



THE QUEEN'S HEALTH SYSTEM

Origination 01/2000
Last Approved 10/2020
Effective 10/2020
Last Revised 10/2020
Next Review 10/2022

Owner Rochelle Lino:
Mgr, Patient
Access
Area Leadership -
Finance
Applicability Queen's System-
Wide AG

Financial Assistance Policy, SW-20-051

POLICY:

The Queen's Health Systems (QHS) Mission and Vision call us to provide quality health care services to the people served by our organization. Patient and families are treated with dignity, respect and compassion during the provision of services and throughout the billing and collection process. The determination of a patient's financial responsibility will be made according to a patient's ability to pay as indicated by the eligibility criteria established within the procedural guidelines of this policy. These guidelines include:

- Participation in Medicaid Eligibility and Enrollment Services
- Completion of the QHS income-based Financial Assistance Application

Resources are limited and it is necessary to set limits and guidelines. These limits are not designed to turn away or discourage those in need from seeking treatment. They are in place to assure that the resources that QHS can afford to devote to its patients are focused on those who are most in need and least able to pay, rather than those who choose not to pay. Financial assessments and the review of patients' financial information are intended for the purpose of assessing need as well as gaining an overall view of the patients' circumstances. QHS is committed to:

- Communicating with patients so they can more fully and freely participate in providing the needed information without fear of losing basic assets and income;
- Assessing the patients' capacity to pay and reach payment arrangements that do not jeopardize the patients' health and basic living arrangements or undermine their capacity for self-sufficiency;
- Upholding and honoring patients' rights to appeal decisions and seek reconsideration, and to have a self-selected advocate to assist the patient throughout the process; and
- Providing options for payment arrangements, without requiring that the patient select higher

cost options for repayment.

In administering this policy, QHS will:

- Serve the health care needs of everyone, regardless of ability to pay
- Ensure the dignity of the patient/guarantor
- Encourage upfront financial counseling
- Be patient-centric and patient friendly
- Communicate collection procedures

PURPOSE:

To assist patients who are uninsured or underinsured to qualify for a level of financial assistance, in accordance with their ability to pay. Financial assistance may be provided in the form of free care for patients who qualify or a discount may be applied to inpatient and/or outpatient service charges (excluding cosmetic or self-pay flat rate procedures). This policy covers hospital/facility charges and professional fees for employed providers.

DEFINITIONS:

Bad Debt Expense: Uncollectible accounts receivable that were initially expected to result in cash received (i.e. the patient did not meet QHS's Financial Assistance eligibility criteria). They are defined as the provision for actual or expected uncollectible accounts resulting from the extension of credit.

Catastrophic Financial Assistance: Assistance available to all uninsured or underinsured patients who have a balance owed for medical care who do not qualify for the Medical Assistance program but have an extraordinary balance owed; a debt that is catastrophic to the family income base.

Financial Assistance: Financial Assistance (also known as charity care) is care that represents the uncompensated cost to a health system for providing funding or otherwise financially supporting healthcare services on an inpatient or outpatient basis to a person classified as uninsured, underinsured or otherwise financially indigent. Financial Assistance services are those that may not initially have been expected to result in cash received. Financial Assistance results from a provider's policy to provide health care services free or at a discount to individuals who meet the established criteria.

Current Medical Debt: Self-pay portion of current inpatient and outpatient account(s). Depending on circumstances, accounts related to the same spell of illness may be combined for evaluation. Internal and external collection agency accounts are considered as part of the current medical debt.

Family/Household: A group of two or more persons related by birth, marriage (including any legal common law spouse), or adoption who live together. All such related persons are considered as members of one family.

Liquid Assets: Money that can be accessed in a relatively short period of time, which may include cash/bank accounts, certificates of deposit, bonds, stocks, cash value of life insurance policies, and pension benefits.

Living Expenses: A per-person allowance based on the Federal Poverty Guidelines for the 48 contiguous states and the District of Columbia. The allowance will be updated annually when guidelines are published in the Federal Register.

