| | CCMC Corporation | | |
|---|---|---|---|
| | ☑ Connecticut Children's Medical Center<br>☑ Connecticut Children's Specialty Group, Inc. | ❑CCMC Affiliates, Inc.<br>❑ Connecticut Children's Medical Center Foundation, Inc. | |
| | Fiscal | Date Effective: | November 14, 2013 |
| | Policy: Patient Financial Assistance | Date of Origin: | March 1, 2002 |
| | Approved By: Finance Administration | Date Approved: | October 16, 2013 |

## I. Purpose

The purpose of this policy is to outline the criteria and parameters for providing financial assistance for patients of Connecticut Children's Medical Center and/or Connecticut Children's Specialty Group (Connecticut Children's)

## II. Policy

It is the policy of Connecticut Children's to provide financial assistance to all eligible patients, Connecticut Children's Patient Financial Assistance (PFA) consists of Free Bed Funds, Charity Care and other discounts or deferred payment options. Connecticut Children's provides care to all patients presenting for emergency care without discrimination regardless of ability to pay, or eligibility for financial assistance.

## III. Inclusion/Exclusion/Indications

This policy applies to eligible patients for any service at any Connecticut Children's location.

### Definitions

*Eligibility Criteria:* The criteria in this policy (and supported by procedure) is used to determine if a patient meets the requirements for financial assistance.

*Family Size:* The total number of family members living in the same household, who meet at least one of the following characteristics:

- Parent/Guardian (including step-parent regardless of guardianship status)
- Each child up to the age of 18
- A family member between the ages of 18 and 25, who is enrolled as a full-time college or trade-school student
- An elderly (over the age of 65) or disabled and not a minor (as defined by Medicaid or State welfare guidelines) family member, who is not collecting Social Security benefits.

A patient's family size will be confirmed through proper identification of all family members.

*Federal Poverty Level Guidelines:* The federal poverty level guidelines (hereafter, the FPLG) are established by the United States Department of Health and Human Services on an annual basis.

*Family Income:* A patient's family income will be assessed in line with the FPLG. Family income cannot be more than 500% of the FPLG for the patient to be eligible for charity care. (Procedure will determine income calculations).

*Foreign Nationals:* Under this policy, a foreign national is a person who is a citizen of any country other than the United States. A person who was born outside of the United States is a citizen of a foreign country, and has not become a naturalized U.S. citizen under U.S. law.

*Free Bed Funds:* Funds or assets donated to Connecticut Children's, Hartford Hospital, or John Dempsey Hospital (the pediatric services of which have been moved to Connecticut Children's) for pediatric patients who meet the restrictions set by the donor.

*Uninsured:* A patient who has no level of insurance or third party coverage, including Medicare, Medicaid, Champus, or any other government or commercial insurance program, to help pay for health care services.

*Underinsured:* Under this policy, an underinsured patient is a patient who has some level of insurance or third party coverage, yet has out-of-pocket health care-related expenses. Underinsurance includes, but is not limited to, deductibles, coinsurance, co-payments, exhausted benefits, and lifetime benefit limits.

*Non-covered services:* Services that are not covered under the patient's benefits / insurance plan and therefore will not be paid by the patient's insurance plan.

## IV. Key Points:

### A. Financial Assistance:

Free care or discounted care is based on the Federal Poverty Level Guidelines (Persons in household and Income by year)

| Family Size | Family Poverty Level Guideline (FPLG) | 250% | 500% |
|---|---|---|---|
| 1 | 11,490 | 28,725 | 57,450 |
| 2 | 15,510 | 38,775 | 77,550 |
| 3 | 19,530 | 48,825 | 97,650 |
| 4 | 23,550 | 58,875 | 117,750 |
| 5 | 27,570 | 68,925 | 137,850 |
| 6 | 31,590 | 78,975 | 157,950 |
| 7 | 35,610 | 89,025 | 178,050 |
| 8 | 39,360 | 98,400 | 196,800 |

Discounts based on FPLG
**250 % or less = 100% (free care)**
**250- 500% = 45%**

FPLG will be updated on an annual basis.

If family income is at or below 250% of the FPLG, the patient may qualify for a **100% discount** of billed charges for health care services or insurance cost shares (co-pays, coinsurance, and deductibles)

If the family income is between 250 and 500% of the FPLG, the patient may qualify for a **45% discount** from billed charges for health care services or insurance cost shares (co-pays, coinsurance, deductibles) in accordance with the requirements of IRS Section 501(r) (5) by granting the best (greatest discount to the payer) negotiated commercial discount.

