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Owner	BRETT Klein: Manager, Insurance Collections
Department	Revenue Cycle-Patient Financial Services
Laws/ Regs./Standards	26 C.F.R. § 1.501(r), 26 C.F.R. § 1.501(r)-1(b)(4), 26 C.F.R. § 1.501(r)-4, 26 C.F.R. § 1.501(r)-5, 26 C.F.R. § 1.501(r)-6, 26 C.F.R. § 1.501(r)-7

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Financial Assistance Policy

Purpose:

Charles Cole Memorial Hospital dba UPMC Cole ("UPMC Cole") recognizes the need in our community to provide financial counsel and assistance to those patients with limited income who find it difficult to meet the expenses incurred in receiving health care services. In keeping with our mission to provide excellent healthcare services, UPMC Cole is committed to providing financial assistance to every person that is uninsured, under-insured, ineligible for other government programs, or unable to pay based on their financial situation. The purpose of this policy is to define the Financial Assistance Program and establish the necessary criteria, guidelines and approval process.

Definition:

Financial Assistance: The demonstrated inability of a patient to pay in accordance with guidelines established by the Hospital.

Bad Debt: An unwillingness of the patient to pay.

Medically Necessary: Hospital services or care rendered, both inpatient and outpatient, to a patient in order to diagnose, alleviate, correct, cure or prevent the onset or worsening of conditions that endanger life, causes suffering or pain, cause physical deformity or malfunction, threaten to cause or aggravate a handicap, or result in overall illness or infirmity.

Emergency Care: Immediate care which is necessary to prevent putting the patient's health in serious jeopardy, serious impairment to bodily functions and serious dysfunction of any organs or body parts.

Uninsured: Patients with no insurance or third-party assistance to help remunerate their financial responsibility to healthcare or dental providers.

Underinsured: Patient who carry insurance or have third party assistance to help pay for medical or dental services, but who accrue or have the likelihood of accruing out-of-pocket expenses which exceed their financial ability.

HHS Poverty Guidelines: The Department of Health and Human Services (HHS) published poverty guidelines.

Hospital: UPMC Cole

Spend Down: Department of Public Welfare (DPW) assigned patient responsibility amount.

Household: Any persons (patient, spouse/significant other, and dependents) living in a single residence.

Implementation:

As a service to our patients, a team of financial counselors are available to discuss options for patients regarding Medical Assistance and Health Insurance Marketplace navigation. In order to provide the level of aid necessary to the greatest number of patients in need, and protect the resources needed to do so, the following guidelines apply:

1. Services are provided under financial assistance only when deemed medically necessary and after patients are found to have met all the financial criteria based on the disclosure of proper completed information and documentation. This includes uninsured patients seeking non emergent care who do not have the ability to pay as determined by the financial guidelines in this policy.
    a. Healthcare Access, Physician Office staff, or Patient Financial Services staff may initiate the application process.
    b. The application must be submitted within 240 days from the date of discharge or the date on which outpatient services were provided. However, UPMC Cole will allow for patients to apply for Financial Assistance at any time even after an account has gone to collection status. The patient will be given 90 days from receipt of the application to return the completed application for review.
    c. Patient will reside in the Hospital's primary or secondary service area and have a primary care physician who is a member of the Hospital's medical staff. Out of area patients are generally not eligible for a financial assistance discount except for true emergent care. However, the Insurance Collections Manager or the CFO may review and approve any out of area patient application based on the circumstances of the

case.

d. Determine eligibility for financial assistance discount at the time of admission/pre-registration, or as soon as possible thereafter. In some cases, it can take an investigation to determine eligibility, particularly when a patient has limited ability to provide needed information. Also, because of complications unforeseen at the time of admission, the patient may need to be reclassified as full or partial financial assistance.

e. Determine the appropriate amount of financial assistance discount in relation to the amounts due after applying all other resources. The Hospital will apply all other resources first, including Medicare, third party payers, Victims of Crime and Medical Assistance.

f. Applications will be deemed incomplete unless the patient has applied for Medical Assistance and such application has been processed by the Office of Medical Assistance.

g. The application will be deemed incomplete if the patient has provided incomplete information. The patient is responsible for assuring that his/her application is complete. A completed application shall include all necessary documentation required for the Hospital to make an appropriate determination of the patient's eligibility for Financial Assistance discount. Information provided on an application is subject to verification by the Hospital staff Patient's submitting incomplete applications or whose information cannot be verified will be notified in writing of the missing information or the verification issues.

