


EXHIBIT 16


	 UNIVERSITY of MARYLAND BALTIMORE WASHINGTON MEDICAL CENTER Subject: Financial Assistance Policy	Policy Number: [X] New [] Revised [] Reviewed	
	Originator:	Effective Date	July 2014
COO: _____	Date: _____	Next Review Date	
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1. POLICY

- a. This policy applies to Baltimore Washington Medical Center ("BWMC"). BWMC is committed to providing financial assistance to persons who have health care needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation.
- b. It is the policy of BWMC to provide Financial Assistance based on indigence or high medical expenses for patients who meet specified financial criteria and request such assistance. The purpose of the following policy statement is to describe how applications for Financial Assistance should be made, the criteria for eligibility, and the steps for processing applications.
- c. BWMC will publish the availability of Financial Assistance on a yearly basis in the local newspapers and will post notices of availability at appropriate intake locations as well as the Billing Office. Notice of availability will also be sent to patients on patient bills. Signage in key patient access areas will be made available. A Patient Billing and Financial Assistance Information Sheet will be provided to patients receiving inpatient services with their Summary Bill and made available to all patients upon request.
- d. Financial Assistance may be extended when a review of a patient's individual financial circumstances has been conducted and documented. This may include the patient's existing medical expenses, including any accounts having gone to bad debt, as well as projected medical expenses.
- e. BWMC retains the right in its sole discretion to determine a patient's ability to pay. All patients presenting for emergency services will be treated regardless of their ability to pay. For emergent services, applications to the Financial Assistance Program will be completed, received, and evaluated retrospectively and will not delay patients from receiving care.

2. PROGRAM ELIGIBILITY


- a. Consistent with our mission to deliver compassionate and high quality healthcare services and to advocate for those who are poor, BWMC strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. To further BWMC's commitment to our mission to provide healthcare to those residing in the neighborhoods surrounding our hospital, BWMC reserves the right to grant Financial Assistance without formal application being made by our patients. The zip codes for the BWMC primary service area are included in **Attachment A**. Additionally, patients residing outside of our primary service area may receive Financial Assistance on a one-time basis for a specific episode of care.
- b. Specific exclusions to coverage under the Financial Assistance program include the following:
 - i) Services provided by healthcare providers not affiliated with BWMC (e.g., home health services)
 - ii) Patients whose insurance program or policy denies coverage for services by their insurance company (e.g., HMO, PPO, Workers Compensation, or Medicaid), are not eligible for the Financial Assistance Program.
 - (1) Generally, the Financial Assistance Program is not available to cover services that are denied by a patient's insurance company; however, exceptions may be made considering medical and programmatic implications.
 - iii) Unpaid balances resulting from cosmetic or other non-medically necessary services

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- iv) Patient convenience items
- v) Physician charges related to the date of service are excluded from BWMC's financial assistance policy. Patients who wish to pursue financial assistance for physician-related bills must contact the physician directly.
- c. Patients may become ineligible for Financial Assistance for the following reasons:
 - i) Refusal to provide requested documentation or providing incomplete information.
 - ii) Have insurance coverage through an HMO, PPO, Workers Compensation, Medicaid, or other insurance programs that deny access to BWMC due to insurance plan restrictions/limits.
 - iii) Failure to pay co-payments as required by the Financial Assistance Program.
 - iv) Failure to keep current on existing payment arrangements with BWMC.
 - v) Failure to make appropriate arrangements on past payment obligations owed to BWMC (including those patients who were referred to an outside collection agency for a previous debt).
 - vi) Refusal to be screened or apply for other assistance programs prior to submitting an application to the Financial Assistance Program.
- d. Patients who become ineligible for the program will be required to pay any open balances and may be submitted to a bad debt service if the balance remains unpaid in the agreed upon time periods.
- e. Patients who indicate they are unemployed and have no insurance coverage shall be required to submit a Financial Assistance Application unless they meet Presumptive Financial Assistance (See Section 3 below) eligibility criteria. If patient qualifies for COBRA coverage, patient's financial ability to pay COBRA insurance premiums shall be reviewed by appropriate personnel and recommendations shall be made to Senior Leadership. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services and for their overall personal health.
- f. Coverage amounts will be calculated based upon 200-300% of income as defined by the Maryland DHMH Medicaid Income Eligibility Limits and follow the sliding scale included in **Attachment B**.
- g. Net receipts from self-employment (receipts from a person's own incorporated business, professional enterprise, or partnership, after deductions for business expenses) will be used to compute the income amount used in determining eligibility for financial assistance.

