

**HOSPITAL WIDE
POLICY AND PROCEDURE**



TITLE: **Patient Financial Assistance/Underinsured and Uninsured Patients**

APPROVED BY:

Handwritten signature of Bruce D. White in black ink.

Bruce D. White
Chief Executive Officer

Handwritten signature of Michael V. Ambrosiani in black ink.

Michael V. Ambrosiani
Chief Financial Officer

EFFECTIVE DATE: January, 2007

REVISED DATE: Nov 2020, October 2017, March 2013,
January 2010, January 2007

DISTRIBUTION: All Hospital Personnel

RESPONSIBLE PERSONNEL: Patient Financial Services, Fiscal Services, Central Billing Office

PURPOSE: To provide the utmost quality care to our patients by defining eligibility criteria, administrative guidelines and reporting of patient accounts to provide possible Financial Assistance to qualified applicants in need of healthcare services.

POLICY STATEMENT: This policy is designed to help our uninsured and our underinsured patients understand Knox Community Hospital's (KCH) billing process, payment options, and services available. KCH seeks to provide financial assistance to individuals whose financial situation meets the requirements described in the policy below. In accordance with the Rule, KCH will make all the required reasonable attempts to determine eligibility for the Financial Assistance Policy (FAP) prior to initiating extraordinary collections actions (ECA) as defined by the rule.

DEFINITIONS:

Application Period: is defined as up to 240 days from the first post discharge billing statement that is provided to the patient. Provided means mailed, delivered electronically, or hand delivered to the patient and/or guarantor (501 ®). Patients whose accounts fall out of the defined application period will not qualify for assistance for those accounts and will work with Financial Counselor to establish a payment plan. Financial Counselors can be reached by calling: 740.399.3831, 740.397.9631, 740.393.9639, 740.326.3368, 740.326.3378

Family Income: means gross family income, including but not limited to, wages, salaries, retirement incomes, disability incomes, rental or investment incomes, and child support, consistent with the definition of income for determination of income under the State of Ohio Hospital Care Assurance Program (HCAP). Family income determination will be based on 3 months' income prior to the date of application for which assistance is being applied. For those dates of service, which fall out of 90 days prior, 3 months' income will also, be required from the date of service.

Family Assets: means bank accounts, non-residential real estate property income, and other cash or non-cash assets.

Family: shall mean the patient, patient's spouse (regardless of whether they live in the home) and all of the patient's children, natural or adoptive, under the age of eighteen. If the patient is under the age of eighteen, the "family" shall include the patient, the patient's natural or adoptive parent(s) (regardless of whether they live in the home), and the parent(s)' children, natural or adoptive under the age of eighteen who live in the home.

Federal Poverty Guidelines (FPG): means the Federal Poverty Income Guidelines that are published by the U.S. Department of Health and Human Services, which are currently in effect for the date of service for which assistance is being applied.

Medically necessary care: is care that is defined as reasonable and necessary or deemed necessary by attending physician and would be covered for the patients' condition, if Ohio Medicaid covered the patient at the time of service. Examples of non-medically necessary care would include sterilization, infertility and cosmetic and would not be included in this policy.

Uninsured patients: are patient who do not have either commercial insurance or government provided insurance (Medicare, Medicaid, VA, etc.) for the date of service in question.

Underinsured patients: are patients who currently have insurance (commercial or government), but whose remaining patient responsible amount due exceeds their ability to pay, based on the financial assistance criteria described in this policy.

Uninsured Patient Discount: KCH offers a 20% discount off of all hospital inpatient and outpatient charges and a 40% discount off of KCH primary and Specialty Care Provider charges, at the time of billing.

Financial Assistance Application: (Complete) means the application for assistance in effect on the date of service for which assistance is being sought, completed with all required documentation needed to make a determination of eligibility for assistance.

