

Classification:	YALE NEW HAVEN HEALTH SYSTEM POLICIES & PROCEDURES	
Title: Billing and Collection		
Date Approved: 09/20/2013	Approved by: Board of Directors	
Date Effective: 09/20/2013	Date Reviewed/Revised: N/A	
Distribution: MCN Policy Manager	Policy Type (I or II): Type I	
Supersedes: YNHH Administrative Policy for Credit and Collections BH Credit and Collection Policy (9-4) GH Billing and Collection Bad Debt Policy (A-J:2)		

PURPOSE

To ensure that outstanding balances on patient accounts are pursued fairly and consistently by the Hospital and its agents in a manner consistent with its charitable mission

DEFINITIONS

“Collection agent” means any person, either employed by or under contract to, the Hospital, who is engaged in the business of collecting payment from consumers for medical services provided by the Hospital, and includes, but is not limited to, attorneys performing debt collection activities.

“FAP” means the Hospital’s Financial Assistance Policy.

“FAP-eligible individual” means an individual eligible for financial assistance under the hospital’s FAP, without regard to whether the individual has applied for assistance under the FAP.

“Hospital bed fund” or *“free bed fund”* means a special donation received by the Hospital to subsidize, in whole or in part, the cost of medical care, including inpatient or outpatient care, incurred by patients at the hospital, whose financial circumstances render them unable to pay their hospital bills.

“Patient” means those persons who receive care at the Hospital and the person who is financially responsible for the care of the patient.

“Uninsured patient” means any person who is liable for one or more hospital charges whose income is at or below two hundred fifty percent (250%) of the poverty income guidelines who: (1) has applied and been denied eligibility for any medical or health care coverage provided

under the state-administered general assistance program or the Medicaid program due to failure to satisfy income or other eligibility requirements, and (2) is not eligible for coverage for hospital services under the Medicare or CHAMPUS programs, or under any Medicaid or health insurance program of any other nation, state, territory or commonwealth, or under any other governmental or privately sponsored health or accident insurance or benefit program including, but not limited to, workers' compensation and awards, settlements or judgments arising from claims, suits or proceedings involving motor vehicle accidents or alleged negligence.

APPLICABILITY

This policy applies to each licensed hospital affiliated with Yale New Haven Health System (YNHHS), including Bridgeport Hospital, Greenwich Hospital, Yale-New Haven Hospital and any other hospital that may affiliate with YNHHS from time to time, Northeast Medical Group and its subsidiaries, Yale-New Haven Care Continuum (d/b/a Grimes), and any other providers of health care services owned by or under common control with YNHHS.

POLICY

It is the Hospital's policy to treat all patients equitably with respect and compassion, from the bedside to the billing office. The Hospital will pursue patient accounts, directly and through its collection agents, fairly and consistently taking into consideration demonstrated financial need. As part of its collection process, the Hospital will make reasonable efforts to determine if an individual is eligible for financial assistance under its FAP. In the event of nonpayment, where based on information in its possession a person is not FAP-eligible individual, the Hospital (and any collection agency or other party to which it has referred debt) may engage in extraordinary collection actions as defined on Attachment I.

PROCEDURES

A. General & Limitation on Billing

1. In accordance with Connecticut law, before a bill is sent to a patient the Hospital will:
 - a. determine (based on information in its possession) (i) if the patient is an uninsured patient as defined herein; and (ii) eligibility for free bed funds; and
 - b. notify the patient in writing of this insurance determination and the reasons for the determination.
 - c. If a patient is determined to be an uninsured patient as defined herein, the patient will be eligible for free care under the Hospital's FAP.
2. Following a determination of eligibility for financial assistance under the Hospital's FAP, the Hospital will charge all FAP-eligible individuals: (a) for emergency or other medically necessary care, the costs of such care (which the Hospital ensures is no more

than amounts generally billed (AGB) to persons who have insurance covering emergency or other medically necessary care), and (b) no more than gross charges for all other care.

3. Each bill and all collection notice from the Hospital, or any collection agent acting on behalf of the Hospital, must include the YNHHS Summary of Financial Assistance Programs. In addition, at Greenwich Hospital the Availability of Hospital Funds notice must be disseminated in accordance with the Greenwich Hospital Bed Fund Agreement.
4. Throughout the billing and collections cycle, the Hospital will provide financial counseling to patients about their Hospital bills and respond promptly to patient's questions about their bills and to requests for financial assistance.

B. Reasonable efforts – Accounts Receivable (“A/R”) Collections

The Hospital will follow its A/R billing cycle in accordance with internal operational processes and practices. As part of such processes and practices, the Hospital will, at a minimum, notify patients about its FAP from the date care is provided and throughout the A/R billing cycle (or during such period as is required by law, whichever is longer) by posting signs throughout the Hospital, distributing a plain language summary of its FAP in all billing statements, and discussing the FAP with eligible patients.