3. PRESUMPTIVE FINANCIAL ASSISTANCE

- a. Patients may also be considered for Presumptive Financial Assistance Eligibility. There are instances when a patient may appear eligible for Financial Assistance, but there is no Financial Assistance form and/or supporting documentation on file. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with Financial Assistance. In the event there is no evidence to support a patient's eligibility for financial assistance, BWMC reserves the right to use outside agencies or information in determining estimated income amounts for the basis of determining Financial Assistance eligibility and potential reduced care rates. Once determined, due to the inherent nature of presumptive circumstances, the only Financial Assistance that can be granted is a 100% write-off of the account balance. Presumptive Financial Assistance Eligibility shall only cover the patient's specific date of service *unless the patient has filed bankruptcy in which case all prior dates of service will be covered*. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

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- i) Active Medical Assistance pharmacy coverage
 - ii) Qualified Medicare Beneficiary ("QMB") coverage (covers Medicare deductibles) and Special Low Income Medicare Beneficiary ("SLMB") coverage (covers Medicare Part B premiums)
 - iii) Homelessness
 - iv) Medical Assistance and Medicaid Managed Care patients for services provided in the ER beyond the coverage of these programs
 - v) Maryland Public Health System Emergency Petition patients
 - vi) Participation in Women, Infants and Children Programs ("WIC")
 - vii) Eligibility for other state or local assistance programs (e.g. food stamps)
 - xiii) Patient is deceased with no known estate
 - ix) Patients that are determined to meet eligibility criteria established under former State Only Medical Assistance Program
 - x) *Patients that have filed bankruptcy are granted protection under bankruptcy laws.*
- b. Patients who present to the Outpatient Emergency Department but are not admitted as inpatients and who reside in the hospitals' primary service area may not need to complete a Financial Assistance Application but may be granted presumptive Financial Assistance based upon the following criteria:
- i) Reside in primary service area (address has been verified)
 - ii) Lacking health insurance coverage
 - iii) Not enrolled in Medical Assistance for date of service
 - iv) Indicate an inability to pay for their care
 - v) Financial Assistance granted for these Emergency Department visits shall be effective for the specific date of service and shall not extend for a six (6) month period.
- c. Specific services or criteria that are ineligible for Presumptive Financial Assistance included:
- i) Purely elective procedures (e.g., Cosmetic procedures) are not covered under the program.
 - ii) Uninsured patients seen in the Emergency Department under Emergency Petition will not be considered under the presumptive Financial Assistance program until the Maryland Medicaid Psych program has been billed.
 - iii) Qualifying Non-U.S. citizens are to be processed for reimbursement through the Federal program for Undocumented Alien Funding for Emergency Care (a.k.a. Section 1011) prior to financial assistance consideration.


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4. **MEDICAL HARDSHIP**

- a. Patients falling outside of conventional income or presumptive Financial Assistance criteria are potentially eligible for bill reduction through the Medical Hardship program.
 - i) Uninsured Medical Hardship criteria is State defined:
 - (1) Combined household income less than 500% of federal poverty guidelines
 - (2) Having incurred collective family hospital medical debt at BWMC exceeding 25% of the combined household income during a 12 month period. The 12 month period begins with the date the Medical Hardship application was submitted.
 - (3) The medical debt excludes co-payments, co-insurance and deductibles
- b. Patient balance after insurance
 - i) BWMC applies the State established income, medical debt and time frame criteria to the patient balance after insurance applications
- c. Coverage amounts will be calculated based upon 0 - 500% of income as defined by the Maryland DHMH Medicaid Income Eligibility Limits and follow the sliding scale included in **Attachment B**.
- d. If determined eligible, patients and their immediate family are certified for a 12 month period effective with the date on which the reduced cost medically necessary care was initially received
- e. Individual patient situation consideration:
 - i) BWMC reserves the right to consider individual patient and family financial situation to grant reduced cost care in excess of State established criteria.
 - ii) The eligibility duration and discount amount is patient-situation specific.
 - iii) Patient balance after insurance accounts may be eligible for consideration.
 - iv) Cases falling into this category require management level review and approval.
- f. In situations where a patient is eligible for both Medical Hardship and the standard Financial Assistance programs, BWMC is to apply the greater of the two discounts.
- g. Patient is required to notify BWMC of their potential eligibility for this component of the financial assistance program.

5. **ASSET CONSIDERATION**

- a. Assets are generally not considered as part of Financial Assistance eligibility determination, unless they are deemed substantial enough to cover all or part of the patient responsibility without causing undue hardship. Individual patient financial situation such as the ability to replenish the asset and future income potential are taken into consideration whenever assets are reviewed

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b. Under current legislation, the following assets are exempt from consideration:

- i) The first \$10,000 of monetary assets for individuals, and the first \$25,000 of monetary assets for families.
- ii) Up to \$150,000 in primary residence equity.
- iii) Retirement assets, regardless of balance, to which the IRS has granted preferential tax treatment as a retirement account, including but not limited to, deferred compensation plans qualified under the IRS code or nonqualified deferred compensation plans. Generally this consists of plans that are tax exempt and/or have penalties for early withdrawal.

6. APPEALS


- a. Patients whose financial assistance applications are denied have the option to appeal the decision.
- b. Appeals can be initiated verbally or written.
- c. Patients are encouraged to submit additional supporting documentation justifying why the denial should be overturned.
- d. Appeals are documented within the third party data and workflow tool. They are then reviewed by the next level of management above the representative who denied the original application.
- e. If the first level appeal does not result in the denial being overturned, patients have the option of escalating to the next level of management for additional reconsideration
- f. The escalation can progress up to the Chief Financial Officer who will render a final decision.
- g. A letter of final determination will be submitted to each patient who has formally submitted an appeal.