**B. Applying for Financial Assistance.**

**Self-Pay patients may be offered an application for Medicaid and/or financial assistance at the time of visit, by phone or by mail.**

Information about applying for assistance:

- Summary brochures regarding how to apply and who to contact for financial assistance are available in Connecticut Children's Emergency Department and Connecticut Children's patient registration check-in areas.
- When a Financial Assistance Coordinator (FAC) receives a request from a patient looking for financial assistance, the FAC will give the patient an application and a list of required documents.
- A financial assistance application is considered incomplete if the information needed is not received within forty five (45) calendar days of the FAC request. The application is then null and void. The FAC will mail a letter of denial or approval to the patient within thirty (30) days of receiving a complete application. Every applicant has the right to reapply even if a previous application has been denied.
- For Connecticut residents, approved applications can cover health care services up to six (6) months looking back from the date of each application. Although, at the discretion of the Director or Manager of Patient Access, the retrospective period for an approved application can extend beyond the previous six (6) months. An approved application is good for six (6) months from the date of the application.

- A patient may reapply at the end of six (6) months.

### C. Payment Plans

Connecticut Children's is committed to providing the available health care, along with convenient billing services, payment options and financial assistance.
We request bills be paid in full within thirty days. The guarantor is responsible to obtain the necessary funds from any source, such as obtaining a loan through their bank and/or credit union.
If the guarantor is unable to pay by obtaining a loan or use of a credit card, payment arrangements may be made with a Financial Assistance Coordinator.
Monthly payments must be made every month.

| Guarantor Balance | Payment Plan |
|---|---|
| Under $100 | Payment in full |
| $100 to $349 | 3-month payment plan: one-third of the balance to be paid each month |
| $350 to $1,199 | 6-month payment plan: one-sixth of the balance to be paid each month |
| $1,200 to $2,499 | 12-month payment plan: one-twelfth of the balance to be paid each month |
| $2,500 and above | Minimum $200 to be paid each month. |

Payment plans for accounts with a value under $5,000 must be approved by the Manager or Assistant Manager of Patient Accounts or Manager or Assistant Manager of Patient Access.
Payment plans for accounts $5,000-$10,000 must be approved by the Director of Patient Financial Services or Director of Patient Access.
The CFO must approve payment plans on accounts over $10,000.

### D - Failure to pay

If a patient receives financial assistance / discounted rate and does not pay timely on their bill, or If the patient **does not qualify for financial assistance** and does not pay timely on their bill, Connecticut Children's may begin collection activity, legal action and report this to one or more credit reporting agencies.

## V. References

Section 501(r) to the Internal Revenue Code (IRC), the Affordable Care Act (Section 9007)

## VI. Related Documents

PFA Application → g:\CCMCDOC\forms\PFA\PFA Application.doc

PFA Determination Worksheet → g:\CCMCDOC\forms\PFA\PFA Determination Worksheet.doc
PFA Approval Letter → g:\CCMCDOC\forms\PFA\Notice of PFA Approval.doc
PFA Denial Letter → g:\CCMCDOC\forms\PFA\\Notice of PFA Denial.doc

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|---|---|---|---|
| Connecticut Children's MEDICAL CENTER | **CCMC Corporation** | | |
| | ☑ **Connecticut Children's Medical Center**<br>☑ **Connecticut Children's Specialty Group, Inc.** | ❑ **CCMC Affiliates, Inc.**<br>❑ **Connecticut Children's Medical Center Foundation, Inc.** | |
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| Hartford Health Care Corporation and Connecticut Children's Medical Center | 4.4 Patient Credit and Collection Policy & Procedures | | |
|---|---|---|---|
| Patient Financial Services | Section 4: Departmental Policies | | 1 |
| Approved by: **Niobis Queiro, Vice President Revenue Cycle** | Date Issued: 11/24/03 | Last Reviewed/Revised Date: 01/20/12 | |

**Purpose:** The primary responsibility of Hartford Health Care Corporation and Connecticut Children's Medical Center is to provide the highest quality of medical care to its patients at the lowest cost. In order to meet these requirements, an efficient and equitable system must be established that will maximize the collection of patient accounts receivable balances in order to provide the cash flow required to operate our institutions effectively.

**Scope:** All PFS Admissions, Billing and Collection areas.

**Policy:** In accordance with the above, the following Credit and Collection Policy is hereby established for The Hartford Health Care Corporation and Connecticut Children's Medical Center. Detailed procedures and exceptions to this policy will be included in a Credit and Collection Manual.

The Following are Procedures included in this Policy:

I. Admissions Procedures
II. Billing Procedures
III. Collections Procedures

**Definitions:** Throughout this policy, reference to Patient Financial Services will constitute reference to collection processes for Hartford Health Care Corporation and Connecticut Children's Medical Center.

