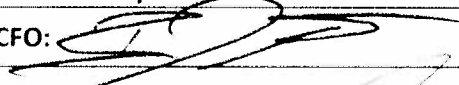
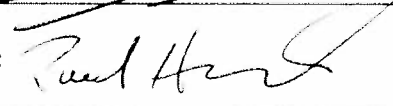




Policy Number:	PFS 2.145	
DEPARTMENTS:	BSA Patient Financial Services HCC Business Office	EFFECTIVE DATE: February 13, 1998
SUBJECT:	Policy and Procedure Financial Aid and Uncompensated Charitable Care	PAGE: 1 of 6
APPROVAL BSA CFO:		Created: February 13, 1998
APPROVAL HCC CEO:		Revised: April 16, 2010 August 6, 2012 October 8, 2012

Policy:

In keeping with the mission and philosophy of the Baptist St. Anthony’s Health System (BSAHS), Baptist St Anthony’s (BSA) and Harrington Cancer Center (HCC) will apply a discount of 25% on all services provided to uninsured patients, who do not qualify for a 100% discount. In addition, BSA and HCC will provide charity care services, within the resources available, to financially or medically indigent patients.

These services will be discounted up to 100% depending on patient’s need. For those uninsured or underinsured patients who do not qualify for charity, financial aid may be available. It is the expectation of BSA and HCC that patients and their families have a responsibility to help BSA and HCC staffs qualify them for the appropriate level or type of financial assistance given their circumstances.

Purpose:

To establish procedures to ensure that all patients who are eligible for financial assistance are treated in an orderly and consistent manner and are not discriminated against on the basis of race, creed, color, national origin, gender, or handicap.

Definitions:

Uncompensated charitable care is defined as unreimbursed or unpaid costs of services provided to persons identified by the healthcare provider as financially or medically indigent. For Harrington Cancer Center patients, the minimum balance of a patient’s account must be \$1,000 to be considered for charitable care.

Financially indigent is defined under Texas Law as those persons whose family income is at or below 200% of the most recently published Federal Poverty Guidelines, as published each year in the Federal Register. These patients qualify for charity care under this policy.

Medically indigent shall mean those patients who may not normally qualify for financial aid but due to a situation resulting in catastrophic medical expenses (25% or more of their annual income) and who is unable to pay the remaining balance without liquidation of assets critical to living or would cause undue financial hardship to the family support system. This may apply to either the uninsured or underinsured.

Financial Aid is defined as sliding scale financial discounts provided to uninsured or underinsured patients whose income level is between 200% and 400% of the most recently published Federal Poverty Guidelines.

Uninsured is defined as those patients who have no form of third party insurance to cover the services provided at BSA or HCC.

Underinsured is defined as those patients whose out of pocket expense after insurance is greater than they can afford to pay without causing undue financial hardship to the family support system.

Presumptive Charity and/or Presumptive Financial Aid is defined as charity write-offs or financial discounts based on statistical data and reporting tools rather than completed financial applications with supporting documentation provided by the patient or guarantor.

Family is defined as a group of two or more people related by birth, marriage (including any common law spouse), or adoption who live together: all such related persons are considered as members of one family. For instance, if an older married couple, their daughter, her husband and two children and the older couple's nephew all lived in the same house or apartment, they would all be considered members of a single family.

Government-Sponsored Indigent Health Care includes the unreimbursed cost to a healthcare center of providing health care services to recipients of federal, state or local indigent health care programs, eligibility for which is based on financial need. Medicaid, Maternal and Infant Health Improvement Act and the County Indigent Health Care Programs (J.O. Wyatt Clinic) are examples of government-sponsored indigent health care program benefits. Pursuant to the State of Texas guidelines for nonprofit hospitals, these unreimbursed costs are included in the definition of and report to the state as charity care.