7. PATIENT REFUND

- a. Patients applying for Financial Assistance up to 2 years after the service date who have made account payment(s) greater than \$25 are eligible for refund consideration
- b. Collector notes, and any other relevant information, are deliberated as part of the final refund decision. In general, refunds are issued based on when the patient was determined unable to pay compared to when the payments were made.
- b. Patients documented as uncooperative within 30 days after initiation of a financial assistance application are ineligible for refund.


8. JUDGEMENTS

- a. If a patient is later found to be eligible for Financial Assistance after a judgment has been obtained or the debt submitted to a credit reporting agency, BWMC shall seek to vacate the judgment and/or strike the adverse credit information.

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9. PROCEDURES

- a. Each Service Access area will designate a trained person or persons who will be responsible for taking Financial Assistance applications. These staff can be Financial Counselors, Self-Pay Collection Specialists, Customer Service, etc.
- b. Every possible effort will be made to provide financial clearance prior to date of service. Where possible, designated staff will consult via phone or meet with patients who request Financial Assistance to determine if they meet preliminary criteria for assistance.
 - i) Staff will complete an eligibility check with the Medicaid program to verify whether the patient has current coverage.
 - ii) Preliminary data will be entered into a third party data exchange system to determine probable eligibility. To facilitate this process each applicant must provide information about family size and income (as defined by Medicaid regulations). To help applicants complete the process, we will provide an application that will let them know what paperwork is required for a final determination of eligibility.
 - iii) BWMC will not require documentation beyond that necessary to validate the information on the Maryland State Uniform Financial Assistance Application. Upon receipt of the application the hospital will make a determination of probable eligibility within two (2) business days.
 - iv) Applications initiated by the patient will be tracked, worked and eligibility determined within the third party data and workflow tool. A letter of final determination will be submitted to each patient that has formally requested financial assistance.
 - v) Patients will have thirty (30) days to submit required documentation to be considered for eligibility. If no data is received within 20 days, a reminder letter will be sent notifying that the case will be closed for inactivity and the account referred to bad debt collection services if no further communication or data is received from the patient. The patient may re-apply to the program and initiate a new case if the original timeline is not adhered to.
- c. In addition to a completed Maryland State Uniform Financial Assistance Application, patients may be required to submit:
 - i. A copy of their most recent Federal Income Tax Return (if married and filing separately, then also a copy spouse's tax return and a copy of any other person's tax return whose income is considered part of the family income as defined by Medicaid regulations); proof of disability income (if applicable).
 - ii. A copy of their most recent pay stubs (if employed), other evidence of income of any other person whose income is considered part of the family income as defined by Medicaid regulations or documentation of how they are paying for living expenses.
 - iii. Proof of social security income (if applicable)
 - iv. A Medical Assistance Notice of Determination (if applicable).
 - v. Proof of U.S. citizenship or lawful permanent residence status (green card).
 - vi. Reasonable proof of other declared expenses.
 - vii. If unemployed, reasonable proof of unemployment such as statement from the Office of Unemployment Insurance, a statement from current source of financial support, etc ...


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- d. A patient can qualify for Financial Assistance either through lack of sufficient insurance or excessive medical expenses. Once a patient has submitted all the required information, appropriate personnel will review and analyze the application and forward it to the Patient Financial Services Department for final determination of eligibility based on BWMC guidelines.
 - i. If the patient's application for Financial Assistance is determined to be complete and appropriate, appropriate personnel will recommend the patient's level of eligibility.
 - (1) If the patient does qualify for financial clearance, appropriate personnel will notify the treating department who may then schedule the patient for the appropriate service.
 - (2) If the patient does not qualify for financial clearance, appropriate personnel may notify the clinical staff of the determination and the non-emergent/urgent services may not be scheduled.
 - (a) A decision that the patient may not be scheduled for non-emergent/urgent services may be reconsidered upon request.
- e. Once a patient is approved for Financial Assistance, Financial Assistance coverage shall be effective for the month of determination and the following six (6) calendar months. With the exception of Presumptive Financial Assistance cases which are date of service specific eligible and Medical Hardship who have twelve (12) calendar months of eligibility. If additional healthcare services are provided beyond the approval period, patients must reapply to the program for clearance.
- f. The following may result in the reconsideration of Financial Assistance approval:
 - i. Post approval discovery of an ability to pay
 - ii. Changes to the patient's income, assets, expenses or family status which are expected to be communicated to BWMC
- g. BWMC will track patients with 6 or 12 month certification periods utilizing either eligibility coverage cards and/or a unique insurance plan code(s). However, it is ultimately the responsibility of the patient or guarantor to advise of their eligibility status for the program at the time of registration or upon receiving a statement.
- h. If patient is determined to be ineligible, all efforts to collect co-pays, deductibles or a percentage of the expected balance for the service will be made prior to the date of service or may be scheduled for collection on the date of service.

DEVELOPER

Patient Financial Services Department, BWMC

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Require certain identifying information such as name, date of birth, residential or business theft.

ORIGINATOR:

REVIEW CYCLE:

APPROVAL: