

FINANCIAL ASSISTANCE POLICY: HOSPITAL FACILITIES

DEPARTMENT: Commonwealth Financial Resources	POLICY DESCRIPTION: Guidelines for granting financial assistance at CHC hospital facilities.
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REVIEW RESPONSIBILITY: Director, CFR	REFERENCE NUMBER: N/A

PURPOSE

In order to provide the members of the communities we serve with the care they need while staying within the parameters of reason, law, regulation and fiscal responsibility, Commonwealth Financial Resources (CFR) will process and grant Financial Assistance to Patients of Commonwealth Health Corporation (CHC) hospitals and their directly owned affiliates. The purpose of this policy is to identify ways that CHC makes quality health care available, affordable and accessible to all, regardless of the ability to pay, ability to qualify for Financial Assistance, or the availability of third-party coverage. This policy provides the basic framework for granting Financial Assistance that will apply to each hospital that is owned and/or operated by CHC.

This Financial Assistance Policy (FAP) is intended to comply with Section 501(r) of the Internal Revenue Code and the related regulations. This policy describes (1) methods for applying for Financial Assistance; (2) the eligibility criteria for Financial Assistance; and (3) the basis for calculating amounts charged to patients. A separate Patient Billing and Collections Policy, available online at <https://medcenterhealth.org/cfr/billing-policies>, addresses what collection actions the CHC hospitals may take in the event of non-payment, including civil collection actions and reporting to consumer credit reporting agencies for Patients that do not qualify for Financial Assistance.

The specific affiliates that are covered by this policy and those non-CHC related entities which are not covered by this Financial Assistance Policy are listed on the Financial Assistance: Participating Hospital Facilities attachment.

DEFINITIONS

- A. **Application Period** means the time period under which a Patient can apply for Financial Assistance or Catastrophic Assistance. The Application Period begins on the date care is provided and ends on the 240th day after the first post discharge billing statement is provided to the Patient.
- B. **Extraordinary Collection Action (ECA)** means any action against an individual related to obtaining payment of a self-pay balance that requires a legal or judicial process (including wage garnishment), involves reporting adverse information about the Patient to consumer credit reporting agencies or credit bureaus, sale of the Patient's debt to a third party, and/or deferring care.
- C. **Catastrophic Assistance** means discounted services provided to Patients who are not eligible for Financial Assistance but qualify for adjustments under the Catastrophic Assistance Guidelines.
- D. **Financial Assistance** means the free or discounted services provided to Patients who have been determined to be eligible for such adjustments under this Financial Assistance Policy (FAP).
- E. **Financial Assistance Policy (FAP)** means CHC's Financial Assistance Policy which includes eligibility criteria, the basis for calculating charges, the method for applying the policy, the

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measures to publicize the policy, and sets forth the Financial Assistance program available to patients who meet certain income guidelines.

- F. Patient means the person receiving medical care or the person who is financially responsible for the person receiving medical care (i.e. guarantor).
- G. Plain Language Summary (PLS) means a summary that notifies an individual that CHC offers assistance under this policy in language that is clear, concise, and easy to understand. The PLS may be obtained at <https://medcenterhealth.org/cfr/billing-policies/financial-assistance>.

POLICY

Financial Assistance will be provided in accordance with CHC's mission and values. Financial Assistance eligibility will be considered for uninsured and underinsured Patients consistent with all eligibility guidelines specified in this policy. Patients who do not fully comply with all requirements of this Financial Assistance Policy may be denied Financial Assistance.

In accordance with Federal Emergency Medical Treatment and Labor Act (EMTALA) regulations, no Patients shall be screened for Financial Assistance or payment information prior to the rendering of a medical screening examination and to the extent necessary, services needed to treat the Patient or stabilize them for transfer as applicable.

To be eligible for Financial Assistance, Patients must apply for Financial Assistance within the Application Period.

Approved Financial Assistance Applications will be valid for qualifying charges incurred within six months after approval. Once approved, these qualifying charges will be adjusted off the patient account consistent with this policy.

