



CORPORATE POLICY

Manual/Library Name: Law Department	No: L-13
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Title: Courtesy Discounts for Physicians and Governing Board Members	Effective Date: 12-3-2021
	Previous Versions: 10/5/20; 9/21/12; 9/27/11; 6/13/11; 11/1/07; 1/1/07; 1/4/05; 10/22/04
	Approved By: Executive Leadership Team
	Approval Date: 12-2-2021

I. Scope:

This policy applies to Tenet Healthcare Corporation and its subsidiaries and affiliates other than Conifer Holdings Inc. and its direct and indirect subsidiaries (each, an “Affiliate”), any other entity or organization in which Tenet or an Affiliate owns a direct or indirect equity interest of greater than 50%, and any entity in which an Affiliate either manages or controls the day-to-day operations of the entity (each, a “Tenet Entity”) (collectively, “Tenet”).

II. Purpose:

To describe the framework by which ambulatory surgery centers and hospitals operated by a Tenet Entity (each a “Facility”) may offer discounts on their bills for healthcare services to Physicians and members of its Governing Board, in compliance with the federal Anti-Kickback law, the Stark law, and other applicable laws and regulations.

III. Definitions:

Dependent Child: The natural or adopted child or stepchild of the Physician or Governing Board member and meet the following conditions: (i) age 26 or less; (ii) unmarried; (iii) live with the Physician or member of the Governing Board (when not attending school if a student); and (iv) the Physician or member of the Governing Board provides at least half of the child’s financial support or of any age who are permanently disabled and reliant upon the financial support of the person described in Subsections V.C.1.-3. below.

Immediate Family Member: A husband or wife; birth or adoptive parent, child or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and spouse of a grandparent or grandchild.

Other Potential Referral Source: Any individual other than a licensed Physician or any entity in a position to make or influence referrals to, or otherwise generate business for, a Tenet Entity.

Physician: A duly licensed and authorized chiropractor or doctor of medicine, osteopathy, dental surgery, dental medicine, podiatric medicine, optometry, and his or her Immediate Family Members.

Remuneration: Anything of value including but not limited to cash, items, or services.

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Service Area: The lowest number of contiguous postal zip codes from which the Facility draws at least 75 percent of its inpatient discharges during the most recent calendar year for which data is available. If the Facility does not provide inpatient services, substitute outpatient services for inpatient discharges.

Spouse: A common law husband or wife or a domestic partner if such relationship is recognized under applicable state or local law. Contact Operations Counsel for assistance in making the determination as to whether an individual is a Spouse under this policy.

IV. Policy:

A Facility may offer a discount on its healthcare services to Physicians, members of its Governing Board and their Spouse, Dependent Child, or parent (including mother- and father-in-law) provided that it follows all the steps set forth in this policy and the discount is offered without regard to the volume or value of referrals or other business generated between the parties.

V. Procedure:

- A. A Facility’s Governing Board must approve this policy prior to implementation and shall designate the date of approval in the header of this policy.
- B. A Facility may not offer courtesy discounts to any individual who is a federal health care program beneficiary unless the discount meets all of the requirements of COMP-RCC 4.02 Waivers of Co-Payments and Deductibles, which requires a good faith showing of financial need.
- C. If a Facility elects to offer courtesy discounts, the Facility must offer the discounts to all of the following individuals regardless of the volume or value of referrals or other business generated between the parties:
 1. all current members of its medical staff;
 2. all Physicians within its Service Area;
 3. all current members of its Governing Board except the Facility’s Chief Executive Officer; and
 4. the Spouse, Dependent Child, and parent (including mother- and father-in-law) of 1-3 above.



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Physicians employed by the Facility or an affiliate of the Facility and their Spouse, Dependent Child, and parent (including mother- and father-in-law) shall be offered discounts consistent with this policy even though they may receive other discounts in accordance with other Tenet policies or their benefit plans.

Allied health professional (e.g., nurse practitioners, surgical techs, physician assistants, etc.) are not eligible for this discount except as family members of an eligible Physician or Governing Board member.

- D. Facilities shall advise all eligible individuals of the availability of and limitations on the courtesy discounts, either in person, in writing, or in other forms of private communication. Facilities shall not advertise the availability of discounts.
- E. Courtesy discounts shall be available on health care items and services that are of a type routinely provided by the Facility but not on items or services not routinely offered by the Facility.
- F. If the individual receiving the discount is uninsured, an eligible individual can receive either the rate set forth in Tenet’s Compact with Uninsured Patients or the discount under this policy, but not both. Likewise, an eligible individual may either receive the discount available under this policy or pay the applicable Cash Pay rate for services but may not receive both for the same services.
- G. If the individual receiving the discount is covered by insurance, a Facility shall waive all co-payments, deductibles, and other patient cost-sharing items the individual is required to pay under his or her insurance plan. However, the total discounts provided by the Facility to the individual and his or her Spouse, Dependent Child, or parent shall not exceed an aggregate amount of \$5,000.00 per family per calendar year. The Facility shall document the date, recipient, and amount of discounts pursuant to this policy.
- H. The Tenet Entity’s Chief Financial Officer (CFO), or the Tenet Entity’s Regional Vice President for ambulatory operations, shall approve in writing all discounts offered and provided pursuant to this policy.
- I. If required by state law or by the insurer’s contract, the Tenet Entity’s business office shall notify the insurer in writing of the provided courtesy discount by:

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1. Attaching or stamping it on the bill for the discounted services, or
2. Sending to the insurer the sample letter in L-13.DTR.01 Sample Letter to the Insurer on or after the date on which the facility provided the healthcare services to the eligible individual.

If the Tenet Entity is required, but unable, to notify the insurer of the discount applied to each claim, the provider shall not offer or provide discounts pursuant to this policy.

- J. Tenet Entities shall retain the documentation required under Subsection V.G. of this policy according to the requirements of AD 1.11 Records Management.

VI. Enforcement:

All employees whose responsibilities are affected by this policy are expected to be familiar with the basic procedures and responsibilities created by this policy. Failure to comply with this policy will be subject to appropriate performance management pursuant to all applicable policies and procedures, up to and including termination. Such performance management may also include modification of compensation, including any merit or discretionary compensation awards, as allowed by applicable law.

VII. References:

- Stark Law, 42 U.S.C. § 1395nn, and implementing regulations
- COMP-RCC 4.02 Waivers of Co-Payments and Deductibles
- COMP-RCC 4.56 Implementation of Tenet’s Compact with Uninsured Patients
- COMP-RCC 4.57 Cash Pay Rates
- AD 1.11 Records Management
- L-13.DTR.01 Sample Letter to the Insurer