

POLICY SUBJECT:
Hospital Financial Assistance

EFFECTIVE DATE: 03/14/12

*To be reviewed every three years by
Executive Management*

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POLICY

It is the policy of Catholic Health Initiatives (“CHI”), its tax-exempt Direct Affiliates¹ and tax-exempt Subsidiaries² [collectively referred to as “CHI Entity(ies)”] to provide medically necessary health care to all patients, without regard to the patient’s financial ability to pay, at each facility (whether operated directly or through a joint venture) that is required by a state to be licensed, registered or similarly recognized as a hospital (“Hospital Facility”).

PRINCIPLES

As Catholic health care providers and tax-exempt organizations, CHI Entities are called to meet the needs of patients and others who seek care, regardless of their financial abilities to pay for services provided.

In addition, most CHI Entities are designated as charitable (i.e., tax-exempt) organizations under Internal Revenue Code (IRC) Section 501(c)(3). Pursuant to IRC Section 501(r), in order to remain tax-exempt, each tax-exempt hospital is required to adopt and widely publicize its financial assistance policy.

The purpose of this Policy is to outline the circumstances under which CHI Hospital Facilities will provide free or discounted care to patients who are unable to pay for services and to address how CHI Hospital Facilities calculate amounts charged to patients.

DEFINITIONS

Medical Necessity - Any procedure reasonably determined to prevent, diagnose, correct, cure, alleviate, or avert the worsening of conditions that endanger life, cause suffering or pain, result in illness or infirmity, threaten to cause or aggravate a handicap, or cause physical deformity or

¹ A Direct Affiliate is any corporation of which CHI is the sole corporate member or sole shareholder.

² A Subsidiary refers to *either* an organization, whether nonprofit or for-profit, in which a Direct Affiliate holds the power to appoint a majority of the voting members of the governing body of such organization *or* any organization in which a Subsidiary holds such power.

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malfunction, if there is no other equally effective, more conservative or less costly course of treatment available.

Medically Indigent Patients - Those patients whose health insurance coverage, if any, does not provide full coverage for all of their medical expenses, in relationship to their income, and would make them indigent if they were forced to pay fully for their medical care.

ELIGIBILITY CRITERIA

After an assessment of medical necessity and financial ability, CHI may provide free or discounted care to patients who qualify for financial assistance under this Policy. CHI entities will follow standard procedures in determining eligibility for financial assistance and in collecting on delinquent patient accounts as follows:

Medical Necessity

- **EMTALA**

Any patient seeking urgent or emergent care [within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd)] at a CHI Hospital Facility shall be treated without discrimination and without regard to a patient's ability to pay for care. CHI Hospital Facilities shall operate in accordance with all federal and state requirements for the provision of urgent or emergent health care services, including screening, treatment and transfer requirements under the federal Emergency Medical Treatment and Active Labor Act (EMTALA). CHI Hospital Facilities should consult and be guided by their emergency services policy, EMTALA regulations and applicable Medicare/Medicaid Conditions of Participation in determining what constitutes an urgent or emergent condition and the processes to be followed with respect to each.

- **Other Medically Necessary Services**

In addition to services provided pursuant to EMTALA, CHI Hospital Facilities will extend free or discounted care to eligible individuals for all other medically necessary services.

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Financial Ability

- **Basic**

Financial assistance for medically necessary services is available on a sliding scale of up to 100% of charges, and up to a full waiver of co-payments after third-party insurance proceeds based on indigence. A discount up to 100% will be extended to those uninsured or underinsured patients whose family income is equal to or less than 130% of the HUD Geographic Very-Low Income Guidelines. Lesser discounts are available, based on individual facility guidelines, to those patients with incomes that exceed 130% of the HUD Geographic Very-Low Income Guidelines.

- **Medical Indigence**

Patients may also be extended a discount based upon medical indigency. A determination as to a patient's medical indigency takes into consideration significant and/or catastrophic medical bills not covered by insurance, in addition to the patient's income level and liquid assets. For example, a patient suffering a catastrophic illness may have a reasonable level of income, but a low level of liquid assets such that the payment of medical bills would be seriously detrimental to the patient's basic financial (and ultimately physical) well-being and survival. Such a patient may be extended discounted or free care, based upon the facts and circumstances.

CHI Hospital Facilities' charity care committees have discretion as to whether to extend a discount related to patient accounts that do not clearly qualify under the basic financial ability criteria (i.e., those to be considered for financial assistance on the basis of medical indigency). Extension of financial assistance based on medical indigency will be based upon the committee's review of documents in addition to those evidencing income. Those documents may include, but are not limited to:

- Letter from physician confirming medical necessity of services provided
- Copies of unpaid patient/guarantor medical bills
- Information related to patient/guarantor drug costs
- Evidence of multiple instances of high-dollar patient/guarantor co-pays, deductibles, etc.
- Other evidence of high-dollar amounts related to health care costs
- Information concerning available insurance coverage

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- Information concerning available liquid assets

PROCEDURES

Hospital Facility Methodology

An established financial assistance assessment methodology, applied consistently, shall be adopted by each Hospital Facility. The methodology shall consider patient/guarantor income, family size, available resources and the likelihood of future earnings (net of living expenses) sufficient to pay for health care services.