This policy will be applied by our collection agency for accounts that have been transferred to the collection agency.

I. Services Eligible under this Policy

Financial Assistance is available for eligible individuals who seek or obtain emergency and other medically necessary care from participating CHC Hospitals and their directly owned affiliates as listed in Financial Assistance: Participating Hospital Facilities.

Medically necessary care means those services required to identify or treat an illness or injury that is either diagnosed or reasonably suspected to be medically necessary taking into account the most appropriate level of care. Depending on the Patient's medical condition, the most appropriate setting for

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the provision of care may be a home, a physician's office, an outpatient facility, or a long-term care rehabilitation or hospital bed. To be medically necessary, a service must:

1. Be required to identify, treat or prevent an illness or injury;
2. Be consistent with the diagnosis and treatment of the Patient's conditions;
3. Be in accordance with the standards of good medical practice in the community;
4. Be provided for medical reasons rather than primarily for the convenience of the Patient, the Patient's caregiver, or the Patient's physician; and
5. Be the level of care most appropriate for the Patient as determined by the Patient's medical condition and not the Patient's financial or family situation.

The following services are not eligible for Financial Assistance under this Policy, unless otherwise noted:

- Cosmetic surgery unless it is considered medically necessary
- Bariatric and all related services unless it is considered medically necessary
- Elective reproduction-related procedures including but not limited to: in-vitro fertilization, vasectomies, etc.
- Experimental procedures including non-FDA approved procedures, devices, or implants
- Package pricing or services billed as a bundle and subject to an inclusive rate which is not subjected to any other forms of discounting.
- Services provided by a non CHC entity
- Cost of specialty replacement lenses
- Hearing aids and hearing aid repair
- Other elective procedures not considered medically necessary

II. Methods for Applying for Financial Assistance: Patients may apply for Financial Assistance by any of the following means:

- A. Notifying CFR or CHC personnel at or prior to the time of registration that they are an uninsured or under insured Patient or in need Financial Assistance.
- B. Downloading and printing the Financial Assistance Application from the CHC website and mailing a completed application form to the address on the website. The link to the Financial Assistance Application is: <https://medcenterhealth.org/cfr/billing-policies/financial-assistance>.
- C. Request a Financial Assistance Application form by phone: 800-786-1581 or 270-745-1100. The Financial Assistance Application and a Plain Language Summary (PLS) of the FAP will be mailed to Patients, free of charge.

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III. Eligibility Criteria and Determination:

- A. Applicants for Financial Assistance are required to apply to public programs for coverage, if eligible. Patients who do not cooperate in applying to programs that may pay for their healthcare services may have their Financial Assistance denied.
- B. CFR's Financial Assistance guidelines are based on a percentage of the Federal Poverty Level (FPL) as published each year in the Federal Register, in or around February of each year.
- C. Eligibility will be based on documented household income or proof of participation in public assistance programs described in section **III. D**. In order to qualify for Financial Assistance based on income level, copies of following documents must be provided:
 - a. Pay stubs (3 most recent), Social security benefits letter, alimony checks (3 most recent), etc.
 - b. Federal tax return including W-2's and all pertinent pages of the Federal tax return as determined by CFR.
 - c. Bank statements: all open bank accounts showing beginning and ending balance.

Such documentation may be verified through the purchase of credit reports, telephone verification, or other means if the amount of the requested Financial Assistance is greater than \$1,000, and we have obtained authorization from the Patient to take such steps.

- D. Persons or families who qualify for Medicaid, food stamps, and other indigent care programs that can be and are independently verified will be deemed to meet the Financial Assistance guidelines, as will accounts identified through tools or programs which provide reasonable assurance that the account meets our Financial Assistance guidelines.
- E. The Financial Assistance Application requires documents to verify liquid assets: cash balances in checking accounts, savings accounts, CDs, stocks and bonds. With authorization, such documentation may be verified through credit reports, telephone verification or other means.
- F. Asset Test: From the asset information provided above, household liquid assets in excess of \$10,000 will be considered income in determining a Patient's income for Financial Assistance eligibility. Patients who do not supply the asset information required for this calculation will not be eligible for Financial Assistance adjustments.