Roles/Responsible Parties:

Financial Counselors are responsible for screening patients for potential eligibility, providing financial applications and explanation of the assistance process to eligible patients, and reviewing returned application for completeness. Financial Counselors are also responsible for approving returned applications up to a certain threshold defined below. When accounts pass the defined threshold, additional approval is required. For BSA accounts, the Collection Supervisor, Patient Account Manager, Patient Financial Services Director are all responsible for reviewing and approving returned applications depending on the dollar amount of the account. If additional approval is required, the Director will brief the CFO for approval. For HCC accounts, the Business Office Manager is responsible for reviewing and approving returned applications depending on the dollar amount of the account. If additional approval is required, the Manager will brief the HCC CEO for approval.

Procedures:

- The patient accounting system will automatically apply a 25% discount to all account balances of uninsured patients. This discount will be manually reversed prior to applying charity under either the financially or medically Indigent provision of this policy.
- Patient Financial Services personnel and/or a contracted vendor shall financially assess all patients during the pre-registration/registration process or while in house. Generally, patients with no insurance coverage are identified as potential candidates for charity or financial aid.
- Appropriate eligibility determination for financial assistance through any medical assistance program will be made before consideration is made for the Financial Aid / Uncompensated Charitable Care Program. However, patients may be approved for charity care while having a current application on file for possible government assistance. Cases reviewed and considered, but not approved for governmental assistance should always be evaluated for charity once the determination is finalized.
 - **Cooperation with these efforts may be required for consideration for this program. If it is determined that a patient is approved for the BSA/HCC financial assistance program, and the patient's application is still under review with the applicable government agency 120 days after services are provided, BSA/HCC will apply the appropriate discount pending final determination. If the patient ultimately qualifies for government program benefits, BSA/HCC personnel will reverse the charity write-off and bill the appropriate government program.**
- In the event the patient obtains coverage through a governmental program, the governmental assistance program will be billed and the patient's status as charity care will be changed.
- Patients receiving governmental assistance that offers coverage below 100% of allowable charges are automatically eligible and may qualify for either charity care or medical indigence. The most common of these situations include, but are not limited to:

- 1) Medicaid benefits exhausted – Amount of reimbursement reduced due to exhausted benefits, that would otherwise be billable to the patient, qualify for 100% write off as charity care.
 - 2) Medicaid benefits for a service or in a state that BSA/HCC has not applied for a billing number with that entity.
- In cases where a patient cannot or will not provide sufficient information to fully document eligibility for charity care, a presumption of eligibility may be made based on statistical data and other reliable assumptions so long as those assumptions are properly documented. Presumptive charity and/or financial aid will be applied after all normal collection activities have been exhausted and before accounts are sent to an external collection agency. This may include one or more of the following situations:
 - Collections, payment prediction, and charity eligibility based on MedeAnalytics
 - Insurance coverage is no longer in effect
 - Patient cannot be located through collection attempts, is unemployed, and uninsured
 - Patient is unresponsive to collection attempts, is unemployed, uninsured, and no credit information available
 - Patient resided in a shelter or indicates they are homeless with no income or assets to validate
 - Patient is not able to provide income information
 - Patient is deceased and there is no estate
 - Patient residence is in an area of high poverty
 - Once a determination of eligibility for charity care under financial or medical indigence is made, no further collection efforts shall be pursued for the amount applied toward charity care.
 - All patients approved will either be classified as financially indigent, medically indigent, or qualified for financial discount.
 - For BSA accounts:
 - The Financial Counselor will document the account with the eligibility information and will also populate the charity eligibility field with the appropriate identifier (A, B, C, D, F, or M) to indicate for which program the patient qualifies.
 - RPM will change the financial class to a “Y” in Invision, if the patient qualifies for 100% write-off under either financial.
 - If the patient qualifies for financial charity, the collector will send a CL21 letter (Qualification for Financial Assistance) and apply the appropriate adjustment.
 - If the patient qualifies for financial or medical discount, the collector will apply the appropriate adjustment then contact the patient for payment arrangements on the balance.
 - For HCC accounts:
 - The Financial Counselor will complete the “Financial Assistance Approval Form” and forward to the Business Office Manager for approval.
 - Upon approval, Business Office Staff will log the account onto the “Financial Assistance” spreadsheet and send an approval letter to the patient. In addition, the patient will be assigned “Charity Insurance” in either the IMPAC or Centricity system, as applicable. Business Office staff will then post the appropriate percentage of charitable adjustment to those previous services which fall within the patient’s eligibility period.
 - All patients are requested to pay their estimated portion due upon admission, or discharge if directly admitted outside Main Admitting hours or on weekends. Patients unable to pay this amount or unable to agree to an acceptable monthly payment plan are evaluated for possible charity assistance.

