

<i>Procedure Title</i>	Financial Assistance		<i>Procedure No. Policy No.</i>	BUS-1080 BUS-1079
<i>Department</i>	Revenue Cycle/Patient Financial Services		<i>Effective Date</i>	07-26-16
<i>To Review</i>	System Policy Committee		<i>Page Number</i>	1 of 10
<i>Last Review</i>	Acute Care	07-26-16	Critical Access	07-26-16
<i>Next Review</i>	Acute Care	07-26-19	Critical Access	07-26-17

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| <input checked="" type="checkbox"/> Cottage Grove Medical Center | <input checked="" type="checkbox"/> Peace Island Medical Center | <input checked="" type="checkbox"/> St. John Medical Center |
| <input checked="" type="checkbox"/> Ketchikan Medical Center | <input checked="" type="checkbox"/> Sacred Heart River Bend | <input checked="" type="checkbox"/> St. Joseph Medical Center |
| <input checked="" type="checkbox"/> Peace Harbor Medical Center | <input checked="" type="checkbox"/> Sacred Heart University District | <input checked="" type="checkbox"/> United General Medical Center |
| <input checked="" type="checkbox"/> PeaceHealth Medical Group | <input checked="" type="checkbox"/> Southwest Medical Center | |

SCOPE

This Procedure applies to all PeaceHealth Divisions, including those checked above.

PURPOSE

The Purpose of this Procedure is to provide information about Financial Assistance programs offered by PeaceHealth that assist Guarantors, provide patients with medical management, and support the financial stability of PeaceHealth.

TABLE OF CONTENTS:

Financial Assistance Overview	Determination
Limit on Charges for Guarantors Eligible for Financial Assistance	Financial Appeals Process
Financial Assistance Eligibility	Billing and Collections
Applying for Financial Assistance	Medical Management Overview
Verification of Income	Providers Subject to PeaceHealth's Financial Assistance Policy

PROCEDURE

This Procedure implements [Financial Assistance Policy](#) No. BUS-1079.

1. Financial Assistance Overview

- 1.1. Signage and brochures informing patients and/or Guarantors of PeaceHealth's Financial Counseling Programs and Financial Assistance are available at appropriate access areas, including registration, and are also available on peacehealth.org.
- 1.2. Financial Assistance information is provided at least annually to community agencies such as local health departments, Medicaid offices, social service agencies, and physician practices.
- 1.3. Guarantors may apply for Financial Assistance before, during, or after treatment, or at any time during the billing and collection process.
- 1.4. The Financial Assistance determination and approval process is the same regardless of the amount of the Guarantor's balance.

<i>Procedure Title</i>	Financial Assistance	<i>Procedure No. Policy No.</i>	BUS-1080 BUS-1079
<i>Department</i>	Revenue Cycle/Patient Financial Services	<i>Effective Date</i>	07-26-16
<i>To Review</i>	System Policy Committee	<i>Page Number</i>	2 of 9

- 1.5. In accordance with PeaceHealth Policy, emergent care is never delayed by an assistance determination or by requests for financial or other information regarding ability to pay. (Emergency Medical Treatment and Labor Act (EMTALA) Compliance Policy #ADM-0733)
- 1.6. Financial Assistance is secondary to all other financial resources available to the patient and/or Guarantors, including, but not limited to:
 - 1.6.1. Insurance
 - 1.6.2. Third party liability payers
 - 1.6.3. Government programs
 - 1.6.4. Outside agency programs; and
 - 1.6.5. Personal resources
- 1.7. Financial Assistance is not granted to Guarantors that do not cooperate with efforts to determine eligibility for government or other insurance programs.
- 1.8. Financial Assistance is granted only for emergent or medically necessary care.
- 1.9. Health Savings Accounts (H.S.A.) are considered insurance funds. PeaceHealth may require health savings account funds be applied to the account balance prior to providing Financial Assistance.
- 1.10. Patients who reside outside PeaceHealth's Service Area may not be eligible for Financial Assistance unless they require emergent services while visiting in PeaceHealth's Service Area.
- 1.11. Improved coordination of clinical care and appropriate triage of Financial Assistance patients to better direct their care is consistent with PeaceHealth's mission and the Financial Assistance Policy.