C. Outside Collections

1. The Hospital will seek to maintain written contractual relationships with one or more collection agents and attorneys for collection of past due accounts that will require compliance with the standards and scope of collection practices set out in this Policy.
2. At the end of the Hospital's internal (pre-collection) billing cycle, outstanding balances may be referred to an approved outside collection agent under the following guidelines:
 - (i) Hospital has billed all third-party payers that may, based on hospital's records, be responsible for paying the claim;
 - (ii) Hospital has provided patient information on how to arrange for a payment plan if the patient cannot afford to pay the entire bill at once and patient has not qualified for, arranged for, or complied with a payment plan;
 - (iii) Hospital has notified patient that it has free bed funds and other free or discounted care for which the patient may be eligible;
 - (iv) (a) No financial assistance application has been completed that establishes the patient's eligibility for hospital bed funds or other financial assistance nor is an application in process, or (b) patient has applied and qualified for partial financial assistance, but has not paid his/her responsible part then the ineligible portion of the account may be referred for collection;
 - (v) A representative of the Hospital's Finance Department or a Turnover Expeditor

concludes, based on the results of an internal review and in accordance with the Hospital's eligibility criteria for its financial assistance programs, that the patient has the financial ability to pay for all or a portion of his or her bill; and

(vi) The referral is reviewed and approved by the Credit & Collections staff under the direction of the Manager, Credit & Collections and using criteria & procedures permitted by the Director of Patient Accounts, the VP, Corporate Business Services and/or the Sr. VP, Finance.

3. If at any point in the debt collection process, the Hospital, including any employee or agent of the Hospital, or a collection agent acting on behalf of the Hospital, receives information that a patient is eligible for hospital bed funds, free or reduced price hospital services, or any other program which would result in the elimination of liability for the debt or reduction in the amount of such liability, the Hospital or collection agent will promptly discontinue collection efforts and, if a collection agent, refer the account back to the Hospital for determination of eligibility. The collection effort will not resume until such determination is made.
4. The Hospital will annually file a debt collection report with the Office of Health Care Access as required by Connecticut law.

RESPONSIBILITY

Sr. VP, Finance, VP, Corporate Business Services, Director of Patient Accounts, and Manager, Credit & Collections

REFERENCES

Conn. Gen. Statutes §19a-673 and §19a-673(a) – (d)
Internal Revenue Code §501(r)(6)
Fair Debt Collection Practices Act
Connecticut Not-For-Profit Acute Care Hospital Voluntary Guidelines for Debt Collection
AHA – Statement of Principles and Guidelines - Hospital Billing & Collection Practices

RELATED POLICIES

YNHHS Financial Assistance Programs

Attachment I
STANDARDS & SCOPE OF COLLECTION PRACTICES

1. Prior approval of extraordinary collection action and reasonable efforts to determine if FAP-eligible individual.

The Hospital (and any collection agency or other party to which it has referred debt) shall not engage in any extraordinary collection action ("ECA") before making reasonable efforts to determine if a patient is an FAP-eligible individual, and further must obtain written approval from the Manager of Credit/Collections, prior to the initiation of any ECA, including as set forth below.

2. ECA Defined:

(a) Commencement of a legal action concerning a referred account

(b) Property Liens & Foreclosures.

Liens on personal residences are permitted only if:

- (i) The patient has had an opportunity to apply for free bed funds and has either failed to respond, refused, or been found ineligible for such funds;
- (ii) The patient has not applied or qualified for other financial assistance under the Hospital's Financial Assistance Policy, including sliding scale discounts to assist in the payment of his/her debt, or has qualified, in part, but has not paid his/her responsible part;
- (iii) The patient has not attempted to make or agreed to a payment arrangement, or is not complying with payment arrangements that have been agreed to by the Hospital and patient;
- (iv) The aggregate of account balances is over \$1000 and the property(ies) to be made subject to the lien are at least \$125,000 in assessed value; and
- (v) The lien will not result in a foreclosure on a personal residence. Except in unusual circumstances (e.g. where there is evidence of an ability to pay, multiple homes or properties, or the existence of significant assets), the Hospital will not pursue foreclosures for property liens.

(c) Wage Garnishments.

Garnishments of wages are permitted only if:

- (i) The patient is not an uninsured patient;
- (ii) The criteria in (i) – (iii) above under Property Liens are met;
- (iii) A court determines that the patient's wages are sufficient for garnishment and enters a judgment against the patient; and
- (iv) The Hospital has notified the patient in writing of the foregoing.

(v) Wage garnishments, if approved, will only apply to account balances over \$500. Additionally, any State Marshall fee for administering the wage garnishment will be absorbed by the Hospital as a cost of collection. No interest will accrue on wage garnishments.

(d) Bank Executions.

All bank executions, in addition to pre-approval, require special review by the Hospital for verification that the execution will not cause undue financial hardship on the patient. If this cannot be determined, no bank execution will be ordered.

(e) Writs of Capias.

The Hospital will not pursue and will not initiate a writ of capias (*i.e.*, a petition to have a debtor arrested as a result of a debt collection activity). The Hospital may ask for examinations of patients but the Hospital itself will specifically indicate that the Hospital does not request any writ of capias.

(f) Interest and Court Costs.

Interest will be allowed to accrue on accounts after legal court judgment is received. Interest will accrue at the current statutory rate. The Hospital will not allow interest to accrue greater than 50% of the account balance. If the principal is paid in full, the Hospital will waive payment of interest. Court costs will be assumed by the Hospital as a cost of collections and not charged to the patient.