Financial Aid / Uncompensated Charitable Care

- On occasion, hospital personnel such as Social Workers, Nurses, Chaplains, Department Directors, and/or Physicians may identify possible charity patients. Any BSA or HCC employee who recommends a patient for charity shall follow the application process and documentation requirements outlined in this policy.

- While emphasis will be made in determining the need for financial aid / uncompensated charity care during the overall admission process, the discovery of need may also arise as a part of the collection follow-up process.

Determination of Eligibility

- The following patients **GENERALLY WILL NOT BE ELIGIBLE** for the financial assistance/ uncompensated charitable care program:
 - Patients who falsify the financial assistance program application.
 - Patients who have insurance coverage through an HMO, PPO, Workers Compensation, Medicaid, or other insurance programs that discourage access to our facility through insurance plan limitations.
 - Patients who refuse to provide the requested documentation or provide incomplete information.
 - Patients who refuse to be screened for, or follow through with, the application and qualification process for other assistance programs (Medicaid, J O Wyatt, etc.) for which the patient may be eligible.
 - Patients who fail to pay co-payments, co-insurance, deductibles, and/or their portion of the expense when approved for less than 100% assistance, or who fail to make appropriate payment arrangements on past financial obligations with BSA or HCC.
- All patients identified as potential charity are requested to complete a financial application, which may contain the following information:
 - Demographics
 - Resources and medical debt
 - Gross monthly/or annual income
- Verification of income requires a minimum of one of the following:
 - Income tax return – from most recent filing year
 - If the patient does not file a tax return or cannot provide one, have them provide a written statement as to why they cannot provide one.
 - Copy of 4 – 6 of the most recent pay check stubs
 - W-2 forms
 - Statement from employer
 - Social security statement of earnings
 - Food stamp benefits statement
 - Unemployment Compensation determination letters
 - Worker’s compensation benefits statement
 - Retirement benefits/ Pension
 - Veteran’s benefits statement
- Verification of debts and medical expenses may be required if they appear to be excessive.
- BSA/HCC reserves the right to review all information received, including the review of an applicant’s credit report history and property tax records, for purposes of processing the application.
- Only that portion of a patient’s bill that is the patient’s responsibility will be considered for charity care. The charity care allowance will only be applied after recovery from all third party payers has been verified so that the charity care amount is applied to the remaining balance of the patient’s total bill. Reductions in revenue deemed charity care should never produce a credit balance and/or a refund situation.
- Amounts to be applied to charity are determined based on household income. Income consideration is based on the current Federal Poverty Guidelines and the number of people within the household. If a patient is eighteen (18) years of age or younger and is not emancipated, the parent’s or legal guardian’s income will be used in consideration of charity care. Income from supplemental security income (SSI), aid to families with dependent children (AFDC) or food stamps will not be considered in determining charity eligibility.
- Documentation supporting the charity determination will be retained for audit or management review.

- Additional documentation will **not** be required on patients who have all necessary information on file with BSA/HCC’s Medicaid eligibility vendor. Applicable information will be documented in the account comments.

