Presence Health

SYSTEM POLICY

Category:	Finance	**Policy #:**	PH-210-0002
Policy Title:	Financial Assistance for Hospital Patients	**Page:**	1 of 12
Executive Sponsor Title:	Chief Financial Officer		

Original Policy Date: 04/01/2012
Current Policy Effective Date: 11/18/2016
Last Review Date: 05/20/2017
Next Required Review Date: 05/20/2019

Policy Applies to: Presence Health Hospitals

I. PURPOSE

To promote the health and well-being of our communities, residents of communities served by Presence Health hospitals who have limited financial resources and no or insufficient health insurance coverage shall be eligible for discounted or free hospital services as set forth herein. The purpose of this Policy is to ensure that patients with limited financial means have access to needed hospital services.

II. KEY PRINCIPLES

A. Eligibility for Financial Assistance Discounts; Maximum Charge Levels. Hospital patients receiving emergency or other medically necessary care with Family Income of less than 600% of the federal poverty guidelines are eligible for Financial Assistance. System hospitals will apply presumptive eligibility criteria to facilitate prompt recognition of eligibility for financial assistance. Patients who qualify for Financial Assistance will not be charged more for emergency or medically necessary care than the amounts generally billed (AGB) to patients who have insurance coverage.

B. Uninsured Patient Discounts. Discounts on hospital charges are available to uninsured patients through an automatic 40% discount. Uninsured patient discounts are not considered Financial Assistance under this Policy.

C. Hospital Financial Assistance Committees are responsible for reviewing data on financial assistance granted by the hospital and considering special-circumstances exceptions to provide higher than the standard level of financial assistance discounts, or discounts to persons in need who otherwise would not be eligible for assistance.

III. DEFINITIONS As used in this Policy:

A. **AGB** means amounts generally billed for emergency or other medically necessary care to individuals who have insurance coverage. AGB refers to the amount due to the hospital after applicable insured discounts are applied.

B. **Application Period** means the period during which Presence Health must accept and process an application for financial assistance under this Policy submitted by an individual in order to have made reasonable efforts to determine whether the individual is eligible for financial assistance under the policy. The Application Period begins on the date the care is provided and ends on the latter of the 240th day after the date that the first post-discharge billing statement for the care is provided or at least 30 days after Presence Health provides the individual with a written notice that sets a deadline after which extraordinary collection actions (as defined in the System Hospital Billing and Collection for Uninsured and Other Patients Policy) may be initiated.

C. **Automatic Uninsured Self-Pay Discount means** a discount of 40% in gross charges, automatically provided to all Uninsured Patients without requiring evidence of inability to pay. This discount is not considered Financial Assistance under this Policy.

D. **Catastrophic Discount** means a discount provided when the patient responsibility portion specific to medical care at Presence Health hospitals, even after payment by third-party payers, exceeds 15% of the patient's family annual gross income. This discount is intended to help patients and their families avoid bankruptcy or insolvency as a result of hospital costs, and is considered Financial Assistance under this Policy.

E. **Exempt Assets** means the following forms of assets, which will not be considered in determining a patient's ability to pay or a financial need: the patient's primary residence; personal property exempt from judgment under Section 12-1001 of the Illinois Code of Civil Procedure; and any amounts held in a pension or retirement plan (exclusive of distributions and payments from such plans).

F. **Family** means the patient, his/her spouse (including a legal common law spouse) and his/her legal dependents claimed on filed tax returns or otherwise in accordance with Internal Revenue Service rules.

G. **Family Income** means the sum of a family's gross annual earnings and cash benefits from all sources before taxes, less payment made for child support. Sources of income include but are not limited to: Gross wages, salaries, dividends, interest, Social Security benefits, workers compensation, training stipends, regular support from family members not living in the household, government pensions, private pensions, insurance and annuity payments, income from rents, royalties, estates and trusts.

H. **Financial Assistance** means the term used to refer to the value of free or discounted healthcare services provided to individuals who have been determined to be eligible for Financial Assistance under this Policy based on financial need.

I. **Financial Assistance Council** means a System council responsible for overseeing the implementation of this Policy. The Financial Assistance Council includes representation from the following areas: Mission, Finance, and Legal Services.