2. Limit on Charges for Guarantors Eligible for Financial Assistance

- 2.1. Guarantors eligible for Financial Assistance under the Financial Assistance Policy will not be personally responsible for more than the Amounts Generally Billed (AGB), as defined in Treasury Regulation Section 1.501(r)-1(b)(1), by the applicable PeaceHealth hospital for the emergency or medically necessary services received.
- 2.2. PeaceHealth calculates each hospital facilities' Amounts Generally Billed (AGB) by using the "look-back" method which means using revenue and revenue adjustments for emergency and other medically necessary care from Medicare and all private insurers over the previous 12-month fiscal year. This is referred to as the "look-back" method because retrospective data is the source of the calculation.
 - 2.2.1. The AGB calculation uses the following formulas: (Revenue minus Revenue Adjustments) divided by Revenue; or Amounts Paid divided by Total Gross Charges.

<i>Procedure Title</i>	Financial Assistance	<i>Procedure No. Policy No.</i>	BUS-1080 BUS-1079
<i>Department</i>	Revenue Cycle/Patient Financial Services	<i>Effective Date</i>	07-26-16
<i>To Review</i>	System Policy Committee	<i>Page Number</i>	3 of 9

3. Financial Assistance Eligibility

- 3.1. Anyone seeking Financial Assistance may request a Financial Assistance application.
- 3.2. Financial Assistance applications are available by request at all Registration areas, by contacting Customer Service, or by downloading an application from peacehealth.org.
- 3.3. Consideration for Financial Assistance occurs once a complete application has been submitted to PeaceHealth.
- 3.4. While a Financial Assistance application is pending review, PeaceHealth does not initiate collection efforts or request deposits provided that the Guarantor is cooperative with PeaceHealth's efforts to obtain payment from other sources.
- 3.5. Financial Assistance screening requests may be proposed by sources other than the Guarantor, such as the patient's physician, family members, community or religious groups, social services, or medical center caregivers.
- 3.6. Peace Health may offer additional Financial Assistance for Guarantors with Extraordinary Circumstances based on a review of remaining balance, income, and assets.
- 3.7. PeaceHealth may offer exceptions to this procedure at its discretion to provide presumptive charity due to but not limited to the following: social diagnosis, homelessness, bankruptcy, qualification under a state Medicaid program. Documentation must support the Guarantor's inability to pay and why collection agency assignment would not result in resolution of the account.
- 3.8. The Vice-President of the Revenue Cycle or designee has the authority to make the final determination and exceptions to this procedure.

4. Applying for Financial Assistance

- 4.1. Instructions and the application are available on peacehealth.org and also may be obtained from a Customer Service Representative.
- 4.2. Information Required:
 - 4.2.1. Family members in household
 - 4.2.2. Household gross monthly income (income before taxes and deductions)
 - 4.2.3. Documentation for family income
 - 4.2.4. Declare assets for households over 200% of Federal Poverty Level
 - 4.2.5. Additional Information as needed
 - 4.2.6. Signature of person applying
- 4.3. Completed applications can be mailed to PeaceHealth Patient Financial Services by mail or fax. Specific contact information can be found on peacehealth.org.

<i>Procedure Title</i>	Financial Assistance	<i>Procedure No. Policy No.</i>	BUS-1080 BUS-1079
<i>Department</i>	Revenue Cycle/Patient Financial Services	<i>Effective Date</i>	07-26-16
<i>To Review</i>	System Policy Committee	<i>Page Number</i>	4 of 9

5. Verification of Income

5.1. Acceptable verification of income includes the following:

5.1.1. All gross income for the past 90 days (e.g., including payroll stubs, Social Security or unemployment benefits, health savings account statements, brokerage account statements); and

5.1.2. Most recent year's tax return.

5.2. An Income Statement for self-employed applicants is required.

5.3. In the absence of income, a Letter of Support and/or a Declaration of No Income may be accepted. The Letter of Support may be accepted from individuals providing for the Guarantor's living needs; the Declaration of No Income must include an explanation of how expenses are being met.

