

ST. CLAIR HEALTH CORPORATION
Administrative Policy and Procedure Manual

Index Title: General/Administrative
Policy Number: A-27

SUBJECT: Charity Care/Financial Assistance Program Policy (“Policy”)

DATE: September 23, 2014

SCOPE OF COVERAGE

- St. Clair Hospital
 - St. Clair Medical Services
 - St. Clair Hospital Foundation
 - St. Clair Hospital / UPMC Cancer Center PET/CT
 - St. Clair / Washington Physician Services
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POLICY

Financial Assistance / Charity Care is defined as financial aid for which St. Clair Health Corporation (“SCHC”) entities, as indicated above ordinarily charges and bills a patient for the emergency and medically necessary service(s) and is provided no payment or a reduced payment expectation to those patients who cannot afford to pay, provided the patient complies with and meets the criteria of the following policy.

The SCHC entities designated above, in keeping with its vision, mission, values, and with federal and state laws and determined by the SCHC’s qualification criteria, shall provide financial assistance to assist low-income, uninsured, under-insured and indigent individuals who do not otherwise have the ability to pay fully for medically necessary health care. SCHC entities will offer financial assistance to patients that will consist of charity care, financial assistance discounts, prompt payment discounts and interest-free payment plans.

Consideration will be given to providing financial assistance, on a case-by-case basis, to patients who have exhausted their insurance benefits, have large patient responsibilities and/or who exceed financial eligibility criteria for Pennsylvania Medical Assistance but face extraordinary medical costs.

Hospital financial assistance is not a substitute for employer-sponsored, public, or individually purchased insurance and is intended solely for the benefit of the patient and his/ her family and does not relieve third parties of liability for payment. SCHC shall take into account all available insurance coverage, assistance or guarantor payments prior to offering Financial Assistance / Charity Care to a patient. However, in keeping with its commitment to assure the availability and accessibility of quality health services to the community, SCHC will provide a reasonable volume of donated services to certain persons unable to pay, who are determined to be eligible under this Policy.

This Policy is limited to charges for Eligible Services (as set forth below) to patients and does not cover any charges that may be charged to a patient by any independent contractors of SCHC, including, but not limited, to those physicians and physician groups with exclusive and/or non-exclusive agreements with the Hospital.

POLICY OBJECTIVES

1. To accept all individuals, regardless of ability to pay, for admission and emergent medically necessary

services within the scope of SCHC's capability and capacity and within the Emergency Medical Treatment and Labor Act (EMTALA) guidelines. Concern over a bill should never prevent any individual from receiving emergency health services.

2. To treat all patients equitably, with dignity, with respect and with compassion.
3. To establish a program that will strive to attain the proper balance between providing uncompensated care and the financial and clinical ability of SCHC to provide such care.
4. To establish criteria for patients who may qualify for financial assistance, charity care, SCHC discounts, prompt payment discounts and/or interest free payment plans under this Policy.
5. To strive to ensure that SCHC follows the same billing and collection procedures for all patients and that this Policy is administered fairly, respectfully and consistently.
6. To ensure that any discounts, charity care or payment plans offered to uninsured, under-insured or indigent patients will not be directly or indirectly tied to the furnishing of items or services payable by a federal health care program.

ELIGIBLE SERVICES

Eligible Services shall mean inpatient and outpatient services, which are emergent or medically necessary and are provided directly by SCHC for the treatment of an illness or injury, other than those services listed below as "Ineligible Services."

INELIGIBLE SERVICES

The following services are not covered by the Financial Assistance / Charity Care Program set forth in this Policy ("Program") and are "Ineligible Services": Cosmetic surgery services, Cardiac and Pulmonary Rehabilitation Maintenance Program, Bariatric Surgery/weight loss surgery, Outpatient Pharmacy, non-medically necessary services (tubal reversals, dental procedures, etc.), and any other services provided under an agreement or contract.

ELIGIBLE PATIENTS

The Program is available to all patients of SCHC, other than those set forth below. :

1. Patients who currently do not have United States citizenship
2. Patients who: (i) refuse to provide requested documentation; (ii) provide incomplete information; or (iii) fail to provide timely information.
3. Patients who have insurance coverage through an HMO, PPO, Workers Compensation, or other insurance programs that deny access to the Hospital, SCMS, and our affiliates due to insurance plan limitations.
4. Patients that do not comply with required third party insurance patient information requests and results in the insurance company not processing the claim for payment. The account is changed from insurance to self pay.
5. Patients who fail, other than in accordance with this Policy, to pay co-payments, deductibles, co-insurance as required by their applicable insurance coverage or those who fail to keep current arrangements or who have failed to make appropriate arrangements on past payment obligations.

