

HW-074 Patient Financial Assistance

SOUTH PENINSULA HOSPITAL
POLICY #: HW-074
SUBJECT: PATIENT FINANCIAL ASSISTANCE
SCOPE: HOSPITAL-WIDE
APPROVED BY: ADMINISTRATION
APPROVAL DATE: Original: 05-29-1996
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06-02-2011; 08-24-2011; 08-20-2012;
09-09-2013; 09-22-2015; 07-28-2016; 05-07-2018
RESPONSIBLE DEPT.: PATIENT FINANCIAL SERVICES

POLICY

South Peninsula Hospital shall provide health care services to all persons in need of medical attention. Financial assistance will not be available for elective or medically unnecessary procedures.

PROCEDURE

1. Free or discounted health services may be provided to persons who cannot afford to pay including those who are uninsured or underinsured and/or not eligible for any private or public health care program. Individuals qualifying for financial assistance must meet established criteria.
2. All patients will be treated with respect and fairness regardless of their ability to pay. Qualification for financial assistance shall be based on the patient's ability to pay and not on age, sex, race, creed, disability, sexual orientation or national origin.
3. The patient financial assistance program will be modified to adhere to the established CMS poverty guidelines and qualification requirements. Financial assistance will be provided to serve patients, while maintaining fiscal responsibility to the hospital. Eligibility criteria and amounts of assistance may be modified based on budget constraints.
4. Appropriate signage will be displayed in the facility, specifically in patient intake areas, to create awareness of the financial assistance programs available. In addition, any patients noted to be uninsured upon registration will be offered the opportunity to complete a financial assistance application.
5. Patients are offered a Financial Assistance Program brochure upon registration and in the inpatient admission packet.

SPH Community website containing information regarding the Financial Assistance Program, internal policy, application, and plain language summary can be found on the hospital URL <https://www.sphosp.org/for-patients/financial-assistance/>.

6. The Financial Assistance Program at South Peninsula Hospital covers multiple providers. The following is a list of providers that deliver services at South Peninsula Hospital and that honor the FAP determination.
 - a. South Peninsula Hospital
 - b. South Peninsula Hospital Physician Group (including Emergency Room Physicians, Radiologists, Anesthesiologists)
 - c. Hospitalists providing inpatient services
 - d. Homer Medical Center Providers and services provided at clinic
 - e. Orthopedic and General Surgery providers for surgical services
7. The following is a list of providers that deliver services at South Peninsula Hospital and do not honor FAP determination.
 - a. Pathology Associates
 - b. Non-SPH Employed physicians not described above (#7) do not routinely accept the Financial Assistance Program determinations.
8. Information gathered for Financial Assistance will include presumptive eligibility determinations, using information from third party sources or from prior eligibility determinations.
9. Information gathered for Financial Assistance will include information set forth by applicants in written form and information provided orally through telephone or in-person conversations with hospital personnel.

Eligibility Considerations

1. Financial assistance is generally secondary to all other financial resources available to the patient including insurance, government programs, third party liability, and personal assets.
2. Credit report with open lines of credit indicative of resources to pay the patient's bill may be reason for denial.
3. Family size (number of individuals living in household)
4. Employment status and future earning capacity.
5. Cosmetic or other services that are not medically necessary are not eligible for financial assistance. A patient may qualify and be approved for Financial Assistance, but a service may be determined to not meet the medical necessity criteria. If a procedure or service's medical necessity is in question, whether it has already been performed or is scheduled to be performed in the future, it will be reviewed by the Revenue Cycle Team and compared to Medicare or other managed care insurance's medical necessity guidelines, along with information in the medical record and the opinion of the physician(s) involved in the patient's care. A determination will be made and final decision will be provided to the patient.
6. Other catastrophic or hardship circumstances may be considered in charity decision. (CFO determination only).

Determination

1. To qualify for financial assistance, the patient, guardian, relative, or patient representative must complete the financial assistance application and provide required supporting documentation (see page 4 of this policy for list of required documentation).
2. The patient shall generally start the application process prior to provision of services unless the patient is in an urgent or emergent care situation. The application process may be delayed for a limited time while attending to the patient's medical needs. Applicants will have 30 days from the initial date of billing to complete the application process to be considered for financial assistance. If there is a question regarding the urgency of the patient's need for care, the Financial Counselor should immediately consult with the clinical department manager or the Director of Patient Care Services before denying care.
3. The hospital will notify applicants when the application is deemed complete, and will normally make a decision on completed applications within 30 days.
4. All patients shall be considered fairly and equally using objective criteria that are compliant with federal and state regulations. Decisions shall be made after examining a patient's resources, which could include, but are not limited to, an analysis of assets, liabilities, income and expenses and any extenuating circumstances that would affect the decision. Decisions on financial assistance will be documented and include information to substantiate the decision.
5. A patient may appeal the financial assistance decision to the Financial Assistance Review Committee.
6. The Financial Assistance Review Committee shall be made up of the CFO as chair, the Revenue Cycle Director, Patient Access Supervisor, Financial Counselor and ad hoc members as required.
7. Approved Financial Assistance Applications are valid for 3 months from the date of determination. Services rendered after 3 months from the date of approval, will require additional documentation to support the need of continued financial assistance.

