

PROCEDURE TITLE: Financial Assistance Policy

**EFFECTIVE DATE: 11/15
To be reviewed every three years
GCMC Revenue Cycle Committee**

**SPONSORING DEPARTMENT:
Revenue Excellence
Patient Financial Services**

**DATE REVISED: 3/16,9/18
DATE REVIEWED:**

**Department Contact:
Director of Revenue Cycle**

PURPOSE:

Aligned with our Values, we provide care for persons who are in need and give special consideration to those who are most vulnerable, including those who are unable to pay and those whose limited means make it extremely difficult to meet the health care expenses incurred. Guthrie Cortland Medical Center is committed to:

- Providing access to quality health care services with compassion, dignity and respect for those we serve.
- Caring for all persons, regardless of their ability to pay for services; and
- Assisting patients who cannot pay for part or all of the care that they receive.

DEFINITIONS:

Emergent (service level) - Medical services needed for a condition that may be life threatening or the result of a serious injury and requiring immediate medical attention. This medical condition is generally governed by Emergency Medical Treatment and Active Labor Act (EMTALA).

Extraordinary Collection Actions (ECA) - extraordinary collections include but are not limited to lawsuits, wage garnishments or other similar collection processes.

Family - As defined by the U.S. Census Bureau, a group of two or more people who reside together and who are related by birth, marriage, or adoption. If a patient claims someone as a dependent on their income tax return, according to the Internal Revenue Service rules, they may be considered a dependent for the purpose of determining eligibility under the CRMC financial assistance policy.

Family Income - A person's family income includes the income of all family members in the household who can be claimed upon the tax return filed by the applicant. For patients under 18 years of age, family income includes that of the parents and/or step-parents, or caretaker relatives. Total Household Income is income from all members of a household from the following sources: wages, salaries, salary and self-employment income, unemployment compensation, worker's compensation, payments from Social Security, veteran's benefits, alimony, survivor's benefits, pensions, retirement income and annuity payments, income from estates and trusts, rents received, interest/dividends, and income from other miscellaneous sources. Proof of earnings may be determined by annualizing the year-to-date family income, taking into consideration the current earnings rate.

Financial Support - Support (financial assistance, discounts, etc.) provided to patients for whom it would be a hardship to pay for the full cost of medically necessary services provided by CRMC who meet the eligibility criteria for such assistance. Our Financial Assistance program is in the form of a discount after CRMC's average Medicare contractual adjustment percentage for the services provided. The average adjustment percentage is calculated on an annual basis using Medicare payment data for the previous 12 month period.

For our uninsured patients our Financial Assistance program is in the form of a discount after CRMC's average Medicare contractual adjustment percentage for the services provided. The average adjustment percentage is calculated on an annual basis using Medicare payment data for the previous 12 month period. The discount is a sliding scale, depending on your income.

For our insured patients, any open balance including co-pay and deductible are eligible to be considered for a Financial Assistance discount which would be applied to the balance the patient/guarantor is responsible to pay. The discount is a sliding scale, depending on your income. **Please note: Medicaid Spenddown and co-pay amounts are not eligible for Financial Assistance.**

Service Area – A service area is the list of zip codes comprising CRMC's service market area for primary health care services

Uninsured Patient - An individual who is uninsured, having no third-party coverage by a commercial third-party insurer, an ERISA plan, a Federal Health Care Program (including without limitation Medicare, Medicaid, SCHIP, and CHAMPUS), Worker's Compensation, or other third party assistance to cover all or part of the cost of care, including claims against third parties covered by insurance to which CRMC is subrogated, but only if payment is actually made by such insurance company.

Urgent (service level) - Medical services for a condition not life threatening, but requiring timely medical services.

PROCEDURE:

I. Qualifying Criteria for Financial Assistance

CRMC will establish and maintain a Financial Assistance Policy (FAP) designed to address the need for financial assistance and support to patients for all eligible services regardless of race, creed, sex, or age. Eligibility for financial assistance and support from CRMC will be determined on an individual basis using specific criteria and evaluated on an assessment of the patient's and/or family's health care needs, financial resources and obligations.

a. Services eligible for financial support:

- i. All medically necessary services, including medical and support services provided by CRMC will be eligible for financial assistance.
- ii. Emergency medical care services will be provided to all patients who present to the CRMC emergency department, regardless of the patient's ability to pay. Such medical care will continue until the patient's condition has been stabilized prior to any determination of payment arrangements.

b. Services not eligible for financial support:

- Cosmetic services, other elective procedures and services that are not medically necessary.
- Services provided in CRMC's Skilled Nursing Facility and Swing Bed Services.