Payment Plan: When the patient is unable to pay his or her portion of healthcare costs all at one time, QHS will arrange to accept the amount due in regular installments over a defined period of time. Payment plans are expected to be resolved within one year.

Projected Medical Expenses: A patient's significant, ongoing, annual medical expenses, which are reasonably estimated to remain as non-covered by insurance carriers (e.g., drugs, co-payments, co-insurance, deductibles, and durable medical equipment).

Spell of Illness: Medical encounters/admissions for treatment of a condition, disease, or illness in the same diagnosis-related group (DRG), or closely related DRG occurring within a 120-day period.

Supporting Documentation: Pay stubs, 1099s, workers' compensation documentation, social security letters, disability award letters, bank statements, brokerage statements, tax returns, life insurance policies, real estate assessments, credit bureau reports, and other documentation typically utilized to establish income levels and financial Assistance or Medical Assistance eligibility.

Take Home Pay: Patient's and/or responsible party's wages, salaries, tips, interest, dividends, corporate distributions, net rental income before depreciation, retirement/pension income, social security benefits, and other income as defined by the Internal Revenue Service after taxes and other deductions.

Underinsured: QHS considers a patient underinsured when a patient's medical coverage leaves a large portion of expected reimbursement with the patient due to coverage limitations and /or high deductibles and coinsurance.

Uninsured: QHS considers a patient uninsured when the patient has no insurance coverage.

Uninsured Allowance: An uninsured allowance will be available to all patients who are without insurance and do not qualify for any financial assistance, for inpatient or outpatient services. The percentage of the allowance will be reviewed and updated annually and distributed by Administration to all QHS facilities and departments one month before the start of the new fiscal year, to be effective on the first day of the upcoming fiscal year. (See Attachment B- Current FAP Rates)

SPECIAL INSTRUCTIONS/FORMS TO BE USED

- Financial Assistance Application (Attachment A)
- Financial Counseling Referral Form (Attachment B)
- Income and Asset Qualifiers and Discount Rates (Attachment C)

PROCEDURE:

1. Identification of Potentially Eligible Patients:
 1. An evaluation for Financial Assistance can be initiated in a number of ways, including the following:

- a. A patient with a self-pay balance due notifies the self-pay collector that he/she cannot afford to pay the bill and requests assistance.
 - b. A patient presents at a clinical area without insurance and states that he/she cannot afford to pay the medical expenses associated with the current or previous medical services.
 - c. A physician or other clinician refers a patient for a financial assistance evaluation for potential admission. (Referral Form Attachment B)
2. When possible, prior to the admission or registration of the patient, QHS will conduct a pre-admission/pre-registration interview with the patient, the guarantor, and/or his/her legal representative. If a pre-admission or pre-registration interview is not possible, this interview should be conducted upon admission or registration, or as soon as possible thereafter. In the case of an emergency admission, QHS's evaluation of payment alternatives should not take place until the required medical screening has been performed. At the time of the initial patient interview, the following information should be gathered:
 - a. Routine and comprehensive demographic and financial data.
 - b. Complete information regarding all existing third party coverage.
3. Identification of potentially eligible patients can take place at any time during the rendering of services or during the collection process (including bad debt collection).
4. Those patients who may qualify for coverage from a governmental program should be referred to the appropriate program, such as Medicaid, prior to consideration for financial assistance. Patients who refuse to participate, or do not complete the Medicaid Eligibility and Enrollment process will be excluded from participation in the Financial Assistance program.

