



POLICY AND PROCEDURE

<u>DEPARTMENT:</u> Patient Accounting		<u>DATE ORIGINAL:</u> 01/01/2015
<u>TITLE:</u> Financial Assistance Program (FAP) Policy		<u>DATE REVISION</u> <u>APPROVED:</u> 02/27/2017
<u>VERSION NUMBER:</u> 1		<u>DATE OF LAST REVIEW:</u> 02/27/2017

PURPOSE:

The Barton Memorial Hospital Financial Assistance Program policy determines when a patient is eligible for charity care or a discounted payment and it states eligibility criteria based upon income or lack of income consistent with the application of the Federal Poverty Level.

SCOPE OF SERVICES:

This policy does not create an obligation for Barton Memorial Hospital to pay for patient services rendered by physicians or other medical providers including, but not limited to, anesthesiologists, radiologists and pathologist charges which are not included in the hospital's facility bill.

Barton Memorial Hospital's Charity Care and Discounted Payment Policy, also known as the Barton Memorial Hospital Financial Assistance Program (FAP), will provide financial assistance in the form of free or discounted fees for service rendered to eligible patients. All open accounts with Barton Memorial Hospital shall be considered for Charity Care and/or applied discounted payment once the Financial Assistance Program application has been approved.

DEFINITIONS:

Patient: person who has been formally admitted to Barton Memorial Hospital or registered or accepted as an outpatient.

Patient Family: for patients 18 years of age or older, the family includes patient's spouse, domestic partner and dependent children under 21 years of age that are living or not living at

home. For patients under 18 years of age, the family includes the patient's parent(s), caretaker relative and other children (under the age of 21 years of age) of the parent(s) or caretaker relative.

Financial Qualified Patient: Athe patient who is uninsured/self-pay and/or has high medical costs (underinsured) and has a family income that does not exceed 350 percent of the Federal Poverty Level (FPL).

Self-Pay Patient: Patients that are self-pay do not have any other source to cover medical services. All self-pay patients shall be screened for Charity Care and/or Discounted Payment programs under the Barton Memorial Hospital Financial Assistance Program. The patient does not have third-party coverage from a health insurer, health care service plan, Medicare, or Medicaid, and whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital.

High Medical Costs: A patient with high medical costs has a family income that does not exceed 350 percent of the federal poverty level. The patient may or may not have third-party coverage. -High medical costs "can cover— but is not limited, to the following:

- Annual out-of-pocket costs incurred by the individual at the hospital that exceed 10 percent of the patient's family income in the prior 12 months. This would include third-party insurance that does not include any discounts or contractual allowances.
- Annual out-of-pocket paid medical expenses that exceed 10 percent of the patient's family income, if the patient provides documentation of the patient's medical expenses paid by the patient or the patient's family in the prior 12 months.

Self-Pay Patients with High Medical Costs: an uninsured patient with a family net income that does not exceed 350% of the Federal Poverty Level. Annual out-of-pocket medical care costs incurred by the patient that exceed 10 percent of the patient's family income in the prior 12 months based on date of service, net of any discounts or write-offs qualifies as self-pay patient with high medical costs.

Insured Patient With High Medical Costs: a patient with medical care coverage that has a family income at or below 350 percent of Federal Poverty Level. The Financial Assistance Program is available for the patient's responsibility of balance owed, including copayment and deductibles. This applies to services covered by Medicare. *Medi-Cal (California Medicaid) share of cost (SOC) is not subject to any discount regardless of patient being financially qualified.

FINANCIAL ASSISTANCE PROGRAMS AVAILABLE TO THE FINANCIAL QUALIFIED PATIENT

**medically unnecessary services, such as those purely cosmetic in nature are excluded from the hospital's Financial Assistance Programs*

A. Full Charity Care: In determining eligibility under the Charity Care (FAP) policy, Barton Memorial Hospital may consider income and monetary assets of the patient. For purposes of this determination, monetary assets shall not include retirement or deferred compensation plans qualified that under the Internal Revenue Code, or nonqualified deferred compensation plans. Furthermore, the first ten thousand dollars (\$10,000) of a patient's monetary assets shall not be counted in determining eligibility, nor shall 50 percent of a patient's monetary assets over the first ten thousand dollars (\$10,000) be counted in determining eligibility.

