

MedStar Southern Maryland Hospital, Ctr. Policy and Procedure Manual Department of Collections		Subject: Financial Assistance Number: 12	
Original Date: 5/93	Review Date(s): 12/98	Revision Date(s): 6/02, 12/04, 3/08, 5/09, 6/09, 12/09, 5/10, 5/12/10, 1/12, 5/12, 9/13	Page: 1 of 5
Departments Involved: Collections, Out-Patient Services, Emergency Room, Admitting and Finance			
<u>Purpose:</u> To ensure uniform management of the Medstar Health Corporate Financial Assistance program within all Medstar Health Hospitals.			
<u>Policy:</u> 1. As one of the region's leading not-for profit healthcare systems. Medstar Health is committed to ensuring that uninsured patients within the communities we serve who lack financial resources have access to necessary hospital services. MedStar Health and its healthcare facilities will: 1.1 Treat all patients equitably, with dignity, with respect and with compassion. 1.2 Serve the emergency health care needs of everyone who presents at our facilities regardless of a patient's ability to pay for care. 1.3 Assist those patients who are admitted through our admissions process for non-urgent, medically necessary care who cannot pay for the care they receive. 1.4 Balance needed financial assistance for some patients with broader fiscal responsibilities in order to keep hospital's doors open for all who may need care in the community.			
<u>Scope</u> 1. In meeting its commitments, MedStar health's facilities will work their uninsured patients to gain an understanding of each patient's financial resources prior to admission (for scheduled services) or prior to billing (for emergency services). Based on this information and patient eligibility, MedStar health's facilities will assist uninsured patients who reside within the communities we serve in one or more of the following ways: 1.1 Assist with enrollment in publicly-funded entitlement programs (e.g. Medicaid). 1.2 Assist with consideration of funding that may be available from other charitable organizations. 1.3 Provide charity care and financial assistance according to applicable guidelines. 1.4 Provide financial assistance for payment of facility charges using a sliding scale based on patient family income and financial resources. 1.5 Offer periodic payment plans to assist patients with financing their healthcare services.			
<u>Definitions</u>			
1. Free Care Financial assistance for medically necessary care provided to uninsured patients in households between 0% and 200% of the FPL.			
2. Reduced Cost-Care Financial assistance for medically necessary care provided to uninsured patients in households between 200% and 400% of the FPL.			
3. Medical Hardship Medical debt, incurred by a household over a 12-month period, at the same hospital that exceeds 25% of			

the family household income.

4. Maryland State Uniform Financial Assistance Application

A uniform data collection document developed through the joint efforts of Maryland hospitals and the Maryland Hospital Association.

5. Maryland Patient Information Sheet/MedStar patient Information Sheet (Non-Maryland Hospitals)

A patient education document that provides information about MedStar's Financial Assistance policy, and patient's rights and obligations related to seeking and qualifying for free or reduced cost medically necessary care.

Responsibilities

1. Each facility will post the policy, including a description of the applicable communities it serves, in each major patient registration area and in any other areas required by applicable regulations, will communicate the information to patients as required by this policy and applicable regulations and will make a copy of the policy available to all patients. Additionally, the Maryland Patient Information Sheet/MedStar's Patient Information Sheet will be provided to inpatients on admission and at time of final account billing.

2. MedStar Health believes that its patients have personal responsibilities related to the financial aspects of their healthcare needs. The charity care, financial assistance, and periodic payment plans available under this policy will not be available to those patients who fail to fulfill their responsibilities. For purposes of this policy, patient responsibilities include:

2.1 Completing financial disclosure forms necessary to evaluate their eligibility for publicly-funded healthcare programs, charity care programs, and other forms of financial assistance. These disclosure forms must be completed accurately, truthfully, and timely to allow MedStar Health's facilities to properly counsel patients concerning the availability of financial assistance

2.2 Working with the facility's counselors and other financial services to ensure there is a complete understanding of the patient's financial situation and constraints.

2.3 Completing appropriate applications for publicly-funded healthcare programs. This responsibility includes responding in a timely fashion to requests for documentation to support eligibility

2.4 Making applicable payments for services in a timely fashion, including any payments made pursuant to deferred and periodic payment schedules.

2.5 Providing updated financial information to the facility's financial counselors on a timely basis as the patient's circumstances may change.

2.6 It is the responsibility of the patient to inform the MedStar hospital of their existing eligibility under a medical hardship during the 12 month period.

3 Uninsured patients of Medstar health's facilities may be eligible for charity care or sliding-scale financial assistance under this policy. The financial counselors and financial services staff will determine eligibility for charity care and sliding-scale financial assistance based on review of income for the patient and their family (household), other financial resources available to the patient's family, family size, and the extent of the medical costs to be incurred by the patients.