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- G. Persons in the household for purposes of determining family size for FPL include spouses and total dependents in the household.
- H. In determining the amount of adjustment, the larger of the adjustment under the Financial Assistance Policy or the Catastrophic Assistance adjustment is to be taken.
- I. We will make reasonable efforts to determine eligibility for Financial Assistance, including making requests for items to complete incomplete applications.
- J. A Financial Assistance Application may be obtained at any hospital facility registration area, by calling Commonwealth Financial Resources at 270-745-1100 or 800-786-1581, or by visiting our website.

IV. Financial Assistance Discounts

- A. Patients who meet the criteria given in this policy may be eligible for the discounts detailed below.
- B. Patients with an income less than or equal to 200% of FPL or Patients who qualify under Section **III D.** will be granted discounts equal to 100% of the patient liability.
- C. Patients with incomes greater than 200% of FPL but less than or equal to 300% of FPL will receive a 50% discount of the patient liability. For the avoidance of doubt, these discounts are in addition to any Self-Pay Discount or Quick-Pay Discount and will be calculated after these discounts are applied reduce any patient balance.
 - i. Example: a Patient with a \$5,000 patient liability and income equal to 300% of FPL may receive a 40% Self-Pay Discount reducing the patient balance to \$3,000. An additional 50% discount for Financial Assistance may be added further reducing the balance to \$1,500.
- D. Patients with incomes greater than 300% of FPL and less than or equal to 400% of FPL may receive a 25% discount of the patient liability. For the avoidance of doubt, these discounts are in addition to any Self-Pay Discount or Quick-Pay Discount and will be calculated after these discounts are applied to reduce any patient balance.
 - i. Example: a Patient with a \$5,000 patient liability and income equal to 400% of FPL may receive a 40% Self-Pay Discount reducing the patient balance to \$3,000. An additional

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25% discount for Financial Assistance may be added further reducing the balance to \$2,250.

V. Amounts Generally Billed

CHC will not charge an eligible Patient for emergency or other medically necessary services more than the amount generally billed (AGB) to individuals who have insurance covering such care. CHC will use the Look-Back Method to determine AGB and will apply a single average percentage as the AGB. CHC calculates the AGB for each hospital separately using Medicare fee-for-service and all private health insurers paid claims for a specific 12-month period. The description of this calculation and the current AGB percentages may be found at medcenterhealth.org/cfr/billing-policies/financial-assistance/financial-assistance-hospital. The percentage will be updated each year at the beginning of the fiscal year for each hospital. The AGB percentage shall apply to all emergency or medically necessary covered by eligible Patients under this Financial Assistance policy.

VI. Catastrophic Assistance Guidelines

There may be circumstances where a Patient may owe an amount that is large in relation to his/her income, but is not eligible for Financial Assistance. Because we do not want to create what is commonly known as “medical indigency,” we will also apply the following guidelines to Financial Assistance Applications. Catastrophic Assistance provided under the Catastrophic Assistance Guidelines are not Financial Assistance under Section 501(r) of the Internal Revenue Code.

- A. Eligibility: Patients who meet the following guidelines may have discounts applied to specific accounts:
 - a. Patients who are determined to not be eligible for Financial Assistance;
 - b. Patients whose household income is less than 20 times (2000%) of the FPL for a household size of one. The purpose of this requirement is to limit the incentive to not purchase health insurance if a person can afford it.
 - c. The healthcare services rendered must be Medically Necessary Care as defined in this policy.
 - d. The Patient responsibility portion of the bill must be greater than 20% of household annual income
 - e. Patients are required to apply to public programs for coverage, if they are determined to be eligible.

