Policy: Patients expressing an inability to pay for emergency and other medically necessary care received at StormontVail Health (SVH) will be asked to complete a financial statement application form so they can be evaluated for Financial Assistance Program (FAP).

Patients completing the application and providing all the requested information will be evaluated for eligibility for financial assistance (FA) discounts. Any additional services received within (3) months of the original signed approval may be eligible for assistance at patient’s request.

Patients who are not eligible for FAP will not be sent a Financial Statement to complete are as follows:

1) Patients who receive elective services that are not covered by insurance (i.e. cosmetic surgery, tubal reversal, gastric by-pass surgery, etc.).

2) Patients who receive childhood vaccines (except those covered under the VFC program), adult vaccines other than flu, tetanus, pneumovax, well patient exams, weight loss related exams, cosmetic procedures, drugs covered under a drug rebate program, drugs provided for non-emergent services, durable medical equipment, home visits, contraceptive drugs and devices, screening services, form completion, lifeline services, medical testimony fees, FAA exams, DOT exams, Pre-employment exams, fertility testing, genetic testing and other services not considered conditionally approved listed on #3.

3) Patients who receive cognitive, procedural, ancillary or other services may be scheduled for a charity approved patient if these services are considered medically necessary.

4) Patients who were referred to Hospital Assistance Program and refused to cooperate and seek alternative resources for payment

5) Patients who refuse to cooperate with insurance carrier or did not provide insurance information until after timely filing requirements had expired

6) Patients who received payment directly from their insurance carrier, but refused to apply insurance payment to their account
7) Patients with court-ordered judgment to satisfy account balance

8) Patients who have not been issued a U. S. Government Social Security number.

9) Patients who have not been a Kansas resident within 6 months from the date of service.

10) Patient who had services as a result of their own illegal activity

11) Clinic no show charges are excluded

**Purpose:**
To provide a consistent process for evaluating patients for the Stormont Vail Health and Cotton-O’Neil Clinic Financial Assistance program. This Financial Assistance Policy is in accordance with Section 501 (r) (4), (5) and (6) of the Code in order to be eligible for Section 501 (c) (3) status.

**Definition:**
Patient is synonymous with guarantor/responsible party

**Procedures:**

How to Apply for Financial Assistance (FA)

Individuals can apply for financial assistance by:

1) Obtaining a paper financial assistance application form with instructions on how to complete and required documentation to submit, free of charge, by visiting the hospital or clinic patient registration areas, or by calling Customer Service to have an application mailed.

2) Downloading/printing a financial assistance form from the SVH website or accessing the policy and application through MyChart.

3) Requesting a financial assistance application form from a collection agency if the patient has been turned to collections due to non-payment. The collection agency will refer the patient to SVH Customer Service.

Customer Service Representatives and Financial Counselors will be available to assist individuals with questions on how to complete financial assistance applications.

Once a patient has requested a FA application from either Stormont Vail Health or the outside collection agency, if within 240 days from the patient’s first statement, all ECA (extraordinary collections) efforts will be stopped until application is reviewed and determined approved or denied.

**Basis for Calculating Financial Assistant Discounts and Amount Charged to Patients**

In accordance with section 501 (r) (5), SVH uses the “look-back” method to calculate the AGB. This method is based on 12 months of paid claims for Medicare fee-for-service and private health insurers. The amount paid includes both the insurance payment and the patient’s out of pocket responsibility for emergency and other medically necessary care. SVH will calculate its AGB percentages no less than annually by dividing the sum of claim payments to SVH by the
sum of the associated gross charges for these claims. SVH will apply its AGB percentage by the 45th day after the end of the 12-month period SVH used in calculating the AGB percentage.

SVH will multiply the AGB percentage times the individual’s gross charges to arrive at the financial assistance discount. The financial discount will be subtracted from gross charges to determine the AGB that will be billed to the individual.

**Processing Steps to Determine Financial Assistance Discount:**

1) Obtain completed FA application (Exhibit A) and all pertinent attachments according to application instructions form. (Exhibit B) If FA application is not complete, send the patient the “Request For Additional Information” letter (Exhibit F). If requested information is not received within thirty (30) days from the patient, send the patient the “FA Application Denied Incomplete” letter (Exhibit K) for all accounts in AR. Send the patient “FA Application Denied Incomplete Already at Collections” letter (Exhibit L) for accounts already in bad debt at an outside collection agency.