(g) Credit Reports.

No accounts or account activity will be directly reported to Credit Bureaus or rating agencies. Credit Bureaus may obtain information from court records.

Classification:	YALE NEW HAVEN HEALTH SYSTEM POLICIES & PROCEDURES	
Title:	Financial Assistance Programs	
Date Approved:	09/20/2013	Approved by: Boards of Trustees
Date Effective:	09/20/2013	Date Reviewed/Revised: 02/01/2014
Distribution:	MCN Policy Manager	Policy Type (I or II): Type I
Supersedes:	Yale New Haven Hospital Financial Assistance Programs for Hospital Services (NC:F-4) Bridgeport Hospital Financial Assistance Programs for Hospital Services (9-13) Greenwich Hospital Overview of Financial Assistance Programs for Hospital Services	

PURPOSE

Yale New Haven Health System (“YNHHS”) recognizes that patients may not be able to pay for medically necessary health care without financial assistance. Consistent with its mission, YNHHS is committed to assuring that the ability to pay will be considered carefully when setting amounts due for emergency and other medically necessary hospital services.

In recognition of its role to help those in need of financial assistance, YNHHS has established the Financial Assistance Programs (“FAP”) to assist with emergency and other medically necessary care. The objectives of the FAP are to:

- (i) Specify all financial assistance available under the FAP;
- (ii) Provide clear information regarding eligibility criteria, application requirements and the method for applying for financial assistance under the FAP;
- (iii) The basis for calculating amounts charged to patients for emergency or other medically necessary care; and
- (iv) The YNHHS measures to widely publicize this FAP within the communities served by YNHHS.

APPLICABILITY

This policy applies to each licensed hospital affiliated with Yale New Haven Health System (YNHHS), including Bridgeport Hospital, Greenwich Hospital, Yale-New Haven Hospital and any other hospital that may affiliate with YNHHS from time to time, Northeast Medical Group and its subsidiaries, Yale-New Haven Care Continuum (d/b/a Grimes), and any other providers of health care services owned by or under common control with YNHHS.

POLICY

I. Scope of FAP

The FAP apply to emergency and medically necessary inpatient and outpatient services billed by Bridgeport Hospital, Greenwich Hospital, or Yale-New Haven Hospital (each, a "Hospital") to patients without insurance. The FAP exclude (a) routine waivers of deductibles, co-payments and coinsurance imposed by third party payers; (b) private room or private duty nurses; (c) services that are not medically necessary, such as elective cosmetic surgery; (d) other elective convenience fees, such as television or telephone charges, and (e) other discounts or reductions in charges not expressly described in this Policy.

II. Eligibility for Financial Assistance

Individuals who are uninsured and who have applied, but do not qualify for, State medical assistance, may be eligible for financial assistance under YNHHS FAP as more specifically described in Section IV below. The award of financial assistance shall be based on an individual determination of financial need. In addition, YNHHS has Bed Funds available.

III. Amounts Billed to FAP-Eligible Patients

Federal law requires that amounts billed by a hospital to an approved FAP-eligible patient must be less than the amounts generally billed ("AGB") by that hospital for any emergency or medically necessary care it provides, and less than the gross charges for any medical care. Under this FAP, YNHHS bills FAP-eligible patients no more than the costs of care, and ensures that the cost of care billed to FAP-eligible patients is less than the AGB for each Hospital. YNHHS calculates AGB prospectively, based on current Medicare fee-for-service rates, including Medicare beneficiary cost-sharing amounts.

IV. Notice/Access to FAP

Each Hospital provides notice and information to patients about its FAP in a number of ways, including publishing notices in newspapers of general circulation; posting notices and FAP applications on the Hospital website; posting notices throughout the Hospital and at all points of patient registration; ensuring the availability of a one-page summary description of FAP and applications at all points of registration, billing and collection; providing written notice of FAP in all billing statements; providing notice of FAP in all oral communications with patients regarding the amount due; and holding open houses and other informational sessions. Each Hospital will provide notice and information in a manner that complies with the requirements of all applicable laws, including IRC Section 501(r) and Connecticut law concerning hospital bed funds.

Patients may ask Patient Registration, Patient Financial Services and Social Work/Case Management about initiating the Application process. Information about applying for financial assistance is also available on YNHHS Hospitals' websites.

V. Application and Eligibility Determinations

To be eligible for financial assistance, the patient must complete an application for financial assistance (“Application”). Each Hospital has its own Application that sets forth (i) its FAP available programs and eligibility requirements, (ii) the documentation requirements for determinations of eligibility, and (iii) the contact information for FAP assistance. The Application also specifies (i) that the Hospital will respond to each Application in writing, (ii) that patients may re-apply for FAP at any time, and (iii) that additional free bed funds become available every year.

Hospitals must make reasonable efforts to determine eligibility and document any determinations of financial assistance eligibility in the applicable patient accounts. Hospitals may not deny financial assistance under the FAP based on failure to provide information or documents that the FAP or the Application do not require as part of the Application. Hospitals may not engage in any extraordinary collection action, as defined in Hospital’s Billing and Collection Policy, before making reasonable efforts to determine if a patient is eligible for financial assistance, within any legally required time-frames.

