

# PRINCETON COMMUNITY HOSPITAL

<u>POLICY NAME</u> : Financial Assistance	<u>POLICY #</u> 405
<u>DEPARTMENT</u> : Patient Support Services	<u>PAGE</u> 1 of 4 <u>EFFECTIVE</u> : 9/2/2005
<u>REVIEW DATE</u> : 7/1/15; 9/25/15	<u>REVISED</u> : 7/1/15; 10/1/15, 2/1/16

**STATEMENT OF PURPOSE:** To define and communicate the policy and protocols for providing financial relief to patients who receive non-elective care and do not qualify for State or Federal assistance.

**RATIONALE:** To provide financial benefit to individuals unable to pay for medical care.

**Scope:** All Patient Financial Service areas responsible for requesting and evaluating Financial Assistance Applications for the purpose of processing a Financial Assistance discount.

**TEXT:** It is the policy of Princeton Community “Hospital” to provide medically necessary care to individuals who present themselves and are unable to pay for such care in accordance with standards and procedures developed by the Hospital. Medical care will not be withheld while eligibility for Financial Assistance is being determined.

**PROCEDURE:**

Notices will be posted of the availability of Financial Assistance. Applications deemed eligible will receive a 100% reduction of eligible charges.

The following classes of patients may qualify for a Financial Assistance discount based on income and net worth as well as other extenuating circumstances. Income must not exceed 200% of the Federal Income Poverty Guidelines and liquid assets in excess of indebtedness may not exceed \$5,000. The number of persons considered in the home will only be the patient and/or responsible party dependents.

**ELIGIBILITY CRITERIA**

Classes of patients eligible for Financial Assistance consideration:

*Under insured:* Patients with limited third party payer coverage but such coverage is insufficient to pay the current bill and indigency is established. No Financial Assistance discount can be applied to any account with any outstanding payer liability. We do not delay or deny emergency or medically necessary care based on inability to pay or based on any outstanding balances due the Hospital on prior accounts.

*Uninsured:* Patients with no third party payer coverage who have made application for Financial Assistance determination.

*Agency Return:* Accounts returned from the primary collection agency determined to be indigent and documented on the close and return report as willing but unable to pay.

*Bankruptcy:* Chapter 7 bankruptcy accounts where no assets exist and legal interpretation has been made of inability to pay and the Hospital cannot pursue collections will be classified as a Financial Assistance discount.

*Presumptive Charity:* Patients who do not complete a Financial Assistance Application can receive a Financial Assistance discount at the Hospital's discretion and subject to legal limitations. Prior to placement of accounts for collection with the Primary Bad Debts Collection agency and after placement with the early out vendor, the Hospital utilizes a predictive model to "score" individual ability to pay based on defined criteria which includes:

- \* Income and household size estimates
- \* A socio-economic need factor
- \* Information on home ownership.
- \* Less than 200% of poverty guidelines
- \* The Presumptive Charity score results can be substituted for incomplete Financial Assistance application requirements on a discretionary basis.

*Required:* Patients presenting to the Financial Counselor/Patient Support Services must complete a Financial Assistance Application to be considered and are referred to the appropriate vendor for a Medicaid determination. Patients who present and refuse to apply for a Medicaid determination are deemed ineligible. To the extent possible, the Hospital may waive the requirement to apply for a Medicaid determination.

The following classes of patients are considered ineligible for a Financial Assistance discount:

Criteria Classes of patients ineligible for Financial Assistance consideration:

*Elective:* Patients who receive elective services are required to make an advance payment. Example: Cosmetic procedures which do not impact the patients overall health.

*Uncooperative:* Patients will be sent a letter 2 weeks from the date of receiving the application if additional information is required. If no response is received from the applicant, the application will be denied if the required information is not provided to the Hospital within 30 days of the date of the last correspondence from the Hospital requesting information regarding the application. Patients who do not provide the required documentation will be denied Financial Assistance and normal collection procedures will proceed. A copy of the application and reason for denial will be provided to the applicant within 30 days.

Note:

Patients who present and refuse to apply for a Medicaid determination are deemed ineligible for Financial Assistance or a Financial Assistance discount.

*Exceed income:* Patients with income as measured in excess of 200% of the Federal Income Poverty Guideline compared to family unit size.