J. **Hospital Financial Assistance Committee** means a team of hospital leaders that meets monthly to review data relating to Financial Assistance applications and determinations. The committee will consist of the hospital Chief Executive Officer,

Chief Financial Officer (CFO), VP Mission Services, Revenue Integrity Director (or designee), Director of Case/Care Management, Patient Financial Counselor, or similar mix of responsible hospital leaders.

K. **Illinois Resident** means a person who currently lives in Illinois and who intends to remain living in Illinois indefinitely.

L. **Medically Necessary Service** means any inpatient or outpatient hospital service, including pharmaceuticals or supplies provided by a hospital to a patient covered under Title XVIII of the federal Social Security Act for beneficiaries with the same clinical presentation as the uninsured patient. A Medically Necessary service does not include: (1) non-medical services such as social and vocational services; or (2) elective cosmetic surgery (exclusive of plastic surgery designed to correct disfigurement caused by injury, illness or congenital defect or deformity).

M. **Medicare Cost to Charge Ratio** means the ratio determined by Medicare which calculates Presence Health overall cost to provide services compared to charges for services. This ratio will be used in calculating possible discounts for insured patients.

N. **Presence Health Hospitals** means the following 12 hospitals within the Presence Health System:

Presence Covenant Medical Center
Presence Holy Family Medical Center
Presence Mercy Medical Center
Presence Resurrection Medical Center
Presence Saint Francis Hospital
Presence Saint Joseph Hospital - Chicago
Presence Saint Joseph Hospital - Elgin
Presence Saint Joseph Medical Center
Presence Saints Mary and Elizabeth Medical Center (Presence Saint Mary of Nazareth Hospital and Presence Saint Elizabeth Hospital)
Presence St. Mary's Hospital
Presence United Samaritans Medical Center

O. **Presence Health, or System** - means Presence Health Network and all affiliate entities of which Presence Health Network serves as the ultimate parent corporation.

P. **Uninsured Patient** means:

- A patient of a hospital who is not covered under any commercial health insurance policy (including third party liability coverage) and is not a beneficiary or eligible to be covered by any governmental or other coverage program, including Medicare, Medicaid, TriCare, high deductible insurance, or other coverage agreements.

- If a patient's insurance coverage is exhausted, or the patient's insurance does not cover medically necessary hospital services provided to the patient, the

patient will be considered an Uninsured Patient for purposes of Financial Assistance and the Automatic Uninsured Self-Pay Discount will apply to these cases.

IV. REQUIRED PROCEDURES

A. Identification of Potentially Eligible Patients

1. Offering Financial Assistance Information at Intake/Discharge. All patients will be offered a plain language summary of this Policy as part of the intake or discharge process. In addition, any patient may request Financial Assistance information at any time.

2. Financial Assistance Evaluation Prior to or After Admission/ Pre-Registration: Non-ED Patients. When possible, prior to the admission or pre-registration, the hospital will conduct an appropriate pre-admissions/pre-registration interview with or for any patient other than one who has come to a hospital's Emergency Department, to determine eligibility for Financial Assistance. If a pre-admission/pre-registration interview is not possible, a Financial Assistance interview should be conducted upon admission or registration or as soon as possible thereafter.

3. Evaluation of Financial Assistance Eligibility for Emergency Medical Treatment. For patients who have come to the hospital's Emergency Department, the hospital's evaluation of payment ability to pay or eligibility for Financial Assistance should not take place until an appropriate medical screening has been provided, and in the case of patients determined to have an emergency medical condition, until after such condition has been stabilized

B. Presumptive Eligibility Criteria

Any patient meeting any of the criteria set forth below will be considered presumptively eligible for Financial Assistance without further documentation requirements. In such situations, the patient is deemed to have a family income of 200% or less of the Federal Poverty Level, and therefore eligible for a 100% reduction from Medically Necessary hospital charges (i.e. full charity write off). Patients will receive a minimum of one (1) statement to provide a summary of services and account information. Presumptive eligibility for 100% Financial Assistance will be made for patients meeting any of the following criteria:

a. Patient is homeless (with such status verified after review of available facts).
b. Patient is deceased with no estate.
c. Patient is mentally or physically incapacitated and has no one to act on his/her behalf.
d. Patient is currently eligible for Medicaid, but was not on a prior date of service or for non-covered services.