Uncompensated Charitable Care

- Individuals who belong to a recognized religious order and have taken a vow of poverty will be automatically considered for this program with no further documentation. However, they will be referred for eligibility determination for any government or other external medical assistance program. If a question arises regarding the validity of the religious order, BSA Spiritual Care Director will be contacted for advisement.
- Persons who participate in various federal/state/local programs where it is known that participation is based on income and where those guidelines are less or equal to ours, will also be considered for this program with no additional documentation required. Participation in these programs will be documented in the account.
- This policy is subject to change based on the issuance of new Federal Poverty Guidelines or based on the economic needs of the system.
- When assessing a patient/guarantor for financial assistance, apply the following approval limits to total combined balances of all accounts that have not been previously paid or sent to bad debt.
- If approval is being sought prior to rendering of services, approval requirements shall be based on an estimate of charges.
- Approval levels for charity:

Account Balance	Approval Process BSA	Approval Process HCC
\$50,000 or less	Financial Counselors assigned to the department are authorized to approve an account(s) for charity without further approval	Financial Counselors assigned to the department are authorized to approve an account(s) for charity without further approval
\$50,001 – \$75,000	The account(s) should be referred to the Collection Supervisor.	Financial Counselors assigned to the department are authorized to approve an account(s) for charity without further approval
\$75,001 - \$100,000	The account(s) should be referred to the Patient Accounts Manager.	The account(s) should be referred to the Business Office Manager.
\$100,001 – \$150,000	The account(s) should be referred to the Patient Financial Services Director (or the Rehab/Therapy Services Director).	The account(s) should be referred to the CEO.
Greater than \$100,000	The account(s) should be referred to the Patient Financial Services Director (or the Rehab/Therapy Services Director) who will brief the CFO on the account and document approval, if received.	The account(s) should be referred to the CEO.

- Any time an account is referred to a Supervisor, Manager, or Director for approval, the account(s) will be reviewed to determine if the account(s) should be placed in bad debt. The Supervisor, Manager, or Director will show their approval or disapproval in the system and if disapproved, advise the collector of the next collection steps to take.
- Approval or Denial will be communicated to patient/guarantor only after financial application has been through highest required approval level.



- Applications will remain valid for (12) twelve months from the approval date, unless additional information is received that indicates re-evaluation is advisable.
- Accounts that existed more than (90 days from discharge or DOS) prior to the application date must have a manager approval to be included in the consideration for financial assistance.
- If an employee authorizes a payroll deduction does not prevent them from applying for financial assistance as provided according to the Financial Aid and Uncompensated Charitable Care Policy.

Financial Aid / Uncompensated Charitable Care Table

BSA/HCC will offer the following discounts:

Percentage of Federal Poverty Income Guidelines	Discount Percentage
0 - 200%	100%
201 - 250%	80%
251 - 300%	60%
301 - 350%	40%
351 - 400%	20%

Medical Indigence

- Approval levels will be the same as financial indigence, with the exception of Self Employed applicants. Those applications must be reviewed by the Department Manager who will consult with the PFS Director or HCC CEO, as needed. Proof of medical expenses must be provided, unless Presumptive Charity is applied. Once it has been determined that the patient is medically indigent, BSA/HCC will adjust our current medical bills down to 25% of the patient’s income. If the patient still cannot pay, we will ask the patient to bring in proof of all current outstanding medical bills for review. If the total of those bills is still 25% of their yearly earnings, BSA’s / HCC’s bills will be adjusted down so that all of the patient’s medical bills total 25% of their income. Once a medical indigence determination is made and all existing balances have been adjusted, future accounts will need to be considered independent of the original determination. In other words, if a patient is approved for charity under Medical Indigence, and all account balances are adjusted, subsequent visits may not put the patient in the category of medically indigent again, and therefore, should be re-evaluated rather than automatically written off based on prior qualification. The application will still be valid for the 12 months, but the determination will need to be made based on the then current outstanding medical bills.

Payment Options

- Patients who qualify for financial aid will be offered all payment options offered by BSA/HCC to any patient without regard for discount.