FINANCIAL ASSISTANCE PROGRAM

PURPOSE: To identify circumstances when Dimensions Healthcare System (DHS) may provide care without charge or at a discount commensurate with the ability to pay, for a patient whose financial status makes it impractical or impossible to pay for medically necessary services. This policy applies only to facility charges and not physician or other independent company billings. The provision of free and discounted care through our Financial Assistance Program is consistent, appropriate and essential to the execution of our mission, vision and values, and is consistent with our tax-exempt, charitable status.

Resources are limited and it is necessary to set limits and guidelines. These guidelines are not designed to discourage or turn away those in need from seeking treatment. They guidelines are intended to assure that the resources the Hospital 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' assets and financial information is intended for the purpose of assessing need as well as gaining a holistic view of the patients' circumstances. DHS is committed to:

- Communicating this purpose to the patient 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;
- Avoiding seeking or demanding payment from or seizing exempt income or assets; and
- Providing options for payment arrangements, without requiring that the patient select higher cost options for repayment.

CANCELLATION: This policy supersedes DHS Policy No. 200-41, "Financial Assistance Program," effective July 26, 2012, which is cancelled.

POLICY: Dimensions Healthcare System has a long tradition of serving the poor, the needy, and all who require health care services. However, our Hospitals alone cannot meet every community need. They can practice effective stewardship of resources in order to continue providing accessible and effective health care services. In keeping with effective stewardship, provision for financial assistance will be budgeted annually. Our Hospitals will continue to play a leadership role in the community by helping to promote community-wide responses to patient needs, in partnership with government and private organizations.

In order to promote the health and well-being of the community served, individuals with limited financial resources who are unable to access entitlement programs shall be eligible for free or discounted health care services based on established criteria. Eligibility criteria will be based upon the Federal Poverty guidelines and will be updated annually in conjunction with the published updates by the United States Department of Health and Human Services. All open self-pay balances may be considered for financial assistance. If a determination is made that the

patient has the ability to pay all or a portion of the bill, such a determination does not prevent a reassessment of the person's ability to pay at a later date. The need for financial assistance is to be re-evaluated at the following times:

- Subsequent rendering of services,
- Income change,
- Family size change,
- When an account that is closed is to be reopened, or
- When the last financial evaluation was completed more than six months before.

To be considered for financial assistance, the patient must cooperate with the facility to provide the information and documentation necessary to apply for other existing financial resources that may be available to pay for his or her health care, such as Medicaid. Patients are responsible for completing the required application forms and cooperating fully with the information gathering and assessment process, in order to determine eligibility for financial assistance.

Appropriate signage will be visible in the facility in order to create awareness of the financial assistance program and the assistance available. At a minimum, signage will be posted in all patient intake areas, including, but not limited to, the Emergency Department, the Billing Office, and the Admission/Patient Registration areas. Information such as brochures will be included in patient services/information folders and/or at patient intake areas. All public information and/or forms regarding the provision of financial assistance will use languages that are appropriate for the facility's service area in accordance with the state's Language Assistance Services Act.

The necessity for medical treatment of any patient will be based on the clinical judgment of the provider without regard to the financial status of the patient. All patients will be treated with respect and fairness regardless of their ability to pay.

DEFINITIONS:

A. *Assets:* Includes immediately available cash and investments such as savings and checking as well as other investments, including retirement or IRA funds, life insurance values, trust accounts, etc. The following are to be considered exempt and shall not be considered in determining whether the uninsured patient qualifies for an uninsured discount:

1. Homestead property
2. $2,000 for the uninsured patient, or $3,000 for the uninsured patient and one dependent residing together.
3. $50 for each additional dependent residing in the same household.
4. Personal effects and household goods that have a total value of less than $2,000.
5. A wedding and engagement ring and items required due to medical or physical condition.
6. One automobile with fair market value of $4,500 or less.
7. Patient must have less than $10,000 in net assets.

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

C. *Financial Assistance:* Health care services that were never expected to result in cash inflows, resulting from a provider's policy to provide health care services free or at a discount to individuals who meet the established criteria.

D.

E. *Contractual Adjustments:* Differences between revenue at established rates and amounts realized from third party payers under contractual agreements.

F. *Disposable Income:* Annual family income divided by twelve (12) months, less monthly expenses.

G. *Family:* The patient, his/her spouse (including a legal, common law spouse) and his/her legal dependents according to the Internal Revenue Service rules. Therefore, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of Financial Assistance.

H. *Family Income:* Gross wages, salaries, dividends, interest, Social Security benefits, workers compensation, veterans benefits, training stipends, military allotments, 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.

I. *Qualified Patient:*

1. *Financially Needy*: A person who is uninsured or underinsured and is accepted for care with no obligation or a discounted obligation to pay for the services rendered based on the medical facility's eligibility criteria set forth in this policy.
2. *Medically Needy:* A patient who does not qualify as financially needy, but whose medical or Hospital bills, even after payment by third-party payers, exceed 50% of their gross income. The patient who incurs catastrophic medical expenses is classified as medically needy when payment would require liquidation of assets critical to living or would cause undue financial hardship to the family support system.