Amounts Generally Billed (AGB): No individual determined eligible for financial assistance under a Knox Community Hospital's financial assistance policies will be charged more for emergency or medically necessary hospital care than the amounts generally billed ("AGB") to individuals with insurance covering such care. AGB is a percentage of KCH's full, undiscounted charges for such care. The AGB for Knox Community Hospital is calculated as follows:

a. The average amount that Knox Community Hospital generally receives from Medicare Fee-For-Service and private commercial insurers for all claims for the 12 month period ending 12/31 immediately prior to the year in which services were rendered.

Emergency care/treatment: means care or treatment for an emergency condition, as defined by EMTALA. (Emergency medical Treatment and Active Labor Act)

PROCEDURE:

A. Steps:

1. KCH will consider patients whose income exceeds the HCAP income guidelines for assistance under this policy if certain criteria are met:
Patient must be a resident of Knox County; It will cover counties directly adjacent to Knox County if:
 - a. There is no hospital serving that county
 - b. If the medically necessary service required is NOT available at the hospital in the county that the patient resides in.
 - c. The patient has an established primary care physician in Knox County
 - d. Special circumstances determined by the hospital
2. Only patients with active insurance coverage are eligible for financial assistance. If a patient received access to insurance within the 90 days prior and 90 days forward of application date, those accounts will be covered under the hospital charity program. KCH reserves the right to offer assistance to uninsured on a case by case basis.
3. A complete, signed application for the program must be submitted, along with the required supporting documentation as described in this policy within 30 days of the patient requesting an application. A new application will be required for every inpatient stay and every 90 days for all other services. (Financial Counselors will note the account that the application was requested)
4. KCH reserves the right to forfeit further charity to those patients that have been eligible for partial charity in the past or those who have collections, that have not paid any residual amounts left, until paid in full or other arrangements can be made. KCH also reserves the right not to refund any monies paid on accounts before or after financial assistance was given.

5. Family size and income is determined consistent with the State of Ohio Hospital Care Assurance Program (HCAP). Family assets are also considered as a part of the eligibility determination. A sliding scale for assistance levels is provided below.
6. Family income- Written proof on family income for all members of the family, as defined by HCAP, are required to be submitted with the application. Reasonable business expenses may be deducted for self-employed patients or their family. "Normal" tax deductions for self- employed will be accessed for the charity application process. If the application is claiming zero income, a written statement of how the applicant is surviving must accompany the application. If the applicant states that another is supporting him/her, (i.e., family member, significant other, etc.), then a signed statement from the person(s) supporting the application must also accompany the application.
7. Family assets - the family's other assets, such as bank accounts, non-primary residential property income, credit cards, lines of credit, cash and non-cash assets, etc. These will be utilized to pay bills up to 50% if total assets on hand prior to the date of application being eligible for KCH's charity care program. Liquid and non-liquid assets up to \$3000.00 will not be considered toward the payments of hospital bills. KCH reserves the right to collect payment from patients who have received monies from an outside insurance company for compensation of an accident from a lawsuit or settlement.
8. Assistance will be provided according following sliding scale attached to this policy.
9. Knox Community Hospital has the ability to use an automated system to automatically screen patients' ability and inclination to pay.
10. Knox Community Hospital will make all required, reasonable efforts to determine eligibility under the FAP prior to initiating extraordinary collections actions (ECAs). ECAs include actions as reporting to credit bureaus or lawsuits and other such actions which may be deemed as ECAs by the United States Treasury Department and Internal Revenue Service in the future. However, in the absence of a complete FAP application, KCH is permitted and will initiate referral to an outside collection agency, which may result in reporting to credit bureaus no earlier than 120 days after the first post discharge billing notice has been issued to the patient.

If ECAs have been initiated prior to the end of the application period, such ECAs will be suspended while the application is processed by KCH. In the event an incomplete application is submitted, KCH will return application to the patient, identifying what specific information is missing, how to return the requested information and whom they may contact. KCH will allow 30 days to return the required information prior to resuming ECAs. Accounts that qualify for assistance will be adjusted off with the hospitals established charity code.