6. Patients who were referred to an outside collection agency for a previous debt unless arrangements satisfactory to the Hospital, SCMS, and/or Affiliates have been made regarding the previous debt.
 - a. A one time courtesy will be granted to the applicants that may be with an outside collection company and will not be considered as criteria for the application process. Those patients reapplying for charity care after their initial application process (including agency courtesy) will not be considered for the policy if accounts are sent to an outside collection agency. All accounts previous placed with an outside collection agency will not be removed regardless if the patient qualifies for the Charity Care / Financial Assistance discounts on a go forward basis.
7. Patients who refuse to be screened for other assistance programs and complete the application process or patients who are eligible to participate in other assistance programs but refuse to apply and/or participate in such other assistance programs.

As it is unlawful and/or a violation, under federal and state health care laws, insurance fraud laws, and/or under the SCHC's managed care contracts, to routinely waive, discount, or fail to attempt to collect co-payments, deductibles, coinsurance, or the patient responsibility payments, the Hospital will only make such waivers, discounts or non-collection efforts pursuant to the terms of this Policy.

COMMUNICATION OF THE AVAILABILITY OF FINANCIAL AID

The Patient Notification of Financial Assistance (attached hereto as Exhibit A, the "Notice") will be posted in key public areas, in all registration areas and in all ancillary departments. The Notice will contain instructions on how to apply for and obtain further information regarding the Program. This information can also be found on the website: www.stclair.org under the Financial Assistance tab.

REPORTING

All applicable Board of Directors will be provided, on an annual basis, with information on the extent of the Financial Assistance/Charity Care provided pursuant to the Program, as well as on the administration of the Program and such other information about the Program as each entity's Board of Directors may from time to time request.

FINANCIAL ASSISTANCE DISCOUNT ("SELF PAY DISCOUNT")

1. Patients without health insurance coverage for a service(s) will not pay more for emergency or other medically necessary care than the amount generally billed (AGB) to individuals who have insurance covering such care. The AGB for services will be based on inpatient and outpatient discounts applied to gross charges. These discount rates will be based on the Internal Revenue Service (IRS) Section 501 (r) Proposed or final Regulations under the guidelines and methodologies for Limitation of Charges. Discount rates will be updated yearly effective May 1st based on the previous 12 month payment information. See Exhibit B for current AGB charge rates. .
2. Self Pay Discount does not apply to deductibles, co-payments, co-insurance amounts and Ineligible Services. Patients with deductibles, co-payments, co-insurance amounts may be eligible for Financial Assistance/Charity Care, prompt pay discounts or an interest free payment plan as set forth below in this Policy.

FINANCIAL ASSISTANCE / CHARITY CARE

Financial Assistance/Charity Care is granted to all balance/s that are patient responsibility (after Financial Assistance Discount) if patients (and if applicable spouses) meet St. Clair's Charity Care Qualifying Guidelines (see Exhibit C).

POINT OF SERVICE / PROMPT PAY DISCOUNT

1. Patients who receive services(s) and pay the full estimated Hospital amount prior to the date the services(s) is rendered or on the day services(s) or upon discharge are rendered will receive, subject to applicable law, a Point of Service discount. This discount is in addition to the Hospital Self Pay Discount.
2. Patients who receive either services and elect not to pay the full estimated Hospital within the above time limits, will receive, subject to applicable law, a prompt pay discount if paid in full within 10 days of receiving their first patient statement. This prompt pay discount is in addition to the Hospital Discount
3. The Point of Service or the Prompt Pay discount does not apply to "Ineligible Services" as described above in the "Ineligible Services" paragraph on page 2.

PAYMENT PLANS

1. In accordance with this Policy and to the extent appropriate under applicable law, including but not limited to the Federal Anti-Kickback Statute, suitable payment arrangements, including interest free payment plans, may be made for self-pay portions if the patient is unable to pay in full, but does not qualify for Financial Assistance/Charity Care. The terms of which shall be established according to the hospital guidelines for payment plans.
2. Any balances that remain after any financial assistance given to patients under the Program are the responsibility of the patient and are due and payable to the Hospital. Interest-free payment plans are available, and an appropriate payment plans for patients may be established according to the hospital guidelines for payment plans.

