

St. Mary's Hospital

POLICY # 409

Page 1 of 4

Subject: **Self Pay Collection Policy**

Effective Date: 5/1/05
Revised 8/12/09

Replaces: NEW

POLICY

It is the policy of St. Mary's Hospital (SMH) that personnel will review outstanding accounts on a daily basis for timeliness of payment, and that personnel will conduct their collection activity and contact with individual patients with professionalism, courtesy and fairness.

PURPOSE

1. To ensure that policies and procedures exist for the timely and fair collection of all patient balances.

PROCEDURE

1. Admission:

All self-pay patients are interviewed by a financial counselor at the point of service. The Financial Counselor will determine if:

- The patient has any insurances that may have been overlooked;
- There is any third-party liability;
- The patient may be eligible for financial assistance, including but not limited to: Medicaid; SAGA; a Free-Bed fund; and Charity Care;
- Whenever is it determined that the patient qualifies for Charity Care, Financial Counselor will adjust the balance by the appropriate amount, and any resulting balance will become the patient's responsibility.
- If patient is deemed liable for any balance, a deposit will be requested.
- If charity care determination cannot be made, at the point of service, a deposit equal to 50% of the estimated charges will be required prior to any elective procedure.

In the event that a Financial Counselor is not available at the time of admission, they will review the face sheets afterwards. Financial Counselors will attempt to visit with the patient if they are still in-house; otherwise they will call the patient's home after the patient is discharged.

2. Collection Follow-Up

A. Statements are sent to patients and/or guarantors who have outstanding balances. The timing and frequency of these statements, for both patients with a monthly payment arrangement and those without, are based upon the statement table/schedule set up in STAR.

B. Calls are made daily to debtors in the following priority order:

- Patients with balances greater than \$1,000 that have been discharged and have not made any payment arrangements;
- Patients who have defaulted on their established payment arrangement;
- Balances less than \$1,000 that have aged greater than 60 days.
- In lieu of a phone call, a "please call letter" may be mailed for balances less than \$1000.00.
- If we get a letter from a patient quoting the Fair Debt Collection Practices Act, 15 USC 1692c, 805(c):

(c) Ceasing Communications, "If a consumer notifies a debt collector in writing that the consumer refuses to pay a debt or that the consumer wishes the debt collector to cease further communication with the consumer, the debt collector shall not communicate further with the consumer with respect to such debt..."

We will:

1. Stop all activity on the account.
2. Refer the account to our collection agency, with a copy of the letter.

They are expected to:

1. Send the validation notice, to the consumer, stating that a new collector is involved.
2. Then cease all activity and refer the account to their attorney for suit.

C. Accounts will be manually transferred to a bad debt status if one or all of the following has occurred:

- Multiple telephone attempts and/or voice mail messages have been made/left with the patient/guarantor and no contact has been made or calls have been returned;
- Mail is returned stamped "Moved No forwarding Address" and the account is noted as such in the system;
- There is a system note listed in the follow-up history that the third message level on the monthly statement has been mailed;
- No adequate payment has been made in the last thirty (30) days and the patient is not on a payment plan. Adequate is defined as an amount representing 10% or less of the previous balance due;
- The patient is delinquent on their payment plan. Daily delinquent reports are generated that list patients who have missed their monthly payment date. Collection personnel wait two weeks following the delinquency date before transferring the account to bad debt to ensure that checks that may have been mailed on the payment due date are received and posted.

D. All attorneys representing patients in liability cases are contacted. If we are assured that the case will be settled within 120 days, the account will not be transferred to bad debt. If the settlement date requirement cannot be satisfied, the account is placed with the TCORS (Tobin, Carberry, O'Malley, Riley & Selinger) law firm so that the hospital's interest can be protected (see TCORS procedures).

3. Bad Debts:

- Accounts are manually transferred from an active (AR) status to a bad debt status by collection personnel;
- Bad debt files are turned over weekly to a collection agency or collection attorney via electronic transfer on a weekly basis;
- Bad debts may be determined at any time during the life of the account;
- Collection personnel may make a determination to turn over an account to a collection agency at any time during the collection process;
- All accounts with a balance due AFTER a Medicare payment has been received MUST have received a minimum of four (4) patient statements over a period of greater than 120 days, and have NOT had a payment posted to the account within the last 120 days before it can be transferred to bad debt.
- Bad debt accounts for Medicare patients must be sent under a separate file to the collection agencies.

4. Settlements:

- Collectors will attempt to expedite payment of outstanding self-pay patient balances by offering a discount of no greater than 25% to the patient or guarantor provided the payment is received within the next ten (10) days. Any amount exceeding 25% must be approved by management. Please note this does not apply for patient balances that are due after insurance payment (accounts that are in financial class Q & R).
- Collection personnel may offer attorneys representing patients a 5% discount for payment within thirty (30) days, provided the attorney agrees in writing to accept these terms and to discount their fees by the same amount. Any amount exceeding 5% must be approved by management.
- Occasionally, management will authorize collection personnel to offer higher discounts to patients that have previously agreed to payment plans that have had an outstanding balance for more than three (3) years in an effort to settle the account.