e. Patient is enrolled or covered by the Women, Infants and Children Nutrition Program (WIC).
f. Patient is enrolled or covered by the Supplemental Nutrition Assistance Program (SNAP) or Food Stamp Eligibility (LINK).
g. Patient is enrolled or covered by the Illinois Free Lunch and Breakfast Program (eligible for free and reduced price school meals).
h. Patient is enrolled or covered by the Low Income Home Energy Assistance Program (LIHEAP).
i. Patient or family is a qualified participant in an organized community-based program for providing access to medical care that accesses and documents limited low-income financial status criteria.
j. Patient receives or qualifies for free care from a community clinic affiliated with the hospital or known to have eligibility standards substantially equivalent to that of the hospital under this Policy, and the community clinic refers the patient to the hospital for treatment or for a procedure.
k. Patient is a recipient of grant assistance for medical services.
l. Patient participates in state-funded prescription programs.
m. Patient or patient's family is enrolled in Illinois Housing Development Authority's Rental Housing Support Program.
n. Patient or patient's family has been determined by an independent third-party reporting agency to have family income of 200% or less than the Federal Poverty Level.
o. Patient or patient's family's inability to pay any portion of patient-liability amount has been verified by an independent third-party agency.

C. **Standard Determinations of Eligibility**

1. Income Documentation. Patients other than those determined to be presumptively eligible for Financial Assistance must provide at least one of the following forms of income documentation with their Financial Assistance application:

   a. A copy of the most recent Federal income tax return (preferred) or state income tax return;
   b. A copy of the most recent W-2 form and 1099 forms, or similar forms issued to members of partnerships, limited liability companies or other entities;
   c. Copies of two (2) most recent pay stubs;
   d. Written income verification from an employer if paid in cash; or
   e. One (1) other reasonable form of third party income verification deemed acceptable to the hospital

2. Expectations of Patient Cooperation. It is expected that patients will cooperate with the information gathering and assessment process in order to determine eligibility for Financial Assistance.

3. Residency Requirement. Financial Assistance and other patient discounts under this Policy will be provided to Illinois Residents and eligible visitors (as set forth in sub-section c below)

   a. Proof of Residency. Residency may be evidenced by any of the following:
      i. Any of the income documentation listed in Paragraph IV.B above
      ii. A valid state-issued identification card or driver's license;
      iii. A recent utility bill;
      iv. A lease agreement (for housing);
      v. A vehicle registration card
      vi. Mail addressed to the patient at an Illinois address from a government or other credible source;
      vii. A statement from a family member of the patient who resides at the same address and presents verification of residency; or
      viii. A letter from a homeless shelter, transitional house or other similar facility verifying that the patient resides at the facility.

   b. Eligible Out-of-State Service Area Residents. Patients who are residents (using the verification standards applicable to Illinois residents specified above) of an adjacent state who reside in an area of such state that falls within a Presence Health hospital's primary service area will be considered eligible for Financial Assistance for services provided at such System hospital (or other Presence Health hospitals to which the service area hospital refers the patient) on the same basis as IL residents. Notwithstanding the foregoing, patients who reside in Presence United Samaritans Medical Center's secondary services area of zip code 47932 will also be considered eligible for Financial Assistance for services provided at such hospital on the same basis as IL residents.

   c. Visitors Eligible for Financial Assistance. Patients who are not residents of Illinois, but who state or verify that they did not come to Illinois for the primary purpose of receiving medical care will be evaluated for eligibility for Financial Assistance on the same basis as Illinois residents. Financial Assistance applications by all other non-Illinois residents, including those where the primary reason for the patient visit is not clear, must be reviewed by the hospital's Financial Assistance Committee for a determination of whether granting Financial Assistance is consistent with the purposes of this Policy, under the circumstances.