6. Determination

6.1. Assistance by Federal Poverty Level

6.1.1. Existing open balances at PeaceHealth are adjusted when the Guarantor is determined to meet Financial Assistance criteria. Subject to the considerations set forth below, Financial Assistance is granted in accordance with the following table:

Federal Poverty Percentages		Financial Assistance Allowance
From	To	
0	- 200%	100%
201	- 250%	85%
251	- 300%	65%
301	- 350%	65%
351	- 400%	65%

6.1.2. Consideration for Financial Assistance includes a review of:

- 6.1.2.1. Gross household income
- 6.1.2.2. Number of people in the home
- 6.1.2.3. Securable assets excluding primary residence
- 6.1.2.4. Bank, brokerage, and retirement accounts
- 6.1.2.5. Special medical costs
- 6.1.2.6. Other indicators of the Guarantor's ability to pay
- 6.1.2.7. Extenuating Circumstances/Catastrophic (see Definitions section)

<i>Procedure Title</i>	Financial Assistance	<i>Procedure No. Policy No.</i>	BUS-1080 BUS-1079
<i>Department</i>	Revenue Cycle/Patient Financial Services	<i>Effective Date</i>	07-26-16
<i>To Review</i>	System Policy Committee	<i>Page Number</i>	5 of 9

6.1.3. Key Points:

6.1.3.1. These are guidelines; each individual situation is reviewed independently.

6.1.3.2. Allowances may be made for extenuating circumstances.

6.2. Assets

6.2.1. Assets are not considered for Financial Assistance applicants whose Annualized Gross Income falls below 200% of the Federal Poverty Levels (FPL).

6.2.2. Assets may be considered when determining eligibility for Financial Assistance for applicants whose gross household income is between 201-400% of FPL.

6.2.3. Equity in the primary residence is excluded from the asset calculation.

6.2.4. If the asset consists of real property, the asset considered is the difference between the value of the asset and the amount owed against the asset.

6.2.5. A \$3,000 asset exemption is allowed for households with 1 member, and an additional \$500 is allowed for each additional household member.

6.2.6. Assets above the exemptions listed above, may be used to determine the amount of Financial Assistance provided to applicants with household income between 201-400% of FPL.

6.3. Application

6.3.1. If an incomplete application is received by PeaceHealth, a letter is sent to the person applying explaining what is required to complete the application.

6.3.2. If the person applying does not return the application or requested information to PeaceHealth within 30 days from the date of the letter requesting additional information, PeaceHealth may initiate collection efforts. Additional time to respond may be provided if the patient's medical condition warrants a delay.

6.3.3. PeaceHealth provides written notice of assistance determinations within 14 calendar days of receipt of a completed Financial Assistance application.

6.3.3.1. Notifications include the amount of the reduction, the balance not covered by the Financial Assistance program and the dates of service which eligible services will be covered.

6.3.3.2. If a completed application is denied in full, the reason for the denial is provided in the Financial Determination letter.

6.3.3.2.1. The process for appealing a denial is included in the denial letter.

<i>Procedure Title</i>	Financial Assistance	<i>Procedure No. Policy No.</i>	BUS-1080 BUS-1079
<i>Department</i>	Revenue Cycle/Patient Financial Services	<i>Effective Date</i>	07-26-16
<i>To Review</i>	System Policy Committee	<i>Page Number</i>	6 of 9

6.3.4. PeaceHealth keeps Financial Assistance applications and supporting documentation confidential. However, PeaceHealth may, at its own expense, request a credit report to further verify the information on the applications. Conflicting information between the credit report and the application may result in a denial or request for additional information.