5. Collection Agencies:

- Accounts that are sent to bad debt will be assigned to one (1) of the two (2) agencies currently contracted with St. Mary's.
- Account are assigned based on the following Alpha categories:
 - I. A - J - Century Financial
 - II. K – Z - Connecticut Credit
- Accounts can be withdrawn from the agencies at any time (see procedure for "removal of account from bad debt").
- If an account has been turned over to the collection agency for a period greater than fourteen (14) days, any request for payment arrangement or settlement must be forward to the agency.
- Collection agencies are required to returned "uncollectible accounts" that are aged greater than 150 days from the date they were transferred.
- All accounts that are returned from the agencies as uncollectible are to be written off to the following T-codes: **8903 – Agency Uncollectible**
8913 – Agency Uncollectible Medicare

6. St. Mary's Policy for Attachment of Wages & Properties

St. Mary's does not have a written agreement with any of the Collection Agencies, regarding the procedures they must follow for attachment of wages and properties. According to CT Credit, they follow a generally accepted policy for all clients. This is a summary of their established policy:

- Account received.
- Initial dunning notice issued within 24 hours of placement.
- Phone attempt made to contact patient.
- If contact is made, the following may occur:
 1. If patient is unable to pay (unemployed, no assets, etc) the account is returned or if permission is granted by SMH, it is maintained for later follow up.
 2. If patient is bankrupt, account is closed and returned.
 3. If patient disputes charges, collection activity is suspended and proof requested from the hospital.
 4. If patient request financial assistance, collection activity is suspended and the patient is either mailed a SMH financial assistance application or given phone number to contact SMH for an application. If application is mailed to patient, SMH customer service staff is notified by phone and they are requested to document the account.
 5. If settlement is offered, authorization is sought from SMH.
- If all efforts to contact patient fail, or if patient refuses to pay, and it is verified that patient has income or assets that could be used to satisfy charges, the following steps are taken:
 1. Documentation is made of all collection efforts, including: efforts to contact patient, letters sent, income & asset verified, etc.
 2. Authorization is sought from SMH to proceed with litigation.
 3. After authorization is received, the account, along with the documentation, is forwarded to Attorney's Nathanson & Cipriano; P.O. Box 5516; Hamden, Ct 06518.

Summary of Litigation Procedure Followed by Nathanson & Cipriano's Office:

- Account received and documented. File created.
- First demand letter sent to patient.
- File reviewed and approved by Attorney.
- Signed letter sent to patient and Affidavit of Debt sent to collection agency.
- File is designated for either small claims or civil writ.
- Writ is reviewed and signed by Attorney.
- Writ sent to court; summon and complaint sent to State Marshal for service.
- If patient files an answer, case is scheduled for hearing. SMH is notified of hearing and a representative sent to the hearing.
- If no answer is filed a default judgment is entered.
- Once judgment is received, a payment plan is established in accordance with the court order.
- If patient defaults on payment plan and there is verification of employment, application is made for wage execution.
- If there is verified real estate, a judgment lien is filed. **NO FORECLOSURE IS DONE ON ANY JUDGMENT LIEN.**

St. Mary's HospitalPOLICY # 425.1

Subject: **Charity Care Policy**
Effective Date: 9/1/04
Revised: 07/07/11
Replaces: Financial Assistance Policy

DEFINITIONS**Self-Pay Patient**

A Self-Pay patient is one who is financially responsible, either personally or as a guarantor, for the payment of the charges associated with the health care services provided by Saint Mary's Hospital (SMH).

Uninsured Patient

An uninsured patient is one:

1. Whose income is at or below 400% of the Federal Poverty Income Levels;
2. Who has applied and been denied eligibility for any medical or health care coverage provided under any Medicaid program;
3. Who is not eligible for coverage under Medicare, Tricare, or any other Federal programs, or privately sponsored health or accident insurance, including, but not limited to, workers' compensation, settlements or judgments arising from suits, claims or proceedings involving motor vehicle accidents or alleged negligence;
4. Who is liable for one or more hospital charges.

Charity Care

Those healthcare services provided by SMH to uninsured or self-pay patients at reduced or discounted rates. The term Charity Care may also be referred to as free or discounted care.

Cost of Providing Services

The cost of providing services means the hospital's published charges at the time of billing multiplied by the hospital's most current relationship of costs to charges as taken from the hospital's most recent annual financial filing with the Office of Health Care Access.

Income

Income is the sum of all the wages, salaries, interest payments, rents and other forms of earnings received on a weekly, monthly or yearly basis.

