Uninsured Discount Policy

MISSION:

It is the mission of Passavant Area Hospital to improve the health of the people and communities it serves.

In order to better serve the community and further our mission, Passavant Area Hospital will accept a wide variety of payment methods and will offer resources to assist the patient and responsible party in resolving any outstanding balance. We will treat all patients equitably, with dignity, respect and compassion, and wherever possible, help patients who cannot pay for all or part of their care.

Passavant Area Hospital recognizes that there are unfortunate occasions when a patient is not financially able to pay for their medical care, and is not covered by any services plan. Since the provision of care is not dependent on the patient’s ability to pay, Passavant Area Hospital has established guidelines in which a patient may apply and qualify for an uninsured discount. Passavant Area Hospital strives to balance needed patient financial assistance with the broader fiscal hospital responsibilities to insure our mission is viable for all we serve in our community.

PURPOSE:

The purpose of this policy is to define the eligibility criteria for charity care assistance and provide administrative guidelines for the identification, evaluation, classification, and documentation of patient accounts as charity care. We will insure our policy is effectively communicated to those in need, that we assist patients in applying and qualifying for known programs of financial assistance, and that all policies are accurately and consistently applied. We will define the standard and scope of services to be used by our outside agencies that are collecting on our behalf, and will obtain this agreement in writing to insure that these policies are incorporated throughout the entire collection process. This policy is also intended by Passavant Area Hospital to be compliant in all respects with the provisions of the Illinois Hospital Uninsured Patient Discount Act and the terms of Passavant Area Hospital's Uninsured Discount Program are accordingly incorporated as a part of this Charity Policy. Passavant Area Hospital has established its Uninsured Discount Program in conjunction with its Charity Policy. For those uninsured patients, the Uninsured Discount Program is only a first step as part of the Charity Policy. Some uninsured patients may immediately qualify for fully discounted services. The Charity Policy and the Uninsured Discount Program are parts of an integrated system, which provides free or discounted services to all those eligible whether through one or both policies. Qualification under either policy does not preclude qualification under the other at any time. The two policies are both in recognition of Passavant Area Hospital’s actions to provide a gift of services to
all persons as is appropriate, to reduce any governmental burden, and to use its facilities in furtherance of its Mission for the benefit of all persons regardless of ability to pay.

TYPES OF UNINSURED DISCOUNT ASSISTANCE:

Passavant Area Hospital identifies two types of uninsured assistance: those patients who will qualify for fully discounted services (i.e. charity care) and those who are eligible to receive an uninsured discount. This amount of assistance will be based on information provided by the patient as outlined below. Our income guidelines (exhibit 1) will be based on the U.S. Department of Health and Human Services Poverty Guidelines, updated annually.

POLICY:

It is the policy of Passavant Area Hospital to identify both uninsured discount percent and/or charity care that is provided to patients according to the guidelines described below.

Uninsured patient means an Illinois resident who is a patient of a hospital and is not covered under a policy of health insurance and is not a beneficiary under a public or private health insurance, health benefit, or other health coverage program, including high deductible health insurance plans, workers' compensation, accident liability insurance, or other third party liability.

Partially discounted and full charity care will be based solely on the criteria in this Policy and the Charity Policy and will not be judged on the basis of any particular race, color, religion, national origin, ancestry, creed, handicap, sex, age, marital status, physical or mental handicap, sexual orientation or citizenship status.

Emergency admission, treatment, screening, and/or stabilization services will not be delayed or denied due to coverage or payment ability.

Applying for an uninsured discount of medical services must occur within 60 days of the date of discharge or date of service with all reasonable efforts being made first to determine other available financial resources including whether there is coverage under public programs, such as Medicare, Medicaid, All Kids, the State Children’s Health Insurance Program, or any other comparable program, if there is a reasonable basis to believe that the uninsured patient may be eligible for such program. Failure to timely apply for an uninsured discount will not result in denial of qualification for full or discounted charity care.

An uninsured discount is applicable to all “medically necessary” health care services and other services as deemed necessary by Passavant Area Hospital. “Medically necessary” means any inpatient or outpatient hospital service, including pharmaceuticals or supplies provided by a hospital to a patient, covered under Title XVIII of the federal Social Security Act for beneficiaries with the same clinical presentation as the uninsured patient. A “medically necessary” service does not include any of the following:
(1) Non-medical services such as social and vocational services.

