

Optometry Coding & Billing Alert

Billing Question: Offer Same-Day-Pay Frame Discount

Question: Can we give discounts on frames to some of our customers but not to others?

California Subscriber

Answer: For patients who have no insurance coverage for frames, you may give a cash discount, which the HHS Office of the Inspector General permits. These discounts are for same-day payment. If Medicare could pay the same day -- or any other insurer could -- you would offer its beneficiaries the same policy.

Be careful: The discount cannot lower the amount collected to less than the amount allowed (the so-called "allowed amount") by Medicare for the same code service. You cannot charge less than what Medicare allows because Medicare prohibits providers from charging the program more than they charge to others. Because Medicare doesn't pay for frames, you would never be able to charge less than Medicare's allowable, making this point moot in this case.

Caution: Due to varied advice on giving discounts, check with individual carrier policies to ensure you aren't violating any of their contracts by offering discounts to patients (either covered or non-covered).

Also, make sure you include the discount policy in your financial policy that you give to patients to ensure the policy applies appropriately across the board.

You may also want to create a sliding scale for patients with financial hardship.

Consider using poverty guidelines to make a defined policy and procedure for the consistent administration of an objective and standardized approach of a "fee scale." Your written policy should establish guidelines for determining a patient's indigence.

-- Answers to You Be the Expert, Reader Questions and Building a Better Business reviewed by **David Gibson, OD, FAAO**, practicing optometrist in Lubbock, Texas.