Insured Patient

An Insured patient is one:

1. Whose income is above 400% of the Federal Poverty Income Levels;
2. Who has not applied or refuses to apply for any medical or health care coverage provided under any Medicaid or general assistance program;
3. Who is eligible for coverage under Medicare, Tricare, or any other Federal programs, or privately sponsored health or accident insurance, including, but not limited to, workers' compensation, settlements or judgments arising from suits, claims or proceedings involving motor vehicle accidents or alleged negligence;
4. Who is liable for one or more hospital charges.

POLICIES

1. All self-pay accounts (Financial Class P) will be eligible for a 25% discount off of the published charges, regardless of their income or assets. Accounts must be in the Financial Class (FC) P for the discount to be taken.
2. In order to be eligible for Charity Care, the patient must be uninsured as defined in this document.
3. Whenever possible, eligibility for Charity Care should be determined prior to rendering the service.
4. Elective and elective-cosmetic procedures are not eligible for charity care.
5. Insured patients with balances, due to deductibles, co-payments or co-insurance are not eligible for charity care.
6. Insured patients with balances that were denied by their insurance as "non-covered service" are eligible to apply for charity care on those balances.
7. Application for Charity Care (**Exhibit A**) can be obtain from SMH financial counselors or Patient Financial Services (PFS) Representatives.
8. A patient may request Charity Care at any time in the billing and collection process. If the hospital, its collection agent, or its attorney becomes aware that the patient or guarantor requests charity care, the collection process will be promptly discontinued while the eligibility status of the patient or guarantor requesting assistance is determined.
9. Incomplete applications and falsified applications will not be considered eligible for Charity Care.
10. A patient who has falsified the charity care application may not re-apply for Charity Care with accounts existing at the time of falsification, but may re-apply for newly incurred accounts.
11. Patients will be notified in writing within 30 days, from the date the completed application is received, regarding qualification for charity care, the remaining balance due, if any, and expected re-payment terms.
12. Patients seeking Charity Care, who are under sponsorship (Immigration and Naturalization Services) of relatives are required to provide income and asset verifications of the sponsor, in order to determine eligibility for Charity Care.

13. The applicant's gross income will be used in determining eligibility for Charity Care.
14. All third-party resources and non-hospital financial aid, including, but not limited to Medicaid, must be exhausted before any Charity Care can be granted. Failure to cooperate or refusing to apply for Medicaid will also disqualify the patient from obtaining charity care.
15. SMH will utilize the Income and Asset Worksheet (**Exhibit B**) in conjunction with the most recent Federal Poverty Income Levels (**Exhibit C**) as a basis for determination of eligibility.
16. The percentage discount that is approved will be applied to all existing accounts with debit balances. Accounts may also be returned from bad debt status if financial circumstances warrant and discount may be applied. Accounts on which judgments and liens have been levied are not eligible for Charity Care.
17. Patients found eligible for Charity Care will be eligible for said care for any balance due at the time of the application and any non-elective services within ninety (90) days after the date the application was filed. SMH reserves the right to require a new application for any new services received after the initial approval.
18. For uninsured patients whose income are at or below 350% of the Federal Poverty Income Levels, SMH will reduce their bill by sliding scale discount or to "cost of providing services", as established by the Office Of Health Care Access (OHCA), whichever is greater.
19. Uninsured patients, whose income range between 351% and 400% of the Federal Poverty Income Levels, will be eligible for an additional charity care reduction of 20% off of their remaining account(s) balance(s).
20. Patients who do not qualify for reduction to cost or charity care may qualify for an additional 5% - 10% discount by contacting our Self-Pay Collectors. Requests for this discount must be made before the account is sent to a collection agency and payment must be received within 10 days of the agreement.
21. Patients who have entered into payment arrangements, and are consistent with their payments, may be offered an additional discount, with the approval of management.
22. Signage, in English, Spanish, Portuguese and Albanian, will be placed in the following areas notifying patients of the availability of Charity Care.
 - a. Registration
 - b. ED
 - c. All Social Services Departments
 - d. PFS/Cashier's Office
 - e. Lobby
23. Signs will be in 48 or 72 point font.
24. A one page summary (**Exhibit F**) , in English, Spanish, Portuguese and Albanian describing our Charity Care Policy and how to apply for them will be made easily accessible in the following locations:
 - a. Registration
 - b. ED

- c. PFS/Cashier's Office
 - d. All Social Services Departments
 - e. Lobby
25. Charity Care Applications will be provided to SMH collection agencies for distribution to SMH patient as needed.
 26. SMH patient statements will include statements in English, Spanish, Portuguese and Albanian, including the availability of Charity Care and whom to contact to contact our financial counselors to apply.
 27. SMH financial counselors or authorized PFS personnel will document all decisions regarding the amount of Charity Care awarded by signing and dating the financial assistance application.
 28. Separate transaction codes will be designated for write-offs pertaining to charity care, administrative write-offs and other reductions. **(See Exhibit E).**
 29. Discounted amounts and write-offs will also be clearly stated in the notes section of the patient's record in the billing system.
 30. Documentation will be maintained in a central file for seven years.
 31. To assure that Charity Care discounts are appropriately considered, the following approval levels will be followed:

a. Free/Discounted Amount	Appropriate Personnel
b. \$1 - 1,000	Financial Counselors/Designated PFS Personnel
c. \$1,001 - 5,000	Manager - Self Pay Collections
d. \$5,001 and up	Director of PFS/CFO
 32. A monthly review of transaction codes will be conducted by the Director of PFS or designee. The review will consist of a general reasonableness review, as well as an actual review of a number of transactions chosen at random, where paperwork will be examined for proper authorization, documentation and signatures.
 33. Because financial counseling is specific to an individual's situation, it is anticipated that exceptions to the policy will occur. These will be authorized and approved by the President of SMH or his designee.
 34. Accounts not eligible for Charity Care will be returned to the appropriated self-pay collection financial class and pursued for payment.
 35. On a bi-weekly basis Patient Financial Services Department will run a report of all outstanding patient account balances, in financial class P, which will be forwarded to an outside vendor (currently Century Financial Services) for verification of asset. Patients that are classified as having no assets will be written off to charity care. These must be authorized and approved by the Vice President of Finance/CFO or his designee. **See Exhibit G for detailed procedure.**
 36. Saint Mary's provides free x-rays and basic lab services, for patients that receive primary care services from the Malta House Van. Eligible patients are given a "Malta House" card. These services are written off at the time of billing.

PROCEDURE

1. Eligibility for Charity Care is determined on a case by case basis by the SMH financial counselors.
2. Patients may apply for charity care by obtaining an application from SMH Financial Counselors or Patient Financial Services Representatives, or our collection agencies.
3. Completed and signed applications must be returned to the Financial Counselor within 15 days, with required verifiable documentation. Verifiable documentation required of the applicant will include:
 - Copies of last four (4) pay stubs;
 - If self-employed - Previous year's Federal Tax Return with all schedules attached;
 - If pay stubs are not available - Signed statement from applicant's employer on employer letterhead stating the applicant or other household member's gross weekly earnings;
 - Current statement from all accounts (saving, checking, stocks, bonds, 401k etc);
 - Information used to apply for state or local assistance or information obtained by the SMH Financial Counselors to determine eligibility for state assistance.
4. The financial counselors will first determine whether the patient qualifies for medical assistance from other existing sources, such as Medicaid and other state or federal programs.
5. Based upon the information provided on the Charity Care Application, a determination will be made regarding the type of assistance provided and the amount of the reduction.
6. The financial counselors will use the Income and Asset Guidelines worksheet (**see Exhibit B**) to determine patient's eligibility for Charity Care.
7. Patient accounts that are approved for Charity Care will be written off by using the applicable transaction code list (**Exhibit E**).

Work Flow

1. Self-Pay Patient presents at SMH.
2. SMH Financial Counselor assess patient for state assistance (Medicaid/SAGA/HUSKY) eligibility.
3. If patient is presumed to be eligible, an application is completed and all accounts, which may be covered from this pending application, are changed to Financial Class L.
4. Patients not eligible for state assistance, are given a Charity Care Application, to complete and return within 15 days.
5. If the application is not returned, the account(s) continues on through the self-pay collection process.

6. After the completed application is received all related account(s) will be changed to Financial Class K.
7. If patient is not defined as uninsured, the account(s) is/are removed from Financial Class K and returned to Financial Class P, where they would continue through the self-pay collection process.
8. If patient is defined as uninsured and the income is at or below 350% of the Federal Poverty Income Levels balance of all affected accounts will be reduced to the “cost of providing services” or given a sliding scale discount, whichever is greater.
9. If patient’s family income is greater than 350% of federal poverty level, but equal to or less than 400% of FPL, a 20% discount will be granted.
10. If, after all eligible discounts are applied, a patient due balance remains, the account(s) will be moved back to Financial Class P and the self-pay collection process will continue.
11. A twenty five percent (25%) discount could be offered to all self-pay patient accounts, by either SMH Financial Counselors or SMH Self-Pay Collectors, at any time during the self-pay cycle. Accounts that have been placed with a collection agency are not eligible for this discount. This is considered a prompt pay discount, not charity care. Eligibility for this discount requires that payment of full balance MUST be received within a specified time limit of maximum 30 days.