(2) Elective cosmetic surgery, but not plastic surgery designed to correct disfigurement caused by injury, illness, or congenital defect or deformity.

(3) Services which could have been safely performed in another facility free of charge, which were knowingly refused by the patient.

(4) Services which could have been paid by a third-party payer if the patient had not failed to provide the information requested to enroll in the sponsored benefit.

(5) Any procedure not covered by a third-party payer, despite being deemed to be medically necessary, due to the patient’s failure to follow payer guidelines and procedures. Examples include dental procedures, services provided in a non-contracted hospital, the patient’s failure to receive precertification/authorization or a physician’s failure to submit proper documentation to obtain precertification/authorization.

The intent of this policy is to meet the health care services needs in our community for those patients served by Passavant Area Hospital who are uninsured. Nothing herein shall be interpreted in such a way as to conflict with Illinois Medicaid statutes, regulations, and administrative rules. Passavant Area Hospital will act under its Facilitated Enrollment Practice and patients will be expected to participate in that Practice.

PROCEDURE:

PASSAVANT AREA HOSPITALS RESPONSIBILITY OF COMMUNICATION:

Passavant Area Hospital will have a means of communicating the availability of the uninsured discount policy as well as the charity care policy to all patients. Forms of communicating the uninsured policies include, but are not limited to:

- Placing signage, applications, on statements, etc. in prominent patient locations throughout the facility, including, but not limited to, Emergency Room, Patient Billing, Admissions and on www.passavanthospital.com.

- Using a language that is appropriate for patients who make up 5% or more of those patients served by Passavant Area Hospital.

- Designating staff members or a department to explain the uninsured discount policy to the patient.
• Using statement strategies to provide patient with uninsured discount contact information, including application information and coverage issues.

• Providing itemized bills within 7 days from date of patient request.

• Making available to the public a copy of our uninsured discount policy, application, and eligibility criteria upon request.

Passavant Area Hospital staff in the patient financial services and registration departments will understand the uninsured discount policy and will be able to direct questions regarding the policy to the proper hospital representative. The hospital staff that regularly interacts with patients will also be familiar with the uninsured discount policy, and if necessary, will be able to direct questions regarding the policy to a knowledgeable hospital representative or department.

PATIENT QUALIFICATION & ELIGIBILITY FOR UNINSURED DISCOUNT:

Passavant Area Hospital will provide a discount from its charges to any uninsured patient who applies for a discount and has family income of not more than 600% of the federal poverty income guidelines for all medically necessary health care services exceeding $300 in any one inpatient admission or outpatient encounter. “Family income” means the sum of a family’s annual earnings and cash benefits from all sources before taxes, less payments made for child support, and “federal poverty income guidelines” means the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services. For all health care services exceeding $300 in any one inpatient admission or outpatient encounter, Passavant Area Hospital will not collect from an eligible uninsured patient more than its charges less the amount of the uninsured discount.

SYSTEMATIC CHARITY DISCOUNT FOR THE UNINSURED:

Passavant Area Hospital will provide a systematic 70% charity discount from its charges to all uninsured patients regardless of income or cooperation for all medically necessary health care services. This discount will be considered an integral component and in addition to any income based discount in meeting the Hospital Uninsured Patient Discount Act calculation of the cost to charge ratio. Patient cooperation would be required to obtain additional income based discounts as defined below.

DEFINITION OF INCOME:

For the purpose of income, all sources of income will be included in the calculation of financial need including employment income and any unearned income. Self-employment income will be based on 50% of gross receipts as reported on the individual’s last Federal Tax return.

Some examples of income include, but are not limited to the following:
“Income includes money wages and salaries before any deductions; gross receipts from non-farm self-employment (receipts from a person’s own unincorporated business, professional enterprise, or partnership, before deductions excluding non-cash deductions for business expenses); gross receipts from farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper, before deductions for farm operating expenses excluding non-cash expenses); regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, worker’s compensation, veterans payments, public assistance (including Aid to Families with Dependent Children, Supplemental Security Income, Emergency Assistance money payments, and non-Federally-funded General Assistance or General Relief money payments, and training stipends; alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household; private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments; college or university scholarships, grants, fellowships, and assistantships; and dividend, interest, net rental income, net royalties, and net gambling or lottery winnings.”

