



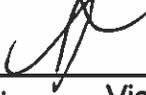
**POLICY MANUAL – SECTION I: LEADERSHIP, GOVERNANCE, MANAGEMENT AND PLANNING** 1.36

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**SUBJECT:** FINANCIAL ASSISTANCE

**EFFECTIVE DATE:** JANUARY 22, 2018

**SUPERSEDES:** APRIL 25, 2016

**APPROVALS:** Final – President 

Concurrence: Vice President, Finance *KK* 2/12/18

Vice President, Revenue Cycle *AKM* 1/22/18

Board Approval Date 1/22/18

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**PURPOSE:**

For medically necessary care, to assist uninsured and underinsured patients or any immediate family member of the patient living in the same household who do not qualify for Financial Assistance from State, County or Federal Agencies, but may qualify for uncompensated care under Federal Poverty Guidelines. Medically necessary care is defined as medical treatment that is absolutely necessary to protect the health status of a patient, and could adversely affect the patient's condition if omitted, in accordance with accepted standards of medical practice and not mainly for the convenience of the patient. Medically necessary care for purposes of this policy does not include elective or cosmetic procedures.

**POLICY:**

To provide Uniform Financial Assistance applications in the manner prescribed by the Health Services Cost Review Commission (HSCRC) to patients experiencing financial difficulty paying for their hospital bill(s). Eligibility is based on gross household income and family size according to current Federal Poverty Guidelines or Financial Hardship Guidelines, as defined by the HSCRC.

Financial Assistance information is made available to the public through multiple sources including:

- 1) HSCRC mandated Patient Information Sheet included in the admission packet, 2) signage and pamphlets located in Patient Access, the Emergency Department, Patient Financial Services (PFS), as well as other patient access points throughout the hospital, 3) patient statements and 4) Patient Financial Services, Patient Access and other registration area staff.

Financial Assistance eligibility determinations cover hospital/facility patient charges only. Physicians and ancillary service providers outside of the Hospital are not covered by this policy.

The Northwest Hospital Board of Directors shall review and approve the Financial Assistance Policy every two years. The Hospital may not alter its Financial Assistance Policy in a material way without approval by the Board of Directors.

**IMPLEMENTATION/PROCEDURE:** Implementation procedures are different for non-emergent and emergent services.

**A. Unplanned, Emergent Services and Continuing Care Admissions**

1. Unplanned and Emergent services are defined as admissions through the Emergency Department. Continuing care admissions are defined as admissions related to the same diagnosis/treatment as a prior admission for the patient.
2. Patients who believe they will not be able to meet their financial responsibility for services received at the Hospital will be referred to the Self Pay Account Manager or Collection Representative in Patient Financial Services.
3. For inpatient visits a Financial Counselor will work with the Medical Assistance Representative to determine if the patient is eligible for Maryland Medical Assistance (Medicaid). The patient will provide information to make this determination.
4. If the patient does not qualify for Medicaid, the Self Pay Account Manager or the Collection Representative will determine if the patient has financial resources to pay for services rendered based on Federal Poverty Guidelines.
5. If the patient does have the financial resources according to the Guidelines, the Self-Pay Account Manager or the Collection Representative will arrange for payment from the patient following the Hospital's payment arrangement guidelines.
6. If the patient does not have the financial resources according to the Guidelines, the Self-Pay Account Manager or the Collection Representative will assist the patient with the Financial Assistance application process.
7. Patients may request Financial Assistance prior to treatment or after billing.
8. Patients must complete the Maryland State Uniform Financial Assistance Application (Attachment #1) and provide the Self Pay Account Manger documented proof of medical debt and household income for consideration as requested in the Financial Assistance Cover Letter

(Attachment #2). Medical debt is defined as debt incurred over the twelve (12) months preceding the date of the application at Northwest Hospital or other LifeBridge Health facility. Household income is defined as the patient's and/or responsible party's wages, salaries, earnings, tips, interest, dividends, corporate distributions, rental income, retirement/pension income, Social Security benefits and other income as defined by the Internal Revenue Service, for all members of the immediate family residing in the household for the twelve (12) calendar months preceding the date of the application. At least one of the following items is required:

- a. Patient's recent paycheck stub
- b. Copy of the prior year's tax statement and/or W-2 form
- c. Verification of other household income, i.e. Social Security Award Letter, retirement/pension payment, etc.
- d. 'Letter of support' for patients claiming no income

