

Office of Inspector General: Waiving Co-pays or Co-insurance

The OIG is one of the most trusted entities in the healthcare industry. The OIG website addresses thousands of topics and providing guidance is part of their purpose.

Is it OK for healthcare providers to routinely waive patient co-pays and co-insurance?

NO! While the practice of routinely waiving a patient's co-pay or balance may seem like a harmless favor, it actually can be a violation of a provider's contract with insurance companies. Several of our clients have asked us directly if it is OK to accept insurance payments and then make a courtesy adjustment on the patient's share of healthcare expenses. In order to provide a response in "black-and-white," we draw upon the guidance provided by the Office of the Inspector General.

The Office of the Inspector General states:

Billing companies should encourage providers to make a good faith effort to collect copayments, deductibles and non-covered services from federally and privately-insured patients. Billing "insurance only" may violate the False Claims Act, the anti-kickback statute, the Civil Monetary Penalties Law, 42 U.S.C. 1320a-7a(a)5, as amended by Pub. L. 104-91 section 231(h), and State laws. For additional information on this problem, the OIG has published a Special Fraud Alert on the routine waiver of copayments or deductibles under Medicare Part B. *See 59 FR 65,373 (12/19/94)*

Discounts and professional courtesy may not be appropriate unless the total fee is discounted or reduced. In such situations, the payor (e.g., Medicare, Medicaid or any other private payor) should receive its proportional share of the discount or reduction.

<http://oig.hhs.gov/fraud/docs/complianceguidance/thirdparty.pdf>

The Special Fraud Alert referenced above can be viewed in full via the following link:

<http://oig.hhs.gov/fraud/docs/alertsandbulletins/121994.html>

To find out more about the Office of Inspector General and what they do, check out their website:

<https://oig.hhs.gov/about-oig/about-us/>