Some examples of what would not be included as income are as follows:

- Capital Gains; any assets drawn down as withdrawals from a bank, the sale of personal property, a house, or a car; or tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury. Also excluded are non-cash benefits, such as the employer-paid or union-paid portion of medical insurance or other employee fringe benefits, food or housing received in lieu of wages, the value of food and fuel produced and consumed on farms, the imputed value of rent from owner-occupied non-farm or farm housing, and such Federal non-cash benefits programs as Medicare, Medicaid, food stamps, school lunches, and housing assistance.

**DEFINITION OF ASSETS:**

Assets include, but are not limited to, checking accounts, savings accounts, stocks, bonds, certificates of deposits, cash, cash value of life insurance policies, and equity in property owned.

Exemption to Assets:

- Passavant Area Hospital will examine available assets as an indicator of income for comparison to poverty guidelines, but will exclude from consideration the following assets:
- A minimum of $2,000 liquid assets for single household/applicants.
- A minimum of $3,000 liquid assets for married household/applicants.
- Plus $500 for each additional dependent in household.
- Homestead or primary place of residence.
- All personal property including, but not limited to, household goods, wedding/engagement rings, and medical equipment.
- All automobiles of less than $30,000 in value.
- Assets held in pension plans.
- Available business equity below $50,000.
• Other assets at our discretion that should be exempt.

VERIFICATION OF INCOME, ASSETS, AND RESIDENCY:
INCOME VERIFICATION:

For determining eligibility, an uninsured patient who is requesting an uninsured discount must provide documentation of family income. Patient responsibilities for providing information for eligibility verification may include, but not limited to, any one of the following methods:

• Completed federal income tax return for the previous calendar year(s) if required to file.
• W2’s for the previous calendar year(s). A statement of earnings from the Social Security office (800-772-1213) if no taxes or W2’s.
• Paycheck stubs preferably with income listed for the past month prior to the month the application is received plus statements of all other income received as defined in the “Definition of Income” section of this policy. An income statement is recommended for all self-employed persons.
• List of automobiles including make and model (as well as amount owing).
• Proof of dependency may be required in order to claim a dependent child.
• Statements for non-retirement accounts for the past three (3) months.
• Evidence that all possible third party payers have been exhausted and the balance is due from the patient/responsible party

Other information that Passavant Area Hospital may deem relevant in assisting Passavant Area Hospital in making the most appropriate charity determination.

Failure to meet the above criteria provides grounds for denial of charity care. Charity care levels of income may be verified for either the previous twelve (12) months or annualization of partial year information. Qualification is valid under either method of calculation. In addition to historical information, future earning capacity along with the ability to meet those obligations within a reasonable time may be considered. Providing false information or excluding requested information may result in denial of application and eligibility. This financial information is considered confidential and is protected to ensure that such information will only be used to assist in enrollment or evaluating eligibility for financial assistance.

ASSET VERIFICATION:

Passavant Area Hospital may require an uninsured patient who is requesting an uninsured discount to certify the existence of assets owned by the patient and to provide documentation of the value of such assets. Acceptable documentation may include:

• Statements from financial institutions or some other third party verification of an asset’s value.
• If no third party verification exists, then the patient shall certify as to the estimated value of the asset.

ILLINOIS RESIDENT VERIFICATION:

Passavant Area Hospital may require an uninsured patient who is requesting an uninsured discount to verify Illinois residency. A non-resident of Illinois may qualify for discounts under the related Passavant Area Hospital’s Charity Policy. Acceptable verification of Illinois residency shall include any one of the following:

• Any of the documents listed in income verification;
• A valid state-issued identification card;
• A recent residential utility bill;
• A lease agreement;
• A vehicle registration card;
• A voter registration card;
• Mail addressed to the uninsured patient at an Illinois address from a government or other credible source;
• A statement from a family member of the uninsured patient who resides at the same address and presents verification of residency; or
• A letter from a homeless shelter, transitional house or other similar facility verifying that the uninsured patient resides at the facility.

Failure to meet the above criteria within 30 days of the requested information may provide grounds for denial of an uninsured discount. Providing false information or excluding requested information may result in denial of application and eligibility. This financial information is considered confidential and is protected to ensure that such information will only be used to assist in enrollment or evaluating eligibility for the uninsured discount.

