

ST. CLAIR HEALTH CORPORATION

Administrative Policy and Procedure Manual

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

SUBJECT: Financial Assistance Program Policy (“Policy”)

DATE: March, 2018

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

St. Clair Health Corporation (SCHC) as part of its charitable mission will provide Financial Assistance defined as financial aid for medically necessary and emergent care by which SCHC entities, as indicated above, provide relief for patient financial responsibilities. SCHC provides relief through a reduction or elimination of payment to those patients who cannot afford their patient financial responsibility for billed charges, provided the patient complies with and meets the criteria of the following policy.

SCHC in keeping with its vision, mission, values, along with federal and state laws and determined by 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 meet their patient financial responsibility for medically necessary healthcare.

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

Financial Assistance is not a substitute for employer-sponsored, public, or individually purchased insurance. It 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 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 covers any charges 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 SCHC as set forth below.

- Clark and Company (pathology practice)
- Emergency Medical Resource Management, Inc.
- Keystone Anesthesiology
- South Hills Radiology Associates

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 charitable mission, capability, 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 with equitability, dignity, respect and 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 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 Financial Assistance will not be directly or indirectly tied to the furnishing of items or services payable by a federal healthcare program.
7. To ensure that all FAP eligible patients are not billed more than the Amount Generally Billed (AGB) to patients with insurance.

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 Program set forth in this Policy 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, genetic testing, cosmetic services, etc.), and any other discounted services provided under an agreement or contract.

COMMUNICATION OF THE AVAILABILITY OF FINANCIAL ASSISTANCE

The Patient Notification of Financial Assistance will be posted in key public areas, in physician offices, in all registration areas, in all ancillary departments and will be included on all patient statements. The Notice will contain instructions on how to apply for and obtain further information regarding the Financial Assistance Program. This information can also be found on the website: www.stclair.org under the Financial Assistance section.

REPORTING

All applicable Board of Directors will be provided, on an annual basis, with information on the extent of the Financial Assistance 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.

AMOUNTS GENERALLY BILLED

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) Final Regulations under the guidelines and methodologies for Limitation of Charges. Discount rates will be updated yearly effective July 1st based on the previous 12 month payment information. See [Exhibit B](#) for current AGB charge rates.

FINANCIAL ASSISTANCE PROGRAM

Financial Assistance (Formal Financial Assistance and Presumptive Financial Assistance) is granted to all balance(s) that have a patient responsibility (after Self Pay Discount or patient balances after insurance) if patients (and if applicable spouses) meet St. Clair's Financial Assistance Policy Guidelines and Qualifying Financial Guidelines (see [Exhibit C](#)).

Patients who wish to be considered for hospital Formal Financial Assistance discounts must comply with the screening process for MA eligibility if their patient responsibility exceeds \$2,500. If initial screening indicates potential eligibility, the patient must 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 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 Financial Assistance; however, these patients will be encouraged to apply for MA, if applicable.

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

1. Currently do not have United States citizenship (these patients may be eligible for financial assistance on a case by case basis)
2. (i) refuse to provide requested documentation; (ii) provide incomplete information; or (iii) fail to provide timely information
3. Have insurance coverage through an HMO, PPO, Workers Compensation, or other insurance programs that deny access to SCHC due to insurance plan limitations
4. Do not comply with required third party insurance patient information requests that result in the insurance company not processing the claim for payment
5. Fail, other than in accordance with this policy, to pay copayments, deductibles or coinsurance as required by their applicable insurance coverage, fail to keep current arrangements or to make appropriate arrangements on past payment obligations
6. Were referred to an outside collection agency for a previous debt unless arrangements satisfactory to SCHC have been made regarding the previous debt
 - a. A onetime 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 Financial Assistance after their initial application process (including agency courtesy) will not be considered for the policy if accounts are sent to an outside collection agency will not be removed regardless if the patient qualifies for the Financial Assistance discounts on a go forward basis
7. Refuse to comply with screening 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 other such assistance programs

FINANCIAL ASSISTANCE DETERMINATION PROCEDURE

1. Patients must present a copy of their MA denial letter, if applicable and a completed Financial Assistance application with documentation verifying their household income, any liquid assets as defined in Exhibit C, three (3) months of their checking and savings accounts to the appropriate customer service staff member for consideration. Any outstanding SCHC medical expenses will automatically be taken into consideration at the time of application.
2. Patient eligibility for Financial Assistance is determined by measuring the patient's family income

(employment status and earning capacity) and assets (excluding house and car) against the Hospital's established poverty guidelines. (See Exhibit C).