7. Financial Appeals Process

- 7.1. Responsible parties may appeal the determination of eligibility for Financial Assistance by submitting additional written information, such as income verification or explanations of Extenuating Circumstances to PeaceHealth Revenue Cycle within 30 days of the denial notification.
- 7.2. The Vice-President of the Revenue Cycle or designee has the authority to make the final determination for all appeals.
- 7.3. If this determination affirms the previous denial of Financial Assistance, written notification is sent to the person applying. If the review results in a total denial for a Financial Assistance application for services conducted at a PeaceHealth facility or provider in Washington State and the household income is at or below 200% of FPL, a copy of the paperwork is also provided to the Washington State Department of Health.
- 7.4. Collection activities for accounts under appeal are pended for the first 30 days of the appeal process.

8. Billing and Collections

- 8.1. Financial Assistance program information is present on PeaceHealth statements/billings.
- 8.2. Accounts are not assigned to collection agencies prior to 120 days from the date of first billing.
- 8.3. Financial Assistance applications for accounts that have been assigned to a collection agency must be submitted with proof of income for the date(s) of service.
- 8.4. If a Financial Assistance application is received for an account previously assigned to collection, the collection agency is requested to hold further actions until the results of the pending Financial Assistance review are available.
 - 8.4.1. If a Financial Assistance review shows the Guarantor qualifies for the reduction or elimination of the debt, appropriate actions are taken to amend or correct previous collection actions.
 - 8.4.2. Exception: If a legal judgement has been entered after 240 days from the date of first post-discharge billing statement, PeaceHealth may not recall an account from collections.

<i>Procedure Title</i>	Financial Assistance	<i>Procedure No. Policy No.</i>	BUS-1080 BUS-1079
<i>Department</i>	Revenue Cycle/Patient Financial Services	<i>Effective Date</i>	07-26-16
<i>To Review</i>	System Policy Committee	<i>Page Number</i>	7 of 9

- 8.5. More information regarding PeaceHealth’s billing and collections practices, including the description of actions PeaceHealth Hospitals may take in the event of nonpayment, can be found in separate Patient Billing and Collections Policy and Procedure which is available free of charge on peacehealth.org or a free mailed copy can be requested by calling Customer Service.

9. Medical Management Overview

- 9.1. Services that are cosmetic or elective in nature or have been shown to lack clinical efficacy are not covered under this procedure. Patients need a referral from their Primary Care Provider (PCP) before seeing a specialist. Considerations are given for preventive screenings on a case by case when not covered by State Programs.
- 9.2. Non-urgent service requests for patients covered under Financial Assistance (even those who receive care at PeaceHealth from outside providers) are reviewed for medical necessity prior to being scheduled. Clinical review utilizes available clinical information to determine medical necessity/approval.
- 9.3. Efforts are made to provide case management services for those patients who have multiple chronic illnesses or have frequent Emergency Department (ED) and/or inpatient admissions.

10. Providers Subject to PeaceHealth’s Financial Assistance Policy

- 10.1. PeaceHealth’s decision to provide Financial Assistance in no way affects the Guarantor’s financial obligations to physicians or other healthcare providers, unless such physicians or other healthcare providers are providing care to patients pursuant to a contract with PeaceHealth that requires accepting Financial Assistance decisions made by PeaceHealth.
- 10.1.1. A list of physicians or other healthcare providers who have agreed to comply with the Financial Assistance Policy and Procedure can be found by visiting peacehealth.org or by calling Customer Service and requesting a copy.

DEFINITIONS

Extenuating Circumstances/Catastrophic: Consideration of additional factors in determining the patient portion of an account qualifying for less than 100% coverage under the Financial Assistance Policy. Factors include: remaining balance after all reductions, household income, medical status of patient/family, and level/type of assets.

Extraordinary Collection Actions (ECA): (i) actions requiring a legal or judicial process, including but not limited to placing a lien on property, attaching bank accounts, filing civil action under contract law, or garnishing wages; and (ii) reporting adverse information to a credit agency/bureau. PeaceHealth or its contracted collection agencies may take the listed actions for unpaid accounts subject to any court-required approvals.

<i>Procedure Title</i>	Financial Assistance	<i>Procedure No. Policy No.</i>	BUS-1080 BUS-1079
<i>Department</i>	Revenue Cycle/Patient Financial Services	<i>Effective Date</i>	07-26-16
<i>To Review</i>	System Policy Committee	<i>Page Number</i>	8 of 9

Financial Assistance: A PeaceHealth program through which emergent, medically necessary and some preventative services are provided by PeaceHealth at a reduced cost or without charge when it has been determined that payment for those services cannot be obtained through insurance, outside agencies, or private means.

Financial Counseling: A process of working with our patients in a compassionate and caring manner to identify options for resolving their PeaceHealth financial obligations.

Guarantor: A person age 18 or over, regardless of marital status, who has legal financial responsibility for services provided.

Household: The following people living in the same home:

1. Guarantor
2. Guarantor's spouse
3. Other persons related by birth, marriage or adoption residing in the home
4. A household does not include any of the following people:
 - 4.1. Roommates
 - 4.2. Guarantor's unmarried partner unless they have a child together and the child is the patient

Income: Total cash receipts before taxes derived from wages and salaries, welfare payments, Social Security payments, strike benefits, unemployment or disability benefits, child support, alimony, and net earnings from business and investment activities paid to members of the household.

Medical Necessity: Care that, in accordance with clinically accepted parameters, is reasonably calculated to:

1. Prevent the onset or worsening of an illness, condition, or disability;
2. Establish a diagnosis;
3. Provide palliative, curative or restorative treatment for physical, behavioral, and/or mental health conditions; and/or
4. Assist the individual to achieve or maintain functional capacity in performing daily activities, taking into account both the functional capacity of the individual and those functional capacities that are appropriate for individuals of the same age.
5. Each service is performed in accordance with national standards of medical practice generally accepted at the time the services are rendered, and must be sufficient in amount, duration, and scope to reasonably achieve its purpose. Course of treatment may include observation only, or when appropriate, no treatment at all.

PeaceHealth Division (PHD): A medical center, clinic, operating unit, or operating division of PeaceHealth that maintains day-to-day management oversight of a designated portion of PeaceHealth System operations. PHDs may be based on a geographic market or dedication to a service line or business.

Service Area: The County in which the PeaceHealth entity/provider is located.

<i>Procedure Title</i>	Financial Assistance	<i>Procedure No. Policy No.</i>	BUS-1080 BUS-1079
<i>Department</i>	Revenue Cycle/Patient Financial Services	<i>Effective Date</i>	07-26-16
<i>To Review</i>	System Policy Committee	<i>Page Number</i>	9 of 9

DISSEMINATION

This Procedure will be communicated internally via one or more of the following channels:

1. Announcements in The Caregiver and other communication vehicles through Communications.
2. Posting on the PeaceHealth Policy Hub.
3. Direct notice from the PeaceHealth Policy Hub to appropriate Covered Personnel.
4. Direct communications from the PeaceHealth or PeaceHealth Divisions CAO, SVPs, or VPs to their senior management, etc.
5. Additionally, this Procedure will be widely publicized as required by federal and state laws and regulations.

HELP

Further guidance concerning this Procedure may be obtained from Patient Financial Services.

RELATED MATERIAL

Forms

- Financial Assistance Application
- Plain Language Summary

Other

- [Department of Health & Human Services Poverty Guidelines](#)

Policy Documents

- [Patient Billing and Collections Policy](#) (BUS-0427)
- [Patient Billing and Collections Procedure](#) (BUS-0428)
- [Emergency Medical Treatment and Labor Act Compliance Policy](#) (ADM-0733)
- [Emergency Medical Treatment and Labor Act Compliance Procedure](#) (ADM-0874)
- [Financial Assistance Policy](#) (BUS-1079)

Web Sites

- www.peacehealth.org

APPROVALS

Initial Approval:

PeaceHealth Board of Directors, May 26, 2016.
System Policy Committee approved on June 28, 2016.

Subsequent Review/Revision(s):

- System Policy Committee approved revision July 26, 2016.