

**FINANCIAL ASSISTANCE
AND COLLECTION
POLICY****FINANCE DEPARTMENT
POLICY/PROCEDURE****Revised:** 02/2018**I. Purpose**

The purpose of this policy is to define the income eligibility criteria, the type of financial assistance, and the services that are included and excluded under this policy. The policy sets forth the procedure by which a patient shall apply for financial assistance, sometimes referred to as Charity Care.

II. Scope of Policy

This policy applies to emergency and other medically necessary care provided by The Washington Hospital and Washington Health System Greene. This policy also extends to The Washington Health System Family Medicine Residency Program. Physicians not employed by The Washington Hospital or Washington Health System Greene are not included in this policy. See **Attachment A – Provider List**. Eligible and ineligible services are further defined below.

III. Commitment to Provide Emergency Medical Care

Washington Health System provides, without discrimination, care for emergency medical conditions to individuals regardless of whether they are eligible for assistance under this policy. Washington Health System will not engage in actions that discourage individuals from seeking emergency medical care, such as by demanding that emergency department patients pay before receiving treatment for emergency medical conditions or by permitting debt collection activities that interfere with the provision, without discrimination, of emergency medical care. Emergency medical services, including emergency transfers, pursuant to EMTALA, are provided to all Washington Health System patients in a non-discriminatory manner, pursuant to Washington Health System's EMTALA policy.

IV. Guidelines

This policy was developed to comply with the Centers for Medicare and Medicaid Services Medicare Bad Debt Requirements and The Medicare Provider Reimbursement Manual. This policy also addresses Section 501(r) of the Internal Revenue Code of 1986, as amended, and Treasury Regulations issued thereunder.

V. Policy Objectives

1. To accept all individuals, regardless of their ability to pay, for admission and emergent medically necessary services within the scope of Washington Health System's charitable mission, capability, capacity and within EMTALA guidelines.
2. To treat all patients with respect, dignity and compassion.
3. To establish criteria for patients who may qualify for financial assistance under this policy.
4. To strive to ensure that Washington Health System follows the same billing and collection procedures for all patients and that this policy is administered fairly and consistently.
5. To ensure that financial assistance eligible patients are not billed more for emergency or other medically necessary care than the amounts generally billed to patients with medical insurance covering such care (AGB).

VI. Policy Summary

It is the intent of Washington Health System to provide financial assistance, defined as financial aid for medically necessary and emergent care, to provide relief for patient financial responsibilities. Washington Health System provides relief through a reduction or elimination of payment to those patients who cannot afford their patient financial responsibility for billed charges, provided the patient complies with and meets the criteria of this policy.

Washington Health System, in keeping with its vision, mission, and values, along with federal and state laws, shall provide financial assistance to assist low income, uninsured, underinsured and indigent individuals who do not otherwise have the ability to meet their patient financial responsibility for medically necessary healthcare.

Consideration will be given to providing financial assistance on a case-by-case basis, to patients who have exhausted their insurance benefits, have patient financial responsibilities and/or who exceed financial eligibility criteria for Pennsylvania Medical Assistance.

Financial assistance is not a substitute for employer-sponsored, public, or individually purchased insurance. It is intended solely for the benefit of the patient his/her family and does not relieve third parties of liability for payment. Washington Health System shall take into account all available insurance coverage, assistance or guarantor payment prior to offering financial assistance to a patient.

VII. Definitions

Charity Care – Defined as a full or partial adjustment of charges for services provided to patients, as determined by program eligibility based on the health system’s qualification criteria.

Emergency Medical Condition – Defined as a medical condition manifesting itself by acute symptoms of sufficient severity such that the absence of immediate medical attention could reasonably be expected to result in: (i) placing the health of the individual in serious jeopardy; (ii) serious impairment of bodily functions; (iii) serious dysfunction of any bodily organ or part.

EMTALA – Defined as the federal Emergency Medical Treatment and Labor Act, 42 USC 1935dd.

Extraordinary Collection Actions – Defined as a list of collection activities, as designated by the Internal Revenue Service and the United States Treasury, that healthcare organizations may only take against an individual to obtain payment for care after reasonable efforts have been made to determine whether the individual is eligible for financial assistance. These actions include selling an individual’s debt to another party; reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus; actions that require a legal or judicial process; and deferring or denying, or requiring a payment before providing, medically necessary care because of an individual’s nonpayment of bills for previously provided financial assistance-eligible care.

Family Income – Defined as including salaries, unemployment compensation, child support, any medical support obligations, alimony, social security income, disability payments, pension or retirement income, rents, royalties, income for estates and

trust, legal judgements, dividends, and interest earnings. Exclusions: equity in a primary residence, retirement plan accounts, and irrevocable trusts for burial purposes, and federal or state administered college saving plans. For patients under 18 years of age, family income includes that of the parents and/or stepparents, unmarried or domestic partners, who may or may not live with the minor.

Federal Poverty Guidelines – Defined as income guidelines updated annually in the Federal Register by the United States Department of Health and Human Services.

VIII. Measures to Widely Publicize the Availability of Financial Assistance

Washington Health System implements various measures to widely publicize the availability of financial assistance in communities served. Among other things, this policy will be available through the following measures:

- ✓ Paper copies: Paper copies of this policy, the associated application form for Charity Care, and a plain language summary of this policy, will be available upon request and without charge, both in public locations within the hospital facility and by mail.
- ✓ Website Publication: This policy, the associated application form for Charity Care, and a plain language summary of this policy, will be available on the Washington Health System website.

IX. Eligible and Ineligible Services

Eligible services shall mean inpatient and outpatient services, provided by our hospitals, which are emergent or medically necessary and are provided directly by Washington Health System for the treatment of an illness or injury, other than those services listed below as “Ineligible Services.” The following services are not covered under this policy and are “Ineligible Services”: cosmetic surgery services, outpatient pharmacy, non-approved by insurance cardiac and pulmonary rehabilitation maintenance programs, non-approved by insurance bariatric surgery/weight loss surgery, non-medically necessary services (dental procedures, tubal reversals) and any other discounted services provided under a separate agreement or contract.

X. Eligibility Criteria and Available Discounts

Washington Health System offers the following discounts to patients:

1. Self-Pay Discount

Self-pay discounts apply in accordance with the applicable Washington Health System Self-Pay Policy as follows:

| THE WASHINGTON HOSPITAL | |
|-------------------------|------------------------------|
| Account type | Discount % off Gross Charges |
| Inpatient Acute | 60% |
| Outpatient Acute | 70% |
| Psych | 50% |
| Rehab | 50% |

| WASHINGTON HEALTH SYSTEM GREENE | |
|---------------------------------|------------------------------|
| Account type | Discount % off Gross Charges |
| Inpatient Acute | 60% |
| Outpatient Acute | 70% |
| Psych | 50% |

If the patient is later determined to qualify for Charity Care under the income-based guidelines described below, the self-pay discount will be reversed, then reclassified as a Charity Care discount.

2. Charity Care Discount

Charity Care will be available to patients based on a sliding scale of gross income as it compares to the Federal Poverty Guidelines (see **Attachment B – Federal Poverty Guidelines and Charity Care Approval Levels**). Charity Care discounts range from 10% to 100% (applied to the patient-responsible amount for insured patients or to the balance after self-pay discount for uninsured patients).

To obtain the Charity Care discount, patients must apply for Medical Assistance in a timely manner and provide evidence of their gross income including, but not limited to, tax returns, pay stubs, and Social Security and pension award letters. A patient can be referred for Charity Care at any time in the collection process that he/she expresses the inability to pay and a desire to be considered for Charity Care.

Once Washington Health System receives a completed Charity Care application, all collection activity is suspended until a Charity Care eligibility determination is made.

XI. Presumptive Eligibility

In certain circumstances, the above application process is bypassed and the charges are written off as Charity Care:

- If a patient is deemed to be transient;
- Accounts discharged for bankruptcy;
- If verified that the patient is deceased and there is no estate.

XII. Basis for Calculating Amounts Charged to Patients – Amounts Generally Billed

Following a determination of eligibility under this policy, a patient eligible for financial assistance will not be charged more for emergency or other medically necessary care than the amounts generally billed to individuals who have insurance covering such care (AGB). Washington Health System uses the Look-Back Method to determine AGB. Under this method, AGB is calculated for each licensed hospital facility (by service line) by dividing the sum of all of its claims for emergency and other medically necessary care that have been allowed by Medicare fee-for-service, Medicaid and all private health insurers during a prior 12-month period by the sum of the associated gross charges for those claims. The service lines utilized in the calculation are inpatient, outpatient, psychiatric, and rehabilitation. Washington Health System will begin applying the AGB percentage by the 120th day after the end of the 12-month period used in the calculation.

The financial assistance discounts offered under this policy meet or exceed the required AGB discount percentage. Members of the public may obtain the current AGB percentage for each licensed hospital facility free of charge via the hospital contact information set forth below.

Washington Health System does not bill or expect payment of gross/total charges from individuals who qualify for financial assistance under this policy.