Once Hospital identifies a patient is FAP-eligible, Hospital shall:

- (i) Provide a billing statement indicating amount owed as FAP-eligible patient, including the AGB for care provided and the Hospital’s calculation of amounts owed or instructions how to obtain such information;
- (ii) Refund any excess payments made by patients on FAP eligible accounts, as required by law; and
- (iii) Take reasonable measures to reverse any extraordinary collection actions.

VI. Programs

YNHHS Hospitals offer the financial assistance programs described below to uninsured patients and each program must be managed by YNHHS Hospitals in accordance with this Policy. The eligibility criteria and specific documentation requirements for each program must appear in each Hospital’s Summary of Financial Assistance Programs and Application. YNHHS Hospitals may have different eligibility criteria and application processes for the different financial assistance programs.

A. Free Care. The Free Care program provides care at no cost to YNHHS Hospital patients with gross annual family income less than 250% of the Federal Poverty Level, and who have applied for, and been denied, State medical assistance.

B. Restricted Bed Funds. Restricted Bed Funds are funds that have been donated to the Hospital to provide free or discounted care that are restricted to patients that meet certain eligibility criteria, such as certain town residency, church membership, or specific medical conditions. Information about these specific eligibility requirements is included on each YNHHS Hospital’s Application.

C. Discounted Care. If a patient's gross annual family income is 251% or above the Federal Poverty Level, the Hospital will discount care to the lesser of (a) its cost of care, or (b) the Hospital's AGB.

VII. Management Oversight Committee

The FAP will be overseen by a management oversight committee chaired by a Senior Vice President, YNHHS and comprised of representatives from the System Business Office, patient financial services, patient relations, finance, and the medical staff, as necessary. This committee will meet on a bi-monthly basis to discuss specific cases of patient financial hardship, collection matters, and the status of the FAP.

REFERENCES

Internal Revenue Code 501(c)(3)
Internal Revenue Code 501(r)
Conn. Gen. Stat. § 19a-673 et seq.

RELATED POLICIES

YNHHS Billing and Collections Policy (xx)
Yale-New Haven Hospital Policy – Distribution of Free Care Funds NC:F-2
Yale-New Haven Hospital Policy – Sliding Scale Discounting Program NC:F-5
Greenwich Hospital Policy for Free Care Funds
Greenwich Hospital Clinic Sliding Scale-Discounting Program
Greenwich Hospital Alternative Payment Arrangement Policy
Greenwich Hospital Waiver of Co-Pays/Deductibles or Spend Down Requirements Policy
Bridgeport Hospital Policy for Free Care Funds (9-14)
Bridgeport Hospital Sliding Scale Discounting Program (9-15)

YALE-NEW HAVEN HOSPITAL

**ADDENDUM TO
FINANCIAL ASSISTANCE POLICIES**
March, 2006

1. Yale New Haven Health System hospitals will begin to employ in early 2006 a financial screening tool in conjunction with the major credit reporting agencies. Such screening tool will allow member hospitals to triage self-pay accounts as well as potential accounts with underinsurance for ability to pay. Threshold criteria will be established to triage accounts for further collection.
2. Policies will be modified to allow Yale-New Haven and Bridgeport Hospital to consider a patient's financial assets when determining an ability to pay. (Greenwich Hospital currently has the ability to review assets)
3. The current policies at Yale-New Haven and Bridgeport Hospitals require a Medicaid denial prior to approval for free care. We have been asked to review the wisdom of this policy in light of the high certainty of denials for undocumented residents. After careful review and discussion, we believe that this requirement should stand. There are many examples of coverage by Medicaid for services that were originally thought ineligible. We also do not want to set up special consideration for undocumented residents when we require documented residents to obtain a Medicaid denial. Greenwich Hospital currently does not require a Medicaid denial.
4. The sliding scale program should be made available to as many patients as possible. Currently, patients are required to submit proof of income prior to obtaining the sliding scale discount. We recommend that this process continue to be considered, but all patient denials for sliding scale should be reviewed by a manager prior to rejection to confirm that any and all attempts have been made to obtain the required information.
5. Currently, patients who present for non-emergency services and who have no ability to pay, are denied access to services without full or partial payment. In all cases, the physician is notified and asked to determine the emergent or non-emergent condition. Patients may complete a financial assistance application for coverage and when approved, are granted access to services. We propose that this policy be modified to restrict access to services only until a patient has completed our financial assistance application and provided proof of income. Patients who are ultimately denied financial assistance will be noted in the records and upon the patient's next visit, must comply with the non-emergent payment policy.

