

**ST. MARY’S MEDICAL CENTER  
POLICY AND PROCEDURE MANUAL  
Financial Assistance Policy**

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|--------------|--|--------------|-------------------------------|
| Title:       | <i>Financial Assistance Programs for Uninsured Hospital Patients</i> | Type:        | Hospital Policy and Procedure |
| Section:     | Finance  | Prepared By: | Michael Keeney, Dir – RCM     |
| Approved By: |  | # of Pages:  | 8                             |

**TITLE: *Financial Assistance Programs for Uninsured Hospital Patients***

**I. Purpose:** A. This policy and the Financial Assistance Programs outlined herein are intended to address the dual interests of providing access to care to those without the ability to pay and to offer a discount from billed charges for those who are able to pay a portion of the costs of their care. This policy sets forth the basic framework for the two Financial Assistance Programs that will apply to St. Mary’s Medical Center (SMMC). Upon adoption by the SMMC Board of Directors, acting in its capacity as the governing body the hospital, this policy and the Financial Assistance Programs set forth herein will constitute the official financial assistance policy (within the meaning of Section 501(r) of the Internal Revenue Code) for SMMC.

**II. Definitions:**

- A. **Amounts Generally Billed (AGB)** means the Usual and Customary Charges for Covered Services provided to individuals eligible under the Basic Financial Assistance Program, multiplied by the Hospital-Specific AGB Percentage applicable to such services.
- B. **Billing and Collections Policy** means the SMMC Policy entitled: “Self Pay Collection Policy,” as the same may be amended from time to time.
- C. **Covered Services** means those inpatient and outpatient services provided by SMMC which are Medically Necessary in accordance with the standards of Palmetto GBA, SMMC’s Medicare Administrative Contractor.
- D. **Emergent Condition** means a medical condition of an Uninsured Patient that has resulted from the sudden onset of a health condition with acute symptoms which, in the absence of immediate medical attention, are reasonably likely to place the Uninsured Patient’s health in serious jeopardy, result in serious impairment to bodily functions of the Uninsured Patient or result in serious dysfunction of any bodily organ or part.
- E. **Emergent Services** means the services necessary and appropriate to treat an Emergent Condition.
- F. **FAP-Eligible Individual** means an individual eligible for financial assistance under this Policy and one or both of the Financial Assistance Programs hereunder without regard to whether the individual has applied for financial assistance.
- G. **Hospital** means St. Mary’s Medical Center.
- H. **Hospital-Specific AGB Percentage** means, for the Hospital, a percentage derived by dividing (1) the sum of all claims for Medically Necessary services provided at the Hospital paid during the Relevant Period by Medicare fee-for-service and all private health insurers as primary payors, together with any associated portions of these claims paid by Medicare beneficiaries or insured individuals in the form of co-pays, co-insurance or deductibles, by (2) the Usual and Customary Charges for such Medically Necessary Services. The Hospital-Specific AGB

Percentage shall be calculated for the initial Relevant Period no later than December 31, 2013. Thereafter, the Hospital-Specific AGB Percentage shall be calculated no later than November 1 of each year, commencing on November 1, 2014, for the most recently completed Relevant Period. Each Hospital-Specific AGB Percentage will be effective until the next annual calculation the Hospital-Specific AGB Percentage based on the most recent Relevant Period. The calculation of the Hospital-Specific AGB Percentage for the Hospital shall comply with the “look-back method” described in Treasury Regulation §1-501(r)-5(b) (1) (B).

- I. PFS** means Patient Financial Services, the operating unit of SMMC responsible for billing and collecting self-pay accounts for hospital services.
- J. Relevant Period** means the 12-month period ending on November 30, 2013, for financial assistance provided from January 1, 2014 until the Hospital Specific AGB Percentage is calculated based on claims paid during the 12-month period ending on September 30, 2014. Thereafter, the Relevant Period means each 12-month period ending on September 30.
- K. Medicaid** means all State and Federal Programs which include (but are not limited to) Medicaid and Medicaid MCO’s (Medicaid Managed Care Organizations).
- L. Medically Necessary** 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 a patient’s medical condition, the most appropriate setting for the provision of care may be a home, a physician’s office, an outpatient facility, or a long-term care, rehabilitation or hospital bed. In order to be Medically Necessary, a service must:
1. Be required to treat 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;
  4. Not be for the convenience of the Patient or the Patient’s physician; and
  5. Be that 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.
  6. Emergent Services are deemed to be Medically Necessary.
- M. Uninsured Patient** means a patient without benefit of health insurance or government programs that may be billed for Covered Services provided to them or for physician services, and who is not otherwise excluded from this policy under Section III.B below.
- N. Usual and Customary Charges** means the rates for Covered Services that are filed as required with the WV State Healthcare Authority.