This policy only covers services provided by the Hospital. This policy does not apply to other bills you may receive from private physicians who may be involved in your care including but not limited to:

Cortland Regional Medical Practice Physicians-including Hospitalist

USACS Emergency Room Physician Group

Premier Anesthesia Physician Group

UHC Pathology Physician Group

St. Lawrence Radiology Physician Group

CRMC will make affirmative efforts to help patients apply for public and private programs. CRMC may deny financial support to those individuals who do not cooperate in applying for programs that may pay for their health care services, but shall not engage in extraordinary collection efforts that could jeopardize CRMC's tax exempt status.

c. Residency requirements

- CRMC will provide financial support to patients who reside within its service area and qualify under CRMC's FAP.
- Service area Zip Codes: 13045, 13077, 13073, 13118, 13068, 13053, 13159, 13803, 13040, 13092, 13101, 13052, 13158, 13141, 13136
- CRMC will provide financial support to patients from outside its service area who qualify under CRMC FAP and who present with an urgent, emergent or life-threatening condition.
- CRMC will provide financial support to patients identified as needing service by physician foreign mission programs conducted by active medical staff for which prior approval has been obtained from CRMCs President or designee.

d. Documentation for Establishing Income

- Information provided to CRMC by the patient and/or family should include earned income, including monthly gross wages, salary and self-employment income; bank statements, unearned income including alimony, retirement benefits, dividends, interest and income from any other source; number of dependents in household; and other information to determine the patient's financial resources.
- Supporting documents such as payroll stubs may be requested to support information reported and shall be maintained with the completed application and assessment.

How to Apply:

Applications and/or confidential assistance with completion of the application is available from any Registrar or from our Patient Accounting Office by calling (607)756-3838

Presumptive Support – Uninsured Patients ONLY

- CRMC recognizes that not all patients are able to provide complete financial information. Therefore, approval for financial support may be determined based on limited available information. When such approval is granted it is classified as "Presumptive Support". CRMC may utilize certain tools using demographic information commonly available in conjunction with a "Fast Trak" financial assistance application. Approval is for date of service; service dates prior to presumptive eligibility date of service are not eligible for Presumptive Financial Assistance. Patients will have the opportunity apply for FAP with a full application for additional assistance for further DOS.
- Any tool used as part of the presumptive eligibility application process cannot be used as the sole basis to deny a Financial Assistance Application.
- Examples of presumptive cases include:

- deceased patients with no known estate
- homeless
- unemployed patients
- non-covered medically necessary services provided to patients qualifying for public assistance programs
- members of religious organizations who have taken a vow of poverty and have no resources individually or through the religious order.
- Patients who are non-residents of NYS who have been approved for Medicaid by their state of residence.
- For the purpose of helping financially needy patients, a third-party may be conducting a review of patient information to assess financial need. CRMC does not utilize a Credit Scoring Tool as part of this process.

Timeline for Establishing Financial Eligibility

- Every effort should be made to determine a patient's eligibility for financial support prior to or at the time of admission or service. Financial assistance applications will be accepted up to 240 days after the first billing statement to the patient.
- Determination for financial support may be made presumptively, however patient is encouraged to continue all efforts to qualify for governmental financial assistance or other programs.
- CRMC will make every effort to make a financial support determination within 20 days of receipt of completed application. If other avenues of financial support are being pursued, CRMC will communicate with the patient regarding the process and expected timeline for determination and shall not attempt collection efforts while such determination is being made.
- A patient may submit a Financial Assistance application at any time within 240 days after the first billing statement. However, extraordinary collection efforts may be commenced after 120 days from the first billing statement, if no application has been submitted.
- Approvals for Financial Support will be for a period of 6 months. Any services provided beyond the FAP approval period will require a new application.

Terms for Financial Assistance – Full Application Only

The completed full application must be accompanied with the required supporting documentation **and** returned to CRMC for processing within 30 days of receipt of the application.

- Once the completed application and required documentation has been received, CRMC has 20days to process a written approval or written denial. Determination of need for Financial Assistance will be made based upon the information provided on the Financial Assistance application along with data obtained by CRMC or such other firm

retained to assist the hospital in processing such applications. Approvals for Financial Support will be for a period of 6 months, in addition for approved full applications any open balances (Not in Bad Debt / Collection) within 2 years of approval date are also eligible for the FAP award.