6. Patients who complete a financial assistance application, provide proof of income, but do not provide a Medicaid denial (50% of cases) will be screened for income eligibility. If the patient meets the income criteria, the account would be referred to Century, even if the patient is employed or owns property. No accounts will be referred to a collection attorney if income is below 400% of FPL.
7. Any patient may avail themselves of a payment plan for their portion of the hospital bill. Such payment plans shall be limited to balances of greater than \$50. Greenwich Hospital currently uses and may continue to use a \$10 threshold. Depending upon the balance due, payment plans may be established for up to 12 months interest free. Larger balance payment plans for an extended period may be established upon the approval of the Vice President, Corporate Business Services, or an SVP of the health system (including hospital CFOs). In 2006, the health system will establish credit arrangements with one or more health care credit card companies to assist patients with a periodic payment plan. This plan will be initially rolled out at Yale-New Haven and Bridgeport Hospitals.
8. Any care provided to patients that do not complete the appropriate financial assistance applications and are deemed to be unable to pay their health care bill will be classified as charity care. This includes international patients for whom the hospital agrees to provide services at no cost, either prospectively or retrospectively due to the patient's financial circumstances. These will no longer be classified as administrative allowances.
9. The policy will be modified to automatically write off small balances of under \$50 after the full cycle of bills have been provided to a patient. The previous ceiling was \$100. As a note, any balance of under \$1000 is always referred to Century collections as only balances over \$1000 are referred to collection attorneys. Greenwich Hospital currently has established a write off threshold of \$10 and will continue to use this amount.

SUBJECT: FREE BED FUND SPENDING POLICY**POLICY:****I. Applicable Endowment Funds**

- A. The spending policy will apply to non-nominator bed funds.
- B. The spending policy will apply to nominator bed funds with the approval of the outside nominator and/or the determination that the spending rate is consistent with the donor's original intent.

II. Spending Policy for Applicable Funds

The spending policy for year one will be 5% of the average market value for the fund for the preceding three years. In the second year and all subsequent years, the spending policy will be based on a weighted average of the prior year spending, adjusted for inflation (70%) and the amount that would have been spent using 5% of the current market value of the endowment fund (30%).

III. Preservation of Funds**Inflation Adjusted Corpus**

Prior to June 30th of each fiscal year, the inflation-adjusted corpus will be updated by taking the prior fiscal year's Consumer Price Index (CPI) and adjusting the previous year's prior fiscal year's inflation adjusted corpus by this factor.

The previous year's prior fiscal year's inflation adjusted corpus is defined as the original gift multiplied by the accumulated CPI since the date of the gift to the end of the prior fiscal year for nominator bed funds.

Fund Balance

The market value of the endowment funds will be monitored closely to the inflation-adjusted corpus to be sure that the original purchasing power of the endowment is preserved. The Finance Committee will evaluate how much of the fund, if any, should be spent.

IV. Other Than Temporary Impairment of Investments

Evaluations will automatically incorporate any and all changes in endowment balances including any realized and unrealized losses including other than temporary impairment of investment adjusted required by FASB 125.

V. Evaluations of Asset Allocation Targets

Asset allocation targets will be evaluated at least annually to ensure sufficient liquidity to meet annual spending budgets.

Proponent: Financial
Issued: 3/05

Administrative Approval:

President and Chief Executive Officer

SUBJECT: POLICY FOR FREE CARE FUNDS**PURPOSE:**

To establish a policy for the use of funds that have been donated to Bridgeport Hospital ("BH" or the "Hospital") and other funds that have been designated by BH to provide free care. The Hospital also has other policies related to charity care.

POLICY:**A. General Statement of Need**

The Hospital has received charitable contributions to endowments that are restricted by the donors to use to provide free care to patients (hereinafter referred to as "Free Bed Funds"). Some of the donated funds contain additional restrictions (home address of patient, church, nominator, etc.); other funds have no additional restrictions. The Hospital has established a spending policy on the distribution of these Free Bed Funds. In addition, BH provides additional free care to patients from Hospital operating funds.

B. Notice

The Hospital will provide notice and information to patients about Free Care Funds in a number of ways, including: publishing notices in newspapers of general circulation; posting notices in appropriate locations throughout the Hospital; ensuring the availability of a one-page summary description of Free Bed Funds and how to apply for them; providing individual written notice to patients; making available written information in other forms that may be helpful to patients; and, holding open houses.

The Hospital will provide notice and information in a manner that complies with the requirements of law, including the Connecticut law concerning hospital bed funds that is designed to make information easily available and accessible to patients.

The Hospital may develop a more detailed policy and procedure specifically describing how notices and information will be provided.

C. Free Care Criteria

The Hospital will provide free care to all uninsured patients who have filed for City or State assistance; provide formal documentation showing a legitimate denial; and, provide proof that their income level does not exceed two and a half times (250%) the poverty level. The Hospital will, in appropriate circumstances, determine that the patient does not have liquid assets that can be used to pay all or some portion of the bill without financial hardship or distress. The hospital will establish appropriate documentation requirements to verify eligibility.

D. Eligibility for Donated Free Bed Funds with No Specified Nominator

The Hospital has Free Bed Funds where the historical dollar value is restricted and the net appreciation and income are available to support free beds for patients unable to pay, but no specific nominator is named. The allocation of the availability of these funds is based on the Hospital's Spending Policy.

These Free Bed Funds will be available only to patients meeting the above "Free Care Criteria" after all possibilities of third party reimbursement have been exhausted.