2. Determination of Eligibility:

1. All patients identified as potential financial assistance recipients should be offered the opportunity to apply for financial assistance. If this evaluation is not conducted until after the patient leaves the facility, or in the case of outpatients or emergency patients, a Financial Counselor will mail/email a financial assistance application to the patient for completion. In addition, whenever possible, patient billing and collection communications will inform patients of the availability of financial assistance with appropriate contact information. When no representative of the patient is available, the facility should take the required action to have a legal guardian/trustee appointed or to act on behalf of the patient in this regard.
2. Requests for financial assistance may be received from:
 - a. The patient or guarantor
 - b. Physicians or other caregivers
 - c. Various QHS clinics, practices, or other facilities
 - d. QHS and Facility Administration
3. Other approved programs that provide for primary care of indigent patients

4. The patient should receive and complete a written application (Attachment A) and provide all supporting data required to verify eligibility
 5. In the evaluation of an application for financial assistance, a patient's family income and medical expenses will be the determining factors for eligibility. A credit report may be generated for the purpose of identifying additional expense, obligations, and income to assist in developing a full understanding of the patient's financial circumstances
3. Screening Process:
 - a. It begins with the completion of the Financial Assistance Application.
 - b. The application should be completed by either the patient, a family member of the patient, the Financial Counselor, Collector, Customer Service Representative, or a Medical Assistance Eligibility Determination Representative
 4. Financial Assistance:
 - a. Financial assistance will be granted, based on household income compared to current year Federal Poverty Guidelines.
 5. Family Assets:
 - a. Family assets may be considered when evaluating the applicant's level of medical indigence.
 6. Medical Indigence:
 - a. Medical indigence is established when a patient has catastrophic medical expenses compared to income but does not qualify for Medical Assistance because income is qualification limits set in policy. (Attachment C)
 - b. In such cases, an application for assistance may be completed and considered. Determinations will be made by QHS Administration on a case-by-case basis.
 7. Financial Assistance shall be based on the following:
 - a. State and county residency
 - b. Individual or family income
 - c. Individual or family net worth
 - d. Employment status and earning capacity
 - e. Family size
 - f. Amount and frequency of bills for healthcare services
 - g. Other sources of payment for the services rendered
 - h. Other financial obligations
 8. Financial Assistance Eligibility Period:
 - a. Approved Financial Assistance Applications will be effective for 180 days from the date of approval.
 - b. Outstanding active balances incurred within 12 months preceding the application

approval date are considered eligible for adjust.

9. Collection Efforts:

- a. Including those by internal or external collection agencies, are to be considered part of the information collection process and can appropriately result in identification of eligibility for financial assistance.

10. Determination of Eligibility for Financial Assistance:

- a. Once a financial assistance determination is made, QHS will adjust the balance by applying the appropriate adjustment code and discount account qualified for.
- b. Statement cycles will be reset for accounts with remaining patient cost share to allow adequate time to for payment or enrollment in a payment plan.

11. Notification of Eligibility Determination:

- a. Clear guidelines as to the length of time required to review the application and provide a decision to the patient should be provided at the time of application. A prompt turnaround and a written decision, which provides a reason for denial (if appropriate), will be provided, generally within 10 days of the Financial Counselor's decision after reviewing a completed application. Patients that do not qualify for assistance will be notified in the denial letter that will outline the appeal process if they so choose to execute.
- b. If a patient chooses to appeal the denial, they must do so in writing within 45 days of the denial letter date. The Financial Counselor will again review the application, and escalate it to the department director for a determination. Decisions reached will normally be communicated to the patient within 45 days, and will reflect the Committee's final and executive review.
- c. Collection activity will be suspended during the consideration of a completed financial assistance application, or an application for any other healthcare coverage (e.g., Medicare, Medicaid, Family Care, etc.). A note will be entered into the patient's account to suspend collection activity until the financial assistance or other application process is complete. If the account has been placed with a collection agency, the agency will be notified by email to suspend collection efforts until a determination is made. This notification will be documented in the account notes. The patient will also be notified verbally that the collection activity will be suspended during consideration. If a financial assistance determination allows for a percent reduction, but leaves the patient with a self-pay balance, payment terms will be established on the basis of disposable income.
- d. A patient will be given a discount only if the account has an open self-pay balance. The determining factor for making refunds to the patient will be the date the patient becomes eligible. For example, if a patient is making payment arrangements on an account and part way through the agreed upon contract term the patient becomes eligible for financial assistance (e.g., they lose their job, etc.), then the amounts paid (before the date of job loss and financial assistance eligibility) will not be refunded. If a patient makes payments on an account, and during the time in which the payments were made the patient qualified for financial assistance, then those amounts will be refunded to the patient. The Patient Financial Services Director is

authorized to make exceptions to these guidelines.