Patients have 20 days from the date of the approval or denial to appeal the determination. **Appeals must be submitted in writing to: Guthrie Cortland Medical Center, 134 Homer Avenue, Cortland, NY 13045 Attn: Patient Financial Navigator.**

- Incomplete applications and/or missing documentation can result in a denial. CRMC will attempt to get the missing information after the review of the original application. Applications deemed to be incomplete will be returned to the applicant with notification that failure to provide all required data within 20 days of receipt of the returned application will result in a denial for financial assistance.
- CRMC will hold the billing for any accounts that are being considered for financial assistance. CRMC will inform the patient of such.
- A separate policy, CRMC Policy # OP-020- 04 Billing and Collections, addresses the actions that the hospital may take in the event of nonpayment. Those actions specify 1. Our contracted collection agencies comply with CRMC's Financial Assistance Policy and will provide application information to individuals 2. Prohibits the forced sale of foreclosure of an individual's primary residence 3. Requires the Collection agency to obtain CRMC's approval before commencing legal action 4. Payment Plans monthly installments cannot exceed 10% of the individual's monthly gross income. **A free copy of CRMC's Billing and Collection policy is available upon request by calling 607-756-3838 or by written request mailed to: Guthrie Cortland Medical Center, 134 Homer Avenue, Cortland, NY 13045 Attn: Patient Financial Navigator.**

Level of Financial Support

- CRMC will follow the income guidelines established below in evaluating a patient's eligibility for financial support. A percentage of the Federal Poverty Guidelines (FAP), which is updated on an annual basis, is used for determining a patient's eligibility for financial support. However, other factors, as identified above, also should be considered such as the patient's financial status and/or ability to pay as determined through the assessment process.
- **Family Income at or below 200% of Federal Poverty Income Guidelines:**
- A full **100%** discount off all uninsured patient balances and/or insured patient responsible balances specified by their insurance carrier will be provided for patients whose family's income is at or below 200% of the most recent Federal Poverty Income Guidelines. Patients with Family Income up to and including 200% of the Federal Poverty Income Guidelines will be eligible for Financial Support for co-pay and deductible amounts provided that there is no conflict with contractual arrangements with the patient's insurer and that they apply for financial assistance.

- **Family Income between 201% and 300% of Federal Poverty Income**
Guidelines: A discount off all uninsured patient balances and/or patient responsible balances specified by their insurance carrier will be provided for patients whose family's income falls within 201% to **300 %** of FPL. Discount will be based upon family size and income, see Attachment A for income and discount guidelines.
- **Medically Indigent Support / Catastrophic:** Financial support is also provided for medically indigent patients. Medical indigence occurs when a person is unable to pay some or all of their medical bills because their medical expenses exceed a certain percentage of their family or household income (for example, due to catastrophic costs or conditions), regardless of whether they have income or assets that otherwise exceed the financial eligibility requirements for free or discounted care under CRMC's FAP. Catastrophic costs or conditions occur when there is a loss of employment, death of primary wage earner, excessive medical expenses or other unfortunate events. Medical indigence / catastrophic circumstances will be evaluated on a case-by-case basis that includes a review of the patient's income, expenses and assets. If an insured patient claims catastrophic circumstances and applies for financial assistance, medical expenses for an episode of care that exceed 20% of income will qualify as catastrophic Financial Assistance. Discounts for medically indigent care for the uninsured will not be less than CRMC's average Medicare contractual adjustment percentage for the services provided or an amount to bring the patients catastrophic medical expense to income ratio back to 20%. Medical indigent and catastrophic financial assistance will be approved by CRMC Director of Revenue Cycle.
- While financial support should be made in accordance with CRMC's established written criteria, it is recognized that occasionally there will be a need for granting additional financial support to patients based upon individual considerations. Such individual considerations will be approved by CRMC CFO.

I. *Accounting and Reporting for Financial Support*

- In accordance with the Generally Accepted Accounting Principles, financial support provided by CRMC is recorded systematically and accurately in the financial statements as a deduction from revenue in the category Financial Assistance. For the purposes of Community Benefit reporting, Financial Assistance is reported at estimated cost.
- The following guidelines are provided for the financial statement recording of financial support:
 - Financial support provided to patients under the provisions of "Financial Assistance Program", including the adjustment to amounts generally accepted as payment for patients with insurance, will be recorded under "Financial Assistance Allowance."
 - Write-off of charges for patients who have not qualified for financial support under this procedure and who do not pay will be recorded as "Bad Debt."

- Prompt pay discounts will be recorded under “Operational Adjustments-Administrative” or “Contractual Allowance.”
- Accounts initially written-off to bad debt and subsequently returned from collection agencies where the patient was determined to have met the financial support criteria based on information obtained by the collection agency will be reclassified from “Bad Debt” to Financial Assistance Allowance.”