### **III. Policy:**

- A. Overview.** SMMC is dedicated to providing quality healthcare to all patients regardless of age, sex, sexual orientation, race, religion, disability, veteran status, national origin and/or ability to pay. This policy establishes two programs, the Basic Financial Assistance Program and the Enhanced Financial Assistance Program. Under the Basic Financial Assistance Program, Uninsured Patients having annual household incomes of \$125,000 or less may, depending upon their assets and liabilities, qualify for discounted pricing for Covered Services without having to apply for Medicaid assistance. Under the Enhanced Financial Assistance Program, Uninsured Patients having household incomes at or below 200% of the Federal Poverty Line and insufficient assets may, depending upon their assets and liabilities, qualify for Enhanced Financial Assistance in the form of free Emergent Services and other services required to be provided by SMMC under EMTALA, subject (in most circumstances) to application for Medicaid, and for discounted pricing for other Covered Services. This policy and the Financial Assistance Programs set forth under this policy are intended to comply with Section 501(r) of the Internal Revenue Code and the regulations promulgated thereunder, and shall be interpreted and applied in accordance with such regulations.

**B. Exclusions.** This policy and the Financial Assistance Programs hereunder apply solely to Uninsured Patients who have no third party coverage either for the Covered Services SMMC provides to them, through governmental sources or commercial insurance, or for physician services. There is no financial assistance program at SMMC available to persons who are not Uninsured Patients. This policy and the Financial Assistance Programs hereunder do **not** apply to the portion of charges an insured patient is personally responsible for, i.e., co-pays, co-insurance, and deductibles, and does not apply to non-Covered Services. This policy is not available to persons who have basic health insurance that excludes hospital inpatient or outpatient services, nor is it available to persons who have any contractual claim or right for reimbursement or indemnification from an insurer or other third party payor. Furthermore, this policy does not apply to charges for services from other providers whose services are coincident to those provided by SMMC (e.g., radiologists, anesthesiologists). The policy also does not apply to elective procedures except as may be determined in the sole discretion of SMMC on a case-by-case basis.

**C. Reservation of Right to Seek Reimbursement of Charges from Third Parties.** In the event that any first or third party payor is liable for any portion of an Uninsured Patient's bill, SMMC will seek full reimbursement of all charges incurred by the patient at the Hospital's Usual and Customary Charges from such first or third party payors.

**D. Methods for Applying for Financial Assistance.** Patients may apply for Financial Assistance under either the Basic or Enhanced Financial Assistance Programs by any of the following means:

1. Advising PFS personnel at or prior to the time of registration that they are Uninsured.
  - a. PFS personnel will offer a patient a form for the Basic Financial Assistance Program if the patient states that his/her annual household income is under \$125,000.
  - b. PFS will provide information about the Enhanced Financial Assistance Program.
  - c. PFS will assist the patient in applying for Medicaid.
2. Downloading the application form from the SMMC website and mailing it to PFS at the address on the application form.
3. Requesting an application from PFS by phone: 304-526-1014, or by mail: 2900 First Avenue, Huntington, WV 25702 and returning the completed application to PFS at the address on the application form.
4. Any of the methods specified in the Self Pay Collections Policy.

**E. Basic Financial Assistance Program.**

1. **Eligibility Criteria and Determinations.** Except as otherwise provided herein, an Uninsured Patient will ordinarily qualify for the Basic Financial Assistance Program if he/she has an annual household income of less than \$125,000. However, SMMC reserves the right to deny participation in the Basic Financial Assistance Program to an Uninsured Patient who has an annual household incomes of less than \$125,000 if, in the judgment of PFS, such patient has sufficient net assets to pay for Covered Services at Usual and Customary Charges.
2. **Amounts Payable Under Basic Financial Assistance Program.** Participants in the Basic Financial Assistance Program will be charged for Covered Services at AGB provided, however, the Basic Financial Assistance Program does not apply to Covered Services for which SMMC has published a package price for procedures for self-pay patients (e.g., obstetric packages) if the price is below AGB. If the Covered Services are Emergent Services or services that the Hospital is otherwise required to provide under EMTALA, then the Hospital will provide such Covered Services *without requiring any advance deposit or prepayment*<sup>1</sup>. For all other Covered Services, SMMC will ordinarily require a substantial advance prepayment or deposit in the estimated amount of the AGB for the Covered Services or other arrangements for assurance of payment satisfactory to PFS in its discretion.