Qualification for Financial Assistance

Patients may qualify for one or more of the following financial assistance programs:

1. Financial Assistance Program eligible patients will not be charged more than the Amounts Generally Billed (AGB) percentage established by South Peninsula Hospital annually using the look back method. The amount charged is defined as the balance they are personally responsible for paying after all deductions and discounts including the FAP discount have been applied, and less any amounts reimbursed by insurance.
2. The Calendar Year 2017 AGB percentage is 60%, reflecting a discount of 40%, based on calculations from the calendar year 2017.
3. Charges will be placed on the patients account equal to that found in the facility item master for that date of service, regardless of financial assistance eligibility.
4. Full Financial Assistance: Patients whose income level is at or below 100% of the Alaska Federal Poverty guidelines may be considered for a full waiver of their medical bill.

5. Partial Financial Assistance: Patients whose income level is between 100 and 300% of the Alaska Federal Poverty guidelines may receive a partial medical bill waiver on a sliding scale.
6. A point based system will be used to evaluate the following criteria: income, assets, credit, and liabilities. Points are assigned based on the information that is provided by the patient in the application. Points will be translated as follows:
 - a. 76-100 points qualifies patient for 100% assistance
 - b. 51-75 points qualifies patient for 75% assistance
 - c. 30-50 points qualifies patient for 50% assistance
7. Medicaid eligibility can be proof of indigence.
8. Medicaid Recipients Assistance: Patients receiving Medicaid assistance and unable to make their Medicaid co-payment may qualify for financial assistance. Co-payments of \$50.00 or less will automatically qualify. Medicaid patients with Co-payments of \$50.00 or more will need to apply for assistance.
9. Catastrophic Financial Assistance: Partial or full medical bill waiver for a patient with qualified medical bills in excess of \$5,000 and:
 - o Who has suffered a catastrophic medical event as defined in the policy definitions, and/or.
 - o Does not have the resources, income and assets to pay the bill as determined by the Financial Assistance Committee.

Applying for Financial Assistance

1. An application for Financial Assistance must be received in order to be considered for charity care. Patients will obtain a copy of the Finance Assistance application and complete it and provide all required documentation.
 - a. Required documentation
 - i. Completed application
 - ii. Statement of circumstance
 - iii. Bank statements for the last 3 months including checking, savings, certificates of deposit, etc.
 - iv. Last year tax return including W-2's
 - v. Last 2 months of pay stubs indicating year-to-date earnings and/or unemployment check stubs or determination letter
 - vi. Drivers licenses for all adults in household
 - vii. Birth certificates for all minors in household
2. Completed applications may be submitted as follows:
 - a. Turned into the front desk or Financial Counselors offices in the main hospital.
 - b. Faxed to registration office 907-235-0251
 - c. Mailed to: South Peninsula Hospital
4300 Bartlett St.
Homer, AK 99603
Attn: Financial Counselor

3. Financial Counselors are available to answer questions or to provide assistance in completing the application. They can be contacted at 907-235-8100.

Definitions

1. **Amounts Generally Billed:** The percentage of charges allowed by a combination of Medicare and commercial insurance which is calculated by the hospital annually.
2. **Catastrophic Medical Event:** An accident or illness which causes a patient's medical or hospital bills after payment by third-party payers to exceed 100 percent of the person's annual disposable income. A patient who incurs catastrophic medical expenses may qualify for financial assistance when payment would require liquidation of assets critical to living.
3. **Eligible Medical Services:** include medically necessary inpatient and outpatient medical treatment; diagnostic and ancillary services.
4. **Emergency care:** care provided to a patient with an emergent medical condition as defined in the Emergency Medical Treatment and Active Labor Act (EMTALA).
5. **Excluded Services:** cosmetic services, clinic office visits, elective, or routine procedures such as mammograms, routine laboratory tests, or routine imaging procedures for non-urgent or non-life threatening procedures or services.
6. **Federal Poverty Level (FPL):** A measure of income issued every year by the Department of Health and Human Services. The U.S. Government uses the FPL to determine who is eligible for federal subsidies and aid.
7. **Financial Assistance:** A mechanism for discounting charges and/or assisting patients to pay for their medical care.
8. **Limited Resources:** A person, who is uninsured, underinsured and/or who has income at or below three hundred percent (300%) of the federal poverty levels for Alaska.
9. **Medically Necessary Treatment:** those services determined to be necessary as defined by utilization criteria for inpatient and outpatient care.
10. **Sliding Scale Discount:** patients whose income falls between 100% and 300% of the Federal Poverty Guidelines may have their medical bills reduced by an amount in direct relationship to their income.
11. **Approval Authority:** Applications for financial assistance may be approved by the following individuals at the specified limits:
 - o Financial Counselor – up to \$1,000
 - o Patient Financial Services Manager – \$1,000 - \$5,000
 - o Chief Financial Officer - \$5,000 - \$10,000
 - o Chief Executive Officer – Over \$10,000
12. **Confidentiality:** The need for Financial Assistance is a sensitive and personal issue for recipients. Confidentiality of information and preservation of individual dignity shall be maintained for all who seek Financial Assistance. Orientation of staff and the selection of

personnel who will implement this policy shall be guided by SPH values. No information obtained in the patient's Financial Assistance application may be released to a third party unless the patient gives express permission for such release.

13. **Record Retention:** Financial Assistance documents shall be retained in accordance with established record retention policy.

SPECIAL CONSIDERATIONS

None

REFERENCES

Internal Revenue Service Notice 2015-46

CONTRIBUTORS

Revenue Cycle Director; Finance Director; Chief Financial Officer