4. Review of Applications with Special Circumstances. The hospital Financial Assistance Committee will review patient accounts identified by a Financial Counselor that involve unique circumstances indicating financial need despite the absence of the standard eligibility criteria set forth in this Policy. The hospital Financial Assistance Committee may recommend to the Financial Assistance Council exceptions to this Policy for specific patients based on unusual or uncommon circumstances relating to financial need. The basis for

all exception decisions must be documented and maintained in the account file and must be made consistently across the System.

a. Assets Consideration. Assets will not be used for initial Financial Assistance eligibility, except to the extent the presence of substantial assets (other than Exempt Assets) indicates the existence of significant unreported additional sources of income that would show the patient's actual family income to be more than 600% of the Federal Poverty Level.

5. Approval Authorities. The hospital Business Office may approve Financial Assistance for amounts up to $25,000. A System Financial Assistance Manager may approve amounts greater than $25,000 but lower than $100,000. Amounts greater than $100,000 will be approved by the hospital's CFO; provided, however, that amounts of $500,000 or greater must be reviewed by the hospital CFO and the System Chief Mission Officer. Approval amounts must be in compliance with this Policy.

D. Eligibility Determination Process and Notification

1. Normal Processing Period. Clear expectations as to the length of time required to review a financial assistance application and provide a decision to the patient should be communicated at the time of application. A written decision will be made within a reasonable time period after the hospital's receipt of the completed application, including, if applicable, the assistance for which the individual is eligible and the basis for this determination. Collection activity on the account will be suspended while the Financial Assistance application is pending.

2. Incomplete Applications. If an application is missing the minimum information or documentation necessary for determination of Financial Assistance eligibility, Presence Health representatives will notify the patient in writing, specifying the additional information needed to complete the application. If the application remains incomplete for 45 days after such written notice, and after reasonable attempts to obtain the necessary documentation or equivalent information, collection actions may be taken or resumed.

3. Denials; Patient Right to Appeal. Patients will be notified of a denial of a financial assistance application in writing, including reason(s) for the denial, and appeal rights. If a patient disagrees with the Financial Assistance eligibility determination, including the extent of discount for which a patient is eligible, the patient may appeal in writing within 45 days after denial. System Patient Financial Services will review the appeal, and make a recommendation to the Financial Assistance Committee. Decisions reached will normally be communicated to the patient within 60 days, and reflect the Committee's final review. Collection activity will be suspended during the appeal process.

4. Suspension of Collection Activities Pending Eligibility Determination. When an application for Financial Assistance has been received, a note will be entered into the patient's account to suspend collection activity until the Financial Assistance process is completed. If the account has been placed with a collection agency, the agency will be notified to suspend collection efforts until a determination is made, with such notification documented in the account notes.

5. Application of Catastrophic Discount. The Catastrophic Discount will be available to patients who have medical expenses over a 12-month period for Medically Necessary Services from a Presence Health hospital that exceed 15% of the patient's family's annual gross income, even after payment by third-party payers. Any patient responsibility in excess of 15% will be written off to charity. Services that are not Medically Necessary will not be eligible for this discount.

6. Change in Status Notifications. If the patient with an outstanding bill or payment obligation has a change in his/her financial status that may result in eligibility for Financial Assistance or a higher Financial Assistance discount, the patient should promptly notify the Central Billing Office (CBO) or hospital designee. The patient may request a reevaluation and apply for Financial Assistance or a change in payment plan terms.

7. Payment Arrangements for Balances Due. After the Financial Assistance discount has been applied, any remaining patient balances will be eligible for payment arrangements in accordance with System Patient Financial Services policies. If a patient is unable to meet the payment arrangement guidelines due to special patient or family circumstances limiting the patient's payment ability, the Financial Counselor or similar representative may review and recommend additional Financial Assistance to the hospital Financial Assistance Committee for the Committee's review and recommendation.

8. Application of Financial Assistance Discounts to Patient Accounts. Once a Financial Assistance eligibility determination is made, the applicable discount will be applied to all of the patient's open (defined as open accounts receivable) or bad debt accounts for services prior to the approval date. Refunds will be provided to the extent of the approved Financial Assistance discount on payments submitted within the Application Period.