9. Financial Assistance Eligibility:

- a. Eligibility includes any patient for which the Financial Assistance application was completed, as well as any immediate family member of the patient living at the same address and listed on the application as household members. Immediate family is defined as:
  - if patient is a minor: mother, father, unmarried minor siblings, natural or adopted, residing in the same household.
  - if patient is an adult: spouse, natural or adopted unmarried minor children residing in the same household.
  - any disabled minor or disabled adult living in the same household for which the patient is responsible.
- b. Eligibility covers services provided by all LifeBridge Health Facilities (Health System Eligibility): Sinai Hospital, Northwest Hospital, Levindale Hebrew Geriatric Center and Hospital and Courtland Gardens Nursing and Rehabilitation Center. Patients approved for Financial Assistance through another facility within the LifeBridge Health System must notify the Hospital of their eligibility, which is validated prior to Financial Assistance adjustment. Validation can be made by contacting the approving Hospital's Patient Financial Services Department (Attachment #8).
- c. The Self Pay Account Manager will consider all hospital accounts within the consideration period for the patient. The approval or denial determination will apply to the patient as well as immediate family members listed on the application.
- d. For dates of service October 1, 2010 and after, approved Medicare patients and outpatients are certified for one year from date of service or one year from approval date, whichever is greater. For yearly re-certification, Medicare patients are required to provide a copy of their Social Security Award Letter.

- e. For dates of service October 1, 2010 and after, approved Non-Medicare inpatients and outpatients are certified for one year from date of service or one year from approval date, whichever is greater. However, if it is determined during the course of that period that the patient meets Medicaid eligibility requirements, we will assist the patient with this process while still considering requests for Financial Assistance.
  - f. Eligibility ends on the last calendar day of the last month of eligibility. For instance, a patient eligible May 15, 2010 will be eligible through May 31, 2011.
  - g. Outpatient surgical procedures, including multiple procedures as part of a treatment plan, may be certified for one time only. Additional surgical procedures would require a new application.
  - h. At time of application, all open accounts within the consideration period are eligible. Consideration period is defined as beginning with the oldest date of service for which the application is intended and ending twelve months from that date. Accounts previously written-off to bad debt will be considered on a case-by-case basis.
  - i. Dates of service outside the Financial Assistance consideration period, prior to the approval date, will be considered on a case-by-case basis.
  - j. The Hospital must give the most favorable applicable reduction to the patient that is available: Free Care or Reduced Cost Care as a result of Financial Hardship qualification. Note that Reduced Cost Care for income greater than 200% through 300% does not apply due to the Hospital's application of Free Care up to 300% (regulation requires Free Care only up to 200%).
10. Financial Assistance is based upon the Federal Poverty Guidelines (FPG) published in the Federal Register. The poverty level guidelines are revised annually. It is the responsibility of Patient Financial Services to maintain current FPG as updates are made to the Federal Register. Free Care: Patients with an annual income up to 300% of the Federal Poverty Level may have 100% of their hospital bill(s) covered by Financial Assistance. Financial Hardship: Patients with an annual income greater than 300% but less than 500% of the Federal Poverty Level may be covered by Financial Assistance based on HSCRC's Financial Hardship criteria, which is defined as medical debt incurred by a family (as defined in 9a above) over a twelve month period that exceeds 25% (twenty-five percent) of family income. Medical debt is defined as out-of-pocket expenses, including co-payment, coinsurance, and deductible amounts due the Hospital, as well as related LifeBridge Health Physician out-of-pocket expenses. Note: the Hospital has chosen to include co-payment, coinsurance and deductible amounts for Financial Assistance consideration, although the regulation allows for their exclusion. The Hospital is not required to consider medical debt incurred from other healthcare providers.