- a. Formal Financial Assistance is based on patients providing required information that meets qualifying guidelines. Formal Financial Assistance approval is for a six (6) month period from the date of approval. Notification of Formal Financial Assistance for a six (6) month period will be communicated to the qualifying patient through a written notice.
 - b. Presumptive Financial Assistance may be granted to patients for a single account (date of service) that is at the end of the internal collection process and where the hospital has obtained financial information to meet the hospital's credit score threshold or estimated income falls within the policy guidelines. Notification of Presumptive Financial Assistance for a single episode of care will be communicated to the qualifying patient through a written notice included on the final statement issued to the patient. Patients will be encouraged to apply for the Formal Financial Assistance program through this notification and provided instruction to apply for future visits.
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 (approval between \$1,500 - \$4,999)
 - b. Director of Patient Financial Services, or their designee (approval between \$5,000 - \$14,999)
 - c. Senior Vice President of Finance and CFO, or their designee (approval greater than \$15,000)
 5. If a patient is eligible for Formal Financial Assistance and complies with the formal application process, the amount of the Hospital Financial Assistance will be considered in its entirety and be applied to any outstanding balance or future patient obligations for a 6 month period from time of approval.
 6. Because the patient, guarantor, or other representative will be providing personal financial information, SCHC 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. SCHC 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 patients to appropriate financial aid staff.
 8. SCHC staff will be trained to treat applicants with courtesy, confidentiality and cultural sensitivity.
 9. Translation services will be provided as needed.

PATIENT STATEMENTS AND FINAL NOTICE

Patient Statements and Final Notice will indicate on the front at the bottom of each form the availability of the Financial Assistance Program and how to get additional information. Those patients who qualify for Presumptive Financial Assistance, a Final Notice will also include a message informing the patient they have been approved for Presumptive Financial Assistance and the balance for this statement's episode of care has been adjusted. An overview of the collections process as well as the availability of the Financial Assistance program will be provided on the back of each form in plain language.

NOTIFICATION AND APPLICATION PERIOD FOR FINANCIAL ASSISTANCE

Patients will have a 120 day notification period from the date of the first patient statement to apply for Financial Assistance prior to advancing to extraordinary collection activities (transferring to external collections). Patients that send a formal application for Financial Assistance will have up to 240 days for the application period from the date of the first patient statement to comply with all requirements and for a determination to be made prior to advancing to extraordinary collection activities.

The patient will receive a minimum of three (3) statements in thirty (30) day intervals and a Final Notice thirty (30) days from the last statement or a minimum of 120 days from the first statement during the notification period requesting payment in full or the establishment of an acceptable payment plan (based on hospital guidelines as set forth in the patient accounting Self Pay Bad Debt Collections Policy) before advancing to Extraordinary Collection Activities. Notification of the Financial Assistance program and how to apply will be provided on each statement.

Patients that advance to extraordinary collection and submit an application for Financial Assistance within the 240 day application period from the first statement date will be returned from the collection company and will not resume collections efforts until a final Financial Assistance determination is made.

OTHER

1. Patients determined not eligible for full Financial Assistance or partial Financial Assistance would have an additional 90 days to pay their balance in full or set an acceptable payment plan before advancing to Extraordinary Collection Activities.
2. 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.
3. Patients who believe they have been improperly denied free or below cost care may file a written complaint with the Department of Health, Health and Welfare Building, 8th Floor West, 625 Forster Street, 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 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 in need, 24 hours a day, 7 days a week, and 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 offers 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 want to help you.

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

Exhibit B

Current SCHC Amount Generally Billed Rates

Current Methodology for Calculating Amount 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 \$6,111.42
 - ii. Inpatient charge = (DRG weight X \$6,111.42)

- 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 26.26% of gross charges
 - ii. Outpatient charges = 0.2626 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 34% of gross charges
 - ii. Outpatient charges = 0.34 X Gross charges