2) Verify Medicaid eligibility with EDS website at https://www.kmap-state-ks.us/.
   a. If the patient does not have Medicaid eligibility, attach a screen print of this to the Financial Statement and proceed to step #3.
   b. If the patient has Medicaid eligibility, add this information to the patient’s account and order a single bill request. The patient no longer needs to be considered for Financial Assistance.
   c. If balance on HAR is Medicaid Spend down, the balance will be sent to bad debt and the patient does not qualify for FA.

3) Examine and determine authenticity of attachments (pay stubs, US tax return, notarized documents, etc.)

4) Verify Financial Information and Medical Information entries with documentation.

5) Determine patient’s adjusted annual income from information provided on FA application. (Exhibit C)
   a. Divide gross pay Y-T-D by the # of Y-T-D months and multiply by 12.
   b. Input any/all child support, alimony, Social Security, Disability, Income from other household family member and other income received by the household.

6) Using adjusted annual income; compare the number of persons supported by total monthly income (verified by the Income Tax Return) with Income Level Guidelines (Exhibit D).
   a. If the adjusted annual income amount determined by step 5 is below the income level listed by the appropriate family size on Exhibit D and the amounts on the patient’s income tax return do not exceed the thresholds on Exhibit E, the patient is eligible for financial assistance. Go to Step #7.
   b. If the adjusted annual income amount determined by step 5 is above the income level listed by the appropriate family size in Exhibit D, and the patient had insurance coverage for this date(s) of service, the patient does not qualify for financial assistance. Refer to policy #20-46 Payment Plan Resolution.
   c. If the adjusted annual income amount determined by step 5 is above the
income level listed by the appropriate family size in Exhibit D, and the patient did not have insurance coverage for this date(s) of service, the patient may qualify for Discounted Financial Assistance. Go to step #7.

d. If the adjusted annual income amount determined by step 5 is below the income level listed by the appropriate family size in Exhibit D, but the amounts on the patient’s income tax return exceed the threshold on Exhibit E, send the patient a Request for Additional Financial Information letter. (Exhibit F) requesting most recent statements for checking, saving accounts, CDs, mutual funds, stocks and other liquid investments.

e. If, after 14 days we have not heard back from the patient, a Financial Counselor will contact the patient and provide education regarding what information we are needing to complete the application.

f. If, after 30 days of sending the request for additional information, we do not hear from the patient, a Financial Counselor will send the patient the “FA Application Denied Incomplete” letter (Exhibit K) for all accounts in AR. Send the patient “FA Application Denied Incomplete Already at Collections” letter (Exhibit L) for accounts already in bad debt at an outside collection agency.

**Catastrophic Financial Assistance Discount:**

7) Patient qualifies for catastrophic eligibility if:

   a. Remaining account balance, after applying financial assistance discounts, will not exceed 30% of the reported, or estimated annual household income. Account balances reduced to 30% of annual income, will automatically qualify for a 36-month interest free extended payment plan, unless the responsible party wants to pay off the balance sooner.

**How to Apply Catastrophic FA:**

Example: $50,000 Account Balance

\[
\begin{align*}
\text{\$40,000 Annual Income} & \times 30\% \quad \text{\$50,000 Acct Balance} \\
\text{x 30\% CAP\%} & \times 65\% \quad \text{FA discount \%} \\
\text{$12,000 \ CAP \text{ Amount}} & \text{\$32,500 FA} \\
\text{\$50,000} & \\
\text{\$32,500} & \\
\text{17,500 Remaining balance after FA} & \\
\end{align*}
\]

Patient balance after FA discounts is the lower of FA regular discount, or the catastrophic discount. In this example, patient balance after FA is capped at $12,000.

**Over Assets but Still Qualify for FAP:**

8) Review additional financial information documents to make a determination of the patient’s liquid assets.
a. Verify documents to make sure statements are not older than 6 months. If they are, request more recent statements from the patient by following steps 6d, 6e, and 6f above.

b. Sum the amounts in checking, saving accounts, CDs, mutual funds, stocks and other liquid investments to obtain a liquid assets total.

c. If the liquid assets total amount is $10,000 or less, accounts(s) qualify for financial assistance. Go to step #9.

d. If the liquid assets total exceeds $10,000 and the excess over $10,000 is more than the outstanding balance, the patient does not qualify for Financial Assistance under this policy.

e. If the liquid assets total exceeds $10,000 and the excess over $10,000 is less than the outstanding balance, the patient will owe the excess amount and the balance will qualify for Financial Assistance.