2. Insured patients whose coverage is inadequate to cover catastrophic situations and do not have the ability to pay as determined by the financial guidelines in this policy.
3. All medically necessary emergent services of this facility will be available as uncompensated services to eligible patients because the Hospital does not need to assess a patient financial situation when rendering medically necessary emergent care.
4. Patients are expected to contribute payment for care based on their individual financial situation; therefore each case will be reviewed separately.

    a. Consider the patient's individual or household income, as appropriate, using the income guidelines in this policy. Income guidelines will be based on the most recent published HHS Poverty Guidelines and will be updated accordingly as the rates are changed.

    b. Consider employment status along with future earnings potential and access if it is sufficient to meet the obligation within a reasonable period of time.

    c. Consider household size and configuration.

    d. Consider the amount(s) and frequency of Hospital and other healthcare/medication bills (i.e., cancer treatment, rehabilitation services, etc.) in relation to all of the factors outlined above.

    e. Consider the amount of cash assets available such as checking accounts, savings accounts, certificate of deposits. If total cash assets exceed $10,000, 50% of the excess will be added to the household income level calculation used to determine

eligibility and discount level.

f. The patient must provide supporting documentation of income which can include:
    i. Recent Federal Income Tax Return, paychecks, General Relief, Social Security, pension, unemployment or disability check stubs, or other proof of income.

g. A patient who can afford to pay for a portion of the services will be expected to do so. For example, part of an account might be paid by a third party, part by the patient, and part by financial assistance. If the patient does not pay the amount deemed to be his/her responsibility, the uncollectible balance will become bad debt and will be subjected to the normal collection process used by the Hospital.

5. Financial Assistance is not considered an alternative option to payment and patients may be assisted in finding other means of payment or financial assistance before approval for Financial Assistance. Such assistance may include help in applying for PA Medical Assistance and/or help in applying for a plan through the Health Insurance Marketplace, if available.
    a. If a patient does not already have Medical Assistance he/she must cooperate with the Hospital and submit an application to Medical Assistance. If the application is denied or the patient has a Spend Down amount, only then is the patient considered for a financial assistance discount under this policy. If the patient is denied by Medical Assistance for being non-compliant, patient will not be considered for Financial Assistance.
    b. Patients that are truly self-pay, with no other form of health insurance, will be required to enroll through the Health Insurance Marketplace during times of open enrollment. When open enrollment periods are closed, patients are required to enroll through a Special Enrollment Period if they experience a Qualifying Life Event as defined by the Health Insurance Marketplace. Examples of qualifying life events could be: moving to a new state, certain changes in your income, and changes in your family size (for example, if you marry, divorce or have a baby). Choosing to not enroll will deem a patient ineligible for Financial Assistance.
6. Financial Assistance does not include bad debt, contractual adjustments or un-reimbursed costs. The financial status of each patient will be determined so that an appropriate classification and distinction can be made between financial assistance and bad debt. UPMC Cole provides assistance with deductibles, coinsurance or co-payments in the form of free and/or discounted services
7. When determining patient eligibility, UPMC Cole does not take into account race, gender, age, sexual orientation, religious affiliation, or social or immigrant status, or account age.
8. This policy excludes cosmetic procedures and elective reproductive services.
9. UPMC Cole will limit the amounts charged to individuals eligible for financial assistance, for emergency and medically necessary treatment, to the amounts generally received by individuals with Commercial, Medicare and Medicaid insurance coverage. Amounts generally billed is calculated using the 'look-back' method described in the IRS and Treasury's final rules on the Patient Protection and Affordable Care Act (PPACA). In following this method, UPMC Cole used medical claims history from the past year to determine what portion of gross charges are typically paid (by the payer and the covered individual) for claims for emergency

and medically necessary care where the payer was a combination of Medicare, Medicaid and private commercial insurances, the most recent resulting percentage from this computation was 45%. In determining a reasonable and fair level of assistance, the Hospital applies a sliding scale that includes both free and discounted care outlined below

a. Patients who can demonstrate their family income is at or below 100% of the federal poverty line are eligible for a 100% discount on any patient balance.
b. Patients who can demonstrate their family income is between 100% and 150% of the federal poverty line are eligible for 100% discount with a $200 patient responsibility/ deductible amounts.
c. Patients who can demonstrate their family income is between 150% and 200% of the federal poverty line are eligible for 100% discount with a $500 patient responsibility/ deductible amounts.
d. Patients who can demonstrate their family income is between 200% and 300% of the federal poverty line are eligible for 65% discount.
e. Patients who can demonstrate their family income is between 300% and 400% of the federal poverty line are eligible for a 55% discount.

