

POLICY/PROCEDURE

TITLE: FINANCIAL ASSISTANCE POLICY	
DEPARTMENT: REVENUE CYCLE	
ADMINISTRATIVE MANUAL SECTION:	NUMBER:
Page 1 of 10	<input type="checkbox"/> Attachments
<input type="checkbox"/> New -effective date - <input checked="" type="checkbox"/> Reviewed/Revised -3/21/18 - upon Administrative approval	<input type="checkbox"/> Name Change- formerly

Prepared by: Tammy J Smith, Revenue Cycle Director	Date: 3/15/18
Responsible Department(s): Revenue Cycle	
Administrative Approval:	Date:
All other related polices/procedures/protocols:	

SEE LAST PAGE FOR REVIEW HISTORY

I. Purpose

To establish a policy and procedure for the administration of Elizabethtown Community Hospital's Patient Financial Assistance Program.

II. Policy

Elizabethtown Community Hospital is a patient-centered organization committed to treating all patients equitably, with dignity and respect regardless of the patient's health care insurance benefits or financial resources. Further, Elizabethtown Community Hospital is committed to providing financial assistance to persons who have essential healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. Consistent with its mission to deliver compassionate, high quality, affordable healthcare services and to fulfill our obligation as a non-profit organization, Elizabethtown Community Hospital strives to ensure that the financial capacity of people who need healthcare services does not prevent them from seeking or receiving care.

Financial Assistance is not a substitute for personal responsibility. Patients are expected to cooperate with ECH's procedures for obtaining charity or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual

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ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets.

In order to manage its resources responsibly and to allow ECH to provide the appropriate level of assistance to the greatest number of persons in need, the following policies and procedures have been established for the provision of patient financial assistance.

III. Procedure/General Information

Healthcare Service Eligibility:

The following services are eligible for financial assistance

- Urgent services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
- Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
- Elective medically necessary services for patients who meet established program guidelines

Services not eligible for financial assistance:

- Cosmetic services unless medically necessary based upon physician review
- Infertility/fertility services, e.g. birth control, vasectomies/reversals, tubal ligations/reversals, unless medical necessity documentation from physician is provided
- General Dentistry unless medically necessary extenuating circumstances are presented by the dental program
- Services to residents outside of the financial eligibility area unless provided in an emergency room setting
- Services deemed not medically necessary
- Services reimbursed directly to the patient by an insurance carrier or third party

Provider Coverage: All Elizabethtown Community Hospital employed medical providers rendering care at the Hospital and physician practices are covered under this policy. Appendix A details providers whose services are or are not covered by the Financial Assistance Program, as of the last review date of this policy.

Patient Eligibility: Eligibility for financial assistance will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care benefit program, and who are unable to pay for their care, based upon a determination of financial need in accordance with this policy. The granting of charity shall be based on an individualized determination of financial need, and shall not take into account race, color, sex, sexual orientation, gender identity or expression, ancestry, place of birth, HIV status, national origin, religion, marital status, age, language, socioeconomic status, immigration status or physical or mental disability, protected veteran status or obligation for service in the armed forces.

Eligibility for financial assistance is based on an income test.

- Income Test: This program is limited to patients with demonstrated financial need either due to limited income or if their medical bills are an excessive portion of their income. The most recently published Federal Poverty Guidelines are used as the primary determinant. A patient whose household income is at or below 350% of the Federal Poverty Level Guidelines (FPLG), as adjusted for household size, may pass the income test and are considered for charity care assistance .
 - Non-custodial parents may have their income adjusted for child support when supporting documentation of payment is provided.
 - Patients may have their income adjusted for alimony when supporting documentation of payment is provided.
 - Dependents may be included within the household when more than 50% of the support is provided by the guarantor. To qualify for this household extension, the dependent must be listed as a dependent on the Federal Income Tax return.