*Net worth:* Patients whose liquid assets exceed indebtedness by more than \$5000 are ineligible. Patients may apply the amount in excess of \$5000 to the medical expenses to become eligible.

Patients whose monthly income exceeds monthly living expenses and that excess when annualized exceeds the \$5000 net worth threshold will be required to establish an appropriate payment option.

Following a determination of FAP-eligibility, a FAP-eligible may not be charged more than amounts generally billed for emergency or other medically necessary care.

Note: Patients who are ineligible for the Financial Assistance discount may be granted the uninsured discount as defined by the Uninsured/Underinsured Policy.

Extenuating circumstances where the patient/guarantor is not able to complete the Financial Assistance Application and/or provide supporting documentation and resource verification will be evaluated on a case by case basis and subject to legal limitations.. The Patient Support Service Manager can waive the documentation requirements for the following:

*Undocumented Residents* or homeless through:

✍ Medicaid Eligibility screening

- ✍ Registration process
- ✍ Discharge to a shelter
- ✍ Case Management documentation
- ✍ Attempt to run a credit report

*Patient Expiration:* After research through a family contact and/or courthouse records, a determination is made that an expired patient does not have an estate and this is documented for the file.

*Medically Indigent:* Based upon research by Patient Support Services Manager, the patient/responsibility party meets the indigent status and no application was completed due to extenuating circumstances and/or process. Presumptive Charity qualifies under this requirement.

### **Services Covered/Not Covered Under Financial Assistance Policy.**

The Hospital contracts with certain medical groups and third-party providers of medical care. Appendix A to this policy lists the providers who provide emergency or medically necessary care in the Hospital's facility and indicates those who are covered and those who are not covered under this Policy. If a medical provider and/or certain services supplied by a medical provider are not covered, this means that Financial Assistance is not available under this Policy for these services.

### **Please provide the following information in order for the Hospital to evaluate whether you are eligible for Financial Assistance.**

#### **Income Verification requirements:**

- ✍ Most recent employer pay stubs – gross income 3 months
- ✍ Written documentation from income sources
- ✍ Most recent bank statements and/or tax returns
- ✍ Current credit report at PCH discretion

#### **Expense requirements:**

- Housing, Transportation, Utilities, Living expenses (phone, cable, etc.), Medical, Taxes, Other.

#### **Liquid Asset Verification requirements:**

- Most recent checking and saving account statements.
- CD statement from Bank
- Divorce papers and-or Notarized Statement of Divorce
- Shared Custody papers

#### **Communication of Eligibility Determination:**

- Requests for additional information will be made promptly upon receipt of the application.
- Upon receipt of the necessary information to verify income, a final determination will be made and the applicant will be notified in writing within 30 days.
- If the required information is not received in thirty` days, the application will be denied and a copy of the application stating the reason for denial will be provided to the applicant.
- Support Services Manager reviews all supporting documents and makes final determination for approval. Individual cases may be referred to the Patient Financial Service Director and-or Chief Financial Officer.

**Other:**

- If the Hospital has instituted collection activity on the specific account that patient is applying for Assistance, the account will be placed on hold from collection activity. If approved, collection activity will be withdrawn. If denied, collection activity will continue. The patient will be informed by written letter.
- In determining the level and availability of charity care, the overall financial condition of the Hospital will be considered .
- The Hospital has a separate Billing and Collection Procedures for Self-Pay Balances document which describes the actions that the Hospital takes prior to initiating collection actions on a patient account. A copy of the Billing and Collection Procedures for Self-Pay document may be obtained free of charge by contacting Patient Support Services at 304-487-7566 between 8:00 – 4:00 Monday through Friday.
- Installment payments involving physicians and their immediate family members shall only be provided as allowed by the federal Stark physician self-referral law.

**METHODS OF APPLYING FOR FINANCIAL ASSISTANCE**

- Financial Counselor assists guarantor to complete Medicaid Eligibility Determination and Financial Assistance applications.
- Patient Support Services staff assists guarantor to complete Medicaid Eligibility Determination and Financial Assistance applications.

- Advanced Patient Advocacy assists guarantor to complete Medicaid Eligibility Determination and Financial Assistance applications.
- Guarantor mails completed application to Patient Support Services.
- Incomplete applications will be called or sent a letter outlining the information needed and given a date that this information must be turned in.