PROCEDURES

Patients who wish to be considered for hospital Financial Assistance/Charity Care discounts will be required be screened for MA eligibility if their account balance exceeds \$2,500. If initial screening indicates potential eligibility, the patient will be required to apply for MA benefits through the State of Pennsylvania and complete the application process. Patients who obtain a denial from MA or are deemed to be ineligible via the initial financial screening may also be eligible for other financial assistance as set forth in this Policy. Patients whose account balance is equal to or less than \$2,500 are not required to apply for MA and may be considered for the Hospital's Financial Assistance/Charity Care; however, these patients will be encouraged to apply for MA, if applicable.

FINANCIAL ASSISTANCE / CHARITY CARE PROCEDURE

1. Patients will be required to present a copy of their MA denial letter, if applicable and a completed Financial Assistance/ Charity Care application with documentation verifying their household income, any liquid assets, three (3) months of their checking and savings accounts and all outstanding and monthly medical expenses to the appropriate staff member for consideration. (See Exhibit C).
2. This application along with consideration of other resources available to a patient or responsible party, as well as employment status and earning capacity, patient eligibility for Financial Assistance / Charity Care is determined by measuring the patient's family income and assets (excluding house and car) against the Hospital's established poverty guidelines. (See Exhibit C).
3. Customer Service Representatives will review the information for completeness as presented by the patient and will contact the patient for missing information.
4. After a determination is made by a Customer Service Representative, a written outcome will be mailed to the patient. Review and approval for specific exceptions will be made by :
 - a. Patient Accounting Supervisor or their designee.
 - b. Director of Patient Financial Services, or their designee
 - c. Vice President of Finance and CFO, or their designee
5. If a patient is eligible for Financial Assistance / Charity Care, the amount of the Hospital Financial Assistance / Charity Care will be considered as Hospital Charity Care in its entirety and be applied to any outstanding balance or future patient obligations for a 6 month period from time of approval. Any money collected from the patient prior to favorable determination will not be refunded to the patient.
6. Because the patient, guarantor, or other representative will be providing personal financial information, Hospital will treat such information confidentially and will only use the information for purposes of enrollment in assistance programs or determining the patient's eligibility for financial assistance.
7. The Hospital, SCMS, and Affiliates will provide training to appropriate staff that interacts with patients about the Program availability, how to communicate that availability to patients, and how to direct patient to appropriate financial aid staff.
8. SCHC entities' staff will be trained to treat applicants with courtesy, confidentiality and cultural sensitivity.
9. Translation services will be provided as needed.

COLLECTION PROCEDURES FOR SELF-PAY BALANCES:

Internal Collection Process

The patient will receive three (3) Hospital statements in thirty (30) day intervals requesting payment in full or the establishment of an acceptable payment plan (based on hospital guidelines) at the appropriate amount as established through the above process. The patient is responsible for:

1. Paying the balance in full within a minimum of ninety (90) days without establishing an acceptable payment plan to avoid further collection activity
2. Establishing an acceptable payment plan and to keep current with the required payments; patients must be current with required payments after a ninety (90) day period to avoid further collection activity

If there is no response to the above, a Final Notice letter will be sent to the patient requesting that the account be current with the above criteria within thirty (30) days.

External Collection Process (Collection Agency)

When all of the preceding collection procedures have been completed, the account, subject to the terms of this Policy, may be referred to an outside collection agency and written off as bad debt (see Patient Accounting Self Pay Collection/Bad Debt Policy). For all inpatient care and outpatient care over \$2,500, the Hospital will review the patient's record to determine if reasonable efforts were undertaken to ensure that Hospital financial assistance was offered and/or if Hospital financial assistance is appropriate before any collection agency assignment. Accounts that meet the above criteria are transferred to Collection Agencies and written off as bad debt. If the account is placed with the primary collection agency and is subsequently closed and returned from the agency and the credit bureau, the account is adjusted as uncollectible with the collection agency pursuing no further collection efforts for the account. The account may qualify for additional recoupment of uncollectible bad debt from the insurance payer when applicable.

Subject to approval by the Financial Assistance / Charity Care Committee, legal action against individuals may be taken by the Hospital only when there is evidence that the patient or responsible party has income and/or assets to meet his or her obligations. This would involve a review consistent with this Policy, including consideration of the patient's employment status and earning capacity, income eligibility based on federal poverty guidelines and other resources available.