In this credit policy, the term "Patient" refers to the party responsible for the payment of the hospital bill. Further, the expression, "patient portion" is to include all non-covered Third-Party charges, such as deductibles, co-insurance, outpatient pharmacy charges, etc.

Patient classifications are defined as follows:

A. Inpatient: Patients requiring inpatient services as deemed necessary by a physician.
B. Emergency Patient: Patient treated in the emergency department for a condition that requires immediate attention.
C. Private Referred: A Patient referred to one or more of the hospital's ancillary service areas by either the hospital's medical staff or other private physician.
D. Clinic Patient: A patient who is registered in one of the hospital's outpatient areas and is treated in one or more of the specialty clinics.

| Sources of Payment | Procedure |
|---|---|
| A. Patient | The primary responsibility for settlement of the account will rest with the patient. All patients, capable of doing so, will be required to sign an assignment and authorization form for guarantee of payment prior to admission or receipt of outpatient/ancillary services. The patient cannot alter the consent form in any way. In any controversy, default, or misrepresentation the hospital will contact the patient for payment of the bill. |
| B. Third-Party Coverage | It is the patient's responsibility to provide accurate information regarding health insurance, demographics and applicable financial resources to determine whether the patient is eligible for coverage through an existing private insurance or available public assistance program.<br>Patient Financial Services will extend credit on Third-Party benefits assigned to the hospital upon proper validation of coverage. Hartford Healthcare System and Connecticut Children's Medical Center have contractual agreements with private insurance companies. For insurance companies that contract exist, patient is only liable to pay for non-covered services and out of pocket expenses (e.g. co-insurance and deductible).<br>Patient Financial Services will cooperate with all Third-Party payers to the fullest extent in order to facilitate the collection of patient bills. |

| | |
|---|---|
| C. Patient Balance (Self-Pay accounts and/or residual balances after Third-Party payments) | Acceptable forms of payment are:<br>1. Cash or money orders.<br>2. Personal or travelers checks with proof of identity.<br>3. Credit cards – MasterCard, Visa, American Express and Discover Card.<br>*Patient's are given the opportunity to pay their respective bill (s) at the time of service, by mail, by telephone or online at www.harthosp.org/paybill. |
| D. Payment of Uninsured Hospital Charges | Patient Financial Services will require or request payment for the difference between the estimated patient bill and the total available Third-Party coverage. For any non-emergency services, the hospital will make every reasonable attempt to obtain payment from the patient for the patient portion of the bill, after estimated coverage. All past due accounts would also be required to be paid prior to the current non-emergent admission.<br>The following procedures will require payment in full prior to services being rendered.<br>• Pregnancy Termination<br>• Paternity Testing<br>• Dentures<br>• Cosmetic Surgery |
| E. Financial Assistance<br>*Does not apply to CONNECTICUT CHILDREN'S MEDICAL CENTER. | Hartford Health Care Corporation recognizes its responsibility to those patients unable to pay for services rendered.<br>1. Various Hospital Free Bed Funds are available to meet this recognized need. They may be granted as a last resort after all other available Third-Party resources have been exhausted. Patients are required to apply for Title XIX prior to consideration for Free Bed Funds.<br>2. Financial Assistance (FA) is also available to patients on an as needed basis. A notice of FA availability is included in the Patient Statement. Patients must submit all necessary information and must meet the criteria as outlined in the FA Policy and Procedure. Exceptions may be made with the approval of Systems Director, PFS. |

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| | 3. Self-Pay Discounts-see **III Collection Procedures (page 5)**<br><br>4. Management approval of these funds are required as follows:<br>• Under $10,000 – Self Pay Supervisor<br>• $10,000 to $49,999– Self Pay Manager<br>• $50,000 to $150,000– System Director PFS<br>• Over $150,000 – Vice President Revenue Cycle<br>• Approval/denial letters are mailed to patients upon a decision is made following the review of the submitted information. |
| F. Patient Inquires | Patient inquiries related to the Credit and Collection Policies must be directed to the Self Pay Manager or System Director PFS |

**PROCEDURES:**

**I. Admissions Procedures:**

| Admission Type | Procedure |
|---|---|
| A. Pre-Admissions | Facilities will Pre-Admit patients whenever possible. The payment sources chosen for settlement of a patient's account will be verified prior to admission (i.e., verifying coverage thru available on-line products, confirmation directly with the payer, employer, or validation (photocopy) of appropriate insurance data). In addition, the provisions of Section III-D above must be satisfied. * |
| B. Elective Admissions | Elective admission referrals must be received in the Pre-Admitting office at least one day after booking the reservation in the Admitting Office or by Service Access.<br><br>All elective admissions are subject to the payment of uninsured Hospital charges as established in Section III-D above.* |

| | |
|---|---|
| C. Emergency Admission | Facilities will admit all emergency cases irrespective of the financial condition of the patient. The admitting physician must certify as to the emergency status when requesting the admission.* |

***All Inpatients and Outpatients/Emergency Department patients presenting as Self-Pay are assigned to our on-site Medicaid vendor, Cardon to complete an application for both Medicaid and Financial Assistance. Accounts determined as Medicaid eligible are billed accordingly. If rejected, the appropriate Financial Assistance discount is applied and/or the account is assigned to Self-Pay.**

## II. Billing Procedures:

All patient/guarantors will receive a series of statements when there is no Third-Party coverage.