10. For patients who are uninsured who do not meet the income requirements, UPMC Cole offers a 55% discount on gross charges of medically necessary and emergency care.
11. The hospital will make available a list of charges for the most frequently rendered services in an effort to maintain pricing transparency. This will be updated at least annually.
12. All discounted patient balances will be subject to the Hospital's Credit and Collection Policy and Self-Pay Payment Plan Policy.
13. With the patient's permission, the Hospital may send letters to the Hospital Physicians groups who bill privately for their professional services, describing the extent to which the patient qualified for a financial assistance discount at the Hospital
14. Discounts for professional fees will be determined according to the UPMC Cole Medical Group Sliding Fee Scale.
15. Uninsured dental patients will be eligible for reduced fee services utilizing the UPMC Cole Medical Group Sliding Fee Scale.

Communication of Financial Assistance Program:

UPMC Cole communicates the availability and terms of its financial assistance program to all patients through means which include, but are not limited to the following:

1. Notifications on patients bills or statements
2. Posted policies on the organization's website
3. Posted signs within registration areas
4. Designated staff knowledgeable on the financial assistance policy to answer patient questions or who may refer patients to the program.
5. Advertisement of program in public relations material.

Monitoring:

1. The Insurance Collections Manager shall retrospectively review all completed applications for financial assistance and determine eligibility based on established criteria.
2. Applicable staff will determine the write-off amount based on the aforementioned guidelines. Financial Assistance approval is as follows:
    a. Accounts from $.01 to $9,999 require approval by the Insurance Collections Manager.
    b. Accounts of $10,000 and over require review by the CFO.
3. The Hospital will retain financial assistance applications and documents for the period prescribed by federal or state law.
4. The patients qualification for a financial assistance discount will be re-evaluated when the following occur:
    a. Subsequent rendering of significant healthcare services
    b. Income change
    c. Household size change
    d. When any part of the patients account is written off as a bad debt or is in collections.
    e. At least every 6 months
    f. When a new Healthcare Marketplace open enrollment period begins or if the patient qualifies for a Special Enrollment Period.
5. Ensure patients are notified in writing regarding approval, denial or pending of financial assistance applications. Patients may appeal denials to the President with the following documentation:
    a. Appeal letter from the patient or guarantor requesting revaluation
    b. Provide additional information about the financial hardships faced
6. The CFO will review the appeal; the process used in the original determination and any additional information and will make a recommendation to the President or President designee for final approval
7. A financial assistance budget will be established once a year during the annual budget process and be included in the presentation to the Board of Directors for approval.

Related Procedures: Request for Financial Assistance; Financial Assistance Income Guidelines; Credit and Collection Policy; Self-Pay Payment Plan Policy, CMMG Sliding Fee Policy
Job Aids: *none*

Authoritative Reference(s):

None

Previous Review & Revised Dates:

Original Date of this policy is 04/23/15; Prior to this policy was titled "Charity Care Policy" which originated on 04/01/2004 and was revised on the following dates: 03/25/09; 01/31/12; 07/09/14; 04/23/15, 07/08/2020

Approval Signature(s):

Manager, Insurance Collections	Brett Klein	**Date: 07/08/2020**
CFO	Ron Rapp	**Date: 07/08/2020**

All Revision Dates

5/11/2022, 7/9/2020, 6/11/2018, 4/27/2017

Attachments

Federal Poverty Guideline 2022.pdf

Financial Assistance Income Guideline 2022.pdf

Approval Signatures

Step Description	Approver	Date
CFO	RONALD Rapp: CFO, UPMC Cole	5/11/2022
Manager, Revenue Cycle	BRETT Klein: Manager, Insurance Collections	5/11/2022
Gatekeeper	Christina Avilez: Admin Assistant - Intermediate	5/11/2022