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| <b>Physicians' Billing Office</b> |  |  |
| <b>SECTION:</b>                   | GUARANTOR ACCOUNTS RECEIVABLE                      | POLICY NUMBER: G108   |
| <b>POLICY TITLE:</b>              | <b>PROFESSIONAL COURTESY DISCOUNTS AND WAIVERS</b> | PAGE: 1 of 2  |
| <b>APPROVALS:</b>                 | FPG B&F Committee: 01/25/2010<br>PBO: 01/25/2010   | ISSUED: 01/15/2010<br>EFFECTIVE: 06/30/2010   |
| <b>SUPERSEDES: N/A</b>            |  |   |

**PURPOSE:**

1. To define professional courtesy and outline FPG's position on issuance of professional courtesy discounts and waivers.
2. To promote and ensure **compliance** with governmental regulations regarding professional courtesy adjustments for patients who are beneficiaries of federally funded healthcare programs.
3. To provide clear guidance to FPG providers and PBO billing/collections personnel on proper handling of professional courtesy discounts and waiver requests.

**POLICY:**

- A. It is the policy of FPG PBO to comply with governmental regulations on professional courtesy discounts and waivers (CMS Part B Medicare Carrier's Manual, anti-kickback statute and civil monetary penalties law against giving inducements to Medicare and Medicaid beneficiaries (section 1128A(a)(5) of the Act), the Federal Register Vol. 69, No. 59).
- B. UCLA FPG recognizes that while extending professional courtesy discounts and waivers to fellow physicians and their immediate family members is a longstanding tradition in many provider communities, governmental laws and regulations explicitly prohibit offering such discounts and waivers to physicians and their immediate family members who are federal health care program beneficiaries (Medicare, Medicaid, Champus).

Furthermore, policy requirements by private payors are not always clearly defined and available.


Therefore, to mitigate any legal or compliance risks FPG does not offer any professional courtesy discounts and waivers for any services and/or items including, but not limited to, surgical procedures, medical treatment, laboratory services, radiology services and pharmaceutical products.

**POLICY CROSS REFERENCES:**

1. PBO - Guarantor Balances (Policy number G106)

**APPLICABILITY:**

This policy applies only to FPG PBO customers. UCLA FPG provider entities billing for healthcare services outside PBO are not covered by this policy.

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| <b>SUPERSEDES: N/A</b>            |  |   |

**MONITORING / ACCOUNTABILITY:**

Each PBO billing unit must conduct frequent, regularly scheduled quality reviews to ensure adherence to this policy. Immediate corrective actions must be taken as necessary. These may include:

- a) Training and re-training of staff;
- b) Disciplinary actions;
- c) Escalating non-compliance to PBO compliance manager.

**COGNIZANT OFFICE:**

For interpretations of this policy, resolution of problems and special situations, contact:

Grace Barba  
 Director of Physician Billing Office  
[gbarba@mednet.ucla.edu](mailto:gbarba@mednet.ucla.edu)

**POLICY AUTHORITY:**

UCLA Faculty Practice Group

**REVISION HISTORY:**

Original Policy issued: 01/15/2010

Revisions: None

**REFERENCES:**

- Medicare Claims Processing Manual (January 2009)
- Medicare Provider Reimbursement Manual, Part 1, Chapter 3
- Part B Answer Book (October 2008)®
- Federal Register / Vol. 69, No. 59 of March 26, 2004/ Rules and Regulations
- American Medical Association / Office of General Counsel
- Anti-kickback statute and civil monetary penalties law against giving inducements to Medicare and Medicaid beneficiaries (section 1128A(a)(5) of the Act)