In addition, the Hospital, at its discretion and on a case by case basis, may provide Free Bed Funds to patients with insurance, assuming they satisfy the other criteria outlined above and there are no other prohibitions on them receiving such assistance. If the patient is insured by a governmental program (Medicare, Medicaid or Tricare) or a private insurer, the Hospital will consider requests for Free Bed Funds for copays, deductibles and/or spend downs on a case by case basis. If granted, these amounts will be relieved at the amounts determined under the contract or program in question. In addition, the Hospital will consider requests for Free Bed Funds when a patient's insurance or maximum coverage benefits have been exhausted. In making these decisions, the Hospital will consider medical and financial hardship. It may also choose to provide Free Bed Funds for only a portion of the request, if, in its judgment, awarding Free Bed Funds for the entire request would adversely affect other applicants who meet the qualifications but are without insurance (and thus may carry a larger debt).

E. Eligibility for Donated Free Bed Funds with Geographic or Other Additional Restrictions But No Specified Nominator

Patients must fulfill the above eligibility guidelines for "Free Care Criteria" and reside in the specific geographic location dictated by the original gift, or meet the other additional eligibility restrictions contained in the original gift.

F. Eligibility for Hospital Operating Funds

Once Free Bed Funds with no nominator or other special restriction are exhausted up to the annual endowment spending policy limit, and if there are patients who meet the "Free Care Criteria", BH will provide additional free care to patients from operating funds.

BH will also make available additional free care funds from operations for other types of requests where the patient demonstrates a compelling hardship or personal circumstance which warrants providing financial assistance. These requests will be identified and recommended for free care funds by a committee comprised by Management.

G. Eligibility for Donated Funds Restricted to Use by an Outside Nominator

The Hospital has Free Bed Funds where the historic dollar value is restricted and the net appreciation and income are available to support free beds for patients unable to pay and a nominator is named. The allocation of the available funds is based on the Hospital's spending policy.

The Hospital will notify nominators semi-annually of the status of Free Bed Funds for which they have a nomination role. The nominator may request the use of Free Bed Funds for any eligible patient who meets the guidelines for a given fund. Each nominator will receive an annual report of Free Bed Funds utilized by patient (subject to privacy restrictions). Nominators may request to rollover unused funds to the subsequent year for their purposes or designate remaining funds to be used by BH for general free care purposes. In addition, BH may award funds in cases in which the donor provided that the Hospital has the power to award the funds if the nominator did not.

H. Accounting of Free Funds

For donated Free Bed Funds with no specified nominator and donated Free Bed Funds with geographic or other additional restrictions but no specified nominator:

The Free Bed Funds available for the fiscal year will be based on the Hospital's Spending Policy, and will be applied to the patient requests up to 90 days after the close of the fiscal year. During this 90-day period, accounts will be identified and recommended for Free Bed Funds by a committee comprised by Management. The funds will be relieved at cost.

For BH Operating Funds:

For patients whose income level does not exceed two and a half times (250%) the poverty level and deemed eligible for the use of free funds, BH operating funds will be available, subsequent to the exhaustion of the Free Bed Funds available according to the Hospital Spending Policy for "donated Free Bed Funds, with no specified nominator." The funds will be relieved at cost.

For donated Free Bed Funds restricted to use by an outside nominator:

The Free Bed Funds available for the fiscal year will be based on the Hospital Spending Policy, and will be applied to the nominator requests up to 90 days after the close of the fiscal year. If the total amount available to be spent in a year is not applied based on nominator request, the remaining amounts can be carried forward and made available for use in the following year or may, depending on the nominator's wishes and/or the terms of the original gift, be awarded by the Hospital to eligible patients. Funds utilized for patients who meet the financial criteria for other Free Bed Funds will be relieved at cost.

Proponent: Financial
Issued: 3/05

TITLE: FINANCIAL ASSISTANCE/CHARITY CARE POLICY:
SLIDING SCALE DISCOUNTING PROGRAM

I. PURPOSE:

To establish a policy for providing financial assistance under a sliding scale discounting program to uninsured patients who are determined, under the hospital's eligibility criteria, to lack the ability to pay for care at full charges.

Bridgeport Hospital (the "Hospital") is guided by a mission to provide high quality care to all patients, including those who cannot pay for all or part of the essential care they receive at the Hospital. The Hospital is committed to treating all patients with compassion, from the bedside to the billing office, including payment and collection efforts. Furthermore, the Hospital is committed to advocating for expanding access to health care coverage.

The Hospital will maintain financial aid policies that are consistent with its mission and values and that take into account an individual's ability to pay for medically necessary health care services.

In addition to charity care provided under this sliding scale discounting program established by the Hospital, free care is provided to uninsured and insured patients in accordance with the Hospital's Policy for Free Care Funds. The free care is provided to patients eligible for it and is funded by free bed funds given to the Hospital as well as by Hospital operating funds. Further, the Hospital provides relief and assistance to insured patients by waiving or reducing co-payments and/or deductibles and Medicaid spend-down requirements on a case-by-case basis determined on grounds of medical and financial hardship.

POLICY:

A. General Statement of Need

Recognizing its charitable mission, it is the policy of the Hospital to provide a reasonable amount of its services to eligible patients that do not have the ability to pay for care at full charges.

Charity care is defined as care provided to a patient who is determined under the Hospital's eligibility criteria to lack the ability to pay. The Hospital will establish appropriate documentation requirements to verify financial status.

