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**MEADVILLE MEDICAL CENTER HEALTH SYSTEM  
POLICY AND PROCEDURE MANUAL**

**Administrative Policy A-401**

**SUBJECT: Patient Financial Assistance**

**PURPOSE:** This policy and the Financial Assistance Program (FAP) outlined herein are intended to address the interests of providing access to care to those without the ability to pay and to offer a discount from billed gross charges for those who are able to pay a portion of the costs of their care. This policy sets forth the process for determining patient eligibility for financial assistance (a/k/a charity care, free care or discounted care) for the population of our community and to ensure that Meadville Medical Center (MMC) will not discriminate in the determination of eligibility on the basis of race, color, creed, sex, sexual orientation, religion, age, or handicap. Applications will be processed and approval will be determined based on specified criteria. If approved, patient's obligation to MMC may be reduced or eliminated for a period of time as specified.

**POLICY:** It is the policy of Meadville Medical Center to follow federal poverty household guidelines in making reasonable efforts to determine eligibility for patient financial assistance before pursuing collection actions.

For services provided by a professional not employed by MMC (oncologist, pathologist, radiologist, and/or anesthesiologist), these services will be billed to you separately from the hospital and are excluded from MMC's Financial Assistance Program.

A list of providers covered under MMCHS FAP is attached.

Eligibility is provided to patients where the following applies:

- You must be uninsured, underinsured, ineligible for any government healthcare insurance programs, or under financial hardship.
  - For Pennsylvania residents whose household income is lower than 133% of the Federal Poverty Level, the patient must apply for Pennsylvania Medicaid.
- The services provided to you must be medically necessary.
  - Examples of non-medical necessary exclusions in our financial assistance program includes: cosmetic surgery, retail products, vision enhancing intraocular lenses, life line, hearing aids and associated products, investigational services or where an Advanced Beneficiary Notice (ABN) was signed.

All insurances to include workers compensation and auto insurances must have been billed and benefits paid to Meadville Medical Center

as well as all insurance guidelines/plan provisions must have been followed such as obtaining a preauthorization.

- Proof of household gross income and family size is required along with a completed application. Your eligibility must meet the financial assistance criteria based on gross household income and asset calculations as compared to the Federal Poverty Level.
  - Examples of required documentation include Income Pay Stubs, Social Security or Disability benefit statement, Unemployment or Pension/Annuity benefits, ANFC, SSI, Federal Income Taxes, Business Taxes Returns, bank statements showing liquid assets and any other extenuating information to show special circumstances.
  - Individuals included in household size need to be a dependent on the federal tax return provided.
  - Examples of liquid assets include cash, savings, checking, and CD's.
  - Assets such as primary residence, rental property, and personal property such as vehicles, furniture, or livestock are not considered in determining eligibility.

The income guidelines will be reviewed on an annual basis based on the changes in the Federal Poverty Guidelines.

This policy and the FAP set forth herein constitute the official financial assistance policy within the meaning of section 501(r) of the Internal Revenue Code for Meadville Medical Center as approved by Meadville Medical Center Health System's Finance Committee and Board of Directors.

No FAP eligible individual will be charged more for emergency or other medically necessary care than the amounts generally billed. MMCHS is required to provide individuals who come to MMC's Emergency Departments care for any treatment for emergency medical conditions without discrimination as may be required to stabilize the medical condition pursuant to MMCHS's EMTALA-Medical Screening and Stabilizing Treatment Policy. Care must be provided regardless of the individual's ability to pay or FAP eligibility.

#### DEFINITIONS:

- Advanced Beneficiary Notice (ABN): also called a "waiver of liability" is a notice that Medicare providers and suppliers are obligated to give to an Original Medicare enrollee when they find that Medicare does not cover the services the enrollee requests.
- Alcohol and Drug Abuse Program (ADAP): A program administered by the PA Dept. of Health to help Pennsylvanians prevent and eliminate the problems caused by alcohol and other drug use.
- Amounts Generally Billed (AGB): Meadville Medical Center (uses the "look back method" as defined in section 501 (r) (5) (b) (1) of the Internal Revenue Code. MMC will limit amounts charged for emergency or other medically necessary care

provided to individuals eligible for assistance under this policy to not more than AGB. MMC will update the AGB annually. The AGB's will be updated annually within 120 days of MMCHS's fiscal year end.

- **Annual Out of Pocket Maximum:** The maximum amount a patient is responsible to pay for services received at MMC each year. If patient is FAP-eligible, this amount will not exceed (25%) of the household income which is consistent with the definition of catastrophic encounters.
- **Application Period:** the period during which the hospital accepts and processes FAP applications. This period begins with the date of the first post-discharge billing statement and ends 240 days after MMC provides the individual with their first post-discharge billing statement.
- **Authorized Representative:** you can give a trusted person permission to talk about the Pennsylvania Health Connect application, your information, and act for you on matters related to the Pennsylvania Health Connect application.
- **Bad debt** means a debt that is not collected and is worthless to the creditor.
- **Charged:** only the amount the FAP-eligible individual is personally responsible for paying, after all deductions, discounts (including discounts available under the FAP), and insurance reimbursements have been applied.
- **Co-insurance** means the percentage of total charges that a person is required by their insurance to pay out-of-pocket.
- **Commercial Payer:** any insurance payer other than a State or Federal Insurer such as Medicare or Medicaid. Examples: BCBS or MVP.
- **Contractual Adjustment** means a discount as a result of the contractual arrangement with an insurance carrier. MMC will bill most insurances and does not have a contract with all insurances.
- **Copay** means a set fee for services that a person must pay at each visit. The amount of the copayment is determined by the person's health insurance carrier;
- **Creditor:** Is a person or organization to which money is owed by a debtor (Meadville Medical Center is a creditor.)
- **Debtor:** Is a person who owes a creditor; someone who has the obligation of paying a debt. (Meadville Medical Center's customers are debtors.)
- **Extraordinary collection actions (ECA):** ECAs are actions taken against the patient related to obtaining payment of a bill for care covered under MMC's FAP that require a legal or judicial process or involve selling an individuals' debt to another party or reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus.
- **Financial Assistance Program (FAP):** A charity care program providing access to those without the ability to pay and to offer a discount from billed gross charges for those who are able to pay a portion of the costs of their care.
- **Federal Poverty Guidelines (FPG):** a simplified calculation of the official poverty population statistics used for administrative purposes, such as, determining financial eligibility for programs.
- **Guarantor** means an adult receiving medical services, or the parent of a

minor child (under age 18) receiving services who signs the consent for medical treatment on their behalf (not the subscriber of insurance).

- Household: all family members or cohabitants residing in the same home.
- Income: Gross earnings, unemployment compensation, workers compensation, social security benefits, supplemental security income, public assistance, veteran's benefits, survivor benefits, pension or retirement, interest, dividends, rents, royalties, estate income, trusts, educational assistance, alimony, annuities, and child support for a household.
- Income-eligible means a person who meets the financial criteria according to Federal Poverty Guidelines and who qualifies for particular Medicaid programs (as outlined below).
- Indigent means poor or destitute.
- Insurance Deductible means an amount a person must pay for healthcare expenses before insurance covers the cost; often based on a yearly amount.
- Liquid Assets: any asset that is cash or can be easily converted to cash such as cash, checking and savings accounts, money markets, and CD's.
- Medically Indigent: Health insurance coverage does not provide full coverage for all of the medical expenses and the self-pay unreimbursed medical expenses, in relationship to family income, would make the patient indigent if the patient were required to pay full charges for the medical expenses.
- Medically Necessary: health services and supplies that under the applicable standard of care are appropriate: (a) to improve or preserve health, life, or function; or (b) to slow the deterioration of health, life, or function; or (c) for the early screening, prevention, evaluation, diagnosis or treatment of a disease, condition, illness or injury."
- Medicare Low Income Beneficiaries Limitation: recipients with liquid assets limited to \$7,160 for a single person and \$10,750 for married couples.
- Notification Period: the period during which Meadville Medical Center must notify an individual about the FAP. The period begins with the date of the first post-discharge billing statement and ends 120 days later.
- Outside Collection Agency (OCA): a company hired by MMC to collect a debt that is owed.
- Reasonable Collection Efforts: Notification to an individual about our FAP; in the case of an individual who submits an incomplete FAP application, we will provide the individual with information relevant to completing the FAP application; and in the case of an individual who submits a complete FAP application, we will make and document the determination as to whether the individual is FAP eligible.
- Underinsured patient: a patient that is exposed to significant financial losses due to inadequate health insurance coverage.
- Uninsured patient: a patient who is not covered under a medical insurance plan.

**PROCEDURE:** Meadville Medical Center Health System will:

1. Post information on Meadville Medical Center Health System's website, MMCHS.org regarding Government Assistance Programs and the MMCHS FAP, including copies of the FAP, FAP plain language summary, guidelines for qualification, contact information and application forms;
2. Notify patients of the FAP at the time of registration, check-in or prior to discharge. A FAP plain language summary will be provided.
3. Post "Need Help Paying Your Bill" signs in all public areas which include Financial Counselors contact information;
4. Include FAP plain language summary, guidelines for qualification, and contact information on the back of all patient billing statements.
5. Mention FAP to the individual when discussing the bill over the phone or in e-mail. FAP plain language summary brochure and application will be mailed when:
  - a. MMCHS Business Associate, Avadyne, will be calling the patient to ask them to develop a payment plan,
  - b. The patient calls to request it.

The Financial Counselor contact information is (814-333-5737) to access help with FAP applications for uninsured or underinsured patients. To pay your bill on line, please visit Meadville Medical Center Health System's website MMCHS.org.

6. Make the FAP plain language summary brochure available without charge;
7. Publicize the FAP plain language summary brochure at Community Health Centers of the Meadville region and at social service agencies;
8. Include FAP information in Meadville Medical Center Health System's newsletter to staff and physicians, as well as, in annual Meadville Medical Center Health Center's mandatory training;
9. Include FAP information in appropriate reports filed with state governments;
10. Publicize the FAP through local news media and/or social service agencies.
11. The FAP application will be used to determine if patient is eligible for ADAP, e.g., Stepping Stones. Patients that qualify for ADAP must have a household income of 250% FPL or less.

## Meadville Medical Center Registration and all MMCHS clinics will:

1. Offer all patients a plain language summary brochure of the Meadville Medical Center Health System's FAP.
2. Refer patient to a Financial Counselor for assistance in completing applications for Government Assistance Programs and the MMCHS FAP.
3. Note on the patient's registration that this information was provided.

## Meadville Medical Center Health System Financial Counselors will:

1. Attempt to contact all inpatients who are uninsured, underinsured, or have no health insurance secondary to Medicare to provide information

regarding Government Assistance Programs and the MMCHS FAP while still receiving inpatient care.

2. Verify insurance coverage and benefits for all patients scheduled for services, and contact those who are uninsured, underinsured, or have no health insurance secondary to Medicare, to provide information regarding Government Assistance Programs and the MMCHS FAP.
3. Make appointments with patients to review guidelines for qualification and/or help complete Government Assistance Programs and the MMCHS FAP applications.
4. Document in MMC's Health Information Systems anything pertinent to the financial assistance process.
5. To access interpreter services for patients who have Limited English Proficiency and/or have indicated their preference to discuss health care issues in a language other than English, staff will identify which language the patient speaks and contact telephonic interpreting services to access an appropriate interpreter. Staff will contact Facilities Engineering to borrow the dual handset that allows both Meadville Medical Center staff and the patient to communicate with the interpreter.
6. Attempt to contact by phone all uninsured and underinsured patients to discuss the MMCHS FAP.
7. The Meditech Insurance Plan codes for FAP will be used in the Revenue Cycle system to identify FAP potential patients. These are the action codes to be used: applying for FAP, FAP application received, FAP Follow-up done, FAP denied and Medicaid Application Assistance done.
8. FAP Application Hold must be applied to the encounter while application is being reviewed.
9. Provide each uninsured and underinsured patient an application offering financial assistance through the Meadville Medical Center Health System FAP and respond to any and all requests for information and assistance while applying for financial assistance.
11. When mail is returned due to an incorrect address, demonstrate that due diligence was exercised in attempting to obtain correct contact information for the patient before referring the account to an outside agency for collection due to a bad address.
12. Review financial assistance application to include:
  - a. A completed FAP application showing required full names, demographic information, household income, and signatures.
  - b. Review proof of income based on the application. This could include:
    - Copy of current Federal Income Tax Return (FITR) with all corresponding schedules January through June
    - Copy of current paystubs for prior 30 days.
    - Copy Social Security statement of income
    - Copy of unemployment document
    - Copy of State Aid income statement (cash assistance)
    - Copies of business ledgers, if self-employed
    - For Medicare (all)