Attachments:

- Exhibit A: Financial Assistance Application
- Exhibit B: Income and Asset Guideline
- Exhibit C: Federal Poverty Income Levels.
- Exhibit D: Sliding Scale Discount
- Exhibit E: Write Off Transaction Codes
- Exhibit F: Patient Flier
- Exhibit G: Asset Verification Procedure



EXHIBIT A: FINANCIAL ASSISTANCE APPLICATION

Patient Name : _____ Date: _____

Current Address: Street _____

City, State, Zip _____

Phone # _____

Account(s)#: _____

Employer's Name & Address: _____

Spouse's Employer and Address: _____

Medical Insurance: _____ Policy/Claim#: _____

Insurance Company Name: _____

Address: _____

Number of Dependents (list ages, including self): _____

Monthly Income (List source/amount): Patient's income _____

Spouse's income _____

Other income _____

Monthly Expenses:

Rent/Mortgage: _____

Light: _____ Heat: _____ Food: _____

Cable: _____ Car Pymt: _____ Car Ins: _____

Cell Phone: _____ Entertainment: _____ Misc: _____

Savings Acct # _____ Balance: _____

Checking Acct # _____ Balance: _____

Stocks: _____ Bonds: _____ Mutual Funds: _____ Annuities: _____ 401K _____

I hereby attest that the above information is true and accurate. I understand that in order for me to be eligible, the information contained herein must be verified. I agree to provide St. Mary's Hospital with the necessary verifications, and, if requested by the Hospital, I agree to cooperate and follow through with application for State and/or Federal assistance as well as any other third party payors.

Patient/Guarantor: _____ Date: _____

Financial Counselor: _____ Approved by: _____ Date: _____

- All income must be verified. Please provide last 4 pay stubs or bank statement if direct deposit.
- If you are self-employed, please provide a complete copy of last year's complete Income Tax Return (include Schedule C).
- Provide most recent statement for bank account, stocks, bonds etc

EXHIBIT B: INCOME AND ASSETS GUIDELINE WORKSHEET

For use by hospital personnel only	Patient Name _____
Admit Date _____	Patient ID Number(s) _____
Date of application _____	Total charges _____
Requested by _____	Insurance paid _____
Welfare paid _____	Guarantor paid _____
Bill date _____	Balance (A) _____

Liquid Assets:

Savings/Checking account	_____
Certificates of deposit	_____
Stocks/bonds	_____
Other	_____
Total (B)	_____

Allowable assets (Equal to 6 months gross income) (C)	_____
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Total disallowed (D)	_____ (B) – (C)
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SUMMARY

(A) Account balance	_____
(D) Total disallowed	< _____ >

Adjusted balance to be Considered for charity Benefits	_____ (A) – (D)
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(E) Total monthly gross income	\$ _____
(F) Total monthly expenses allowed	\$ _____
Applied Income (E-F)	\$ _____

Discount percentage approved	_____
Amount of write off recommended	_____

Documentation attached (circle all that applies)

1. Income verification (Last four pay stubs)
2. Tax return
3. Medicaid denial
4. Asset verification

Maximum Monthly Expenses allowed:

Rent/Mortgage	-	\$500.00
Food	-	\$ 75.00/person/household (maximum allowed \$375.00)
Utilities	-	\$150.00

EXHIBIT C
FEDERAL POVERTY INCOME LEVELS
(2011)

FAMILY SIZE	100%	250%	350%	400%
1	10,890	27,225	38,115	43,560
2	14,710	36,775	51,485	58,840
3	18,530	46,325	64,855	74,120
4	22,350	55,875	78,225	89,400
5	26,170	65,425	91,595	104,680
6	29,990	74,975	104,965	119,960
7	33,810	84,525	118,335	135,240
8	37,630	94,075	131,705	150,520
Each Additional person add	3,820	9,550	13,370	15,280

**EXHIBIT C
SLIDING SCALE DISCOUNT**

Between 250% and 400% of Poverty Guidelines

	250% 100%	265% 90%	280% 80%	295% 70%	310% 60%	325% 50%	340% 40%	350% 30%	400% 20%	2011 FPL
1	\$ 27,225	\$ 28,859	\$ 30,492	\$ 32,126	\$ 33,759	\$ 35,393	\$ 37,026	\$ 38,115	\$ 43,560	\$ 10,890
2	\$ 36,775	\$ 38,982	\$ 41,188	\$ 43,395	\$ 45,601	\$ 47,808	\$ 50,014	\$ 51,485	\$ 58,840	\$ 14,710
3	\$ 46,325	\$ 49,105	\$ 51,884	\$ 54,664	\$ 57,443	\$ 60,223	\$ 63,002	\$ 64,855	\$ 74,120	\$ 18,530
4	\$ 55,875	\$ 59,228	\$ 62,580	\$ 65,933	\$ 69,285	\$ 72,638	\$ 75,990	\$ 78,225	\$ 89,400	\$ 22,350
5	\$ 65,425	\$ 69,351	\$ 73,276	\$ 77,202	\$ 81,127	\$ 85,053	\$ 88,978	\$ 91,595	\$ 104,680	\$ 26,170
6	\$ 74,975	\$ 79,474	\$ 83,972	\$ 88,471	\$ 92,969	\$ 97,468	\$ 101,966	\$ 104,965	\$ 119,960	\$ 29,990
7	\$ 84,525	\$ 89,597	\$ 94,668	\$ 99,740	\$ 104,811	\$ 109,883	\$ 114,954	\$ 118,335	\$ 135,240	\$ 33,810
8	\$ 94,075	\$ 99,720	\$ 105,364	\$ 111,009	\$ 116,653	\$ 122,298	\$ 127,942	\$ 131,705	\$ 150,520	\$ 37,630