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- B. Catastrophic Assistance Amounts: The amount due from approved Catastrophic Assistance applicants will be capped at 50% of their documented and verified household annual income plus the amount the Patient's liquid assets exceed their immediate needs as per the Asset Test above. Amounts greater than this calculation will be adjusted off the Patient's account.
- C. We will allow payment of this capped amount over a period of up to 10 years, with up to 15 years available with the approval of the Director of CFR.
- D. The payments will be treated as long-term pay, i.e. they will require a written agreement, and the payments will be interest free for the remaining portion of the balance due.

VII. Collections in the event of non-payment

CHC will not engage in Extraordinary Collection Actions (ECA), as defined by applicable federal laws without making reasonable efforts to determine whether or not a Patient qualifies for Financial Assistance under CHC's Financial Assistance Policy. ECAs will be suspended if the Patient submits a Financial Assistance Application during the Application Period. If the individual is cooperating in good faith to pay his/her balance but nonetheless experiencing difficulty, CHC will endeavor to offer an extended payment plan.

Refer to CHC's Patient Billing and Collections Policy, available online at <https://medcenterhealth.org/cfr/billing-policies> for the actions the CHC facility may take in the event of nonpayment. This policy may be obtained at no cost by contacting CFR Customer Service at 1-800-786-1581 or 270-745-1100.

VIII. Notification of Financial Assistance and Related Information

CHC's Financial Assistance Policy (FAP), the Financial Assistance Application and the Plain Language Summary (the "FAP Documents") shall be available to all CHC Patients as follows:

- A. The FAP, Financial Assistance Application and the Plain Language Summary are available on CHC's website, (<https://medcenterhealth.org/cfr/billing-policies/financial-assistance>), searchable by the mechanism applicable to the site generally. The FAP Documents will be printable from the website.
- B. Paper copies of the FAP, Financial Assistance Application and the Plain Language Summary are available upon request at all registration areas and the Emergency Department.
- C. All registration areas offer the PLS to Patients.

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- D. Visitors to the facility are informed and notified about the FAP and availability of the FAP Documents by notices in patient bills and by posted notices in emergency rooms, admitting and registration departments, hospital business offices, and patient financial services offices that are located on facility campuses and at other public places as CHC may select.
- E. Each Hospital will include information on the availability of Financial Assistance in patient guides provided to patients at registration.
- F. CHC will make information regarding this policy available to appropriate governmental agencies and nonprofit organizations dealing with public health in CHC's service areas in order to reach those members of the community that are most likely to need Financial Assistance.
- G. The 501(r) covered policy will be translated for any segment of the population that is the lessor of 5% or 1000 individuals within the community who have limited English proficiency.

IX. Other Considerations

The Financial Assistance Policy: Hospital Facilities is to be considered a Financial Assistance Policy (FAP) under IRS Regulation 501(r) and must meet all requirements under that Regulation. The Financial Assistance– Non-Hospital Facilities policy is not a FAP under IRS Regulation 501(r).

The Financial, Catastrophic and Medicare Assistance Worksheets are tools used by CHC to apply the guidelines in this policy and are to be revised as needed by CFR personnel and approved by Director, CFR. They are to be approved only if they accurately implement the requirements of this policy.

The Plain Language Summary (PLS) is to summarize the requirements of this policy and will be approved by the Director, CFR.

All other discounts are to be reversed prior to calculating the Financial Assistance adjustment.

The Financial Assistance Application used in conjunction with this policy is to accurately reflect the requirements of this policy and will be approved by the Director, CFR.

The related Financial Assistance: Participating Hospital Facilities and Financial Assistance: Participating Non-Hospital Facilities attachments are to be updated quarterly as needed and approved by the Director, CFR.

It is the Patient's responsibility to complete the Financial Assistance Application, provide accurate information, work with us to get the application and supporting documents to use in a timely manner and to inform us of any changes in their financial situation.

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The correction of minor errors, updating the listing of Participating Entities, Federal Poverty Guidelines, location of the policies on websites, and changes to the Financial Assistance Application, PLS and worksheets, and updates to AGB Look-Back calculations do not require board approval. Unless specifically stated otherwise in this policy, such changes are to be approved by the Director, CFR.