- patients, copies of bank statements both checking and savings for the prior month
  - Proof of incarceration
13. Screen for Medicaid eligibility.
- a. If Medicaid was active for the patient (during the period of time the date of service was provided), the Financial Counselor will update the insurance information so that billing can be done within the Medicaid 6-month timely filing period.
  - b. If Medicaid was not active for the patient during this period of time and;
    - i. if patients household income are within the required FPL
    - ii. the amount owed is greater than \$200
    - iii. the date of service is within 3 months of the retroactive Medicaid activation period
    - iv. the date of service is within the Medicaid timely filing period of 6 months

The Financial Counselor will attempt to complete the retroactive Medicaid form with the patient. If approved, PFS staff will change insurance and bill Medicaid.
  - c. Lastly, if the date of eligibility is
    - i. past the 3 month retroactive period,
    - ii. past the 6 months timely filing period,
    - iii. within 240 days (from 1st billing statement) of services,
    - iv. and out of pocket expenses are due

The patient will automatically qualify for financial assistance and therefore adjustments can be done without completing a FAP application. A copy of the Medicaid website showing this proof will be used in lieu of the actual FAP application.

Note: An authorized representative form can be completed if patient isn't able to help with retroactive eligibility. An example of this would be a deceased patient.

14. The patient must apply for Pennsylvania Medicaid when:
- a. Patient is a self-pay Pennsylvania resident whose household income is lower than 130% of the Federal Poverty Level.
  - b. Patient is a Medicare Pennsylvania resident whose household income is lower than 100% of the Federal Poverty Level
  - c. Any exceptions to this must be approved by the Supervisor, Patient Financial Services.
15. For any Medicare Pennsylvania residents whose household income is lower than 90% of the Federal Poverty Level, Financial Counselor should coordinate an appointment for patient to meet with the Social Security Department to apply for Supplemental Security Income (SSI).
16. Determine eligibility based on household gross income (less insurance benefits paid out) for non-Medicare patients and on household gross income (less insurance benefits paid out) and liquid assets for Medicare patients per the Medicare Low Income Beneficiaries Limitation.

17. In the case of self-employed applicants or S Corporations the following will be considered:
  - Cost of goods sold
  - Employee wages
  - Officer income
  - Employee benefits
  - Pension and profit sharing plans
  - Contract labor
18. In the case of a farming applicant, the following will be considered:
  - Custom hire
  - Feed
  - Seeds/plants
  - Hired labor
  - Pension or profit sharing plans
  - Vet
  - Supplies
19. Any patient that is deceased and has no estate (as verified in writing by Probate Court) will have their balances adjusted off in full.
20. Any self-pay patient of the Stepping Stones Alcohol and Drug Unit can apply for ADAP and/or FAP assistance. If patients household income is less Than 250% of FPL, amounts owed can be written off to ADAP. Otherwise, 251%-500% would fall under the Meadville Medical Center Health System FAP.
21. Patients will not be eligible for financial assistance when:
  - There is an insurance carrier or other party responsible for payment.
  - The insurance carrier determined services provided were not medically necessary.
  - Any portion of the service was denied by the insurance carrier due to non-compliance of the plan provisions or was deemed not medically necessary.
  - The Medicare patient does not provide bank statements, when applicable.
  - The Medicare patient has liquid assets equal to or greater than \$7,160 for a single person and \$10,750 for married couples per Medicare Low Income Beneficiaries Limitation.
  - The amount owed is for a service of medical benefit, but not medically necessary. Examples include: durable medical equipment (DME), DME service such as hearing aids or for elective services such as cosmetic surgery or intraocular lens.
22. The Financial Counselor will complete the Financial Assistance checklist and submit to the Manager of Patient Access Services for final review and approval.
  - Approval/Denial of financial assistance will be at the discretion of the Manager of Patient Access Services following the guidelines outlined.
  - Unique situations may arise and financial assistance may be approved