9. Re-application of Financial Assistance. Approval for Financial Assistance will be available for up to 12 months or within the calendar year of the approval date. Patients may be required to verify information that was provided on a prior application submitted more than 12 months before a Financial Assistance approval date.

E. **Uninsured Self-Pay Discount**

1. There is no application process for the patient to receive the Uninsured Self-Pay Discount. The discount is applied based on the account's self-pay/uninsured status.

2. Patients receiving pre-negotiated discounts (package pricing) for hospital services will not be eligible for the Uninsured Self-Pay Discount.

3. If a patient is subsequently approved for Financial Assistance, the Uninsured Self-Pay Discount will be reversed so that the full amount can be recognized as a charity discount.

F. **Financial Assistance Guidelines and Eligibility Criteria**

1. General. The Financial Assistance Guidelines and Eligibility Criteria below are designed to assure that patients with financial need are charged at a rate substantially less than insured patients, including the opportunity to receive 100% free care. The table below is used to determine the Financial Assistance discounts by tier for Uninsured Patients.

	Eligibility Criteria		
Percentage of Poverty Guidelines	**Discount Percentage for Uninsured Patient (off Gross Charges)**	**Discount Percentage for Insured Patient (off Patient Balance)**	**Annual Maximum Catastrophic Patient Payment (% of Patient Family Income)**
Up to 200%	100%	100%	n/a
201-300%	90%	Discount equal to 100% of Medicare Cost to Charge Ratio	15%
301-400%	80%	Discount equal to 100 of Medicare Cost to Charge Ratio	15%
401-600%	75%	Determined on an exception basis	15%
Over 600%	Determined on an exception basis	Determined on an exception basis	Determined on an exception basis

2. Annual Updates of Criteria Levels. The Federal Poverty Guideline calculations will also be updated annually in conjunction with the published updates by the U.S. Department of Health and Human Services.

3. Pre-Negotiated Rates Package Pricing. Patients receiving pre-negotiated discounts (package pricing) for hospital services will not be eligible for Financial Assistance.

4. Financial Assistance for Certain Crime Victims. Individuals who are deemed eligible by the State of Illinois to receive assistance under the Violent Crime Victims Compensation Act or the Sexual Assault Victims Compensation Act shall first be evaluated for eligibility for Financial Assistance based on the Financial Assistance Guidelines and the Eligibility Criteria. Applications for reimbursement under such Crime Victims Funds will be made only to the extent of any remaining patient liability after the Financial Assistance eligibility determination is made.

5. Financial Assistance for Insured Patients. Financial Assistance in the form of 100% discounts (free care) are available for patient-liability amounts remaining after insurance payments, for insured patients who are Illinois residents with family gross income less than or up to 200% of the Federal Poverty guidelines. For insured patients with family gross income between 200% and 400% of the Federal Poverty guidelines, the expected patient payment will be the lesser of patient's out of pocket (OOP) liability reduced by 100% of the hospital's Medicare cost-to-charge ratio or the amount the patient would have been responsible for had they been uninsured. The amount of Financial Assistance will be determined once all third-party payment amounts have been identified. In addition, insured patients with high hospital bills may receive a Catastrophic Discount.

6. Financial Assistance for Students. Financial Assistance for verified full-time enrolled students with income of 200% or less of the Federal Poverty Level will be eligible for a 100% reduction from charges (i.e., full charity write-off).

7. Timing of Financial Assistance Application. A patient may apply for Financial Assistance at any time during the billing and collection process.

G. **Patient Responsibilities**

1. Patients Potentially Eligible for Public Programs. Patients who are identified as potentially eligible for healthcare coverage from a governmental program or other source will be referred to a Financial Counselor and expected to cooperate with efforts to determine their eligibility for coverage (e.g. Medicaid), prior to consideration for Financial Assistance. Such coverage eligibility efforts will be made at the hospital's expense, and will promote public policy goals by assuring eligible patients are covered by available health coverage programs.

2. Verification. It is the responsibility of the patient to provide any additional required supporting documentation to confirm Presumptive Eligibility determination. Patients will receive a minimum of one communication to provide any needed verifying documents. Financial assistance will not be denied based on the omission of information or documentation, if that information or documentation is not specifically required by this policy or by the Financial Assistance Application.

