.

At MP Cloud Technologies, we've taken these needs into account to offer a seamless and efficient means of storing and tracking these confidential files within our software suite. Our customized tagging feature allows you to assign a patient as "hardship approved" and automatically tracks their required documentation throughout the patient journey. And when your staff gets an invoice, all of the tags and resources are readily available, helping increase your overall business productivity and reliability.

With a financial hardship policy firmly in place, you'll have the peace of mind to be able to continue to provide financial assistance on a case-by-case basis, allowing your company to strive in what it does best – helping those who need it most.

Sincerely,

Rob Rodrigues RN, NREMT-P
President & CEO – MP Cloud Technologies



MP Cloud Technologies provides the industry's **ONLY** fully-hosted, cloud-based software for end-to-end patient-cycle management, empowering emergency medical services (EMS) providers to reach the next level of business performance and patient care. MP Cloud Technologies' solutions are always affordable, always accessible and always on.

If interested in learning more about how we might be able to help you manage your business give us a call at **(877) 421-7231** or email **solutions@mptechnologies.com**.