EXHIBIT E**Write Off Transaction Codes**

A	8820 REDUCTION TO COST IP SELF PAY	Charity
A	8821 REDUCTION TO COST IP SELF PAY	Charity
A	8823 REDUCTION TO COST IP SELF PAY	Charity
A	8824 REDUCTION TO COST IP SELF PAY	Charity
A	8830 REDUCTION TO COST OP SELF PAY	Charity
A	8831 REDUCTION TO COST OP SELF PAY	Charity
A	8833 REDUCTION TO COST OP SELF PAY	Charity
A	8834 REDUCTION TO COST OP SELF PAY	Charity
A	8840 FREE SERVICE IP SELF PAY	Charity
A	8841 FREE SERVICE IP SELF PAY	Charity
A	8842 SLIDING SCALE IP SELF PAY	Charity
A	8843 FREE SERVICE IP SELF PAY	Charity
A	8844 FREE SERVICE IP SELF PAY	Charity
A	8845 SLIDING SCALE IP SELF PAY	Charity
A	8846 SLIDING SCALE IP SELF PAY	Charity
A	8847 SLIDING SCALE IP SELF PAY	Charity
A	8850 FREE SERVICE OP SELF PAY	Charity
A	8851 FREE SERVICE OP SELF PAY	Charity
A	8852 SLIDING SCALE OP SELF PAY	Charity
A	8853 FREE SERVICE OP SELF PAY	Charity
A	8854 FREE SERVICE OP SELF PAY	Charity
A	8855 SLIDING SCALE OP SELF PAY	Charity
A	8856 SLIDING SCALE OP SELF PAY	Charity
A	8857 SLIDING SCALE OP SELF PAY	Charity
A	8871 CHARITY CARE W/O NO ASSESTS	Charity
A	8872 MALTA HOUSE - CHARITY VAN	Charity
A	9110 FREE SERVICE - WHAP	Charity

Exhibit G

Procedure for Transferring Account to Vendor for Asset Search

- On a bi-weekly basis a report will be generated by IS department. This report will list accounts in financial class "P" that have aged 60 days and over. This report will be used to determine the accounts to be transferred to Century Financial Services (current vendor).
- After the report is generated, it will be forwarded to the Self-Pay Department where it will be sent via the FTP Voyager (This is the software used to transmit bad Debt accounts to Century Financial Services).
- These accounts MUST be returned by the vendor within 14 days from the date they were transmitted (emailed).
- Accounts that are verified as having no assets (that which can be accessed for the payment of outstanding charges) will be forwarded to the Self-Pay Lead and will be held until they have appropriately aged (120 days), at which time they will be written off as charity care.
- These accounts will be written off to TRAN Code 8871 – Charity Care W/O No Assets.
- This file will be saved on the PFS share drive under: Charity Care Write off No Asset.
- Accounts that are verified as having substantial assets will be returned to the normal billing cycle, for follow-up by the self pay staff, or if they have already reached the end of the billing cycle, they will be purged to bad debt and transferred to the system assigned collection agency.

St. Mary's Hospital

POLICY # 425

Subject: **Free Bed Funds**
Effective Date: 06/05/08
Revised: 07/07/11
Replaces: Financial Assistance Policy

DEFINITIONS

Self-Pay Patient

A Self-Pay patient is one who is responsible, either personally or through a guarantor (usually family member), for the payment of all the charges associated with the health care services provided by Saint Mary's Hospital (SMH).

Uninsured Patient

An uninsured patient is one:

5. Whose income is at or below 400% of the Federal Poverty Level;
6. Who has applied and been denied eligibility for any medical or health care coverage provided under any Medicaid or general assistance program;
7. Who is not eligible for coverage under Medicare, Tricare, or any other Federal programs, or privately sponsored health or accident insurance, including, but not limited to, workers' compensation, settlements or judgments arising from suits, claims or proceedings involving motor vehicle accidents or alleged negligence;
8. Who is liable for one or more hospital charges

Free Bed Funds

A "Free Bed Fund" means any gift of money, stock, bonds, financial instruments or other property made by any donor for the purpose of establishing a fund to provide medical care to patients at the hospital.

Cost of Providing Services

The cost of providing services means the hospital's published charges at the time of billing multiplied by the hospital's most current relationship of costs to charges as taken from the hospital's most recently available annual financial filing with the Office of Health Care Access.

Income

Income is the sum of all the wages, salaries, interest payments, rents and other forms of earnings received on a weekly, monthly or yearly basis.

Insured Patient

An Insured patient is one:

5. Whose income is above 400% of the Federal Poverty Income Levels;
6. Who has not applied or refuses to apply for any medical or health care coverage provided under any Medicaid or general assistance program;
7. Who is eligible for coverage under Medicare, Tricare, or any other Federal programs, or privately sponsored health or accident insurance, including, but not limited to, workers' compensation, settlements or judgments arising from suits, claims or proceedings involving motor vehicle accidents or alleged negligence;
8. Who is liable for one or more hospital charges.