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<sup>1</sup> Payments in the Emergency Department are excluded based on interpretation of the current 'proposed' rules. If the language of the final rule permits payments in the Emergency Department, this clause will be removed.

3. **Determination and Publication of Hospital-Specific AGB Percentage.** Immediately upon each annual determination of the Hospital-Specific AGB Percentage(s), SMMC shall prepare a description of the manner in which the Hospital-Specific AGB Percentage(s) were determined using the form attached to this Policy as Appendix A and shall cause such calculations to be posted on the SMMC website, and the applicable calculation to be posted on the Hospital's website.

**F. Enhanced Financial Assistance Program.**

1. **Eligibility Criteria and Determinations.** Except as otherwise provided herein, an Uninsured Patient will ordinarily qualify for the Enhanced Financial Assistance Program if he or she meets each of the following requirements:
  - a. Has an annual household income equal to or less than 200% of the Federal Poverty Level;
  - b. If in WV, KY or OH, and if requested by SMMC in other states, applies for Medicaid and fully cooperates in the Medicaid application and eligibility determination process;
  - c. Is denied Medicaid coverage.

An Uninsured Patient in WV, KY or OH or elsewhere who is required to apply for Medicaid but does not cooperate fully with the Medicaid application and eligibility determination process may not be eligible for participation in the Enhanced Financial Assistance Program. SMMC reserves the right to deny participation in the Enhanced Financial Assistance Program to Uninsured Patients who have annual household incomes equal to or less than 200% of the Federal Poverty Level if, in the judgment of PFS, such patients have sufficient net assets to pay for Covered Services at Usual and Customary Charges or at AGB.
2. **Amounts Payable Under Enhanced Financial Assistance Program.** An Uninsured Patient who qualifies for the Enhanced Financial Assistance Program will be not charged for Emergent Services or other services that the Hospital is otherwise required to provide under EMTALA, and his/her entire bill for such services will be written off. For all other Covered Services, an Uninsured Patient who qualifies for the Enhanced Financial Assistance Program will be charged AGB, and SMMC will ordinarily require a substantial advance prepayment or deposit in the estimated amount of the AGB for the Covered Services or other arrangements for assurance of payment satisfactory to PFS in its discretion. The determination of whether services constitute Emergent Services will be made by the Chief Medical Officer of the Medical Center, whose determination will be final.

**G. Write-Offs and Adjustments.** Covered Services will be eligible for write-off, in whole or in part, if:

1. A patient qualifies for Medicaid after service has been provided by SMMC (100% write-off). This includes any bills for services that predate coverage.
2. A patient qualifies for Medicaid but funding is not available to pay for services or Medicaid denies coverage for particular Covered Services (100% write-off).
3. A patient is approved for participation in the Enhanced Financial Assistance Program (100% write-off of Emergent/EMTALA-mandated services, and adjustment of bills to AGB for all other Covered Services provided for episode coinciding with successful application for participation in Enhanced Financial Assistance Program).
4. A patient is approved for participation in the Basic Financial Assistance Program (adjustment of bills to AGB for Covered Services provided for episode coinciding with successful application for participation in Basic Financial Assistance Program).
5. Upon approval, write-offs and adjustments will be processed promptly in accordance with procedures, state statutes and regulations.

**H. Signature Authority for Write-Offs.** Basic and Enhanced Financial Assistance Program write-offs will be granted subject to the following approval limits:

1. Up to \$5,000 – approved by the Patient Accounts Manager
2. Over \$5,000 – approved by the Director of Business Services or Director of Revenue Cycle Management.