4 . ELIGIBILITY CRITERIA FOR FINANCIAL ASSISTANCE

4.1 Federal Poverty Guidelines. Based on family income and family size, the percentage of the then-current Federal Poverty Level (FPL) for the patient will be calculated.

- 4.1.1 Free Care: Free care will be available to uninsured patients in households between 0% and 200% of the FPL.
- 4.1.2 Reduced Cost-Care: Reduced Cost-Care will be available to uninsured patients in households between 200% and 400% of the FPL. Reduced Cost-care will base on a sliding –scale as outlined below.
- 4.1.3 Ineligibility: If this percentage exceeds 400% of the FPL, the patient will not be eligible for Free Care or Reduced-Cost Care assistance (unless determined eligible based on Medical Hardship criteria, as defined below).

4.2 Basis for Calculating Amounts Charged to Patients: Free Care or Reduced-Cost Care Sliding Scale

		Financial Assistance Level Free/Reduced-Cost Care	
Adjusted Percentage of Poverty Level	HSCRC-Regulated Service	Washington Facilities and non-HSCRC Regulated Services	
0% to 200%	100%	100%	
201% to 250%	40%	80%	
251% to 300%	30%	60%	
301% to 350%	20%	40%	
351% to 400%	10%	20%	
More than 400%	No financial assistance	No financial assistance	

- 4.3 MedStar Health Hospitals will comply with IRS 501 r requirements on limiting the amounts charged to uninsured patients seeking emergency and medically necessary care.
- 4.3.1 Amounts billed patients who qualify for financial assistance will be an average of the three best negotiated commercial rates.
- 4.3.2 MedStar health will calculate the average of the three best negotiated commercial rates annually.
- 4.3.3 Maryland hospitals are prohibited from contacting with commercial payor. Charges are regulated by the Health Services Review Commission (HSCRC) and will define the limits of the amount charged to all patients including the uninsured.

5. FINANCIAL ASSISTANCE: ADDITIONAL FACTORS USED TO DETERMINE ELIGIBILITY FOR MEDICAL ASSISTANCE: MEDICAL HARDSHIP.

- 5.1 MedStar Health will evaluate patients for Medical Hardship Financial Assistance if they exceed the 400% of the FPL and are deemed ineligible for Free Care of Reduced-Cost Care.
- 5.2 Medical Hardship is defined as medical debt, incurred by a household over a 12-month period, at the same hospital that exceed 25% of the family household income.
- 5.3 MedStar Health will provide reduced-Cost care to patients with income below 500% of the FPL that, over a 12 month period, has incurred medical debt at the same hospital in excess of 25% of the patient’s household income. Reduced Cost-Care will be available based on a sliding-scale as outlined below.
- 5.4 A patient receiving reduced-cost care for medical hardship and the patient’s immediate family members shall receive/remains eligible for reduced-Cost medically necessary care when seeking subsequent care for 12 months beginning on the date which the reduced-care was received. It is the responsibility of the patient to inform the MedStar hospital of their existing eligibility under a medical hardship during the 12 month period.
- 5.5 If a patient is eligible for both Free care/reduced-Cost Care, and Medical hardship, the hospital will employ the more generous policy to the patient.
- 5.6 Medical Hardship Reduced-Care Sliding Scale Levels:

		Financial Assistance Level-Medical Hardship	
Adjusted percentage of Poverty Level	HSCRC-Regulated Services	Washington facilities and non-HSCRC Regulated Services	
Less than 500%	Not to Exceed 25% of	Not to Exceed 25% of	

	Household Income	Household Income
--	------------------	------------------

6. METHOD FOR APPLYING FOR FINANCIAL ASSISTANCE: INCOME AND ASSET DETERMINATION.

- 6.1. Patients may obtain an application for Financial Assistance Application:
- 6.1.1 On Hospital websites
 - 6.1.2 From Hospital Patient Financial Counselor
 - 6.1.3 By calling Patient Financial Services Customer Service
- 6.2 Medstar Health will evaluate the patient's financial resources EXCLUDING:
- 6.2.1 The first \$250,000 in equity in the patient's principle residence
 - 6.2.2 Funds invested in qualified pension and retirement plans where the IRS has granted preferential treatment
 - 6.2.3 The first \$10,000 in monetary assets e.g. bank account, stocks, CD, etc
- 6.3 MedStar Health will use the Maryland State Uniform Financial Assistance Applications as the standard application for all MedStar Health Hospitals. MedStar Health will require the patient to supply all documents necessary to validate information to make eligibility determinations.
- 6.4 Financial assistance applications and support documentation will be applicable for determining program eligibility one (1) year from application date. Additionally, MedStar will consider for eligibility all accounts (including bad debts) 6 months prior to the application date.
- 6.5 Upon receipt of all requested and necessary documentations, a decision regarding the financial application will be made within two(2) business days.