B. Notice

The Hospital will provide notice and information to patients about the availability of charity care under the sliding scale discounting program in a number of ways, including describing this policy on the one-page summary description of free bed funds and other free or reduced care policies.

The Hospital will provide notice and information in a manner that complies with requirements of law that is designed to make information easily available and accessible to patients.

The Hospital may develop a more detailed policy and procedure specifically describing how notices and information will be provided.

C. Eligibility for Sliding Scale Program

The Hospital provides care through the sliding scale discounting programs to uninsured patients that do not have the ability to pay for medically necessary services at full charges. The sliding scale discounting program is designed to assist uninsured patients eligible for the sliding scale who are not otherwise eligible or do not comply with the application process for assistance under the Hospital's Policy for Free Care Funds.

Additional financial assistance programs are provided by the Hospital for patients who do not qualify for the sliding scale program or free care under the Hospital's Policy for Free Care Funds. These programs include prompt pay discounts and extended payment terms with no interest. In addition, the Hospital provides relief to patients not eligible for free care or the sliding scale program on a case-by-case basis.

Patients must fulfill the following eligibility guidelines:

At or below 350 percent of the federal poverty level:

Patients will be considered eligible for the sliding scale discount program if their income level does not exceed 350 percent of the federal poverty level, and the Hospital, having considered the patient's resources, has determined that they lack the ability to pay all or some portion of the bill. The Hospital will establish appropriate documentation requirements to verify eligibility.

Generally, the patient must apply for consideration under the sliding scale program within 30 days of determining self-pay or uninsured status. Eligibility will be granted for one (1) year, unless otherwise determined by the Hospital, at which time the patient may reapply for sliding scale status. For patients that qualify for the sliding scale program, and whose annual family income is at or below 350 percent of the federal poverty level, the patient's bill for services will reflect full charges and then be discounted to a percentage that approximates cost. This cost-to-charge percentage will be reviewed and set on an annual basis. This discount will be considered free/charity care. The balance will be the patient's financial responsibility.

Over 350 percent of the federal poverty level:

For patients whose annual family income is greater than 350 percent of the federal poverty level, the patient will not be eligible for the sliding scale discount program, and, unless provided relief under a case-by-case review, will be billed for services at gross charges; the charges billed will be the patient's financial responsibility.

D. Charity Care Determination

Charity care is defined as care provided to a patient who is determined under the Hospital's eligibility criteria to lack the ability to pay. Free care is a component of charity care based on established eligibility criteria that awards free care to qualified individuals. The Hospital's determination of charity care for eligible patients may occur at any time during the patient's admission, dates of

service, discharge or collection process. The collection process may further allow the Hospital to determine whether patients qualify for sliding scale programs or ultimately are designated as charity care based on inability to pay.

E. Payment Guidelines

Extended payment arrangements may be established with the patient, whether they qualify for sliding scale payment or they are ineligible. If the patient does not honor the payment arrangement based on the eligibility guideline, the amount is referred to a collection agency at the discounted rate.

F. Accounting for Charity and Free Care

Only that portion of a patient account that meets the sliding scale program criteria is recognized as charity care. Charity and free care is a reduction in charges made by the Hospital because of the patient's inability to pay for services at charges.

Proponent: Financial
Issued: 3/05

Administrative Approval:

President and Chief Executive Officer

SUBJECT: FREE CARE AND HOSPITAL BED FUNDS

I. PURPOSE:

To establish a policy to identify patients eligible for free care, including patients eligible for use of specific funds donated to Bridgeport Hospital to provide free care ("Hospital Bed Funds").

II. GENERAL STATEMENT OF NEED:

The Hospital has received charitable contributions from donors specifically requesting that earnings on funds be made available to provide free care to patients. Some of these funds contain restrictions on use such as children only, geographic residence of patient, type of illness, membership in a particular church or other organization, or designation by a specific person. Other funds have no restrictions on use. Due to the variety of restrictions placed on the use of contributions, the Hospital has established the following policy on free care and on the application of income from certain Hospital Bed Funds. This policy applies to Hospital Bed Funds for which Bridgeport Hospital has the right to designate the use of the funds as well as to Hospital Bed Funds for which there is no one so designated. Where other persons or institutions have the right to designate the use of Hospital Bed Funds, (a "nominator") they may choose to follow this policy.

III. PROCEDURE:

A. Notice

Published Notice: Each fiscal year the Hospital will publish in a newspaper of general circulation in its area notice of the availability of Hospital Bed Funds.

Posted Notice: The Hospital also will post a notice of the availability of Hospital Bed Funds in both English and Spanish and in a conspicuous public place in its registration areas (with a forty-eight (48) to seventy-two (72) point type size), including the Registration Department, Emergency Department, Social Services Department and Patient Financial Services Office. This notice will include generalized information about the Hospital Bed Funds, including Bridgeport Hospital's program to administer the Hospital Bed Funds and will refer a patient to Patient Financial Services Office personnel for further information or an application.