For purposes of determining eligibility for Charity Care and Discounted payment (partial Charity Care), documentation of assets may include information on all monetary assets, but shall not include statements on retirement or deferred compensation plans qualified under the Internal Revenue Code, or nonqualified deferred compensation plans. Barton Memorial Hospital may require waivers or releases from the patient or the patient's family, authorizing the hospital to obtain account information from financial or commercial institutions, or other entities that hold or maintain the monetary holdings of the patient. Full Charity Care is free care for Barton Memorial Hospital undiscounted charges for covered services.

To be financially qualified for full Charity Care, a patient/guarantor does not have a source of payment for any portion of their medical expenses. Payment sources include, without limitation, commercial or other insurance, government sponsored healthcare benefit programs or third party liability carriers.

Self-Pay patients, including Self-Pay patients with high medical costs are eligible for full Charity Care.

B. Partial Charity Care: The eligibility criteria is based upon income consistent with the application of the Federal Poverty Level. The Discount payment policy (partial Charity Care) shall also include an extended payment plan to allow payment of the discounted price over time. Barton Memorial Hospital's Customer Service Department and the patient shall negotiate the terms of the payment plan, and take into consideration the patient's family income and essential living expenses.

Partial Charity Care is a reduction of the hospital's undiscounted charges for covered services for patients that do not qualify for free care (Full Charity Care). The current Federal Poverty Level will be used to establish the reduction of charges using family income less essential living expenses.

All self-pay patient's billed charges for eligible medical services provided will be reduced to the amount generally billed (AGB) calculated by using the previous 12 months of Medicare/Medicaid charges before Partial Charity Care is approved or denied.

C. High Medical Cost Discount: A patient whose family income does not exceed 350 percent of the Federal Poverty Level and annual out-of-pocket costs incurred by the patient exceeds 10 percent of the patient's family income in prior 12 months based on date of service of medical services received may qualify for a High Medical Cost discount. This discount also may be applied if the out-of-pocket expenses exceeds 10 percent of the patient's family income in the prior 12 months based on date of service and the bill(s) have already been paid by the patient and acceptable documentation is submitted.

D. Extended Payment Plan: A patient whose family income does not exceed 350 percent of the Federal Poverty Level and financially qualifies for Partial Charity Care discount shall be offered an interest free extended payment plan for any balance remaining. The Extended Payment Plan will be negotiated between Barton Memorial Hospital's Customer Service Department and the patient.

If an agreement between the Customer Service Department and the patient cannot agree on terms for a reasonable payment plan, monthly payments will be set up that will not exceed ten percent of the patient's family income for a month, excluding deductions for essential living expenses.

Once an extended payment plan has been established, Barton Memorial Hospital may consider the payment plan null and void if the patient fails to make all consecutive payments due during a 90-day period. Prior to terminating the extended payment plan, the Customer Service department will:

1. Attempt to contact patient by telephone.
2. Give notice in writing that the extended payment plan may be terminated and inform patient of the opportunity to renegotiate the payment plan if requested by the patient.

The notice and phone call will be made to the last known phone number and address of patient. The patient will have 30 days from Barton Memorial Hospital's notice and telephone call to respond to stop termination of the current extended payment plan.

E. Emergency Physician Fair Pricing Policy: Barton Memorial Hospital Emergency Department Physicians have a discount payment policy the hospital will make available to the patient/guarantor upon request.

The Emergency Physician Fair Pricing Policy will coincide with the hospital's current Federal Poverty Level. For further information on the Barton Memorial Hospital's Emergency Physician Fair Pricing Policy, the Patient may ask for the Emergency Physician Fair Pricing hand out or by contacting:

- Intermedix (Emergency Physician billing company) at 800-225-0953
- Barton Memorial Hospital's Customer Service Department at 530-543-5930

F. Special Circumstances Discount: A patient who cannot follow or fully qualify the specific

requirements of the financial assistance programs will be offered full Charity Care or partial Charity Care discount for covered charges rendered by Barton Memorial Hospital for the following, not inclusive, circumstances:

1. **Bankruptcy:** Patients who are in bankruptcy or have recently completed the legal bankruptcy process.
2. **Homeless Patients:** Patients without a source of income or monetary support that do not have a mailing address, residence or any type of medical coverage/insurance.
3. **Deceased:** Deceased patient without full medical coverage. The deceased patient's guarantor is without an estate or 3rd party coverage.
4. **Medicare:** Patients with Medicare coverage may apply for financial assistance for non-covered services that have been deemed patient responsibility by Medicare.
5. **Medi-Cal:** Patients with Medi-Cal/Medi-Cal HMO coverage may qualify if their eligibility status was not established for the period during which medical services were rendered. Discounts do not apply to Patient's monthly Share of Cost (SOC).
6. **Catastrophic Events:** Patients and patient's family income that experience an unexpected catastrophic financial event may be reviewed without having to meet established policy requirements.