GENERAL APPLICATION GUIDELINES:

An application, whenever possible, should be submitted and approved before the service is provided. No application or financial consideration will be required for Emergency Medical Treatment or services that are provided without advance notification from a physician or other referral area. The application should be completed as soon as possible keeping the patient’s medical needs as the primary focus. Application to cover the emergency treatment will be made after the service is provided.

It is crucial that uninsured applicants cooperate with Passavant Area Hospital’s need for accurate and detailed information within a reasonable period. If necessary, information is not legible, or is incomplete, applications may be considered denied or returned to applicant until such time that all crucial information can be obtained. Applications should contain applicant’s signature and where that
is not possible, reasonable documentation demonstrating applicant’s intent to apply for the uninsured discount.

The absence of any requested application data would subject that application to management discretion and possible denial.

In the absence of a completed uninsured discount application, discount may be considered when supported by other collaborating credit information.

Upon approval for an uninsured discount, the documentation may be used for re-evaluation for future services along with other updated pertinent, supplemental information. Exceptions may be granted based on management discretion, in consideration of changing circumstances from the initial qualifying period.

Documentation showing assistance from State or Federal Programs (i.e. Link Card, Township Assistance Program, Section 8 Housing or any other programs) would be considered a complete application without other documentation required and will be considered for Passavant Area Hospitals charity care program (See Charity Care Policy).

**PRESUMPTIVE CHARITY ELIGIBILITY**

In the absence of a completed charity application, charity in addition to Uninsured Patient Discount may be considered when supported by other collaborating information. There are cases where a patient may be eligible for charity care, but has failed to cooperate by completing a charity application or providing adequate supporting documentation. When there is adequate third party collaborating information obtained through alternative sources, this information could provide sufficient evidence to provide the patient up to 100% charity care assistance.

**COMMITMENT TO THE FINANCIALLY QUALIFIED UNINSURED PATIENT:**

Passavant Area Hospital will not place a lien, force the sale or foreclosure of a financially qualified patient’s primary residence to pay for an outstanding medical bill or include the primary residence in the asset calculation, unless the equity of the property clearly indicates an ability to assume the financial obligation and is subject to senior management’s prior approval.

Passavant Area Hospital will not pursue collection action in court against a financially qualified uninsured patient or charity care patient who has clearly demonstrated that he or she does not have sufficient income or assets to meet any part of their financial obligation to the Hospital.

Passavant Area Hospital will not use forced court appearance to require the financially qualified uninsured patient or charity care patient or responsible party to appear in court.
Passavant Area Hospital will not garnish wages for the financially qualified uninsured patient or charity care patient.

Once charity care status is determined, it will be applied retroactively to all qualifying accounts.

For at least 70 days after an uninsured patient’s discharge, Passavant Area Hospital will not file a lawsuit to collect payment on patient’s bill.

If an uninsured patient has requested charity assistance and/or applied for other coverage and is cooperating with the hospital, the hospital will not pursue collection action until a decision has been made that there is no longer a reasonable basis to believe patient may qualify for charity assistance or other coverage.

Each hospital bill, invoice, or other summary of charges to an uninsured patient will include with that bill, invoice or summary, or on the bill, invoice or summary, a prominent statement that an uninsured patient who meets certain income requirements may qualify for an uninsured discount and information regarding the procedure the uninsured patient should follow for consideration under Passavant Area Hospital’s financial assistance policy.

**ADDITIONAL RESPONSIBILITIES FOR PATIENTS WHO HAVE RECEIVED AN UNINSURED DISCOUNT**

When the patient has been approved under the uninsured discount policy for a partial discount, Passavant Area Hospital will work with the patient or the responsible party to establish a reasonable payment option.

If an uninsured patient complies with a payment plan that has been agreed upon by the hospital, Passavant Area Hospital will not pursue collection action.

If Passavant Area Hospital has sufficient reason to believe that the patient has income or assets to meet his or her partial obligation but continues with non-payment, collection action including the garnishment of wages may be taken by Passavant Area Hospital to enforce the terms of the payment plan.