**I. Collection of Balances owed by Patients;** Self Pay Collections Policy (Is the following the Self Pay Coll. Policy? Not sure why this is in the title of the paragraph).Accounts for hospital services for patients who are able, but unwilling, to pay are considered uncollectible bad debts and will be referred to outside agencies for collection. The unpaid discounted balances of patients who qualify for the Basic Financial Assistance Program are considered uncollectible bad debts and such patients will be referred to outside agencies for collection and other actions in accordance with the Self Pay Collection Policy. The Self Pay Collections Policy will be posted to the SMMC website and the Medical Center-specific website. In addition, a free copy of the Self Pay Collections Policy can be obtained by any member of the public upon request to the Registration office at the Medical Center or to PFS at the address and phone number listed at the end of this Policy.

**J. Monitoring of Programs.** The Director of Revenue Cycle Management will be responsible for monitoring the appropriateness of the Basic Financial Assistance and the Enhanced Financial Assistance Programs, the charges, patient days, and allowances. The Director of Business Services (PFS) has the responsibility for monitoring and ensuring that a reasonable effort to determine whether an individual is FAP-eligible and for determining whether and when extraordinary collection actions may be taken in accordance with this policy and the Self Pay Collections Policy.

**K. Publication of Policy.**

1. **Plain Language Summary.** A Hospital-specific plain language summary ( “Plain Language Summary”) that notifies an individual that SMMC offers financial assistance under the Basic and Enhanced Financial Assistance Programs will be prepared by Revenue Cycle Management (RCM) for the Medical Center, and will be updated based upon any modifications to the information contained therein. The basic template of the Plain Language Summary with information common to all Hospitals is attached to this Policy as Appendix B. Each Plain Language Summary will provide the following information in language that is clear, concise, and easy to understand:
  - a. A brief description of the eligibility requirements and assistance offered under the Basic and Enhanced Financial Assistance Programs;
  - b. The direct Web site address and physical location(s) (including a room number, if applicable) at the Medical Center where any individual can obtain copies of this Policy, the Billing and Collections Policy, and the application forms for the Basic and Enhanced Financial Assistance Programs; (Need to do app form for Enhanced - Assuming you are taking this out once you have drafted the form)
  - c. Instructions on how any individual can obtain free copies of this Policy, the Billing and Collections
  - d. The contact information, including the telephone number(s) and physical location (including a room number, if applicable), of Hospital staff who can provide an individual with information concerning the Basic and Enhanced Financial Assistance Programs and the application process for these programs, as well as of the nonprofit organizations or government agencies, if any, that the Hospital has identified as available sources of assistance with the Basic and Enhanced Financial Assistance Program applications;
  - e. A statement of the availability of translations of this Policy, the Billing and Collections Policy, and the application forms for the Basic and Enhanced Financial Assistance Programs and the Plain Language Summary in other languages, if applicable; and
  - f. A statement that no FAP-Eligible Individual will be charged more for Emergent Services or other Medically Necessary care than AGB.
2. **Dissemination of Plain Language Summary.** The website for SMMC shall either post the Plain Language Summary conspicuously on its website, or have a conspicuous link to another webpage having the summaries. Each billing statement for self-pay accounts shall include information of the Basic and Enhanced Financial Assistance Programs, and PFS or VFS spell out (collection agency) representatives shall include information concerning the programs in follow-up collection calls to self-pay accounts. SMMC shall also distribute copies of the Plain Language Summary to community groups serving populations likely to include individuals who would be eligible for the Enhanced Financial Assistance Program. (Just curious how we are going to do this)

**3. Advertising and Posters.** The availability of the Basic and Enhanced Financial Assistance Programs shall be publicized widely within the communities served by the Medical Center. All Hospital admitting areas shall have posters prominently displayed that advertise the existence of the programs and how a free copy of the Policy and application forms for the Basic and Enhanced Financial Assistance Programs may be obtained upon request and by mail. Posters will include a telephone number for staff who can provide information about the Basic and Enhanced Financial Assistance Programs and the application process for these programs application process, as well as of any nonprofit organizations or government agencies the hospital has identified as capable sources of assistance with FAP programs All admission staff shall advise individuals who may be FAP-Eligible Individuals of the existence of the programs at the time of registration and shall deliver the Hospital-Specific Plain Language Summary of the programs to such persons.