APPLYING FOR FINANCIAL ASSISTANCE:

Barton Memorial Hospital's standardized application form will be used to document each patient's overall financial status. This application will be available in the primary languages of the Barton Memorial Hospital service area.

The Barton Memorial Hospital Financial Assistance Program application can be obtained at any Point of Service/Registration area within the hospital or by contacting the hospital's Customer Service department at 530-543-5930, located at 1111 Emerald Bay Road, South Lake Tahoe, California 96150. The Barton Memorial Hospital's Financial Assistance Program policy and application can be found on the Barton Healthcare System website at www.bartonhealth.org and the public California Office of Statewide Health and Planning and Development (OSHPD) web site <https://syfphr.oshpd.ca.gov/>.

FINANCIAL ASSISTANCE DETERMINATION AND NOTICE:

1. Documentation and Filing FAP Application

Barton Memorial Hospital will consider each applicant's Financial Assistance Program (FAP) application when completed with required documentation. Documentation of income for the purpose of determining eligibility for Charity Care or Discount Payment (partial Charity Care) is limited to recent pay stubs or income tax returns. A patient must "make every reasonable effort" to provide documentation of income and health benefit coverage.

Barton Memorial Hospital's Customer Service Department will assist the patient to qualify for

private or public health insurance or sponsorship that may fully or partially cover charges for care rendered by the hospital by providing applications to government programs and access to hospital financial counselors. Programs include private or public health insurance or sponsorship but not limited to; private health insurance, including coverage offered through the California Health Benefit Exchange (Covered California), Medicare, Medi-Cal, Health Families, California Children's Services (CCS), and "other state-funded programs designed to provide health coverage".

A patient may continue with FAP application process for Charity Care or Partial Charity Care discount while any application for private or public health funding is pending.

Barton Memorial Hospital Customer Service Department may deny the patient's application if the necessary documentation is not provided that is required when making determination of eligibility under the Financial Assistance Program guidelines.

Customer Service Department will consider the circumstances surrounding a patient's failure to provide the requested documentation. If the patient makes a reasonable effort to obtain the documentation, but is unable to do so through no fault of the patient, the hospital will use publically published statistics from the web site Living Wage Calculator <http://livingwage.mit.edu/states/06>, using the Barton Memorial Hospital's service area as a base line.

Timely filing of the Financial Assistance Program (FAP) application is required for consideration of eligibility. The amount of time for a patient to comply with timely filing of the application is 150 days after the initial patient billing statement is sent to the patient.

If the patient/guarantor does not complete the application form within 30 days of receipt of the FAP application, Customer Service will notify the patient and may approve an additional 60 days to complete the FAP application. After an additional 60 days have elapsed, a final notice to return the FAP application to Barton Memorial Hospital for processing. Failure to follow the timeline could result in denial of financial assistance.

2. Notification of Eligibility

Financial assistance eligibility will be determined as close to the time of service as possible but there is no rigid time limit due to application requirements.

In some cases, a patient eligible for financial assistance may not have been identified prior to initiating external collection action. Barton Memorial Hospital's external agency shall be made aware of this policy and may return the patient account (s) back to the hospital's Customer Service department if eligible. An external collection agency will be required to comply with the hospital's definition of a financially qualified patient, including the hospital's definition of a "reasonable payment plan".

Barton Memorial Hospital has a written policy defining standards and practices for the collection of debt, and shall obtain a written agreement from any agency that collects hospital receivables that it will adhere to the hospital's standards and scope of practices. The policy shall not conflict

with other applicable laws and shall not be construed to create a joint venture between the hospital and the external entity, or otherwise to allow hospital governance of an external entity that collects hospital receivables.

Once a Full or Partial Charity Care / Discount Payment eligibility determination has been made a Barton Memorial Hospital Notification Form will be mailed to the applicant advising of the decision.