- by the Manager of Patient Access Services or the Supervisor, Patient Financial Services based on circumstances relative to the patient's or guarantor's ability to make payments.
23. In the event the application is not returned, Meadville Medical Center must provide each patient at least three billing statements showing balance owed for services received, as well as, on final billing statement and notification (120 days after discharge) before transferring an encounter to an outside collection agency.
  24. If the individual submits an incomplete application, the Financial Counselor will send the patient a written notification indicating what is still required within 30 days and include a plain language summary of the FAP. If ECA's began, they will be suspended until determination of FAP eligibility is completed.
    - If notification of required documentation is mailed to patient at the end of the application period (prior to 240 days from first post-discharge billing statement sent to patient), Meadville Medical Center will not begin ECA's until day 270 days from first billing statement.
    - If FAP application is denied because patient does not meet the eligibility guidelines or the patient did not send Meadville Medical Center the required additional documentation to complete the application within the 30 day notification, a letter will be sent to the patient notifying the patient that they were denied and ECA's will resume if payment is not made.
    - If complete FAP application is received and approved, all ECA's will be suspended and any ECA actions taken will be reversed.
      - Financial Counselor will document determination in the health information system and make adjustments to any open accounts prior to the date of FAP approval for services provided 240 days (from 1<sup>st</sup> post-discharge billing statement) and for services 1 year after the approval date, at which time new proof of income will be required.
      - The remaining balance after AGB discount has been applied to uninsured accounts or any balances for underinsured accounts will be adjusted as appropriate using the Federal Poverty Levels.
      - If a patient's income falls at 300% of Federal Poverty Guidelines or below, they will not be responsible for any portion of their hospital bill, and Financial Assistance will be provided at 100%;
  25. Any FAP eligible encounter payments made by the patient within the application period (prior to the application approval date) will be refunded.
  26. A written notification will be sent to the patient notifying them of FAP eligibility decision, FAP eligibility timeframe, and their financial responsibility.
  27. Monthly billing statements will be sent to the patient if there are remaining balances owed along with contacts to obtain information on AGB and how the amount owed was determined.

**2018 Federal Poverty Guidelines**

Persons in Family or Household	100% FPL	Medicaid 133% FPL	ADAP 250% FPL	Up to 300% FPL
1	\$12,140	\$16,146	\$30,350	\$36,420
2	\$16,460	\$21,892	\$41,150	\$49,380
3	\$20,780	\$27,637	\$51,950	\$62,340
4	\$25,100	\$33,383	\$62,750	\$75,300
5	\$29,420	\$39,129	\$73,550	\$88,260
6	\$33,740	\$44,874	\$84,350	\$101,220
7	\$38,060	\$50,620	\$95,150	\$114,180
8	\$42,380	\$56,365	\$105,950	\$127,140
Allowed Discount	100%	100%	100%	100%

28. All insured accounts that were approved for financial assistance will be adjusted as appropriate using the Federal Poverty Guidelines matrix shown above.

**EDUCATION:**

All Patient Access Services Financial Counselors are required to read and sign that they have read and understand the policy.

**MONITORING:**

These accounts will be monitored on a monthly basis to adjust off approved balances as indicated for the period of time financial assistance is applicable.

**CROSS REFERENCE:**

[A-401.1](#) Self-Pay Payment Policy

[A-420](#) Debt Collection Policy

**REFERENCES:**

- 42 CFR 413.89 Bad Debts, Charity and Courtesy Allowances, Medicare Provider Reimbursement Manual, CMS Pub 15 Part 1, Ch 14, 304-326
- Patient Protection & Affordable Care Act, Internal Revenue Code Section 9007(a) Pub. L No. 111-148
- Healthcare Education Affordability Reconciliation Act, 2010, (H.R. 4872) Pub. L No. 111-152, Amendment to Pub. L No. 111-148, Section 501(r) (5)
- Federal Poverty Guidelines
- Federal Register, Vol. 77 No. 123

6. Internal Revenue Code Section 501 (r) and Treasury Regulation 1.501(r) et seq.
7. Translating Service website: <http://www.refugees.org/about-us/where-we-work/vrrp/our-services/interpretation-services.html>

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