



Conemaugh Health System

Patient Finance Services Policy

CONEMAUGH HEALTH SYSTEM FINANCIAL ASSISTANCE POLICY

I. PURPOSE

Conemaugh Health System is a community of persons committed to being a transforming, healing presence in the communities we serve. Aligned with our core value of commitment to those who are poor, we provide care for persons who are in need and give special consideration to those who are most vulnerable, including those who are unable to pay and those whose limited means make it extremely difficult to meet the expenses incurred in receiving healthcare. Conemaugh Health System strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. The purpose of this policy is to establish guidelines for Charity Care for patients who incur significant financial burden as a result of the amount they are expected to owe “out-of-pocket” for acute care health care services.

Charity Care is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with Conemaugh Health System’s procedures for obtaining charity or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay. This includes applying for Medical Assistance benefits when appropriate. Patients will be provided with information and / or assistance in applying for Medical Assistance benefits upon request. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their own personal health, and for the protection of their individual assets.

In order to manage its resources responsibly and to allow Conemaugh Health System to provide the appropriate level of assistance to the greatest number of persons in need, the following guidelines for providing patient charity have been established.

In addition, this policy provides administrative and accounting guidelines for the identification, classification and reporting of patients as Charity Care as distinguished from Bad Debts.

Definition of Charity Care

Charity Care is care provided to a patient with a demonstrated inability to pay. A patient is eligible for Charity Care consideration based upon meeting certain income eligibility criteria as established by the Federal Poverty Income Guideline Sliding Scale. Charity Care represents health care services that are provided but are never expected to result in payment. As a result, Charity Care does not qualify for recognition as receivable or net patient revenue in the financial statements.

Charity Care may include unpaid coinsurance, deductibles and non-covered services if the patient meets the Charity Care eligibility criteria. Bad Debt is payment not received for service rendered for which payment was anticipated and credit extended. Bad Debt patients do not meet the criteria for Charity Care, that is, they are considered able to pay but unwilling to satisfy their outstanding obligations.

Charity Care data reporting to external sources for services provided are based on cost of patient care services, not charges, with costs being determined by application of the standard cost-to-charge ratio or the cost accounting system. Internal statements and reporting are based on the gross charges applied against the charity care adjustment.

II. POLICY

As a healthcare system committed to caring for patients without regard to ability to pay, Conemaugh Health System established respectful and effective procedures for addressing the needs of those persons who are unable to pay for all or most of their care. In order to preserve the dignity of these persons and to facilitate the process of securing necessary information, Conemaugh Health System strongly prefers to perform financial screening upon scheduling, admission or registration (discharge processing in the Emergency Department) as part of the overall Financial Counseling process. Patients who represent increased financial risk as a result of the amount they are expected to owe “out-of-pocket” should be referred to a Financial Counselor for assistance in applying for alternative payment programs (e.g., Medical Assistance) determining Charity Care eligibility, establishing payment plans or other financing arrangements. Financial Counseling services are to be made available to all elective, urgent and emergent patients.

Patients with insurance, other than that afforded low income individuals, should not have their patient liability unpaid balance, coinsurance, deductible or non-covered services written-off to Charity Care unless financial hardship can be proven.

III. PROCEDURES

Conemaugh Health System provides medically necessary care to all patients regardless of ability to pay. Charity Care is based on the individual’s ability to pay. The need for Charity Care is a sensitive and personal issue for recipients and needs to be addressed with reverence for those who are in need. Confidentiality of information and individual dignity shall be maintained for all that seek charitable services. The mental, emotional or physical conditions and limitations of the patient should be considered when applying criteria.

A. Services Eligible Under this Policy

For the purposes of this policy, “charity” refers to healthcare services provided without charge or at a discount for qualified patients. The following healthcare services are eligible for charity:

1. Emergency medical services provided in an emergency room setting.
2. Services for a condition, which if not promptly treated, would lead to an adverse change in the health status of an individual.

3. Non-elective services provided in response to life threatening circumstances in a non-emergency room setting.
4. Medically necessary services evaluated on a case-by-case basis at Conemaugh Health System's discretion.