11. Billing and Collections Policies, including the billing cycle and actions that may be taken in the event of nonpayment for emergency and/or medically necessary services provided are documented in a separate Billing and Collections Policy.
12. Exceptional Medical Circumstances (SPPA- Special patient payment arrangement)-A patient MAY qualify for KCH financial assistance and/or payment arrangements under exceptional circumstances. KCH may also consider any incurred charges that are greater than 25% of their Annual income. All requests for exceptional circumstance review must be directed to the Financial Counselor Supervisor for review. See attached addendum
13. Patients Not Eligible - Patients who are able to pay for services and are therefore determined not to be eligible under the guidelines for charity, will be required to pay a deposit equal to 50% of the estimated patient responsibility for either the elective inpatient or outpatient services, prior to scheduling, and to make arrangements for a payment plan to pay for the remaining balance after services are provided. Patient's services are subject to cancellation of non-emergent appointments if these requirements are not met.
14. Limitations on charges - for services under this policy, the amounts charged to individuals under those FAP are limited to the Amounts Generally Billed (AGB). This limitation applies to all amounts for which an eligible individual is responsible, including the amounts the patient is personally responsible to pay (including, co-pays, coinsurance and deductibles).
15. KCH is committed to publicizing this Policy widely within the communities served by KCH facilities. To that end, KCH will take the following steps to ensure that members of the communities to be served by its facilities are aware of the Policy and have access to the Policy:
 - a. KCH will make a copy of its current Policy available to the community by posting a plain English summary of the Policy on its web page www.kch.org, (under patient resources) along with a down loadable copy of the Policy with instructions for downloading a copy of the Policy. There is no fee for downloading a copy of the Policy.
 - b. KCH will post a plain English summary of the Policy in locations throughout its facilities where the summary will be available to patients and their families, including summaries of the Policy to be provided with any invoices covering amounts charged for services.
 - c. Financial counselors will make a plain English summary of the Policy available to all uninsured patients and will provide any person who requests it a copy of the Policy.
 - d. KCH will include a plain English summary of the Policy in any community benefit reporting done to the community at large along with a description of how to obtain a copy of the Policy.
 - e. KCH will make information regarding its Policy available to appropriate governmental agencies and nonprofit organizations dealing with public health in KCH's service areas.

- f. KCH will run periodic public service announcements regarding the Policy through selected and appropriate media within the communities served by KCH facilities.
- g. A conspicuous notice of the availability of the FAP will be located on every statement mailed to each patient.
- h. Measures to widely publicize the availability for this FAP, and the application process will be performed in accordance with the Rule.
- i. Translated copies of the policy are available and the methodology used is consistent with the 5-percent/1000 person threshold under the HHS Guidance safe harbor and the final regulations adopt this change.(79FR 78977).

PREPARED BY: Financial Counselor Supervisor, VP of Finance, Director of Revenue Cycle

Addendum next page.

Addendum

Percentage of Federal Income Guidelines	% of help to patients
* Under 200% guidelines-----	100% off charges
* 201-225%-----	90% off charges
* 226-250%-----	80% off charges
* 251-275%-----	70% off charges
* 276-350%-----	60% off charges
* 301-325%-----	50% off charges
* 326-350%-----	40% off charges

Addendum to SPPA

To be considered for a SPPA(Special Patient Payment Arrangements) the patient will:

1. Supply information to the Financial Counselor Supervisor to support medical circumstances (i.e. terminal illness, excessive medical bills, etc.)
2. A new application to be filled out with all supporting documents required for a financial application
3. A copy of monthly expenses including copies of bills
 - a. Only necessary bills in moderation will be accepted, see below example

RECORD OF MONTHLY EXPENSES

Please record any monthly expenses that you would like to be considered in your request for assistance.

DESCRIPTION OF EXPENSE:	MONTHLY EXPENSE:	YEARLY TOTAL:
Phone	\$45 for single-\$70.00for family	_____
Basic Cable	\$50.00	_____
Credit Card	\$50.00	_____
Rent/House payment	_____	_____
Electric	_____	_____
Gas Heat	_____	_____
House insurance	_____	_____
Car Payment	_____	_____
Gas for car	_____	_____
House taxes	_____	_____
Food	_____	_____
Medical Insurance	_____	_____
Prescriptions	_____	_____
Car Insurance	_____	_____