11. Applications above 300% annual income will be considered on a case-by-case basis, which may include an asset test in addition to income test. The following interest-free payment options may be considered:
- a) Standard installment options of three – six months in accordance with Installment Agreement Letter (attachment #6).
  - b) Extended installment options greater than six months will be considered on a case-by-case basis.
  - c) Spend-down option to income level of 300% of the Federal Poverty Guidelines will also be considered on a case-by-case basis.
  - d) In accordance with HSCRC regulation, the following will be excluded from asset test consideration: 1) at a minimum, the first \$10,000 of monetary assets; 2) a 'safe harbor' equity of \$150,000 in a primary residence; and 3) retirement assets to which the Internal Revenue Service has granted preferential tax treatment as a retirement account, including, but not limited to, deferred-compensation plans qualified under the Internal Revenue Code or nonqualified deferred compensation plans.
12. The Northwest Hospital Financial Assistance Calculation Sheet (Attachment #3) will be used to calculate eligibility as follows:
- a) Financial Assistance Eligibility up to 300% of FPL -
    - Identify the annual household income based on the income tax form, W-2 or calculated annual income (A)
    - Identify 300% of the Federal Poverty Level for the patient based on household size (B).
    - Annual Household Income (A) minus Federal Poverty Level (B) = Result (C)
    - If the result is \$0.00 or less than \$0.00, the patient qualifies for 100% adjustment.
    - If the result is greater than \$0.00, apply the Financial Hardship test (next).
  - b) Financial Hardship Eligibility between 300% - 500% of FPL –
    - If annual household income is greater than 300% but less than 500% FPL and the Financial Hardship percentage of income (E) is 25% or greater, the patient qualifies for reduced cost care as a result of Financial Hardship.
    - The patient is responsible to pay the calculated amount of 25% of the annual household income. The difference between the total charge and the calculated amount of 25% of the annual household income will be adjusted to Financial Assistance.
    - For example, the annual household income for a family of 5 is \$100,000. Medical bills total 60%, which is greater than the required 25%, so the patient is eligible.
    - Patient responsibility under Financial Hardship eligibility equals 25% of the annual household income. In this example, the

patient responsibility equals \$25,000 or 25% of the annual household income. The difference between the total medical bills (\$60,000) minus the patient liability (\$25,000) equals the Financial Assistance adjustment (\$35,000).

- Case-by-case considerations are subject to Management approval and may qualify the patient for full or partial Financial Assistance eligibility. To determine patient responsibility for partial Financial Assistance eligibility, one or more of the following may be utilized:
    - spend-down calculation
    - sliding scale
    - total assets
    - total indebtedness
    - other useful information helpful in determining eligibility
  - Financial Assistance allowances greater than 12% will be considered on a case-by-case basis.
  - If Financial Hardship percentage is less than 25%, the application may be considered on a case-by-case basis.
  - Failure to pay patient responsibility as agreed could result in reversal of the Financial Assistance adjustment. The patient may be liable for the balance in full.
13. The Director of Patient Financial Services or his/her designee approves or denies the application. The designee will sign as Reviewer and obtain appropriate Approval/Denial signature(s) as directed. Authorizing signatures are required for amounts \$10,000 and greater –
- |                         |                  |
|-------------------------|------------------|
| \$10,000.00 – 24,999.99 | Director, PFS    |
| \$25,000.00 +           | VP Revenue Cycle |

The Financial Assistance Eligibility Determination Letter (Attachment #4) will be sent timely and include appeal process instructions. Appeals must be in written form describing the basis for reconsideration, including any supporting documentation. The Director of Patient Financial Services will review all appeals and make a final determination. The patient is notified in writing.

14. The Hospital will make every effort to identify patients previously approved and currently eligible for Financial Assistance both systematically and through available reports. However, it is ultimately the patient's responsibility to present the Financial Assistance Eligibility Determination Letter at each visit or notify the hospital by other means of Financial Assistance eligibility. Additionally, it is the responsibility of the patient to notify the hospital of material changes in financial status, which could impact the patient's eligibility for Financial Assistance. Such notification is

acceptable in the form of written correspondence by letter or e-mail to Patient Access or Patient Financial Services, in-person or by telephone.

**B. Planned, Non-Emergent Services**

1. Prior to an admission, the physician's office or hospital scheduler will determine if the patient has medical insurance and if so, provide complete insurance information at time of scheduling. If the patient does not have medical insurance, the physician's office or hospital scheduler will schedule the services as a self-pay. The Financial Counselor will contact the patient to confirm the patient is uninsured, provide a verbal estimate (written upon request), screen for potential Medicaid eligibility and/or determine ability to pay and establish payment arrangements with the patient.