XIII. How to Apply for Financial Assistance; Financial Assistance Determination Process

1. Patients must complete the financial assistance application (see **Attachment C – Financial Assistance / Charity Care Application**), apply for Medicaid and provide all required documentation to verify and support their household size and income. Documentation must include the most recently filed income tax return, 2 months of checking/savings account statements and 1 month of current paystubs. If unemployed, applicant must provide copies of unemployment

income if applicable. Applicants must also provide a copy of their Medicaid eligibility determination (denial). Any outstanding Washington Health System medical expenses automatically will be taken into consideration at the time of the application.

2. Charity Care applications are reviewed for completion by the Credit Clerk. The Business Office Manager approves or denies the final application, regardless of the amount. If the amount approved is greater than \$2,500, the application requires the Director's signature.
3. Eligible patients are granted financial assistance for a period of 3 months (90 days) from date of approval.
4. Because the patient, guarantor, or other representative will be providing personal financial information, Washington Health System will treat such information confidentially and will only use the information for the purposes of enrollment in assistance programs or determining eligibility for financial assistance.

XIV. Actions Taken in the Event of Nonpayment

1. No Extraordinary Collection Actions Taken.

It is the policy of Washington Health System not to engage (either directly or through an authorized party) in any extraordinary collection actions against an individual to obtain payment for care covered under this policy.

2. Permitted Collection Actions.

Subject to the guidelines set forth herein, Washington Health System patient accounts may be subject to the following collection actions conducted by Washington Health System or an authorized party thereof:

- a. Patients will have a minimum of 120 days from the first post-discharge billing statement to apply for financial assistance prior to advancing to external collections; however, normal monthly statements will be mailed to patients until the application process begins. Patients who send a formal application for financial assistance will have up to 240 days from the first post-discharge billing statement to comply with all requirements and for a determination to be made prior to advancing to external collections.

- b. Patients receive a minimum of (3) statements in (30) day intervals and a final notice (30) days from the last statement or a minimum of 120 days from the first post-discharge billing statement requesting payment in full or the establishment of an acceptable payment plan before advancing to external collections.
 - c. Patients who advance to external collections and submit an application for financial assistance within the 240-day application period will have their account returned from external collections. Collection efforts will not resume until a financial assistance determination is made.
3. Processing Complete Financial Assistance Applications.

If an individual submits a complete FAP application, Washington Health System will—

- a. Make a determination as to whether the individual is eligible for financial assistance and notify the individual in writing of the eligibility determination (including, if applicable, the assistance for which the individual is eligible) and the basis for this determination.
- b. If Washington Health System determines the individual is eligible for financial assistance, Washington Health System will refund to the individual any amount paid for the care (whether to Washington Health System or any other party to whom the individual's account has been referred) that exceeds the amount he or she is determined to be personally responsible for paying. Refunds of amounts less than \$5 (or such other amount published in the Internal Revenue Bulletin) are not required.
- c. If, upon receiving a complete FAP application from an individual who the Washington Health System believes may qualify for Medicaid, Washington Health System may postpone determining whether the individual is eligible for financial assistance for the care until after the individual's Medicaid application has been completed and submitted and a determination as to the individual's Medicaid eligibility has been made.

4. Processing Incomplete FAP Applications.

If an individual submits an incomplete financial assistance application, Washington Health System will provide the individual with a written notice that describes the additional information and/or documentation required to complete his/her application, and will include the hospital contact information with the notice.

5. Miscellaneous Provisions.

- a. Anti-Abuse Rule – Washington Health System will not base its determination that an individual is not eligible for financial assistance on information that it has reason to believe is unreliable or incorrect or on information obtained from the individual under duress or through the use of coercive practices.
- b. No Waiver of FAP Application – Washington Health System will not seek to obtain a signed waiver from any individual stating that the individual does not wish to apply for assistance under this policy in order to determine that the individual is not eligible for financial assistance.
- c. Agreements with Other Parties – If Washington Health System sells or refers an individual’s debt related to care to another party, Washington Health System intends to enter into a legally binding written agreement with the party that is reasonably designed to ensure that no extraordinary collection actions are taken to obtain payment for the care.