POLICIES

37. In order to be eligible for Free Bed Funds, the patient must be uninsured as defined in this document.
38. Whenever possible, eligibility should be determined prior to rendering the service.
39. Application for Free Bed Funds (**Exhibit A**) can be obtained from SMH financial counselors or Patient Financial Services (PFS) Representatives.
40. A patient may apply for Free Bed Funds at any time in the billing and collection process. If the hospital, its collection agent, or its attorney becomes aware that the patient or guarantor requests free bed funds, the collection process will be promptly discontinued and the eligibility status of the patient or guarantor for assistance will be determined.
41. Incomplete applications and falsified applications will not be considered for eligibility.
42. A patient who has falsified the application may not re-apply for Free Bed Funds with accounts existing at the time of falsification, but may re-apply for newly incurred accounts.
43. Patients will be notified in writing within 30 days, from the date the completed application is received, regarding qualification or denials for Free Bed Funds. If denied, they will receive a notice of their rights to reapply in the future.
44. The applicant's gross income is used in determining eligibility for Free Bed Funds.
45. All third-party resources and non-hospital financial aid, including, but not limited to Medicaid, must be exhausted before Free Bed Bund can be granted.
46. SMH will utilize the Income and Asset Worksheet (**Exhibit B**) in conjunction with the most recent Federal Poverty Guidelines (**Exhibit C**) as a basis for determination of eligibility.

47. For “uninsured “ patients who qualify for Free Bed Funds and whose income is less than 350% of the Federal Poverty Guidelines, SMH will reduce their bill to “cost of providing services”, as established by the Office Of Health Care Access (OHCA).
48. The percentage discount that is approved will be applied to all existing accounts with debit balances. Accounts may also be returned from bad debt status if financial circumstances warrant and discount may be applied, to the extent that funds are available.
49. Signage, in English, Spanish, Portuguese and Albanian, will be placed in the following areas notifying patients of the availability of Free Bed Funds.
- a. Registration
 - b. ED
 - c. All Social Services Departments
 - d. PFS/Cashier’s Office
 - e. Lobby
50. Signs will be in 48 or 72 points font.
51. A one-page summary (**Exhibit F**), in English, Spanish, Portuguese and Albanian, describing our Free Bed Funds Policy and how to apply for them will be made easily accessible to all patients, in the following locations:
- a. Registration
 - b. ED
 - c. All Social Services Departments
 - d. PFS/Cashier’s Office
 - e. Lobby
16. Free Bed Funds Applications will be provided to SMH collection agencies for distribution to SMH patients as needed.
17. SMH patient statements will include statements in English, Spanish, Portuguese and Albanian, including the availability of Charity Care and how to contact our financial counselors to apply.
18. SMH financial counselors or authorized PFS personnel will document all decisions regarding Free Bed Funds awarded by signing and dating the financial assistance application.
19. Patient accounts that are approved for Free Bed Funds will be written off by using transaction codes A8867 for in-patient accounts or A8861 for out-patient accounts.
20. Discounted amounts and write-offs will also be clearly stated in the notes section of the patient’s record in the billing system.
21. Documentation will be maintained in a central file for seven years.
22. To assure that Free Bed Funds are appropriately considered, the following approval levels will be followed:
- | Discounted Amount | Appropriate Personnel |
|--------------------------|---|
| a. \$1 - 1,000 | Financial Counselors/Designated PFS Personnel |
| b. \$1,001 - 5,000 | Manager - Self Pay Collections |
| c. \$5,001 and up | Director of PFS/CFO |

23. A monthly review of transaction codes will be conducted by the Director of PFS or designee. The review will consist of a general reasonableness review, as well as an actual review of a number of transactions chosen at random, where paperwork will be examined for authorization, backup documentation and signatures.
24. Accounts not approved for Free Bed Funds are removed from Financial Class "K" and self-pay collection process continues.

PROCEDURE

8. Eligibility for Free Bed Funds is determined on a case by case basis by the SMH financial counselors.
9. Patients may apply for Free Bed Funds by obtaining an application from SMH Financial Counselors or Patient Financial Services Representatives, or our collection agencies.
10. Completed and signed applications must be returned to the Financial Counselor within 15 days, with required verifiable documentation. Verifiable documentation required of the applicant will include:
 - Copies of last four (4) pay stubs;
 - If self-employed - Previous year's Federal Tax Return with all schedules attached;
 - If pay stubs are not available - Signed statement from applicant's employer on employer letterhead stating the applicant or other household member's gross weekly earnings;
 - Current statement from all accounts (saving, checking, stocks, bonds, 401k etc);
 - Information used to apply for state or local assistance or information obtained by the SMH Financial Counselors to determine eligibility for state assistance.
11. The financial counselors will first determine whether the patient qualifies for medical assistance from other existing sources, such as Medicaid and other state or federal programs.
12. If Free Bed Funds are available, patients will be assessed for eligibility. Patients determined eligible for free bed funds will have the balance of their charges written off to these funds. Assessment will be based on the information provided on the application.
13. The financial counselors will use the "income and asset guidelines worksheet" (see Exhibit B) to determine patient's eligibility for free bed funds.