Exclusions:

- Accounts already referred to a collection agency greater than 120 days from placement to agency, unless referred in error;
- Services reimbursed directly to the patient(s) by an insurance carrier or already covered by another third party.

Residency Criteria: Patients must reside within Elizabethtown Community Hospital's financial eligibility area, unless medical services were urgent or emergent in nature. The hospital's eligibility area is defined as Essex, Clinton, Washington and Warren Counties of NY State. Scheduled services for patients residing outside of the ECH financial eligibility area are not eligible for assistance. Financial assistance for residents outside of the ECH financial eligibility area will be granted only in unique circumstances and with appropriate approval.

New York residents must live in our financial eligibility area greater than 6 months per annum to meet the residency requirement.

Proof of residency may be established by one of the following:

- Service area driver's license, tax bill with area address, lease for service area property or a service area utility bill;

Health Insurance and Liability Payments: Services rendered at Elizabethtown Community Hospital will be billed to patient's primary coverage, a private medical insurance, an employer occupational health plan, workers' compensation, or pending by med pay/third-party liability carriers. The patient's financial liability after insurance processes can be considered under the Financial Assistance Program. Insured patients are considered medically indigent when their outstanding balance exceeds 5% of their gross annual income.

Public Health Care Program/Healthcare Exchange Criterion: Patients applying for Elizabethtown Community Hospital financial assistance are reviewed for their potential eligibility for state or federal healthcare program benefits and/or benefits offered through the NY healthcare

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exchange programs. Any patient identified with potential to be granted such assistance will be instructed to apply. For those patients identified as candidates for eligibility for the NY Healthcare Exchange Program, application for and compliance with those program guidelines is a prerequisite for Elizabethtown Community Hospital financial assistance program.

Exclusions: A patient whose religious or cultural belief system prohibits seeking or receiving financial assistance from a government entity may be excluded from the public health care program criterion. The patient will, however, be required to assume a portion of financial responsibility to be assessed by the Financial Counselor.

Determination of Financial Need: Financial need will be determined in accordance with procedures that involve an individual assessment of financial need, which will include the following: Note, in the case of presumptive charity, the application process may be excluded.

- Include an application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need;
- Include the use of external publicly-available data sources that provide information on a patient's or a patient's guarantor's ability to pay. Elizabethtown Community Hospital reserves the right to obtain a credit report, when approval from the patient is granted, to verify financial stability before financial assistance is authorized;
- Include reasonable efforts by ECH to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs;
- Include a review of the patient's Elizabethtown Community Hospital outstanding accounts receivable for prior services rendered and the patient's payment history.

It is preferred but not required that a request for financial assistance and a determination of financial need occur prior to rendering of services. A patient must have a current patient balance that is due to Elizabethtown Community Hospital, an expectation that an account currently pending insurance will leave a balance that is due to Elizabethtown Community Hospital, or a future scheduled/referred service at Elizabethtown Community Hospital that is expected to leave a patient balance. However, the determination may be done at any point in the billing cycle.

Elizabethtown Community Hospital's values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of financial assistance. Requests for charity shall be processed promptly and ECH shall notify the patient / applicant of decision in writing within 30 days of receipt of a completed application.

Financial Assistance Eligibility Period: The need for charity assistance shall be re-evaluated at each subsequent time of service if the last financial evaluation was completed more than six months prior, or at any time additional information relevant to the eligibility of the patient for charity becomes known. Re-evaluation of patients whose age exceeds 65 and whose income is fixed below 350% FPLG shall occur annually. Note: It is permissible for patients to submit new supporting financial documentation provided the application on file is less than one year old.

Presumptive Financial Assistance Eligibility: There are instances when a patient may appear eligible for charity care discounts, but there is no financial assistance application on file due to a lack of supporting documentation. Often there is adequate information provided by the patient or through other sources that could provide sufficient evidence to provide the patient with financial

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care assistance. In the event there is no evidence to support a patient's eligibility for financial assistance, Elizabethtown Community Hospital could use outside agencies in determining estimated income amounts for the basis of determining charity care eligibility and potential discount amounts. Once determined, due to the inherent nature of the presumptive circumstances, the only discount that can be granted is a 100% write off of the account balance.

Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

- Food Stamp Eligibility
- Participation in Women, Infants and Children programs (WIC)
- Patient is incarcerated with no health care coverage

Presumptive eligibility may additionally be determined through an automated predictive assessment. Demographic, payment history, and third-party information may be used to determine household income levels. This may be done at any time during an account life cycle. Vendor model results can be correlated to the FPLG, allowing charity to be granted even if all documentation is not available. When an automated predictive tool is used, accounts scoring <200% of FPLG may be provided a 100% write-off for the services provided at the time of scoring. A complete application is expected from patients for ongoing approval. For accounts scoring >200% of FPLG, a formal application will be required to fully identify the poverty level and appropriate discount to be provided.

Presumptive eligibility will be adjusted to a specific transaction/pay code to ensure these dollars are excluded from the Medicare Cost Report.

Patient Financial Assistance Guidelines: In accordance with financial need, eligible services under this policy will receive financial assistance based upon the federal poverty guidelines. The amount of assistance provided to a patient will vary based upon their income level and the grant awarded shall ensure the patient is not responsible for more than the amount generally billed to an insured patient.

As defined by the IRS, eligible patients cannot be charged more for emergency or other medically necessary care than amounts generally billed to individuals who have insurance coverage. The average generally billed (AGB) to patients is calculated using the "Look-Back method"; actual claims paid to the organization by Medicare only or claims paid to the organization by Medicare together with all private health insurers, including any associated portions of these claims paid or owed by beneficiaries or Medicare together with private health insurers and Medicaid

Elizabethtown Community Hospital uses the combined Medicare, and private health insurer look-back method calculation. This forms the minimum grant percentage awarded to patients who qualify for assistance. Calculation: Allowed claims/ charges for prior fiscal year.

The amount generally billed for the previous fiscal year shall be applied

FPLG	100%	200%	250%	300%	350%
Patient Liability	0%	25%	50%	75%	100%

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The patient grant is applied against all current balances (i.e. hospital and medical group) and extends for a coverage window of 6 months, 12 months for aged >65 years on a fixed income. When the grant period has closed, patients will be required to re-apply for financial assistance and based upon their financial status, may have their grant category adjusted.

Safe Harbor: Elizabethtown Community Hospital shall limit all charges for financial assistance qualified individuals to the amounts generally billed to insured patients. The hospital will refund any amount paid in excess of the amount he or she is personally responsible for paying under the financial assistance policy.

Individual Case Reviews and Appeals Process: Elizabethtown Community Hospital acknowledges that extenuating circumstances may exist where an individual's income may exceed program eligibility guidelines. An appeals committee will be convened on an as-needed basis to review unusual or catastrophic cases that do not meet established program guidelines but present unusual hardship.

Other cases involving services that require review for medical necessity will be presented to the Chief Medical Officer or his/her designee for a decision regarding medical necessity of services rendered. If services are deemed medically necessary and the charity eligibility guidelines are met, assistance will be granted.

Patients whose applications for charity are denied may appeal the denial decision. Requests for appeal should be sent to the financial assistance program specialist, in writing, within 30 days of receipt of the denial decision and must clearly indicate the reason for the appeal. All cases will be reviewed. The patient will be notified of the final grant/deny decision.

Notification Period: Elizabethtown Community Hospital will make reasonable efforts to notify patients about the financial assistance program. This period begins on the date a billing statement for the patient balance of care is presented and ends 120 days later. As defined in this policy multiple methods of notification occur beginning in advance of care, during care and throughout the 120 day billing cycle.

Application Period: Elizabethtown Community Hospital will process applications submitted by individuals during the application period, which begins on the date a billing statement for the patient balance of care is presented and ends 240 days later. If at the end of the 120 day notification period, an account has been referred to a collection agency and an application is received and granted within the 240 day application period, accounts shall be recalled from the agency and processed under the financial assistance program.

Reasonable Efforts: Reasonable efforts will be made to determine if a patient is eligible for financial assistance prior to balance transfer to collections. Reasonable efforts may include the use of presumptive scoring, the notification and processing of applications and notification before, during and after care.

- Incomplete applications shall be processed with notification to patients providing direction on how to appropriately complete the application and/or what additional documentation is required along with a 30 day window of time to respond to the ECH request.
- ECH shall process completed applications within 30 days of receipt.
- Eligibility for financial assistance does not preclude the applicant from making payment arrangements on the outstanding balance. ECH requires a minimum monthly payment

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of \$25. The agreed upon monthly payments cannot exceed 10% of the patient's gross monthly income.

University of Vermont Health Network Partners: As stated previously the average generally billed and the federal poverty level coverage for each network affiliate varies; UVMHN partners have agreed to share FPL information to help expedite the financial review for our shared patients. For patients who receive care at a network affiliate a single application with supporting documentation may be submitted for financial assistance. This does not guarantee a grant at each organization nor does it guarantee the grant awarded at one organization will be awarded at a network affiliate. If an application is approved and the patient indicates balances at another network hospital exist, the patients FPL will be shared with the affiliate. The affiliate will then determine whether the patient qualifies for assistance at their facility and if so, what if any grant will be awarded. Applications will be shared with partner affiliates for review upon request; applications and supporting documentation will be made available to partner organizations as needed to facilitate audit functions

Communication of the Charity Program to Patients and the Public: Notification about patient assistance charity care available from Elizabethtown Community Hospital, which shall include a contact number, shall be disseminated by ECH by various means, which may include, but are not limited to:

- Reference to the charity program printed on each patient statement
- By posting notices in emergency rooms, admitting and registration departments, and patient financial services offices that are located on facility campuses; conspicuous displays may be found in the main Registration and Emergency Departments.
- By providing a copy of the plain language policy summary at the point of Registration on the facility campuses and making available the summary at our satellite clinics. Providing copies of the policy and application upon request
- Information shall be available on Elizabethtown Community Hospital website, including the policy, a plain language summary, the application, FPLG guidelines and contact information for follow-up assistance
- Referral of patients for charity assistance may be made by any member of Elizabethtown Community Hospital staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors. A request for charity may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.
- Translations for individuals with limited English proficiency will be provided for populations with >1,000 individuals or 5% of the service area community based upon US census bureau statistics.
- Patients requiring a translated copy and/or assistance in completing the application will be assisted by financial advocates and/or customer service representatives who will secure the services of an appropriate interpreter.

Application Assistance Contact Information: Assistance in completing the application may be obtained through the Financial Counselor Office located on the main campus of Elizabethtown Community Hospital. Information regarding our policy and/or application may be obtained by contacting the department at 518-873-3139 or in person at Elizabethtown Community Hospital at 75 Park Street, Elizabethtown, New York.

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Relationship to Collection Policies: Elizabethtown Community Hospital management shall develop policies and procedures for internal and external collection practices that take into account the extent to which the patient qualifies for charity, a patient's good faith effort to apply for a governmental program or for charity from Elizabethtown Community Hospital, and a patient's good faith effort to comply with his or her payment agreements with Elizabethtown Community Hospital. For patients who qualify for charity and who are cooperating in good faith to resolve their hospital bills, Elizabethtown Community Hospital may offer extended payment plans to eligible patients.

Regulatory Requirements: In implementing this policy, Elizabethtown Community Hospital management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this policy.

Document Retention: Completed applications for the Financial Assistance Program will be maintained for a period of six years after the date the application was approved or denied.

Monitoring Plan: Compliance with this policy will be monitored through annual review of Financial Assistance Program applications and grant/deny decisions. Quarterly department spot auditing will occur and monthly reporting of outcomes will be reviewed.

Definitions: For the purpose of this policy, the terms below are defined as follows:

- **AGB:** Amount generally billed to insurance payers for services provided. The look-back method is used to calculate the AGB, reflecting a combination of fully adjudicated claims for Medicare fee for service and all private health care plans, including the portions paid by the beneficiaries.
- **Charity:** Refers to healthcare services provided without charge or at a sliding scale discount to qualifying patients.
- **Family:** Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, civil union or adoption.
- **Family Income:** Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:
 - Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, , veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources;
 - Noncash benefits (such as food stamps and housing subsidies) do not count;
 - Determined on a before-tax basis;
 - Excludes capital gains or losses; and
 - If a person lives with a family, includes the income of all family members (non-relatives, such as housemates, do not count).
- **Federal Poverty Guidelines (FPG)** – Used to determine grant awards
- **Elizabethtown Community Hospital Financial Eligibility Area:** Essex County, Washington County, Clinton County and Warren County, New York.
- **Elizabethtown Community Hospital Service Area:** Essex County, Washington County, Clinton County and Warren County New York
- **FSC:** Financial Status Class of a patient account, indicates the primary payer responsible for payment.

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- **LEP/Translation:** Limited English Proficiency requiring translated copies of the policies, application, plain language summary and application.
- **Medical Indigence:** There are instances when individuals are financially unable to access adequate medical care without depriving themselves and their dependents of food, clothing, shelter and other essentials of living. A patient will generally be considered Medically Indigent if the balance of a hospital bill exceeds 1% of the person's annual household gross income and he or she is otherwise unable to pay all or a portion of the bill balance resulting from a catastrophic illness or injury.
- **Medical Necessity:** Services or items that are: (1) appropriate for the symptoms and diagnosis or treatment of the condition, illness, disease or injury; (2) provided for the diagnosis or the direct care of the condition, illness, disease or injury; (3) in accordance with current standards of good medical practice; (4) not primarily for the convenience of the patient or provider; and (5) the most appropriate supply or level of service that can be safely provided to the patient.
- **Patient Statement:** The monthly patient account summary mailed to a patient at their stated home address which states the amount due from the patient for patient care services rendered by ECH.
- **Primary Homestead:** The primary residence of the patient, whether solely or jointly owned.
- **Transaction/Paycode:** The unique transaction used to record the uninsured patient discount.
- **Uninsured:** The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations. An uninsured patient is ineligible for any government healthcare entitlement program (Medicare, Medicaid, etc.) during the dates of service provided by ECH.
- **Underinsured:** The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.
- **Uninsured Self-Pay FSC:** The financial status class (FSC) for those patients who have no third party health care insurance benefits, and are directly responsible for payment of their health care services.
- **University of Vermont Health Network:** Includes Elizabethtown Community Hospital, Central Vermont Medical Center, Champlain Valley Physicians Hospital, Porter Medical Center, University of Vermont Medical Center and Alice Hyde Medical Center.

V. Distribution

This policy must be distributed to Administrative Staff members, Managers, and Nurse Managers

And Health Clinics _____

All recipients of this policy must acknowledge their receipt and understanding of the policy by attesting in Policy Manager. Refer any questions with the policy within ten days of the issue date to your immediate supervisor. If no question or problems are stated, it will be deemed that the policy has been read and understood.

Does the draft/revised policy involve federal, state or local regulations? Yes No					
If yes, please describe in research/reference section below ↓					
DATE:	DRAFTED/REVISED BY:	NEW √	No Change √	REVISION (S): state reason for revisions	INITIALS
1/17/19	Tammy J Smith, Revenue Cycle Director			Medically indigent from 5% to 1% of gross annual income	
12/11/19	Tammy J Smith Revenue Cycle Director			Amended "Relationship to collection policies"	
3/10/20	Tammy J Smith Revenue Cycle Director		X	Reviewed	
	Creation date				

Research/References:
