Guthrie

POLICY & PROCEDURE

SECTION: CHARITY CARE  SUBJECT: CHARITY CARE PROGRAM  DEPT: PATIENT FINANCIAL SERVICES/PATIENT BUSINESS SERVICES

EFFECTIVE: 01/25/2016

SUPERCEDES: 01/21/2015
01/24/2014, 01/24/2013,
01/26/2012, 01/24/2011,
02/5/2009, 01/23/2008,
07/23/2007, 03/1/2007,
12/1/2005

DISTRIBUTION:

PAGE # 1 of 19

SCOPE:
Patient Financial/Business Services  Finance  Social Services

1. POLICY:

As part of its mission as a nonprofit charitable health organization described in Section 501c(3) of the Internal Revenue Code, The Guthrie Clinic and it’s not-for-profit affiliates ("The Guthrie Clinic") are committed to serving the medical needs in their service area, regardless of race, creed, color, sex, national origin, sexual orientation, handicap, or age. In addition, The Guthrie Clinic is committed to minimizing the financial barriers to access medically necessary health care services for patients in its service area.

Consistent with its nonprofit, charitable mission, it is the policy of The Guthrie Clinic that no person shall be denied emergency care, based on the person’s ability to pay. In addition, The Guthrie Clinic shall provide medically necessary health care services, at no charge or reduced charge, to certain low-income, uninsured and underinsured patients who apply and qualify for such financial assistance, in accordance with the eligibility criteria and the procedures of this Charity Care Program, as adopted by the Board of Directors and as amended or supplemented from time-to-time.

The Charity Care Program is available to both new and established patients. The Program applies only to medically necessary services that are provided and billed by The Guthrie Clinic. The Charity Care Program does not cover the following:
- Services provided by non-The Guthrie Clinic providers.
- Co-payments for Medicaid, Children’s Health Insurance Program (“CHIP”), or other similar need-based programs.
- Patient convenience items and personal charges (e.g., telephone).
- Non-medically necessary services.
- Nursing home services and Twin Tier services (Durable Medical Equipment and Guthrie Clinic Pharmacy)
The Patient Financial/Business Services staff shall administer the Charity Care Program and shall evaluate each application in accordance with the eligibility criteria and procedures set forth herein, and in accordance with all applicable legal requirements, including, without limitation, those established by the Emergency Medical Treatment and Active Labor Act, Section 501(c)(3) of the Internal Revenue Code, the Pennsylvania Institutions of Purely Public Charity Act (Act 55), Pennsylvania Act 77 of 2001 (the Tobacco Settlement Fund Act), the Health Insurance Portability and Accountability Act of 1996, NYDOH Section 2807-k(9-1), known as the Financial Aid Law (FAL), the proposed Internal Revenue Code section 501(r) as mandated by the Affordable Care Act, and the rules pertaining to billing and reimbursement under all applicable Federal health programs. Such criteria and procedures shall be uniformly and objectively applied. The Guthrie Clinic retains the right in its sole discretion to determine a person’s ability to pay.

II. DEFINITION

Financially Indigent: A patient who is uninsured or underinsured and whose family has income at or below 300% of Federal poverty levels.

III. PROCEDURE:

A. Determination of Eligibility.

1. Financial assistance under the Charity Care Program may be available to any patient who indicates an inability to pay for all or a portion of his/her bill. In order to be eligible, a patient or a member of patient’s family must complete an application and provide all required documentation and meet all eligibility criteria.

2. Before patients are considered for the provision of financial assistance under the Charity Care Program, the patient Financial Services representative shall first explore with the patient or patient’s family whether the patient qualifies for any other available assistance programs, such as COBRA, Medicaid or Medicare. The patient or family is required to assist The Guthrie Clinic in trying to obtain other coverage.

3. When a patient has indicated or demonstrated such patient’s inability to pay for medically necessary services, taking into consideration any other available assistance, the Patient Financial Services representative shall provide the patient with an Application for Charity Care. Identification of patients who are potentially eligible for the Charity Care Program can take place at any time prior, during and/or after the rendering of services or during the collection process.

4. Applicants are not required to provide proof of Medicaid denial from his/her home state as a condition of applying for financial assistance. However, the Guthrie Clinic has a reasonable basis for believing that an applicant may be eligible for Medicaid or other public insurance that may require the patient to cooperate in applying for such coverage as a condition of applying for financial assistance. Financial assistance applications will be processed concurrently with any application for public funds.
5. Patient Financial Services will review gross charges for the last six months from date of completed application to determine eligibility. For subsequent care, an application will have to be submitted.

6. If there is a change in financial or insurance status, the applicant is required to notify the business office.

B. Procedures for Processing Applications:

1. Requests for assistance under the Charity Care Program may be received from:
   - The patient or guarantor.
   - Physicians or other caregivers.
   - Admitting and registration desks of The Guthrie Clinic hospitals and clinics.
   - Administration.
   - Social Workers.
   - Other approved programs that provide for primary care of indigent patients.

2. The patient shall complete a written application (Attachment I) and provide all supporting data required to verify eligibility. Failure to supply required information or to otherwise assist in processing the application shall be grounds for denial of the patient will be billed in accordance with The Guthrie Clinic billing practices.

3. The Guthrie Clinic shall ensure that the confidentiality of all information provided to Patient Financial Services in connection with the processing of an application under the Charity Care Program. All information received shall be maintained in accordance with all applicable The Guthrie Clinic policies and procedures, as well as applicable state and federal laws governing such information.

4. In evaluating an application for the Charity Care Program, an applicant’s assets will not be taken into account. However, an asset report may be generated to assist in determining annual income.

5. Patient Financial Services shall maintain a record, paper or electronic, documenting all review and approval of assistance under the Charity Care Program (Attachment III), including copies of all application and worksheet forms.

6. Upon completion of the application and submission of appropriate documentation, the Patient Financial Service representative will complete the Charity Care Worksheet (Attachment III). The information shall be forwarded to the Director of Patient Financial Services for approval.

7. Charity care approvals for amounts less that $10,000 will be processed by the Director of Patient Financial Services. Amounts of $10,000 or more will be processed by the Director of Patient Financial Services and will require the Chief Financial Officer’s/Vice President and Controller’s approval.

8. Charity care approvals shall be made in accordance with the applicable program guidelines and documented on the worksheet (Attachment III).
9. Eligibility will not be based on race, creed color, religion, national origin, sex, sexual orientation, disability, or age.

C. Notification of Eligibility Determination

1. Patients will be given a minimum of 90 days from the date they received services to ask for financial assistance. In addition, patients will have at least 30 days from receipt of application to submit the completed form.

2. Charity Care Program applications shall be reviewed by a Patient Financial Services representative within ten (10) working days of receipt to determine if additional documentation is required.

3. The applicant should be provided a written decision (Attachments IV and V), generally within thirty (30) days of receipt of a completed application.

4. The responsible party may request reconsideration of a charity care determination by providing additional information (such as an explanation of extenuating circumstances) within thirty (30) days of receiving the initial decision. Patients may appeal the Guthrie Clinic’s financial assistance decisions if they are denied financial aid or deemed a decision to be unfavorable. Patients have thirty (30) days to complete appeals applications and will be notified of decisions via mail within thirty (30) days of the submission of the appeals application. Based on the information provided, patients may be evaluated for further reductions or extended payment plans.

5. Although bills will continue to be generated and mailed during the application process, payments will not be expected until after a determination about charity care is made.

6. Collection activity will be suspended during the consideration of an application for the Charity Care Program. If a charity care determination allows for a percent reduction but leaves the applicant with a self-pay balance, payment terms will be established on the basis of disposable income, by Patient Financial Services. Monthly payments cannot exceed more than 10% of family gross income and will be expected to be paid in a twelve month period and in no instance shall payment terms extend beyond twenty four months for the self pay balance due.

7. Arrangements for final self-pay balances should be made within ten (10) days after receiving written decision.

8. Interest charges will not be applied based on missed payments.

D. Monitoring and Reporting:

1. Patient Financial Services will retain all financial records relating to an application for seven years.
2. A charity care log which periodically reports on the amount and number of patients by county and by The Guthrie Clinic entity will be maintained.

3. The cost of charity care will be reported annually to The Guthrie Clinic Board of Directors and included in our annual financial reports.
4. Every twelve months, management will re-evaluate the Charity Care Program and make any necessary changes.

E. Communication:

1. The Charity Care Policy will be communicated to our Boards of Directors who represent our community.

2. The Charity Care Policy will be displayed in our admitting and registration areas in the hospitals and clinics.

3. Education concerning the Charity Care Program will be included during orientation for providers and staff.

4. A summary of the Financial Assistance policy will be provided upon request.

5. A summary of the Financial Assistance policy, financial assistance summary, and financial aid application will be available on hospital websites.

6. Information explaining how patients who qualify can access financial assistance is included on billing statements.

7. Collection agencies that work with The Guthrie Clinic accounts shall be notified in writing of the Charity Care Program policy.

IV. CHARITY CARE PROGRAM GUIDELINES:

A. To qualify as financially indigent, the applicant’s total household income must fall below 300% of the Federal Income Guidelines and she/he must not have any health insurance coverage.

B. For non-emergent care services, a patient has to be a resident for six (6) months or more in The Guthrie Clinic Service area, which consists of the following twelve counties: Bradford, Sullivan, and Tioga in Pennsylvania and Allegany, Chemung, Livingston, Ontario, Schuyler, Steuben, Tioga, Tompkins, and Yates in New York.

C. All patients who have insurance coverage (e.g. HMO, PPO, and Workers Compensation) and are denied coverage by their insurance company will allow The Guthrie Clinic to consider legal action against the carrier before charity care will be considered.

D. Patients who have access to other medical care coverage (e.g., primary and secondary insurance coverage) must utilize and exhaust their benefits. The Charity Care Program is available to assist these patients with co-insurance, deductibles and co-payments (except for co-payments required by Medicaid, CHIP or other similar need-based programs) for
services received as long as providing such assistance complies with third party payor contracts, applicable laws, and eligibility requirements. The charity allowance calculation will be applied to the eligible gross charge amount when determining the remaining balance representing the patient’s payment responsibility.

E. Patients who have access to a Health Savings Account (HSA) must utilize and exhaust their benefits. The Guthrie Clinic reserves the right to review the patient or guarantor’s HSA account balance in order to make a charity care determination.

F. The Charity Care Program will not cover co-insurance, co-payments, or deductibles for patients who are eligible for secondary coverage from Medicaid, CHIP, and other similar need based programs.

G. The Guthrie Clinic reserves the right to review all information received, including the review of credit report history to the extent permitted by applicable law, for purposes of processing the application. Documentation of income will be limited to current income. The Guthrie Clinic will not require copies of tax returns or other past IRS documentation in order to process an application.

H. Applicants who falsify information on the Charity Care Program application will no longer be eligible for the Program and will be held responsible for all charges incurred while enrolled in the Program retroactive to the first day that charges were incurred under the program.

I. Charity Care Program participants must inform The Guthrie Clinic within thirty (30) days of any changes in income, expenses, insurance status or family status.

J. Any reduction or waiver of cost-sharing amounts for Medicare beneficiaries shall be applied in accordance with applicable rules and regulations pertaining to the Medicare program.

K. The entities affiliated with The Guthrie Clinic maintain separate billing and collection policies regarding their collection practices (Refer to CH Policy, RPH Policy, TCH Policy and TMH Policy).

L. Hospitals will demonstrate a reasonable effort to determine whether an individual is eligible for assistance prior to extraordinary collection actions including reporting a debt to a credit bureau or selling a debt and/or initiating a legal action for 120 days after the first billing statement. The hospital will send a total of three (3) statements as well as a written notice of action before extraordinary collection actions can begin.

M. Contracted collection agencies must comply with The Guthrie Clinic financial assistance and billing policies, provide information to patients on how to apply for financial assistance, and must obtain the hospital’s written consent commencing legal action.

N. The Guthrie Clinic will not force the sale or foreclosure of a patient’s primary residence to collect an outstanding bill.
CHARITY CARE CALCULATION

To calculate a patient’s charity allowance under The Guthrie Clinic’s charity policy for qualifying individuals, annual household income is to be divided by the applicable 100% Federal poverty guideline below for the patient’s family size to arrive at income as a percentage of the poverty guideline. A percentage of the qualifying patients’ charges are to be written off as indicated by one of the seven ranges below. The remaining balance represents the patient’s payment responsibility.

<table>
<thead>
<tr>
<th>Income as Percentage of Federal Poverty Guideline</th>
<th>0% to 100%</th>
<th>101% to 200%</th>
<th>201% to 300%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Charges to be Written Off to Charity Care Allowance</td>
<td>100%</td>
<td>80%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Note: Patients with annual family incomes at or below 100% of the Federal poverty guidelines will receive a 100% charity care allowance.

Federal Poverty Guidelines 2016, Gross Annual Income Levels: **

<table>
<thead>
<tr>
<th>Family Size</th>
<th>2016 FPG Income Level 100%</th>
<th>200%</th>
<th>300%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$11,880.00</td>
<td>$23,760.00</td>
<td>$35,640.00</td>
</tr>
<tr>
<td>2</td>
<td>$16,020.00</td>
<td>$32,040.00</td>
<td>$48,060.00</td>
</tr>
<tr>
<td>3</td>
<td>$20,160.00</td>
<td>$40,320.00</td>
<td>$60,480.00</td>
</tr>
<tr>
<td>4</td>
<td>$24,300.00</td>
<td>$48,600.00</td>
<td>$72,900.00</td>
</tr>
<tr>
<td>5</td>
<td>$28,440.00</td>
<td>$56,880.00</td>
<td>$85,320.00</td>
</tr>
<tr>
<td>6</td>
<td>$32,580.00</td>
<td>$65,160.00</td>
<td>$97,740.00</td>
</tr>
<tr>
<td>7</td>
<td>$36,730.00</td>
<td>$73,460.00</td>
<td>$110,190.00</td>
</tr>
<tr>
<td>8</td>
<td>$40,890.00</td>
<td>$81,780.00</td>
<td>$122,670.00</td>
</tr>
</tbody>
</table>

**For each additional family member more than 8 persons, add $4,160.00
**every year, the Federal Poverty Guideline will be updated.