The Hospital will not force the sale or foreclosure of a patient's primary residence or vehicle to pay an outstanding medical bill. Subject to approval by the Financial Assistance/Charity Care Committee, liens may be pursued only when there is evidence that the patient or responsible party has income and/or assets to meet his or her obligation. This would involve a review consistent with this Policy, including consideration of the patient's employment status and earning capacity, income eligibility based on federal poverty guidelines and other resources available.

The Hospital will not use a body attachment (a third-party that uses physical or legal means to compel an action) to require the patient or responsible party to appear in court.

OTHER

1. Fraudulent statements by the patient for the purpose of obtaining financial assistance will be forwarded to the Pennsylvania Department of Justice for Prosecution. Patients who falsify the Program application will no longer be eligible for the Program and will be held responsible for all charges incurred while enrolled in the Program retroactively to the first day that charges were incurred under the Program.
2. Patients who believe they have been improperly denied free or below cost care may file a written complaint with the Department of Health, P.O. Box 90, Harrisburg, PA 17120.

Signed:

James M. Collins, President and CEO
(Signed Original Maintained in Administration)

Original:

March 1989; Revised: 9/04; 3/05; 8/05; 3/10
Approved St. Clair Hospital Board of Directors: 8/04; 3/05; 8/05; 3/10
Approved: St. Clair Hospital Board of Directors Finance Committee: 9/07; 3/10

Review Date:

August

Sponsor:

Senior Vice President of Finance and CFO

Exhibit A

ST. CLAIR HOSPITAL

PATIENT NOTICE OF FINANCIAL ASSISTANCE

St. Clair Hospital is proud of its mission to provide quality care to all who need it, 24 hours a day, 7 days a week, 365 days a year.

If you do not have health insurance or worry that you may not be able to pay for part or all of your care, we may be able to help.

St. Clair Hospital provides financial assistance to patients based on their income, assets, and financial needs. In addition, we may be able to help you get free or low-cost health insurance or work with you to arrange a manageable payment plan.

For your convenience, a St. Clair Hospital Customer Service Representative will evaluate your financial needs and a determination will be mailed to the patient. As part of the program, you may be required to apply for Medical Assistance.

Since federal and state laws require all hospitals to seek payment for care provided, we may ultimately need to turn unpaid bills over to a collections agency, which could affect your credit status. Therefore, it is important that you let us know if there may be a problem paying your bill. We may be able to help.

For more information, please contact a Customer Service Representative at 412-344-3408.

Monday, Tuesday and Friday 8:00 AM to 4:30 PM
Wednesdays and Thursdays 8:00 AM to 7:00 PM

We will treat your questions and any information you provide us with confidentiality and courtesy.

Exhibit B

Current SCHC Financial Assistance, Self-Pay Discount Rates

Current Methodology For Calculating Average Generally Billed (AGB) Charges

(AGB) charges are based on the IRS Regulation 501 (r) look-back methodology for inpatient and outpatient insurance reimbursement rates. The look-back period is the previous 12 months and includes payment rates for Medicare and all private medical insurance payers (managed Medicare is included as a private insurance payer). The AGB charges are based on the following:

- a. Hospital Inpatient Services – The weighted average for Medicare and all commercial payment rates based on reimbursement for the Diagnostic Related Group (DRG) and the methodology in effect at the time of the patient’s discharge from the Hospital.
 - i. Current base rate is \$5,576
 - ii. Inpatient charge = (DRG weight X Current Base Rate)
- b. Hospital Outpatient Services – The weighted average of Medicare and all commercial payment rates based on reimbursement as a percentage of covered gross charges.
 - i. Current outpatient rate is 30% of gross charges
 - ii. Outpatient charges = 0.30 X Gross charges
- c. SCMS and Affiliates Outpatient Services – The weighted average of Medicare and all commercial payment rates based on reimbursement as a percentage of covered gross charges.
 - i. Current outpatient rate is 50% of gross charges
 - ii. Outpatient charges = 0.50 X Gross charges

Other Discounts: Point-of-service (POS) discount of 15% will be applied to patient balances due when paid in full prior to or on the day of service. Prompt pay discount of 10% will be offered to patient balances paid in full within the 10 days of receiving the first patient statement.

Exhibit D

St. Clair Hospital
Patient Financial Services
Charity Care Approval Ranges
Attachment to Charity Care Policy
Effective: 7-9-12

Account Balance Range

Approval Level & Signature

\$0 - \$1,499

Customer Service Rep (no signature required)

\$1,500 - \$4,999

Patient Accounting Supervisor

\$5,000 - \$14,999

Patient Financial Services Director

Greater than \$15,000

Sr. Vice President, CFO