B. Eligibility for Charity Care

Eligibility for Charity Care will be considered for those individuals who are uninsured (patient has no level of insurance or third party assistance with meeting his / her payment obligations.), underinsured (patient has some level of insurance or third party assistance but still has out-of-pocket expenses that exceed his / her financial abilities.), ineligible for any government health care benefit program, and who are unable to pay for their care based on a determination of financial need in accordance with this policy. The granting of charity shall be based on individual determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation, or religious affiliation.

C. Determination of Financial Need

Financial need will be determined in accordance with procedures that involve an individual assessment of financial need that may include:

1. An application process, in which the patient or the patient's guarantor are required to cooperate and supply personal and financial information and documentation relevant to making a determination of financial need.
2. The use of external publically available data sources that provide information on a patient's or a patient's guarantor's ability to pay and likelihood to pay, such as credit scoring.
3. Reasonable efforts by Conemaugh Health System to explore appropriate alternative sources of payment and coverage from public and private pay programs, and to assist patients to apply for such programs.
4. Take into account patient's available assets, and all other financial resources available to the patient.
5. A review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.

It is preferred but not required that a request for charity and a determination of financial need occur prior to rendering services. However, determination may be done at any point in the collection cycle. The need for payment assistance will be re-evaluated at each subsequent time of service if the last financial determination was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient for charity becomes known.

D. Full Charity Care: 100% Discount

If the patient is deemed potentially eligible, the patient must complete the appropriate applications and comply in every way with the requirements of the application process. Failure to cooperate will void any eligibility for Charity Care discounts.

A patient whose household income (as calculated on the Account Assistance Application, Exhibit A) is equal to or less than 200% of the most recent Federal Poverty Guidelines qualifies for a Full Charity Care discount. Emergency patients or patient scheduling services for medically necessary services without third party insurance will be referred to a Financial Counselor to be screened for eligibility for a governmental assistance program.

E. Presumptive Financial Assistance Eligibility

There are instances when a patient may appear eligible for charity care discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the patient or through other sources which could provide sufficient evidence to provide the patient with charity care assistance. In the event there is no evidence to support the patient's eligibility for charity care, Conemaugh Health System could use outside agencies in determining estimated income amounts for the basis of determining charity care eligibility.

Conemaugh Health System works with a vendor to provide presumptive identification of potential charity care accounts. Presumptive scoring is done on all self pay and balance after insurance accounts using Acumen software. Acumen scores accounts in one of four tiers.

- **Tier 0** – Accounts that do not have sufficient outside, public information to provide scoring.
- **Tier 1** – Eligible for presumptive charity care adjustment. All accounts with a score of *15-xx or lower* are automatically qualified for charity care adjustment.
- **Tier 2** – Accounts that are scored between *15-xx and 20-xx* potentially qualify for charity care. Patients with these accounts will need to submit a full charity care application to determine eligibility for charity care.
- **Tier 3** – Accounts are not eligible for charity care due to high level of ability to pay (scores *higher than 20-xx*).

Once determined, due to the inherent nature of the presumptive circumstances, the only adjustment that can be granted is a 100% adjustment of the account balance. Presumptive eligibility may, also, be determined on the basis of individual life circumstances that may include:

1. State funded prescription programs.
2. Homeless status or received care from a homeless clinic.
3. Participation in Women, Infants, and Children (WIC) programs.
4. Food stamp eligibility.
5. Subsidized school lunch program eligibility.
6. Eligibility for another state or local assistance programs that are unfunded (e.g. Medicaid spend down).
7. Low income / subsidized housing is provided as a valid address.
8. Patient is deceased with no known estate.
9. Patients who are in liquidation or reorganization bankruptcy or recently completed bankruptcy may be considered for Charity Care.
10. Emergency room patients without a payment source are classified as Charity Care if they do not have a job, mailing address, residence, or insurance. Consideration is given to classifying emergency room only patients who do not provide adequate information as to their financial status. In many instances, these patients are homeless and have few resources to cover the cost of their care. These cases are evaluated on an individual basis for Charity Care.

