
AREA OF RESPONSIBILITY: Finance
FORMULATED BY: Administration
APPROVED BY: Governing Board
SUBJECT: Prompt Pay Discount

DATE ISSUED: 01/06/09
DATE REVISED:

Statement of Purpose: It is the policy of Artesian Valley Health System (AVHS) to offer, upon occasion, a means to help pay off existing balances from Meade District Hospital and/or Rural Health Clinic.

Policy Interpretation and Implementation:

Healthcare costs are consuming a larger portion of our Nation's Budget. To combat higher premium costs, families are purchasing insurance policies with higher deductibles and co-insurance. The resulting balances due from patients are difficult to collect. The following process may expedite the recovery of those balances by providing a "Prompt Pay Discount" (PPD).

The Artesian Valley Health System shall provide a PPD in return for immediate payment of the balance due. The Chief Executive Officer and/or the Chief Financial Officer are authorized to discount said accounts by 20%.

Exclusions: Long Term Care, Wellness Center, and Home Health accounts under \$100.00

Procedure:

- Debtor requests PPD
- Chief Financial Officer computes balance after 20% discount
- Debtor immediately pays balance after discount
- Upon receipt of discounted payment the remaining 20% balance is written off to "other discounts"