Example:

<table>
<thead>
<tr>
<th>Investments</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$15,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Less $10,000</td>
<td>Less Excess $5,000</td>
</tr>
<tr>
<td>Excess $5,000</td>
<td>Qualifies for FA $15,000</td>
</tr>
<tr>
<td></td>
<td>Patient Owes $5,000</td>
</tr>
</tbody>
</table>

9) Staff attaches the recommendation form (Exhibit H) along with account detailed notes and transaction history, and forwards accounts for approval. Approval levels for Financial Assistance write-offs are as follows:

a. A Financial Counselor can initiate and approve any account balance up to $3,500. The Financial Counselor Supervisor will periodically review these accounts for accuracy.

b. The Financial Counselor Supervisor will review and approve any account balance from $3,500 to $9,999 prior to write-off.

c. The Patient Financial Service Manager will review and approve any account balance from $10,000 to $49,999 prior to write-off.

d. The Director of Patient Financial Services will review and approve any account balance from $50,000 to $99,999 prior to write-off.

e. The CFO will review and approve any account balance greater than $100,000 prior to write-off.

10) Once the application is approved or denied, the Financial Counselor will:

a. The applicable approval/denial letter will be mail to the patient (Exhibit G, I and J). A note will be placed on the patient’s account as to the appropriate level of approval or denial.

b. Financial assistance denied as not eligible on accounts already with an outside collection agency will be sent the “Financial Denial Already With Collections” letter (Exhibit M) to the patient.

c. For catastrophic approval, set up payment plan for 36 months for the balance remaining.

d. If patient’s account (s) are set up on payroll deduction notify the appropriate employee working payroll deducts to have stopped.

e. If patient’s account/encounter (s) are set up on HPM recurring payment plans. Log onto the HPM website and remove account/encounters from HPM
database.

f. Refunds will be considered on accounts for the time period of 90 days back (3 months prior) from the date the FAP is approved.

g. If at any time the Financial Counselors find proof of misrepresentation or false information on the Financial Assistance application, financial assistance will be denied and the “Financial Assistance Denied False Information” letter (Exhibit N) will be sent out to the patient.

h. Key the applicable data from the application into the financial assistance spreadsheet.

i. For approved hospital accounts in STAR, the Financial Counselor will send a copy of the signed Recommendation Form (Exhibit H) to the Reimbursement Department to write off appropriate balances to financial assistance adjustment code (A9075 for full financial assistance or A9076 for partial/catastrophic financial assistance).

j. For approved hospital account records (HARs) in Epic, the Financial Counselor will post the adjustment on HARs that are within their approval level. For FAP’s that are outside of their approval level, the Financial Counselor will post adjustments above $3,500 to route them to the appropriate approval workqueue. The Financial Counselor will route the FAP packet to the appropriate level supervisor, manager, or administrator to be included when they are reviewing the FAP for consideration. HARs that are part of the total amount considered but under $3,500 will be posted after the appropriate approval level has been determined and the FAP packet returned to the Financial Counselor.

k. If account was already with the outside collection agency, the FC will contact the collection agency and report what discount the patient is eligible for per our criteria.

Exhibit A – Financial Assistance Application (English and Spanish version)
Exhibit B - Application Instruction Form
Exhibit C – Income Sensitive Calculation Worksheet
Exhibit D – Income Level Guidelines and Payment Plan Schedule
Exhibit E – Asset Testing to Determine Qualifications for Financial Assistance
Exhibit F – Request for Additional Financial Information Letter
Exhibit G – Partial Eligibility Letter
Exhibit H – Financial Assistance Recommendation Form
Exhibit I - Financial Assistance Approval Letter
Exhibit J – Financial Assistance Denial Letter
Exhibit K – Financial Assistance Denied Incomplete
Exhibit L – Financial Assistance Denied Incomplete already with Collections
Exhibit M - Financial Assistance Denied already with Collections
Exhibit N - Financial Assistance Denied False Information