XV. Hospital Contact Information

Washington Health System

Website: <http://whs.org/patient-resources/financial-assistance/>

Phone: 724-223-3034

Hours of operation are 7:30 a.m. – 4:00 p.m. Monday - Friday

Hospital Locations:

| | |
|-------------------------|---------------------------------|
| The Washington Hospital | Washington Health System Greene |
| 155 Wilson Avenue | 350 Bonar Avenue |
| Washington, PA 15301 | Waynesburg, PA 15370 |

**ATTACHMENT A
PROVIDER LIST
(Dated 02/2018)**

Physicians Covered by Financial Assistance Policy

Providers practicing in the following group:

Washington Health System Family Medicine Residency Program

Physicians NOT Covered by Financial Assistance Policy

Providers practicing in the following groups/departments:

Washington Physicians Group
Emergency Department
Anesthesiology
Radiology
Laboratory/Pathology

Physicians practicing at **The Washington Hospital** (unless part of the Washington Health System Family Medicine Residency Program) – see list at http://www.washingtonhospital.org/our_team/physicians.php

Physicians practicing at **Washington Health System Greene** (unless part of the Washington Health System Family Medicine Residency Program) – see list at <http://southwestregionalmedical.com/physicians/directory/>

**ATTACHMENT B
FEDERAL POVERTY GUIDELINES AND CHARITY CARE APPROVAL LEVELS**

Federal Poverty Guidelines 2018

| Household Size | 100% | 133% | 150% | 200% | 250% | 300% | 400% |
|----------------|----------|----------|----------|----------|-----------|-----------|-----------|
| 1 | \$12,140 | \$16,146 | \$18,210 | \$24,280 | \$30,350 | \$36,420 | \$48,560 |
| 2 | \$16,460 | \$21,892 | \$24,690 | \$32,920 | \$41,150 | \$49,380 | \$65,840 |
| 3 | \$20,780 | \$27,637 | \$31,170 | \$41,560 | \$51,950 | \$62,340 | \$83,120 |
| 4 | \$25,100 | \$33,383 | \$37,650 | \$50,200 | \$62,750 | \$75,300 | \$100,400 |
| 5 | \$29,420 | \$39,129 | \$44,130 | \$58,840 | \$73,550 | \$88,260 | \$117,680 |
| 6 | \$33,740 | \$44,874 | \$50,610 | \$67,480 | \$84,350 | \$101,220 | \$134,960 |
| 7 | \$38,060 | \$50,619 | \$57,090 | \$76,120 | \$95,150 | \$114,180 | \$152,240 |
| 8 | \$42,380 | \$56,365 | \$63,570 | \$84,760 | \$105,950 | \$127,140 | \$169,520 |

Charity Care Determination

Financial Class _____
 Calculated annual income _____
 % of FPG _____

CHARITY CARE APPROVAL LEVELS

| % FPG | Uninsured (self-pay) | Balances after insurance |
|-----------|----------------------|--------------------------|
| 0-100% | 100% | 100% |
| 101%-150% | 100% | 70% |
| 151%-200% | 100% | 40% |
| 201%-250% | 90% | 30% |
| 251%-300% | 80% | 20% |
| 301%-350% | 70% | 10% |
| 351%-400% | 60% | 0% |
| >400% | 0% | 0% |

Revised 02/01/18

**ATTACHMENT C
FINANCIAL ASSISTANCE / CHARITY CARE APPLICATION**



Last Name: _____ First Name: _____

Address: _____

City _____ State: _____ Zip code: _____

Daytime phone number: (____) _____

Number of family members in household: _____

Date applied for Medical Assistance: _____ Denied: Yes or No
 **Please provide your Medical Assistance determination. (circle)

Please provide a complete copy of your most recently filed federal tax return and your last 2 month's bank (checking/savings) statements.

Proof of all household income is required.

| <u>Household Income:</u> | <u>You</u> | <u>Spouse</u> | <u>Other Members</u> |
|-----------------------------------------------------------------------|------------|---------------|----------------------|
| Gross Salary/Wages (please provide pay stubs for the last 30 days) | \$ | \$ | \$ |
| Pension | \$ | \$ | \$ |
| Social Security Income | \$ | \$ | \$ |
| Unemployment Compensation | \$ | \$ | \$ |
| Disability | \$ | \$ | \$ |
| Child Support and/or Alimony | \$ | \$ | \$ |
| Interest and/or Dividends | \$ | \$ | \$ |
| Other (please describe) | \$ | \$ | \$ |
| Total Income | \$ | \$ | \$ |

Please list all medical expenses below:

| Medical Expenses | Amount Owed |
|-------------------------|--------------------|
| Doctor/Facility | \$ |

If you have additional medical expenses please list on back of form.

APPLICANTS SIGNATURE: _____ DATE _____

FOR HOSPITAL USE ONLY –DO NOT WRITE BELOW THIS LINE

Reviewed by: _____ Date _____

Annual household income: \$ _____ Family size per tax return: _____ % FPG: _____

Approved/Denied: _____ Date: _____ Determination letter mailed on: _____