J. *Medically Necessary Service:* Any inpatient or outpatient Hospital service that is covered by and considered to be medically necessary under Title XVIII of the federal Social Security Act. Medically necessary services do not include any of the following:

1. Non-medical services such as social, educational, and vocational services
2. Cosmetic surgery

PROCEDURE:

A. Financial Assistance Guidelines and Eligibility Criteria

1. To be eligible for a 100% reduction from the patient portion of billed charges (i.e. full write-off) the patient's household income must be at or below 200% of the

current Federal Poverty Guidelines which represents an individual earning minimum wage.

2. Patients with household income that exceeds 200% but is less than 500% of the Federal Poverty Guidelines will be eligible for a sliding scale discount of the patient portion of billed charges.
3. Medically needy patient accounts will be considered on a case-by-case basis by the Assistant Director of Patient Financial Services. The discounts to be applied will be based on a determination of what the family could reasonably be expected to pay, based on a review of current disposable income and expenses.
4. Individuals who are deemed eligible by the State of Maryland to receive assistance under the Violent Crime Victims Compensation Act or the Sexual Assault Victims Compensation Act shall be deemed eligible for financial assistance at a level to be determined on a case-by-case basis by the Assistant Director of Patient Financial Services.
5. Financial assistance applications will be considered as long as an account is open or when a change in patient financial status is determined.
6. After the financial assistance adjustment has been computed, the remaining balances will be treated in accordance with Patient Financial Services policies regarding self-pay balances. Payment terms will be established on the basis of a reasonable proportion of disposable income negotiated with the patient. No interest charges will accrue to the account balance while payments are being made. This also applies to payments made through a collection agency.

B. Identification of Potentially Eligible Patients

1. Where possible, prior to the admission of the patient, Admitting will conduct a pre-admission interview with the patient, the guarantor, and/or his/her legal representative. If a pre-admission interview is not possible, this interview should be conducted upon admission or as soon as possible thereafter. In the case of an emergency admission, the Hospital's evaluation of payment alternatives should not take place until the required medical care has been provided. At the time of the initial interview, the following information should be gathered:

   a. Routine and comprehensive demographic data.
   b. Complete information regarding all existing third party coverage.

2. Identification of potentially eligible patients can take place at any time during the rendering of services or during the collection process.
3. Those patients who may qualify for financial assistance from a governmental program should be referred to the appropriate program, such as Medicaid, prior to consideration for financial assistance.
4. Prior to an account being authorized for the filing of suit, a final review of the account will be conducted and approved by the Assistant Director of Patient Financial Services to make sure that no application for financial assistance was ever received. The Associate Vice President for Patient Financial Services must authorize a filing of summons. DHS will not request body attachments from the

court system for payment of an outstanding account; however it is recognized that the court system may take this action independently.

C. 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 Patient Financial Services representative will mail 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.
2. Requests for financial assistance may be received from:

    a. The patient or guarantor;
    b. Church-sponsored programs;
    c. Physicians or other caregivers;
    d. Various intake department of the institutions;
    e. Administration;
    f. Other approved programs that provide for primary care of indigent patients.

3. The patient should receive and complete a written *Application for Financial Assistance* (Attachment) and provide all supporting data required to verify eligibility.
4. In the evaluation of an application for financial assistance, a patient's total resources will be taken into account which will include, but not be limited to, analysis of assets (identified as those convertible to cash and unnecessary for the patient's daily living expense), family income and medical expenses. A credit report may be generated for the patient as well as for the purpose of identifying additional expense, obligations, assets and income to assist in developing a full understanding of the patients' financial circumstances.
5. If a patient qualifies as medically needy, then the application should be referred to the Assistant Director of Patient Financial Services for review and determination.
6. Approval for financial assistance for amounts up to $50,000 should be approved by the Associate Vice President of Patient Financial Services.
7. Upon completion of the application and submission of appropriate documentation, the Patient Financial Services representative will complete the Financial Assistance Worksheet (see PFS Department for current form). The information shall be forwarded to the Assistant Director of Patient Financial Services or their designee for determination. Financial assistance approval will be made in accordance with the guidelines and documented on the worksheet (see PFS Department for current form).

8. Accounts where patients are identified as medically needy or accounts where the collector or Director has identified special circumstances that affect the patient's eligibility for financial assistance will be referred to the Assistant Director of Patient Financial Services for consideration and final determination. The Committee's review of accounts that do not clearly meet the criteria and the decisions and rationale for those decisions will be documented and maintained in the account file (see PFS Department for current form).
9. A record, paper or electronic, should be maintained reflecting authorization of financial assistance (see PFS Department for current form). These documents shall be kept for a period of seven (7) years.