**4. Notification of Potential FAP-Eligible Individual Patients.** Patients who are potentially FAP-Eligible Individuals will be given the Plain Language Summary and application forms for the Basic and Enhanced Financial Assistance Programs prior to discharge from a Hospital. Patients will subsequently be notified as set forth in the Self Pay Collections Policy.

**L. No Abuse in Determination of Eligibility.** No determination that an individual is not eligible for the Basic or Enhanced Financial Assistance Program shall be based on information that any SMMC employee has reason to believe is unreliable or incorrect or was obtained from the individual under duress or through the use of coercive practices, which include delaying or denying emergency medical care to an individual until the individual has provided the requested information.

## APPENDIX A

**TEMPLATE FOR ANNUAL CALCULATION AND DISCLOSURE OF HOSPITAL-SPECIFIC AGB PERCENTAGE IMPORTANT: This calculation must be posted by 1/1/14 initially, and then updated and reposted no later than 11/14, starting 11/14/14.**

**CALCULATION OF AMOUNTS GENERALLY BILLED PERCENTAGE FOR St. Mary's Medical Center as of January 1, 2014.**

RELEVANT (MEASUREMENT) PERIOD: December 1, 2012 to November 30, 2013

|  |                      |
|--|----------------------|
| A. Medicare Fee-for-Service Claims Paid Hospital during Relevant Period:                                       | \$ 121,469,741       |
| B. Private Insurer Claims Paid Hospital during Relevant Period:  | \$ 117,617,582       |
| C. Co-pays, Co-insurance, and Deductibles Paid Hospital for Claims Listed in A. and B. during Relevant Period: | <u>\$ 10,380,798</u> |
| D. TOTAL PAYMENTS FOR CLAIMS   | \$ 249,468,121       |
| E. Usual and Customary Hospital Charges for Services Provided for Claims listed in D.                          | \$ 531,032,874       |
| F. Hospital-Specific Amounts Generally Billed (AGB) Percentage   |                      |

**(D ÷ E): 47%**

## APPENDIX B

### SUMMARY OF FINANCIAL ASSISTANCE PROGRAMS AT ST. MARY'S MEDICAL CENTER

**ST. MARY'S MEDICAL CENTER** offers a Basic and an Enhanced Financial Assistance Program to uninsured patients. An uninsured patient is someone who does not have any health coverage at all, whether through insurance or any government program, and who does not have any right to be reimbursed by anyone else for their healthcare expenses.

If you are an uninsured patient, you will qualify for the Basic Program if you have an annual household income of less than \$125,000 and lack any other assets to pay the Hospital's full charges. If you qualify for the Basic Program, you will be charged "Amounts Generally Billed," which is based upon the average of the amounts that would have been paid to the Hospital by private health insurers and Medicare (and co-pays and deductibles) for the medically necessary services that you receive, if you had been insured.

If you are an uninsured patient, you will qualify for the Enhanced Program (1) if you have an annual household income equal to or less than 200% of the Federal Poverty Level and lack other assets to pay the Hospital's full charges and, (2) if requested to do so by the hospital, you apply for Medicaid, fully cooperate in the application and determination process, and are denied Medicaid coverage. If you qualify for the Enhanced Program, emergency services will be provided to you free of charge. You will be charged for other medically necessary services at the Amounts Generally Billed (see above).

If you qualify for either the Basic or the Enhanced Programs, you will in no case be charged more than Amounts Generally Billed for emergency services or other medically necessary services. In addition, you will never be required to make advance payment or other payment arrangements in order to receive emergency services. However, you will be required in most situations to make a substantial advance deposit or other payment arrangements based upon an estimate of the Amounts Generally Billed in order to receive non-emergency services.

A free copy of the Hospital's financial assistance policy, the billing policy, and the application forms are available on the St. Mary's website at [www.st-marys.org](http://www.st-marys.org). Copies are available at the Hospital in the Admitting area located near the main entrance of SMMC (located at 2900 First Avenue, Huntington, WV and follow the signs to "Admitting" or "Registration"). Copies of this information are also available by mail by contacting St. Mary's Patient Financial Services at 304-526-1014. The St. Mary's Patient Financial Services staff is available to answer questions and provide information about the Basic and Enhanced Programs, the application process and nonprofit organizations and government agencies that can assist with these applications. The St. Mary's Business Office (PFS) is located on 3-West and can be reached by phone at 304-526-1014.