## **METHODS OF NOTIFYING GENERAL PUBLIC AND PATIENTS**

- Clearly legible signage located in all registration locations.
- The Financial Assistance Criteria document, which is the plain language summary of the FAP is offered to patients upon intake or discharge.
- Uninsured Patient Information document and Notice of Availability of General Financial Assistance document is presented and explained to patient-guarantor by registration staff.
- Financial Assistance Policy is available at each registration location for patients who indicate they want to apply.
- All patient statements contain contact number to inquire for Financial Assistance – (304-487-7566).
- Prior to initiating extraordinary collection actions, at least three (3) statements are sent to the patient that include the 501 (r) Financial Assistance Program notification requirements which include, among other things, informing the patient of the availability of Financial Assistance with each statement and providing a plain-language summary of the Financial Assistance Policy to the patient at least once during the 120-day post-discharge period.
- All patient statements contain facility web-site address where the Financial Assistance Policy and contact information is located.
- Patients/Guarantors may obtain copy of the Financial Assistance Policy free of charge by calling 304 487 7566.
- Financial Assistance contact information and FAP policy #405 is published on Facility Web-site. [www.pchonline.org](http://www.pchonline.org)
- Advanced Patient Advocacy, Department of Human Resources and Medicaid Eligibility & Denial Solutions staff are on-site to assist the patient and the guarantor.
- Patient Support Services attempts to call the patient for collection. If the patient is reached, the patient is advised of the Financial Assistance Policy and is informed about how to obtain a copy of the same free of charge.

- Guarantor receives a copy of the approval or denial by mail within 31 days of application.
- Vendors and collection agencies contracted with PCH include on their correspondence the contact number and web site address for patients who wish to apply for Financial Assistance.

#### **Indigent/Charity Guidelines for 2016**

<b>Family Size</b>	<b>Federal Poverty Level</b>	<b>150% Poverty Level</b>	<b>200% Poverty Level</b>
<b>1</b>	<b>\$11,880</b>	<b>\$17,820</b>	<b>\$23,760</b>
<b>2</b>	<b>16,020</b>	<b>24,030</b>	<b>32,040</b>
<b>3</b>	<b>20,160</b>	<b>30,240</b>	<b>40,320</b>
<b>4</b>	<b>24,300</b>	<b>36,450</b>	<b>48,600</b>
<b>5</b>	<b>28,440</b>	<b>42,660</b>	<b>56,880</b>
<b>6</b>	<b>32,580</b>	<b>48,870</b>	<b>65,160</b>
<b>7</b>	<b>36,730</b>	<b>55,095</b>	<b>73,460</b>
<b>8</b>	<b>40,890</b>	<b>61,335</b>	<b>81,780</b>

**FOR EACH ADDITIONAL FAMILY MEMBER**

**ADD:**

4,160      \$6,240      \$8,320

#### **Examples of Eligibility Determination**

##### **Eligible**

Household of 3 with monthly income of \$3,181.67 x 12 = \$38,180.04 yearly income. Has a Medicaid denial and limited assets.

##### **Ineligible**

Household of 1 with monthly income of \$3,181.67 x 12 = \$38,180.04 yearly income.

**Reference Documents available upon request free of charge:**

- Uninsured Document
- Financial Assistance Document
- Billing and Collection Procedure
- Financials Assistance Instructions

**Requirement:**

Early out Vendor and Primary Agency must sign off on policy yearly.

Approved:

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Date

**APPROVED:**

  
\_\_\_\_\_  
Chief Financial Officer

11/29/2016  
\_\_\_\_\_  
Date



## **APPENDIX A**

### **Providers/Groups who fall under the Financial Assistance Policy**

- Providers directly employed by Princeton Community Hospital
- Mercer Medical Group Physician Services
- Mercer Medical Group ENT
- Mercer Medical Group Cardiology
- Mercer Medical Group Pathology Professional Services
- Mercer Medical Group Pavilion Professionals
- Athens RHC
- Princeton Community Hospital: Inpatient and Outpatient services
- The Behavioral Health Pavilion of the Virginia's: Inpatient and Outpatient services

### **Providers/Groups who do not fall under the Financial Assistance Policy**

- Individual Providers with privileges that are not employed by Princeton Community Hospital
- Doctor's Anesthesia Providers
- Professional Imaging Providers
- Greenbrier Emergency Services Providers
- Lab-Corp laboratory services
- Consultative services provided by Providers not employed by Princeton Community Hospital