D. Notification of Eligibility Determination

1. 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. Probable Eligibility Determination. DHS will make a determination of probable eligibility within two (2) business days following a patient's request for charity care services, application for medical assistance, or both.
    b. Final Determination. DSH will make a final determination, in writing, of eligibility generally within thirty (30) days of receipt of a complete application. Patients who are denied eligibility will be provided a reason(s) for denial, and informed of their appeal rights, and provided contact information to do so.

2. If a patient disagrees with the decision, the patient may request an appeal process in writing within seven (7) days of the denial. The Financial Assistance Committee will review the application. Decisions reached will normally be communicated to the patient within two (2) weeks, and reflect the organization's final and executive review.
3. Collection activity will be suspended during the consideration of a completed financial assistance application or an application for any other healthcare bracket (i.e., Medicare, Medicaid, etc.). A note will be entered into the patient's account to suspend collection activity until the financial assistance process is complete. If the account has been placed with a collection agency, the agency will be notified by telephone 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.
4. If the patient complies with a payment plan that has been agreed to by the Hospital, the Hospital shall not otherwise pursue collection action against the patient.
5. If the patient has a change in their financial status, the patient should promptly

notify Patient Financial Services. The patient may request and apply for financial assistance or a change in their payment plan terms.

E. Availability of Policy: Every Hospital, upon request, must provide any member of the public or state governmental entity a copy of its financial assistance policy.

F. Application Forms: Every Hospital must make available, upon request by a member of the public, a copy of the application used by the Hospital to determine a patient's eligibility for financial assistance.

G. Monitoring and Reporting

1. A financial assistance log from which periodic reports can be developed shall be maintained aside from any other required financial statements. Financial assistance logs will be maintained for a period of seven (7) years. At a minimum, the financial assistance logs are to include:

   a. Account number,
   b. Date of service,
   c. Application mailed (Yes/No),
   d. Application returned and complete (Yes/No),
   e. Total charges,
   f. Self-pay balances,
   g. Amount of financial assistance approved, and
   h. Date financial assistance was approved.

2. The cost of financial assistance will be reported annually in the community Benefit Report. Financial will be reported as the cost of care provided (not charges) using the most recently audited Medicare cost report and the associated cost to charge ratio.

ORIGINATOR: Finance /
Patient Financial Services

APPROVAL:

Neil J. Moore
President & Chief Executive Officer

Financial Assistance Program 210-01 (1/23/2008, 7/26/2012, __/__/2013)

ATTACHMENT:

Application for Financial Assistance

Dimensions Healthcare System

APPLICATION FOR FINANCIAL ASSISTANCE

Information About You

Name: _____
First Middle Last

Social Security Number: ___ - ___ - ___ Marital Status: Single Married Separated

US Citizen: Yes No Permanent Resident: Yes No
(Citizenship status does not affect your ability to qualify for financial assistance).

Home Address: _____ Phone _____

_____

City State Zip Code Country

Employer Name: _____ Phone _____

Work Address: _____

_____

City State Zip Code

Household Members:

Name Age Relationship

Name Age Relationship

Name Age Relationship

Name Age Relationship

Name Age Relationship

Name Age Relationship

Name Age Relationship

Services for Which You Are Requesting Financial Assistance

Date(s) of service: _____
Total amount of bill: _____
Amount of assistance requested: _____

Have you applied for Medical Assistance? Yes No
If yes, what was the determination? _____

Account Number: _____ Medical Record Number: _____

Family Income

Please list the amount of your monthly income from the following possible sources and include copies of your federal tax return and other documents to show proof if income. If you have no income, please provide a letter of support from the person providing your housing and meals.

	Monthly Amount
Employment	
Retirement/pensions benefits	
Social Security benefits	
Public Assistance benefits	
Disability benefits	
Unemployment benefits	
Veteran's benefits	
Alimony	
Rental property income	
Strike benefits	
Military allotment	
Farm or self-employment	
Other income source	

Liquid Assets

	Current Balance
Checking accounts	
Savings account	
Stocks, bonds, CD, money market, or other accounts	

Other Assets

If you own any of the following items, please list the type and approximate value.

Home _____ Approximate value

Automobile _____ Make _____ Year _____ Approximate value

Additional vehicle _____ Make _____ Year _____ Approximate value

Additional vehicle _____ Make _____ Year _____ Approximate value

Other property _____ Approximate value

Monthly Expenses

	Amount
Rent or Mortgage	
Utilities	
Car payment(s)	
Credit cards(s)	
Car insurance	
Health insurance	
Other medical expenses	

Other Expenses

Do you have any other unpaid medical bills? Yes No
For what service? _____
If you have arranged a payment plan, what is the monthly payment? _____

If you request that the Hospital extend additional financial assistance, the Hospital may request additional information in order to make a supplemental determination. By signing this form, you certify that the information provided is true and agree to notify the Hospital of any changes to the information provided within ten days of the change.

Applicant Signature _____ Date _____