F. Special Circumstances

On rare occasions, a patient's individual circumstances may be such that while they do not meet the regular Charity Care criteria in this policy, but, they do not have the ability to pay their hospital bill. In these situations, with the approval of the Support Services Manager, part or all of their cost of care may be written off as Charity Care. There must be complete documentation of why the decision was made to do so and why the patient did not meet the regular criteria. Some examples of special circumstances and relevant considerations include:

- Single parents or individuals caring for elders
- Other financial obligations
- The amount and frequency of billings for healthcare services
- Change in employment status (i.e., loss of job)
- Emergency services

G. Charity Care Financial Assistance Application Processing

1. Any individual who indicates the financial inability to pay a bill for medically necessary service shall be evaluated for Charity Care Financial Assistance.
2. The data used in making a determination concerning eligibility for Charity Financial Assistance should be verified to the extent practical in relation to the amount involved.
3. A patient's employment status and earning capacity is taken into consideration when evaluating a Charity Financial Assistance request.
4. All liquid assets, as hereafter defined, held by the patient or guarantor in excess of \$10,000 must be applied to the indebtedness owed to Conemaugh prior to consideration for a charity care adjustment.
5. Real property or other fixed assets owned by the patient or guarantor, other than the principle place of residence must be sold, and the proceeds applied to the indebtedness owed to Conemaugh before a charity care adjustment will be considered.
6. Credit reports or other outside information may be used when appropriate, to verify an individual's financial circumstances.
7. The Charity Care Financial Assistance discount will include Conemaugh Health System services, excluding cosmetic surgery and private physician fees.
8. The Patient Financial Assistance Application (Exhibit A) is used to document each patient's overall financial situation. Some required information on the Financial Evaluation Form includes:
 - a) Service dates for services coordinated by a Conemaugh Health System credentialed Physician and provided at the Conemaugh Health System.
 - b) Verification of income below 200% of the current Federal Poverty Guideline (Attachment A). The definition of income is the annual gross earnings and cash benefits from all sources before taxes. Earnings, per the Census Bureau definition, include unemployment compensation, worker's compensation, Social Security, Supplemental Security income, public assistance, veterans payments, survivor benefits, pensions, or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources.
 - c) Proof of earnings may be determined by annualizing pay at current earning rates. Verification of income is validated by most recent year's 1040 Tax returns, (2nd year may be requested), W-2 forms, and copies of social security or pension checks, pay stubs, or other documented sources upon request. Self employment patients must provide prior year tax return, including specific items on Schedule C and E, will be considered in determining earnings.
 - d) Documentation that the patient is a U.S. citizen or permanent legal alien may be required.
 - e) The determination is based on the Charity Care guidelines (as noted in Attachment A). The amount of adjustment is calculated by the size of the

family and total gross income. Family is defined as dependents claimed on the Federal Income Tax.

- f) The patient must submit a denial from Medical Assistance with an acceptable reason for denial. If a denial from Medical Assistance is unavailable, a letter from Medicaid Eligibility agency may be used as financial documentation indicating ineligible for Medical Assistance benefits. A Medical Assistance denial will be used for Charity Care determinations for up to six (6) months from the date of the denial. For Medical Assistance denials indicating “other resources”; assets may be reviewed prior to granting Charity Care.
9. Once Charity Care determination is made, a notification form is provided to each applicant advising them of the decision.
10. Eligibility for Charity Care Financial Assistance for services incurred at Memorial Medical Center, Meyersdale Medical Center, Miners Medical Center, Conemaugh Physician Group offices, and Laurel Highlands MRI, will be active for twelve (12) months.
11. Determinations will be made through the Patient Access and Patient Finance Departments subject to the review and approval of the Chief Financial Officer.

H. Medicaid Denied Patient Days and Non-covered Services

Medicaid patients are eligible for Charity Care write-offs related to denied stays, patient shares, denied days of care, and non-covered services. Treatment Authorization Request denials and any lack of payment for non-covered services provided to Medicaid patients are to be classified as Charity Care.

I. Eligibility Period

The eligibility period for Charity Financial Assistance is twelve (12) months from the date of the initial eligibility determination, unless over the course of those six months the patient’s family income or insurance status changes to such an extent that the patient becomes ineligible.

J. Governmental Assistance

Applicants may not be aware that they may be eligible for assistance such as Medicaid, Victims of Crime, State Children Services, etc. In determining whether each individual qualifies for Charity Care, other county or governmental assistance programs will also be considered.