**APPLICATION PROCESS:**

Verification of income and medical expenses may be requested to accompany the application. Upon receipt of completed application and/or documentation, the patient service provider will complete the Financial Assistance Worksheet and submit for appropriate approval(s). The Financial Assistance Worksheet determines the percentage of the uninsured discount for which the guarantor is eligible. The Passavant Area Hospital schedule of discounts is used as a tool to aid in determining the percentage of the discount applicable and can be extrapolated when partial discounts are awarded. The Patient Financial Service Representative is responsible to verify that all figures used to calculate
eligibility are correct, and if needed, they have the authority to seek additional verification before submitting for approval. The Manager or Senior Officer will evaluate the recommendations, verify calculations and documentation and, either approve, deny, or forward to the appropriate person(s) as necessary.

**MAXIMUM OUT-OF-POCKET**

As outlined in our charity Schedule of Discounts (Part III), a maximum out-of-pocket payment will be applied to all patients whose income falls within our guidelines. The amounts shown in the Schedule of Discounts shall be the maximum total account balance for any patient at any one time. Accruing charges for services in excess of such maximums shall be discounted 100% as qualified charity care.

The maximum amount that may be collected in a 12-month period for health care services provided by Passavant Area Hospital from a patient is 25% of the patient’s family income, and is subject to the patient’s continued eligibility under this Policy.

The 12-month period to which the maximum amount applies shall begin on the first date, after the effective date of this policy, an uninsured patient receives health care services that are determined to be eligible for the uninsured discount.

To be eligible to have this maximum amount applied to subsequent charges, the uninsured patient shall inform Passavant Area Hospital in subsequent inpatient admissions or outpatient encounters that the patient has previously received health care services from Passavant Area Hospital and was determined to be entitled to the uninsured discount.

**ACCOUNTS FOR FURTHER CHARITY CARE ASSISTANCE**

In the event of an illness which results in an account balance which is catastrophic and where proper documentation has been submitted, but the patient still has a responsible balance resulting from Passavant Area Hospital bills that causes an undue hardship upon the household, the Patient Financial Services Director along with Senior Management may review and determine if an additional charitable discount is merited. The definition of “catastrophic” and the amount of charity care assistance will be determined on a case-by-case basis considering all financial, family and health circumstances of the patient.

**APPROVAL PROCESS**

Charity care assistance must be approved as follows:
Passavant Area Hospital:

- $0 to $10,000 Service Provider Representatives or above
- $10,000 to $25,000 Patient Financial Services Manager or above
- $25,000 to $75,000 Director of Patient Financial Services
• $75,000 to $100,000 CFO
• $100,000 and greater CEO

These thresholds can be adjusted for price changes.
The above approval limits will be considered for all open accounts on an account-by-account basis as opposed to aggregate, where a patient has multiple qualifying accounts.
All applicants will be notified of their approval or denial.

UNINSURED DISCOUNT/CHARITY FILINGS:

The uninsured discount and charity applications and supporting documentation will be maintained on paper or digital image with appropriate indexing and cross-referenced to allow for subsequent retrieval and review.
The CEO may utilize his discretion to make exceptions to the above procedures based on specific extraordinary circumstances.

REFERENCES:
Illinois Hospital Uninsured Patient Discount Act
Fair Patient Billing Act
CCH-EXP, MED-GUIDE 5267, Comment – Hill-Burton Free Care Costs
HHS Poverty Guidelines
SB2380 Enrolled
Exhibit 1

Passavant Area Hospital
Schedule of Discounts
Based on Gross Family Income as Published by the
Department of Health and Human Services
As of Feb. 2015
http://aspe.hhs.gov/povrty/14poverty.cfm

Part I  Systematic Discount Applied Before First Statement for all Uninsured 70%

Part II  Cooperation Based Uninsured Discount


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<th>Family Size</th>
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For each additional person 4,160 12,480 -

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<th>30% to 100%</th>
<th>0% to 301%</th>
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<table>
<thead>
<tr>
<th>Systematic Uninsured Discount</th>
<th>70% to 100%</th>
<th>70% to 70%</th>
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Part III  Maximum Patient Out of Pocket Responsibility

After application of Parts I and II, the maximum amount that may be collected in a 12-month period for health care services provided by Passavant Area Hospital, is 25% of the patient’s family income.

The schedule of discounts will be updated within 90 of publication by the Department of Health and Human Services of changes to the Federal Poverty Guidelines.