3. Dispute Resolution

Barton Memorial Hospital may deny a patient's eligibility for Charity Care or Partial Charity Care discounted payment benefits either because the patient is not financially eligible or because the patient did not provide the documentation that was required to qualify for assistance.

A patient may seek review and appeal the disqualification by notifying the Hospital's Revenue Cycle Director (or designee) the basis of dispute and appeal the initial decision. The Revenue Cycle Director (or designee) shall review the written appeal by the patient and inform the patient of a decision in writing within thirty (30) days of receipt of patient's written appeal notice.

Appeal letters may be dropped off at Barton Memorial Hospital's Customer Service Department located at 1111 Emerald Bay Road in South Lake Tahoe or mailed to;

Barton Healthcare System

Revenue Cycle Director

P.O. Box 9578

South Lake Tahoe, CA 96150

ADDITIONAL IMPORTANT COMMUNICATION OF FINANCIAL ASSISTANCE AVAILABILITY

1. Written Notice to Patients: Notices on information of Barton Memorial Hospital's Financial Charity Care and Partial Charity Care (discount payment) policies will include eligibility and contact information and where additional information may be requested. Notices will include information on the Emergency Physician discounts that are available. Notices will be available at time of preadmission, registration, upon request, and at the time of discharge from service. Notices will be available in the primary languages of the Barton Memorial Hospital Service area to all patients receiving services including inpatient, ancillary, emergency, outpatient, surgical and recurring services such as physical therapy and infusion therapy.

2. Written Hospital Estimates: Upon request, Barton Memorial Hospital will provide a written estimate of the amount the hospital will require from the patient to pay for services/supplies that are expected to be provided. The estimate request requirement applies to all patients without health coverage, regardless if patient meets criteria for full or partial Charity Care benefits. Estimates may be obtained by contacting Barton Memorial Hospital's Authorization Department at (530) 543-5715 during normal business office hours.

**Emergency services are exempt from the written estimate requirement.*

3. **Posted Notices:** Notices of the hospital's policy for financially qualified and self-pay patients will be posted in the Barton Memorial Hospital's Emergency Department, the Customer Service department, admitting locations and outpatient ancillary departments that furnish services directly to patients.

4. **Providing Applications:** Barton Memorial Hospital will provide applications for Medi-Cal, Healthy Families, and coverage through the California Health Benefit Exchange (Covered California) or any other available State and County funding health coverage programs. The applications will be provided to the patient who does not indicate coverage by a third-party payer, or who requests financial assistance. The applications shall be provided prior to discharge for inpatients and patients receiving emergency or outpatient care.

5. **Information to Patients without Third-Party Coverage:** Barton Memorial Hospital will include a summary statement of the Financial Assistance Program in the statement that includes charges for services rendered and is sent to the patient.

6. **Patient Confidentiality:** All patient financial information obtained for the purpose of determining eligibility for Barton Memorial Hospital's Financial Assistance Program will not be used in the collection of debt process.

All patient financial information obtained for the Financial Assistance Program will be secured under the Privacy and HIPAA requirements. Disclosure of such information shall be limited to staff that is involved with the Financial Assistance Program. Unauthorized disclosure of a patient's confidential financial information is strictly prohibited and will result in disciplinary action.

HOSPITAL WIDE PAYMENT DISCOUNTS

Hospital Wide Payment Discounts do not require a completed Financial Assistance Program application or specific documentation. Discounts are available to self-pay patients and insured patients.

Prompt Pay Discounts: Barton Memorial Hospital will discount remaining balance due by 10 percent if the guarantor/patient submits payment within 30 days of first self-pay portion billing statement. No income or monetary asset information is required.

Point of Service (POS) Discount: Barton Memorial Hospital requests payment for elective services at the time of or prior to services rendered. Barton Memorial Hospital will reduce the patient financial obligation by 10% if the patient/guarantor pays patient financial liability in full.

AGB Discount: Patients that do not have healthcare insurance/coverage, Barton Memorial Hospital will apply a 30% discount to total charges for services provided. This discount is not dependent on a self-patient qualifying for Full or Partial Charity Care benefits. The AGB Discount does not negate qualifying for other available hospital wide payment discounts.

REFERENCES

Title 22, California Code of Regulation Division 5
California Health & Safety Code Sections 127400-127462
California Hospital Association – Financial Assistance Policies
IRC Section 501(r) Final Regulations

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