- e. If the patient has a change in financial status, the patient should promptly notify the facility's Patient Financial Services Director or designee. The patient may request and apply for financial assistance or a change in their payment plan terms.

12. Availability of Policy:

- a. The QHS Financial Assistance policy is available online at www.queens.org and can be requested from Admitting and Registration, Financial Counseling at any location or by calling Billing Customer Service.
- b. QHS will provide any member of the public or state governmental entity a copy of its financial assistance policy, upon request.

13. Application Forms:

- a. The QHS Financial Assistance application is available online at www.queens.org and can be requested from Admitting and Registration, Financial Counseling at any location or by phone.

14. Monitoring and Reporting:

- a. QHS will maintain a computerized records of approved Financial Assistance accounts for reporting and compliance purposes.
- b. System indicators will be placed on the persons approved for Financial Assistance that are viewable at any QHS facility indicating the active discount eligibility and discount rate approved.
- c. Financial assistance will be reported annually in the Community Benefit Report.

15. Presumptive Financial Assistance Guidelines and Eligibility Criteria:

- a. In the following situations, a patient is deemed to be eligible for a 100% reduction from charges (i.e. full write-off):
 - 1. If a patient is currently eligible for Medicaid, but was not eligible on a prior date of service. Instead of making the patient duplicate the required paperwork, the facility will rely on the financial assistance determination process from Medicaid up to 12 months prior to the eligibility date.
 - 2. If a patient says he or she is homeless and the facility, thru its own due diligence, does not find any evidence to the contrary.
 - 3. If a patient dies without an estate
 - 4. If a patient is mentally or physically incapacitated and has no one to act on his/her behalf
 - 5. If a patient resides in government housing or in a location/neighborhood known for being low income.
 - 6. If income reported on through credit or propensity to pay reports falls within the 100% adjustment guidelines.
- b. Accounts will remain in self pay to allow for Medicaid Eligibility and Enrollment processes and will be adjusted appropriately before collections placement.

16. Payment Plans:
 - a. Patients qualifying for a partial discount may be given special consideration and placed on payment plans outside of set specifications for general patient accounts.
17. In administering this policy, QHS will:
 - a. Ensure the dignity of the patient/guarantor
 - b. Encourage upfront financial counseling
 - c. Be patient-centric and patient-friendly
 - d. Serve the healthcare needs of everyone, regardless of ability to pay
 - e. Communicate collection procedures
18. Exclusions: Medical expenses excluded from financial assistance discounts:
 - a. Individuals eligible for administrative discounts
 - b. Elective cosmetic surgery services or other elective non-covered services for which a discounted price has been negotiated
 - c. Accounts for which any third parties may be liable for services
19. Balance after Insurance
 - a. Patient balances that remain after insurance payment is received are eligible for Financial Assistance
20. Uninsured Allowance:
 1. An uninsured allowance will be available to all patients without insurance and do not qualify for any financial assistance, for inpatient or outpatient services.
 2. The allowance percentage will be reviewed annually and distributed by Administration to all QHS facilities and departments one month before the start of the new fiscal year, to be effective on the first day the upcoming fiscal year.
21. Amounts Generally Billed
 1. Amounts Generally Billed will be calculated annually using the look back method as defined by the IRS Limitation on Charges – Section 501(r).
22. Audits and Monitoring
 - a. Periodic audits of this policy may be completed to ensure compliance.
 - b. Identified discrepancies or variances with established procedures and protocol will be reported to management.
 - c. Management will develop and implement actions to eliminate variances.

If you have any questions regarding this policy, please contact the Patient Financial Counseling Department at 691-4210.

Attachments

[A: QHS Financial Assistance Application](#)

[C: Financial Assistance Policy Income & Asset Qualifiers and Discount Rates](#)

[Financial Counseling Referral Form](#)

Approval Signatures

Step Description

Approver

Date

COPY