- Each Hospital Facility shall utilize the *CHI Financial Assistance Application Form*, adapting it by adding any additional requirements necessary to accommodate local programs and circumstances.

➤ See attached Exhibit: *CHI Financial Assistance Application Form*.

To allow the Hospital Facility to properly evaluate financial assistance eligibility, documents provided by patients to the Hospital Facility shall be written in or translated into English.

- Each Hospital Facility shall utilize the *CHI Financial Assistance Determination Checklist*, adapting it by adding any additional requirements necessary to accommodate local programs and circumstances.

Applying for Financial Assistance

- Upon registration, and after all EMTALA requirements are met, hospital patients without Medicare/Medicaid, other local health care financial assistance, and adequate health insurance shall receive either (1) a packet of information that addresses the financial assistance policy and procedures or (2) immediate financial counseling assistance from staff, including the presentation of the application for financial assistance (if requested).

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- Non emergent/elective patients without Medicare/Medicaid, other local health care financial assistance, and adequate health insurance shall receive either (1) a packet of information that addresses the financial assistance policy and procedures or (2) immediate financial counseling assistance from staff, including the presentation of the application for financial assistance (if requested).
- In general, patients requesting financial assistance will be required to complete the CHI Financial Assistance Application Form (as adapted) in order to establish eligibility. In certain situations the financial assistance application process may be instituted by the facility.
- All available financial resources shall be evaluated before determining financial assistance eligibility. Facilities shall consider financial resources not only of the Hospital Facility patient, but also of other persons having legal responsibility to provide for the patient (e.g., the parent of a minor child or a patient's spouse). The patient/guarantor shall be required to provide information and verification of ineligibility for benefits available from insurance (i.e., individual and/or group coverage), Medicare, Medicaid, workers' compensation, third-party liability (e.g., automobile accidents or personal injuries) and other programs. Patients with health spending accounts (HSAs) are considered to have insurance if the HSA is used only for deductibles and copays. Deductibles and copays are not eligible for any discount.

Approved Financial Assistance

Hospital Facility patients/guarantors shall be notified when the Hospital Facility determines the amount of financial assistance discount eligibility related to services provided by the Hospital Facility. Patients/guarantors shall be advised that such eligibility does not include services provided by non-facility employees or other independent contractors (i.e., independent physicians, physician practices, anesthesiologists, radiologists, pathologists, etc. depending on the circumstances). The patient/guarantor shall be informed that periodic verification of financial status shall be required in the event of future services.

Denied Financial Assistance

Hospital Facility patients/guarantors shall be informed in writing if financial assistance is denied and a brief explanation shall be given for the determination. All denials must be credible and determined

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with the highest integrity; the Hospital Facilities need to be comfortable with their reasons for determining that patients are not eligible for financial assistance.

Charges/Self-Pay Discount

Charges for medical care provided to uninsured patients will be limited to not more than the amounts generally billed to those individuals who have insurance.

Publicizing the Availability of Financial Assistance

- Each Hospital Facility shall clearly post signage in English to advise patients of the availability of financial assistance. Signs shall be posted in other languages in instances where 10% or more of the local population speaks a foreign language. Every effort will be made to ensure that, for patients speaking languages other than those for which the charity guidelines are printed, the policies are clearly communicated.
- Each Hospital Facility is required to maintain packets of information explaining that the Hospital Facility provides care, without regard to ability to pay, to individuals with limited financial resources, and shall explain how patients can apply for financial assistance. In instances in which there are a significant number of patients not proficient in reading and writing, additional assistance shall be made available to complete necessary forms. In addition, Hospital Facilities with 10% or more non-English speaking populations shall prepare informational notices in each of the languages that account for 10% or more of the population.
- Each Hospital Facility will publish this Policy to its Hospital Facility website, along with a link to the CHI Financial Assistance Application Form. Each Hospital Facility is responsible for ensuring that this Policy and associated application are available on the Hospital Facility's website at all times that the website is operational (or "up"). The Policy must be published in English, but may be published in other languages after appropriate review of the translated document has been performed.

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APPLICATION OF PROCEDURES

- Detailed procedures implementing this Policy are set forth in CHI Revenue Cycle Procedures #1 - *Hospital Financial Assistance, and Other Discounts* as they may be amended from time to time by management.
- Hospital Facility revenue cycle teams along with Hospital Facility leadership are responsible for the implementation of this Policy in accordance with the detailed procedures set forth in CHI Revenue Cycle Policies.
- Careful records shall be kept by the Hospital Facility of all financial assistance transactions.
- The provision of hospital financial assistance may now or in the future be subject to federal, state or local law. Such law governs to the extent it imposes more stringent requirements than this Policy.

RELATED POLICIES AND GUIDELINES

- Revenue Cycle Procedures #1 – *Hospital Financial Assistance, and Other Discounts*

EXHIBIT

- CHI Financial Assistance Application Form