Individual Written Notice: The Hospital will include in a patient's admitting package a one-page statement notifying patients of the availability of Hospital Bed Funds and how to apply for them. The admitting package is made generally available to the public. The one-page statement shall distinguish Hospital Bed Funds from other sources of financial assistance and shall be available in the Registration Department, Emergency Department, Social Services Department and Patient Financial Services Office. The Hospital will have a booklet describing specific Hospital Bed Funds available in the admitting area and other ambulatory registration sites. If during the admissions process or during its review of the financial resources of the patient, the hospital reasonably believes the patient will have limited funds to pay for any portion of the hospitalization not covered by insurance, the Hospital shall provide the summary to each such patient.

B. General Eligibility Requirements for Free Care for Hospital Bed Funds for which Bridgeport Hospital is Nominator or Where There Is No Specific Nominator

1. Patients who are unable to pay for their Hospital expenses may apply for free care at Bridgeport Hospital upon admission to the Hospital, during their hospitalization, upon discharge or when arranging payment. The patient will be required to complete an Application For Free Care available in the Registration or Patient Financial Services Office. During the application review, the patient's account will be placed on hold and all collection activity will cease until the Hospital determines whether the patient qualifies for free care. Patients also may be referred to complete an Application For Free Care by Social Services Department, Clinical Departments or Administration.
2. The Patient Financial Services Office will review each Application for Free Care using the following guidelines:
 - a) Free care will be available to patients only after all possibilities of direct payment or third party reimbursement have been exhausted. Patients also must have applied for General and Medicaid assistance, and provide formal documentation showing legitimate denial or the Hospital must be able to determine that such patients are not insured or eligible for General or Medicaid assistance.

- b) Generally, patients will be considered eligible for free care provided that the patient's family income level does not exceed two and one half times the poverty level. However, individual patient circumstances may vary and the Hospital may consider other factors in determining if a patient is eligible for free care.
- c) If a patient requests to be considered for hospital bed funds to cover all or a part of the patient's Hospital bill, the Patient Financial Services Office will review the application and accept an application if it meets the criteria and deny an application which does not. If the Patient Financial Services Office believes an exception to the eligibility criteria should be made, a written recommendation from the Patient Financial Services Office will be made to the Hospital's Free Care Committee which will approve or deny such requests. The patient will be notified in writing of the decision of the Patient Financial Services Office or, if applicable, the Free Care Committee and, if the patient's application is rejected, the reasons for the rejection. A copy of the decision shall be kept with the Application for Free Care in the Patient Financial Services Office. Patients whose applications are denied for a particular Hospital admission may apply for hospital bed funds for subsequent treatment or admissions at Bridgeport Hospital.

3. The Free Care Committee shall consist of the Director of Patient Financial and Registration Services, a representative from the Pastoral Care Department, a representative from the Social Service Department and such other persons as may be appointed from time to time by the President of Bridgeport Hospital.

C. Eligibility for Hospital Bed Funds with No Specified Nominator

Patients must fulfill the General Eligibility Requirements specified in IIIB.

D. Eligibility for Hospital Bed Funds with Geographic Restrictions but no Specified Nominator

Patients must fulfill the General Eligibility Requirements specified in IIIB and reside in the specific geographic location dictated by the original gift.

E. Eligibility for Hospital Bed Funds Restricted to use designated by an Outside Nominator

The Hospital will notify nominators annually of the status of Hospital Bed Funds for which they have a nomination role. The nominator may request the use of the Hospital Bed Fund for any patient who meets the guidelines of such Fund as dictated by the original gift. The Hospital will request the nominator's adherence to the General Eligibility Requirements specified in IIIB. Use of such Hospital Bed Fund shall be considered free care and reported as such by the Hospital.

During the year, the Hospital may identify to a nominator the names of patients who may qualify for the nominator's Hospital Bed Fund and seek approval from the nominator for use of its Hospital Bed Fund by such patients.

F. Accounting of Hospital Bed Funds

1. Earnings on the Hospital Bed Funds during the October 1 through September 30 fiscal year, less the reasonable costs of administering the Hospital Bed Funds, will be applied to patient or nominator requests made within 30 days after the close of the fiscal year for care rendered during such fiscal year. The Hospital shall apply such funds to such patients' accounts within 60 days after the close of the fiscal year.
2. An accounting shall be prepared as of the end of each fiscal year for each Hospital Bed Fund identifying:
 - (i)the number of applications for use of the Hospital Bed Fund;
 - (ii)the use of the Hospital Bed Fund including patient name, Hospital account number, and amount of the Hospital Bed Fund applied to a patient's account;
 - (iii)the fair market value of the principal of the Hospital Bed Fund on September 30;
 - (iv)earnings of the Hospital Bed Fund during the fiscal year;
 - (v)earnings reinvested as principal of the Hospital Bed Fund, if any;

(vi) the income available for patient care that fiscal year, i.e., earnings less expenses.

3. If the Hospital Bed Fund is restricted to use by an outside nominator, a copy of such accounting will be provided to the nominator.
4. The accountings prepared pursuant to IIIF2 shall be permanently retained by the Hospital, and made available to the Office of Health Care Access upon request.

Reference: C.G.S. §19a-509b
Proponent: Hospital Counsel

10/91

Reviewed: 12/98
Revised: 1/93;10/93;2/96;1/99;3/99

Administrative Approval:

President and Chief Executive Officer