

SAINT LUKE'S COMMUNITY HOSPITAL

FINANCIAL ASSISTANCE POLICY

January, 2018

POLICY/PRINCIPLES

It is the policy of Saint Luke's Community Hospital to ensure a socially just practice for providing emergency or other medically necessary care.

1. Provide Financial assistance for medically indigent patients who meet eligibility criteria outlined in this Policy.
2. Situations where the provision of financial assistance will be considered include but are not limited to:
 - a. Uninsured patients who do not have the ability to pay
 - b. Insured patients who do not have the ability to pay for portions not covered by insurance
 - c. Deceased patient with no estate, and no living trust
 - d. Patients involved in catastrophic illness or injury

DEFINITIONS

1. **"Amount Generally Billed"** - The Amounts Generally Billed (AGB) is the amount generally allowed by Medicare fee for service and private health insurers for emergency and other medically necessary care.
2. **Catastrophic Medical Expense** – A Catastrophic Medical Expense is defined as patient's financial responsibility exceeding 20% of the annual income and financial resources available to the patient and/or guarantor.
3. **Co Pay** – Minimum amount due from patients who qualify for financial assistance. Co pay does not exceed AGB.
4. **Federal Poverty Guidelines** - Federal Poverty Guidelines means those guidelines issued by the Federal Government that describe poverty levels in the United States based on a person or family's household income. The Federal Poverty Guidelines are adjusted according to inflation and published in the Federal Register. For the purposes of this policy, the most current annual guidelines will be utilized.
5. **Look Back Method** – Look Back Method is a prior twelve (12) month period used when calculating Amounts Generally Billed.

6. **Medically Indigent** - A medically indigent patient is defined as a person who has demonstrated that he/she is too impoverished to meet his or her medical expenses. The medically indigent patient may or may not have an income and may or may not be covered by insurance. Each patient's financial position will be evaluated individually using the Federal Poverty Limit (FPL) as a guideline.
7. **"Medically Necessary Care"** - Medically necessary services are services that are reasonable and medically necessary for the prevention, diagnosis, or treatment of a physical or mental illness or injury; to achieve age appropriate growth and development; to minimize the progression of a disability; or to attain, maintain, or regarding functional capacity; in accordance with accepted standards of practice in the medical community of the area in which the physical or mental health services rendered; and service(s) is (are) furnished in the most appropriate setting. Medically necessary services are not used primarily for convenience and are not considered experimental or excessive form of treatment.

Financial Assistance Provided

1. Patients with income less than or equal to 250% of the Federal Poverty Level ("FPL"), will be eligible for 100% charity care write off on that portion of the charges for services for which the Patient is responsible following payment by an insurer, if any.
2. At a minimum, Patients with incomes above 250% of the FPL but not exceeding 400% of the FPL, will receive a sliding scale discount on that portion of the charges for services provided for which the Patient is responsible following payment by an insurer, if any. A Patient eligible for the sliding scale discount will not be charged more than the calculated AGB charges. The sliding scale discount is as follows:

PROCEDURE:

1. **Applying for Financial Assistance**
 - a. Medical indigence must be demonstrated through documentation, financial screening or by presumptive scoring. This determination can be made while the patient is in the hospital, shortly after dismissal, during the normal internal collection efforts and after placement with an outside collection agency. Requests for financial assistance are accepted for up to 1 year from the date of service.
 - b. Patients apply for financial assistance by completing a Financial Assistance form and providing supporting documents as requested. Patients may obtain a Summary of Financial Assistance Policy and Application by requesting in writing to PO Box 61630 Houston, TX 77208-1630 or by contacting the business office by phone at 844-285-1005. Supporting documentation may be required including items such as Federal Income Tax Return, IRS non-filing letter, recent bank statements, recent pay check stubs, and letter from Medicaid eligibility office denying Medicaid coverage. Other documents that support the patient/household income, assets and financial position may be requested but not required.
 - c. Under special circumstances the requirement to complete the Financial Assistance form or provide additional documents may be waived with supervisor or manager

approval. Examples of special circumstances include but are not limited to Medicaid eligible patients receiving non-covered medically necessary or emergent services, patients that potentially qualify based on presumptive scoring, patients unable to provide documents, and homeless patients.

- d. Assistance with the application process is provided by billing office staff or hospital admitting staff. Assistance may be requested by phone by calling Central Business Office at 844-285-1005 or in person visiting one of the Hospital locations
- e. Financial assistance applications are valid for six (6) months after approval date. Financial assistance may be extended for an additional six (6) months with affirmation of the household income or estimated income and household size. All patients must reapply after the initial twelve (12) month period is over.

2. Financial Assistance Determination

- a. A patient's eligibility for financial assistance is not determined until activities to identify and secure payment from Medicare, Medicaid, Crime Victims, other government programs, other funded programs, medical insurance, auto insurance personal injury protection (PIP) or med pay, liability liens, estate claims or any other possible appropriate source for payment are exhausted. Reversal of financial assistance adjustments must be made if subsequent third party payments are received. Financial assistance is to be considered the adjustment of last resort.
- b. Uninsured patients may receive an uninsured patient discount of 40%. If the patient qualifies for financial assistance, the uninsured discount is reversed and the financial assistance adjustment is posted.
- c. A patient's eligibility for financial assistance is based on the household income at the time assistance is sought, expressed as a percentage of the Federal Poverty Guideline for family size.
- d. Household Income is defined as:
 - i. Adults: If the patient is an adult, "Yearly Household Income" means the sum of the total yearly gross income or estimated yearly income of the patient and the patient's spouse.
 - ii. Minors: If the patient is a minor, "Yearly Household Income" means the sum of the total yearly gross income or estimated yearly income of the patient, and patient's parent(s) living in the home.
- e. Household size is defined as:
 - i. Adults: In calculating the Household Size, include the patient, the patient's spouse, and any dependents (as defined by Federal Assistance Program (FAP)).
 - ii. Minors: In calculating the Household Size, include the patient, the patient's mother, the patient's father, dependents of the patient's mother, and dependents of the patient's father (as defined by FAP).
- f. Financial resources such as checking accounts, savings accounts, IRA's, CD's, retirement savings, and investments may be considered when determining a patient's ability to pay. In all cases the patient's and responsible party's overall

financial position and household income are considered when determining financial assistance.

- g. Financial assistance eligibility is based on the Federal Poverty Guideline and other financial resources. The Federal Poverty Guideline is used as a guideline and applied considering type of service and provider setting differences. The Federal Poverty Guideline as used for the purposes of determining financial assistance is outlined later in this policy.
- h. For unscheduled inpatient or observation admissions, a co-pay (minimum patient responsibility) per admission may be due to the hospital. Financial assistance up to 100% of billed charges less the co pay may be provided for hospital services.
- i. For emergency room visits that do not result in an admission, a co-pay per emergency room visit may be due to the hospital. Financial assistance up to 100% of billed charges less the co pay may be provided.
- j. Basis for Calculating Amounts Generally Billed – Hospital Accounts Only
 - i. After the patient’s account is reduced by the financial assistance adjustment based on this policy and guidelines, the patient is responsible for no more than amounts generally billed to individuals who have Medicare fee for service and private health insurers for emergency and other medically necessary care.
- k. Presumptive Eligibility – The Hospital receives recommendations from third parties who independently evaluate propensity to pay and probability of charity. Hospital may rely on that score for the basis of determining financial assistance when a patient does not complete an application. Patients qualifying for presumptive eligibility may receive full or partial assistance. If partial assistance is approved, the patient receives a bill for the reduced amount owed. The patient is notified of partial approval and how they can apply for financial assistance to determine if additional assistance is available. If the patient applies for additional assistance, the application is reviewed and the patient is notified of the decision. Patients that are not approved for full financial assistance receive a statement.
- l. The FPL% Guidelines are applied as follows:

i. **Hospital:**

<u>Income % of FPL</u>	<u>Charity</u>	<u>Patient Responsibility</u>
Unscheduled inpatient and observation admissions.		
133% or less FPL	100%	0%
134% - 200% FPL	100% less co-pay	\$700 co-pay per admission/account
201% - 300% FPL	100% less co-pay	\$1,500 co-pay per admission/account

- ii. Financial resources such as checking accounts, savings accounts, IRA’s, CD’s, retirement savings, and investments are considered when determining a patient’s ability to pay.
- iii. Patients with religious objections or American Indians with objections to insurance or government programs may owe greater amounts when approved for financial assistance but not exceeding AGB. The ability of the patient to pay along with ability of religious or tribal community to pay the bill is considered.

iv. **Emergency Room Visits Not Resulting in Admission:**

Less than 300% FPL 100% less co-pay \$150 per visit co pay

v. Catastrophic medical expense is defined as patient responsibility exceeding 20% of annual income and financial resources available to the patient and/or guarantor. In situations where a patient has a catastrophic medical expense the patient financial responsibility after charity may be reduced to an amount equal to 20% of annual income and financial resources. The patient's financial responsibility after financial assistance will not exceed AGB.

vi. **Hospital Professional Billing Services:**

<u>Income % of FPL</u>	<u>Charity</u>	<u>Patient Responsibility</u>
133% or less	75%	25%
134% to 200%	50%	50%
201% to 300%	25%	75%

vii. **Approval** – Financial assistance may be approved by a patient account employee, supervisor, director, vice president of Finance. Management review and approval is required.

viii. **Patient Refunds** – The hospital will refund any amount the individual has paid for care that exceeds the amount he or she is determined to be personally responsible for paying as a financial assistance policy eligible individual, unless such amount is less than \$5.

3. **Summary of Financial Assistance Policy Availability to Patients**

a. Information about the availability of financial assistance appears on patient statements and is posted on signs in hospital registration areas. The financial assistance plain language summary are available on the Hospital's website, www.SaintLukesCommunityHospital.org.

b. Patients or members of the public may request a copy of the Financial Assistance Policy, Summary of Financial Assistance Policy and Application at the hospital admitting office or by contacting the billing office by phone 1-844-285-1005; fax 1-855-490-1799 or mail to Saint Luke's Community P.O. Box 61630 Houston, TX 77208-1630. The hospital locations and hospital billing office contact information are also provided on the Hospital's website, www.SaintLukesCommunityHospital.org.

4. **Patient Billing and Collection**

a. a. Statements are sent to patients to advise them of balances due. Balances are considered delinquent when the patient fails to make either acceptable payment or acceptable payment arrangements before the next statement. Patients are notified of delinquent balances by messages on the statements, by phone calls, by final notices or by collection letters. Delinquent accounts may be placed for collection if the patient fails to respond. Presumptive eligibility may be used to determine eligibility for financial assistance. The estimated income and family size or likelihood of payment may qualify the patient for financial assistance. When presumptive eligibility results in 100% charity, the account is adjusted accordingly. When presumptive eligibility results in partial charity, the patient is notified in writing of partial charity and that they can apply for additional charity by completing an application. The patient is provided a reasonable time period in which to apply for additional assistance. Patients may apply for financial assistance before, during or after services are provided.

- b. The Vice President of Finance has the final authority or responsibility for determining that the hospital facility policies and procedures makes a reasonable effort to determine whether an individual is FAP eligible and therefore engage in ECAs against the individual.
 - c. Delinquent accounts are placed for collection. The policies and practices of the collection agency follow the Fair Debt Collection Practices Act. The agency demonstrates a patient relations approach in all its practices. The agency utilizes a variety of collection methods including letters and phone calls.
 - d. **Collection Suit**
 - i. The Hospital, collection agency and collection law firm work with patients to avoid filing a suit for collections whenever possible. When settlement or payment arrangements are not agreed to and/or met, Hospital may file suit in an attempt to collect on delinquent accounts. When a patient applies for or is screened for financial assistance and is not approved, Hospital may file suit in an attempt to collect on delinquent accounts.
 - A. All requests for suit are approved by billing office or Vice President of Finance.
 - ii. If a patient is in contact with the collection agency or law firm prior to garnishment, an attempt is made to settle the account or negotiate a payment arrangement that is reasonable under the circumstances. As long as the patient makes timely payments as agreed under a negotiated arrangement, no garnishment will be requested.
 - iii. Garnishments are filed after judgment is received unless a court ordered stay is in place or a payment arrangement has been negotiated and has not been broken. If the law firm believes that the debtor's employment has been terminated, garnishment may be held until a place of employment is located.
 - iv. Patients approved for partial financial assistance may owe a balance on the account. The patient receives a financial assistance partial approval letter that explains the amount approved for financial assistance and the amount the patient owes. The patient receives statements requesting payment. If payment is not made the account becomes delinquent and a final notice is sent. If the patient does not pay the balance, make payment arrangements or request additional financial assistance, the account may be placed with an agency for collection. After placement with an agency the delinquent account may be approved for collection suit.
5. **Request a Copy** – The Financial Assistance Policy for Medically Indigent Patients, Financial Assistance Application or Plain Language Summary, are available free of charge at www.SaintLukesCommunityHospital.org or in person at hospital registration area or by calling the billing office 1-844-285-1005.
6. **Measures to Publicize the Financial Assistance Application** – The measures used to widely publicize this Financial Assistance Application to the community and patients include, but are not limited to the following:

- a. Posting the Financial Assistance Application and plain language summary on the Hospital website.
 - b. Paper copies of the application and plain language summary are available to patients upon request and without charge. The patient may call to request or ask at the hospital business office or admitting department.
 - c. Providing information when a patient calls the business office.
 - d. Posting a notice in the emergency department and admitting areas of the hospitals.
 - e. Including a message on hospital patient statements to notify and inform patients of the availability of financial assistance and where to call for information and application.
 - f. Hospital's staff discusses when appropriate, in person or during billing and customer service phone contacts with patients.
7. **Providers Not Covered by this Policy:**
- a. For a the most recent list of covered and non-covered providers please see the Hospital Financial Assistance Policy Covered and Non Covered Entities and Provider Group list on website at www.SaintLukesCommunityHospital.org. The list is updated quarterly.
8. Physicians or medical professionals provide care to patients or assist with patient treatment by reading lab work, interpreting medical tests, performing medical tests and individual patient physician services. The physicians and medical professionals not employed by Hospital or its subsidiaries are not covered by this Policy