II. Assisting Patients Who May Qualify for Coverage

- a. GCMC will make affirmative efforts to help patients apply for public and private programs for which they may qualify and that may assist them in obtaining and paying for health care services.
- b. GCMC will have understandable, written procedures to help patients determine if they qualify for public assistance programs or GCMC’s Financial Assistance Policy.

III. Effective Communications

- GCMC will provide financial counseling to patients about their health care bills related to the services they received at GCMC. Counseling is available at time of admission, discharge or at any time the patient chooses to request assistance. GCMC’s Patient Financial Navigator is available between the hours of 8:00 AM and 4:00 PM Monday through Friday. The Navigator’s office is located on the Hospital’s first floor next to the Cashiers office. In addition, the Navigator will routinely call or where able, visit all patients admitted with no insurance. **This policy only covers services provided by the Hospital. This policy does not apply to other bills you may receive from private physicians who may be involved in your care including but not limited to: Radiologists, Pathologists, Anesthesiologists, Emergency Room Physicians or Hospitalists.**
- GCMC will respond promptly and courteously to patients’ questions about their bills and requests for financial assistance.
- GCMC will utilize a billing process that is clear, concise, correct and patient friendly. **Patient statements will include information on the availability of our Financial Assistance Program and how to contact GCMC for more information.**
- GCMC will make available for review by the public specific information in an understandable format about what they charge for services.
- GCMC will post signs and display brochures that provide basic information about their Financial Assistance Policy (FAP) in public locations including all outpatient registration sites, and ER. In addition copies of GCMC’s plain language summary will be provided to all inpatient and observation patients at time of admission and offered to all outpatients at intake.

- GCMC will make the Financial Assistance Policy (FAP), a plain language summary of the FAP and the FAP application form available to patients upon request, in public places in GCMC including all outpatient registration sites and ER, via mail and on the GCMC website. GCMC offers access to the Internet for patients to be able to view, download and print a hard copy of these documents. GCMC will provide any individual who asks information on how to access a copy of the FAP, FAP application form, or plain language summary of the FAP online with the direct website address, or URL, where these documents are posted.
- These documents will be made available in English and in the primary language of any population with limited proficiency in English that constitutes more than 100 people or 5 percent of the residents of the community served by GCMC. GCMC will list its Financial Assistance Policy and supporting documents on their website.
- GCMC will provide a description in the FAP of the measures taken to notify members of the community served by GCMC about the FAP. Such measures may include, for example, the distribution of information sheets summarizing the FAP to local public agencies and nonprofit organizations that address the health needs of the community's low income populations.

IV. Implementation of Accurate and Consistent Policies

- Patient Financial Services and Patient Access will educate staff members who work closely with patients (including those working in patient registration and admitting, financial assistance, customer service, billing and collections, physician offices) about billing, financial assistance, collection policies and practices, and treatment of all patients with dignity and respect regardless of their insurance status or their ability to pay for services.
- GCMC will honor financial support commitments that were approved under previous financial assistance guidelines. At the end of that eligibility period the patient may be re-evaluated for financial support using the guidelines established in this procedure.

REFERENCES:

- Patient Protection and Affordable Care Act statutory section 501(r)
- Internal Revenue Service Schedule H (Form 990)
- Department of Treasury, Internal Revenue Service, Additional Requirements for Charitable Hospitals; Proposed Rule: Volume 77, No. 123, Part II, 26 CFR, Part 1

GUTHRIE CORTLAND MEDICAL CENTER			
2018 FINANCIAL ASSISTANCE PROGRAM LEVELS			
PERCENT OF FINANCIAL ASSISTANCE AVAILABLE	100%	50%	25%
SIZE OF HOUSEHOLD	HOUSHOLD INCOME- GROSS		
1	0- 24,280	24,281- 30,350	30,351- 36,420
2	0- 32,920	32,921- 41,150	41,151- 49,380
3	0- 41,560	41,561 – 51,950	51,951 – 62,340
4	0- 50,200	50,201 – 62,750	62,751 – 75,300
5	0- 58,840	58,842- 73,550	73,551 – 88,260
6	0- 67,480	67,481- 84,350	84,351- 101,220
7	0- 76,120	76,161- 95,150	95,151 – 114,180
8	0- 84,760	84,761 – 105,950	105,950 – 127,140

** For families with more than 8 persons, add \$8640 for each additional person

100% Assistance for households up to 200% of National Poverty Levels

50% Assistance for households between 201-250% of National Poverty Levels.

25% Assistance for households between 251-300 % of National Poverty Levels

(BASED ON 2018 POVERTY GUIDELINES –ALL STATES EXCPET ALASKA AND HAWAII)
EFFECTIVE 03/01/2018