7. PRESUMPTIVE ELIGIBILITY

7.1 Patients already enrolled in certain means-tested programs are deemed eligible for free care on a presumptive basis. Programs eligible under the MedStar Health financial assistance program include, but may be limited to:

- 7.1.1 Maryland Primary Adult Care Program (PAC)
- 7.1.2 Maryland Supplemental Nutritional Assistance Program (SNAP)
- 7.1.3 Maryland Temporary Cash Assistance (TCA)
- 7.1.4 Maryland State and Pharmacy Only Eligibility Recipients
- 7.1.5 DC Healthcare Alliance or other Non-Par Programs

7.2 Additional presumptively eligible categories will include with minimal documentation:

- 7.2.1 Homeless patients
- 7.2.2 Deceased patients with no known estate
- 7.2.3 Members of a recognized religious organization who have taken a vow of poverty
- 7.2.4 All patients based on other means test scoring campaigns
- 7.2.5 All secondary balances after primary Medicare insurance where patients meet income and asset eligibility test
- 7.2.6 All spend-down amounts for eligible Medicaid patients.

8. MEDSTAR HEALTH FINANCIAL ASSISTANCE APPEALS

- 8.1 In the event a patient is denied financial assistance, the patient will be provided the opportunity to appeal the MedStar Health denial determination.
- 8.2 patients are required to submit a written appeal letter to the Director of Patient Financial services with additional supportive documentation.
- 8.3 Appeal letters must be received within 30 days of the financial assistance denial determination

- 8.4 Financial assistance appeals will be reviewed by a MedStar Appeals team. Team Members will include the Director Of Patient Financial Services, Assistance Vice President of Patient Financial Services, and the hospital's Chief Financial Officer.
- 8.5 Denial Reconsideration decision will be communicated, in writing, within 30 business days from receipt of the appeal letter.
- 8.6 If the MedStar Health Appeals Panel upholds the original denial determination, the patient will be offered a payment plans to the patient.

9. PAYMENT PLANS

- 9.1 MedStar Health will make payment plans to uninsured patients with income between 200 % and 500% of the FPL.
- 9.2 Patients to whom discounts, payment plans, or financial assistance have continuing responsibilities to provide accurate and complete financial information. In the event a patient fails to meet these continuing responsibilities , the patient will become financially responsible for the original amount owed, less any payments made to date.

10 BAD DEBT RECONSIDERATIONS AND REFUNDS

- 10.1 In the event a patient who, within a two (2) year period after the date of service was found to be eligible for free care on that date of service, MedStar will initiate a review of the accounts To determine the appropriateness for a patient refund for amounts collected exceeding \$25.
- 10.2 It is the patient's responsibility to request an account review and provide the necessary supportive documentation to determine free care financial assistance eligibility.
- 10.3 If the patient failed to comply with requests for documentation . MedStar Health will document the patient's non-compliance. The patient will forfeit any claims to a patient refund or free care assistance.
- 10.4 If MedStar Health obtains a judgement or reported adverse information to a credit reporting agency for a patient that was later to be found eligible for free care, MedStar Health will seek vacate the judgement or strike the adverse information.

EXCEPTIONS

1. PROGRAM EXCLUSION

MedStar Health's financial assistance program excluded the following;

- 1.1 Insured patients who may be "underinsured" (e.g patient with high deductibles/coinsurance)
- 1.2 Patient seeking non-medically necessary services, including cosmetic procedures
- 1.3 Non-US Citizens
 - 1.3.1 Excluding individuals with permanent resident/resident alien status as defined by the Bureau of Citizenship and Immigration Services has issued a green card. MedStar will consider non-US citizens who can provide proof of residency within the defined service area.
- 1.4 Patients residing outside a hospital's defined zip code service area
 - 1.4.1 Excluding patient referral between MedStar Health Network System
 - 1.4.2 Excluding patients arriving for emergency treatment via land or air ambulance transport
 - 1.4.3 Specialty services specific to each MedStar Health hospital and approved as a program exclusion
 - 1.4.3.a Union Memorial Hospital-cardiac Service, Hand Center, and Renal Patients
 - 1.4.3.b Georgetown University Hopsital- Transplant, and Cyber Knife patients
 - 1.4.3.c Washington Hospital Center- Cardiac Service Patients

1.4.3.d Good Samaritan Hospital-Renal Patients

1.4.3.e Franklin Square Hospital-Cyber Knife Patients

1.5 Patients that are non-complaint with enrollment processed for publicly-funded healthcare programs, charity care programs, and other forms of financial assistance

As stated above, patients to whom discounts, payment plans or financial assistance are extended have continuing responsibilities to provide accurate and complete financial information. In the event a patient fails to meet these continuing responsibilities, the patient will become financially responsible for the original amount owed, less any payments made to date.