A. Patients that have Third Party Coverage, Medicare and Medicaid will not receive a patient statement until payment or rejection has been received from the insurance carrier(s) on the account.

B. Once self-pay status is determined, financial counselors are available to assist with Title XIX applications.

C. Bills are produced or available for production five days after discharge. The billing process will begin as soon as the bills are available. Detail bills are available upon request.

D. Accounts pending coverage determination will be treated as if no coverage is available and as a self-pay account.

E. Patient statements are generated per the following cycle:
   1) Initial Statement
   2) Second Statement
   3) Third Statement
   4) Payment plans are billed on a monthly basis. If a patient misses 2 payments they will be charged a $15.00 service fee.

## III. Collection Procedures:

Self Pay patients are evaluated for Medicaid eligibility, Financial Assistance, free bed funds and other programs available to the uninsured patient population. Patients who do not qualify for any programs will be registered as a self pay patient.

Patient's that have no insurance coverage AND do not qualify for Financial Assistance may be entitled to a self pay discount based upon the policy of the covered Entity.

Hartford Healthcare System offers a self pay discount to uninsured patients that receive medically necessary services. The self pay discount is set annually by Finance. The self pay discount is applied at the time the account qualifies to bill.

Connecticut Children's Medical Center does not offer a self pay discount to their patients.

In the event the patient cannot obtain necessary funding and/or use a credit card, payment arrangements can be established for the patient. All Payment Plans are established through our outsource vendor. Patients should be put in contact with Via Health at 800-xxx-xxxx.

Via Health will review all outstanding balances the patient has and establish a payment plan encompassing all open balances for the patient.

Payment plans are established as follows:

1) **Standard monthly payment of 4% of the starting balance**
2) **Absolute minimum monthly payment (based on need) of 2% of the starting balance**
3) **No plan is to be set up with a minimum monthly payment of $25 or less**

Patient statements are system generated according to the schedules outlined in Section II A ,B and C. Accounts will be transferred to the appropriate financial class whenever payments or rejections are received from Third-Party Payers.

**It is Hartford Healthcare policy that no patient account will be transferred to an outside collection vendor as Bad-Debt without first being screened through Search America for determination of Full, Partial or Denied Financial Assistance**

A. **<u>Self Pay-Financial Class P , Q and R– A/R & Daily Outpatient Accounts</u>**
All self pay accounts, financial classes P, Q, and R are placed with VIA Health who will pursue self pay collections and manage all self pay accounts assigned for a period of 120 days.
In the event of returned mail the Self Pay Team will search for current address, review for potential financial assistance or refer for bad debt collections,
Upon return from VIA Health (at 120 days), accounts will be transferred to the respective primary bad debt agencies. Using a straight alpha split, accounts are assigned as follows:

A-L EOS CCA

M-Z RCS (Revenue Cycle Solutions, Inc.)

Primary agencies will pursue collections and manage all accounts assigned for a period of 180 days. All accounts returned are then placed with the secondary agency, MAF Collection Services.

### B. Medicaid

During the Pre-Admission and/or hospitalization, our onsite vendor Cardon will explain the Medicaid application procedure, aid the patient in completing the application and provide assistance to the patient in obtaining eligibility.

## VI. General Policies:

A. General policies have been established to control the activities in the collection cycle.

B. A timely filing period of 10 months from the last date of activity on the account (insurance denial/collection effort) will be followed for the billing to Patients.

- Once this limit is met, the patient balance will be written-off to service code 906347 "Special Purpose, Not RR". Or 906289 "special Purpose, Old RR"
- Any exceptions to this policy must be approved by the Hospital's CFO.

C. Patient Accounts will not Balance bill the parent of a baby born within our facilities who expires within the first 24 hours after delivery.

- The Insurance is to be billed.
- Co-Pay's and/or Deductible's will be written off to Charity Care by the Self Pay Team and deemed a "Hardship" presumptive eligibility situation for purposes of the Hospital's Charity Program.

D. Patient Account Management and the Vice Presidents of Finance will review monthly write offs. The purpose of this review will be to identify the sources of bad debts and administrative write offs to propose solutions.

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**Last Reviewed/Revised Date: 01/20/12**