H. **Billing**

1. No Bill May Be Issued Pending Processing of Financial Assistance Application. If a partial Financial Assistance application is provided, no bill will be issued to an Uninsured Patient until 45 days after a reasonable attempt is made to obtain outstanding verifying documents. A reasonable attempt is defined as using available patient contact information, including current address, phone number, and email, to correspond with the patient for at least 45 days about outstanding documents and how eligibility might be obtained.

2. Billing Statement. When a patient is deemed eligible for Financial Assistance (not under presumptive eligibility), the hospital will provide the patient with a new billing statement indicating the amount owed after Financial Assistance. This billing statement will include the AGB for care provided and how that amount was determined.

3. Amounts Generally Billed Percentages

   a. Patients who are eligible for Financial Assistance shall not be billed more than AGB in the case of emergency or other medically necessary care, and shall be billed less than gross charges in the case of all other medical care covered under this Policy.

   b. The AGB for all Presence Health hospitals will be calculated annually, as the lowest AGB percentage of all System hospitals, using the "look-back" method. The "look-back" method requires determining the total amount received by System hospitals for Medicare fee-for-service and private health insurer allowed claims, divided by the gross charges for those claims for a 12-month period. The current AGB will be set forth by System Financial Patient Services as of the 120th day after the start of the calendar year. Individuals may obtain the specific AGB percentage and accompanying description of the calculation in writing and free of charge by contacting a financial counselor via the telephone numbers provided below.

I. **Collection Practices**. See the System Hospital Billing and Collection for Uninsured and other Patients Policy for additional information on billing and collection practices. Individuals may obtain a copy of such policy by contacting a financial counselor via the telephone numbers provided below.

J. **Patient Awareness of Policy and Availability of Financial Assistance**

1. Signage. Signs, placards or similar written notices regarding the availability of Financial Assistance will be visible in all hospitals at points of registration and other patient intake areas, to create awareness of the Financial Assistance program. At a minimum, signage will be posted in the emergency department, and the admission/patient registration area.

2. Application Forms. In addition to offering a copy of the plain language summary of this Policy as part of the intake or discharge process, Financial Assistance Applications and other forms used to determine a patient's eligibility for Financial Assistance will be made available at each hospital and provided at registration to all patients who are identified as uninsured or at other appropriate times or locations if the patient's uninsured status is determined after registration.

3. Languages for Financial Assistance Policies and Notices. All public information and/or forms regarding the provision of Financial Assistance will use languages that are appropriate for the hospital's service area in accordance with the state's Language Assistance Services Act. This Policy will be translated to and made available in those languages that constitute the lesser of 1,000 individuals or 5% of the community served by the hospital or the population likely to be affected or encountered by a Presence Health hospital.

4. Notices on Hospital Bill/Invoice. Patient bills, invoices or other summary of charges shall include a prominent statement (in English, Spanish and Polish) that patients who meet certain income requirements may qualify for Financial Assistance and information regarding how a patient may apply for consideration under this Policy.

5. Policy Availability. Upon request, any member of the public or state governmental body will be provided with a copy of this Policy. A summary of the Financial Assistance is available pursuant to this Policy and will be available on the Presence Health website in those languages that are appropriate for the Presence Health hospitals' service areas as set forth in Section IV.J.3 above.

6. List of Participating Providers. Each Presence Health hospital will list all physicians and other providers who will apply hospital-determined Financial Assistance discounts for medically necessary hospital services provided at the hospital ("**501(r) Provider Participation List**"). Presence Health will update the 501(r) Provider Participation List quarterly.

V. IMPLEMENTATION FORMS AND OTHER DOCUMENTS The following documents are available at the System website and internally at the webpage for Patient Financial Services under System Services/Finance:

A. Plain Language Summary of Financial Assistance Policy
B. Hospital Financial Assistance Program Cover Letter and Application
C. Room and Board Statement
D. Financial Assistance Policy Provider List
E. Amounts Generally Billed (AGB) Information
F. Federal Poverty Guidelines

VI. RELATED SYSTEM OR MINISTRY POLICIES

A. Hospital Billing and Collection for Uninsured and Other Patients Policy