Work Flow

12. Self-Pay Patient presents at SMH.
13. SMH Financial Counselor assess patient for state assistance (Medicaid/SAGA/HUSKY) eligibility.

14. If patient is presumed to be eligible, an application is completed and all accounts, which may be covered from this pending application, are changed to Financial Class L.
15. Patients not eligible for state assistance, are given a Charity Care Application, to complete and return within 15 days.
16. A twenty five percent (25%) discount will also be automatically applied to the account before the bill is released.
17. If the application is not returned, the account(s) continues on through the self-pay collection process.
18. After the completed application is received all related account(s) will be changed to Financial Class K.
19. If patient is not defined as uninsured, the account(s) is/are removed from Financial Class K and returned to Financial Class P, where they would continue through the self-pay collection process.
20. If patient is defined as uninsured and the income is at or below 400% of the Federal Poverty Income Levels, and there are Free Bed Funds available, balance of all affected accounts will be written off.

Attachments:

Exhibit A: Financial Assistance Application

Exhibit B: Federal Poverty Guidelines

Exhibit C: Income and Asset Guideline Worksheet



EXHIBIT A: FINANCIAL ASSISTANCE APPLICATION

Patient Name : _____ Date: _____

Current Address: Street _____

City, State, Zip _____

Phone # _____

Account(s)#: _____

Employer's Name & Address: _____

Spouse's Employer and Address: _____

Medical Insurance: _____ Policy/Claim#: _____

Insurance Company Name: _____

Address: _____

Number of Dependents (list ages, including self): _____

*Monthly Income (List source/amount): Patient's income _____

Spouse's income _____

Other income _____

Monthly Expenses:

Rent/Mortgage: _____

Light: _____ Heat: _____ Food: _____

Cable: _____ Car Pymt: _____ Car Ins: _____

Cell Phone: _____ Entertainment: _____ Misc: _____

Savings Acct # _____ Balance: _____

Checking Acct # _____ Balance: _____

Stocks: _____ Bonds: _____ Mutual Funds: _____ Annuities: _____ 401K _____

I hereby attest that the above information is true and accurate. I understand that in order for me to be eligible, the information contained herein must be verified. I agree to provide St. Mary's Hospital with the necessary verifications, and, if requested by the Hospital, I agree to cooperate and follow through with application for State and/or Federal assistance as well as any other third party payors.

Patient/Guarantor: _____ Date: _____

Financial Counselor: _____ Approved by: _____ Date: _____

- All income must be verified. Please provide last 4 pay stubs or bank statement if direct deposit.
- If you are self-employed, please provide a complete copy of last year's complete Income Tax Return (include Schedule C).
- Provide most recent statement for bank account, stocks, bonds etc

EXHIBIT B: INCOME AND ASSETS GUIDELINE WORKSHEET

For use by hospital personnel only	Patient Name _____
Admit Date _____	Patient ID Number(s) _____
Date of application _____	Total charges _____
Requested by _____	Insurance paid _____
Welfare paid _____	Guarantor paid _____
Bill date _____	Balance (A) _____

Liquid Assets:

Savings/Checking account	_____
Certificates of deposit	_____
Stocks/bonds	_____
Other	_____
Total (B)	_____

Allowable assets (Equal to 6 months gross income) (C)	_____
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Total disallowed (D)	_____ (B) – (C)
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SUMMARY

(A) Account balance	_____
(D) Total disallowed	< _____ >

Adjusted balance to be Considered for charity Benefits	_____ (A) – (D)
--	-----------------

(E) Total monthly gross income	\$ _____
(F) Total monthly expenses allowed	\$ _____
Applied Income (E-F)	\$ _____

Discount percentage approved	_____
Amount of write off recommended	_____

Documentation attached (circle all that applies)

- 5. Income verification (Last four pay stubs)
- 6. Tax return
- 7. Medicaid denial
- 8. Asset verification

Maximum Monthly Expenses allowed:

Rent/Mortgage	-	\$500.00
Food	-	\$ 75.00/person/household (maximum allowed \$375.00)
Utilities	-	\$150.00

EXHIBIT C
FEDERAL POVERTY GUIDELINES
(2011)

FAMILY SIZE	100%	350%	400%
1	\$10,890	38,115	43,560
2	14,710	51,485	58,840
3	18,530	64,885	74,120
4	22,350	78,225	89,400
5	26,170	91,595	104,680
6	29,990	104,965	119,960
7	33,810	118,335	135,240
8	37,630	131,705	150,520
Each Additional person add	3,820	13,370	15,280