Conemaugh Health System will assist the individual in determining eligibility for any governmental assistance for healthcare services.

Persons eligible for programs such as Medicaid but whose eligibility status is not established for the period during which the medical services were rendered, may be granted Charity Care for those services.

K. Hospital Collection Efforts

Self-pay balances are transferred to external collection agencies when the accounts complete a patient statement dunning cycle with no payment from the patient or proof of eligibility for Charity Care or other programs. Accounts with applications pending for Charity Care or other assistance programs will be held for a reasonable period of time until the outcome of the Charity Care application.

It is acceptable (but not preferable) to take an account through the full collection cycle and later reclassify it as Charity Care.

L. Collection Agency

In some cases, a patient eligible for Charity Care may not have been identified prior to initiating external collection action. Collection agencies are aware of the policy on Charity Care and will inform the patient as applicable.

If the collection agency identifies special circumstances demonstrating a particular patient as being unable (versus unwilling) to pay their bill, their liability may be considered Charity Care, even if they were originally classified as a Bad Debt. The balance for services for the patient should be reclassified to Charity Care.

M. Time Requirements for Determination

While it is desirable to determine the amount of Charity Care for which a patient is eligible as close to the time of service as possible, there is no rigid limit on the time when the determination is made. In some cases, eligibility is readily apparent and a determination can be made before, on, or soon after the date of service. In other cases, it may take some investigation to determine eligibility, particularly when the patient has limited ability or willingness to provide needed information. Every effort should be made to determine a patient's eligibility for Charity Care at the earliest reasonable date.

N. Accounting for Charity Care

Charity Care write-offs are accounted for in separate Deductions from Revenue general ledger accounts. One account will be used to track Charity Care given under the Full Charity Care provision. The transaction codes used for accounting for Charity Care and their mapping to the General Ledger will be reviewed annually to ensure accuracy.

O. Required Authorizations

Charity Application Specialist	Up to \$5,000
Support Services Manager:	\$5,001 to \$50,000
PFS Director	\$50,001 to \$100,000
VP-Revenue Cycle	Above \$100,000

P. Roles and Responsibilities

The Charity Care Policy will be reviewed annually and the Poverty Guidelines will be updated at that time.

Q. Recordkeeping

Records' relating to potential Charity Care patients is obtainable. A central file of the Financial Evaluation Form and other Charity Care forms relating to the Charity Care application and approval or denial will be entered on the patient's account.

R. Public Notice and Posting

Public notice of the availability of assistance through this policy is made through each of the following means:

1. Posting notices in a visible manner in locations where there is a high volume of inpatient or outpatient admitting/registration, such as emergency departments, admitting offices, and hospital outpatient service settings.
2. Including language on patient liability statements sent to patients indicating:
 - that if the patient meets certain income requirements that the patient may be eligible for a government sponsored program or for financial assistance from the hospital, and
 - Conemaugh Health System's phone number and location that patients may inquire information on Charity Care, and other financial assistance policies.
3. Posting notice of the availability of assistance and phone numbers and locations for Conemaugh Health System web site and notices.
4. Providing uninsured patients information outlining the types of financial assistance available. Upon request, a full text copy of the Charity Care policy will be made available.
5. The costs of Charity Care provided will be posted annually on the website or otherwise made available to the public on a reasonable basis.

Posted notices (as listed above) will be in the primary language(s) of the service area and in a manner consistent with all applicable federal and state laws and regulations.

Attachment A: Financial Assistance Income Guidelines

Size of Family Unit	US Poverty Guidelines 4/2014	Up To
	Percentage	200
		200% National Poverty Guideline
1	\$ 11,670	\$ 23,340
2	\$ 15,730	\$ 31,460
3	\$ 19,790	\$ 39,580
4	\$ 23,850	\$ 47,700
5	\$ 27,910	\$ 55,820
6	\$ 31,970	\$ 63,940
7	\$ 36,030	\$ 72,060
8	\$ 40,090	\$ 80,180
Over 8	\$4,060	\$8,120
	adjustment (%)	100
	patient payment (%)	0