The Financial Counselor will determine if the patient is currently pending Medicaid (defined as a complete application under consideration at the Department of Health and Mental Hygiene (DHMH), or if patient has potential for Medicaid eligibility permitting the patient to receive services as scheduled.

If patient is not potentially eligible for Medicaid, Financial Counselor will determine patient's ability to pay. Refer to #2 and #3 in this section.

If patient is unable to pay, Financial Counselor will contact physician's office and attempt to postpone the service. If unable to postpone, the case will be considered for Financial Assistance (F.A.) Financial Counselor will refer the case to Supervisor/Assistant Director, Patient Access for case-by-case consideration.

Supervisor/Assistant Director of Patient Access or designee may contact physician's office for additional information to determine if approval will be granted. In certain instances, the Director, Patient Financial Services may refer a case to the Vice President of Revenue Cycle or Vice President of Finance for approval.

The Financial Counselor working with the Self Pay Account Manger will either complete the F.A. application on behalf of patient, or if time allows, send an application to the patient to complete. Patient must mail completed F.A. application and required documentation to Self Pay Account Manger or bring completed Financial Assistance application and required documentation on date of service. Completed Financial Assistant application and required documentation must be delivered to Self Pay Account Manager for approval, formal notification to patient and necessary adjustment(s). If the patient is not cooperative and does not complete the application or provide the required documentation, Financial Assistance is denied.

Note: Procedures, including multiple procedures as part of a treatment plan, will be certified for one time only. Additional procedures would require a new application and consideration.

2. Written estimates are provided on request from an active or scheduled patient made before or during treatment. The Hospital is not required to provide written estimates to individuals shopping for services. The Hospital shall provide to the patient a written estimate of the total charges for the hospital services, procedures, and supplies that reasonably are expected to be provided and billed to the patient by the hospital. The written estimate shall state clearly that it is only an estimate and actual charges could vary. The hospital may restrict the availability of a written estimate to normal business office hours. The Director of Patient Access and/or designee shall be responsible for providing all estimates (verbal and written).
3. For planned, non-emergent services, Self Pay patients who are United States citizens must pay at least 50% of estimated charges prior to service, with an agreement to pay the remaining 50% not to exceed two (2) years. For patients who are not United States citizens, 100% of the estimated charges must be paid prior to date of service. Financial Assistance eligibility may be considered on a case-by-case basis for non-emergent, yet medically necessary services, based on the policies documented herein. Vice President of Revenue Cycle and/or Vice President of Finance approval are required.
4. If an agreement is made, the patient must provide payment at least three (3) business days prior to service, and sign the Northwest Hospital Installment Agreement (Attachment #6). If the patient has the financial resources according to the Federal Poverty Guidelines, but fails to pay prior to service or sign the Northwest Hospital Installment Agreement, the Financial Counselor will contact the physician's office to request the planned service is cancelled due to non-payment.
5. If there are extenuating circumstances regarding the patient, the patient's clinical condition, or the patient's financial condition, the patient or the physician may seek an exception from the Vice President of Revenue Cycle and/or the Vice President of Finance. If an exception is requested, the Financial Counselor will provide documented proof of income as stated in the emergent section of this procedure to Director Patient Financial Services. The Vice President of Revenue Cycle and/or the Vice President of Finance will review the case, including clinical and financial information, business impact, and location of the patient's residence in determining whether Financial Assistance should be provided. Final determination will be made on a case-by-case basis.

**C. Presumptive Eligibility and Other Financial Assistance Considerations**

1. The Hospital may apply Presumptive Eligibility when making Financial Assistance determinations on a case-by-case basis. Additionally, other scenarios may be considered. Note that a completed Financial Assistance application and/or supporting documentation may/may not be required. The Financial Assistance Presumptive Eligibility Determination Letter (Attachment #5) will be sent timely and include appeal process instructions. Appeals must be in written form describing the basis for reconsideration, including any supporting documentation. The Director of Patient Financial Services will review all appeals and make a final determination. The patient will subsequently be notified.

**Presumptive Eligibility:**

- a. Eligibility covers services provided by all LifeBridge Health facilities (Health System Eligibility): Sinai Hospital, Northwest Hospital, Levindale Hebrew Geriatric Center and Hospital and Courtland Gardens Nursing and Rehabilitation Center. Patients approved for Financial Assistance through another facility within the LifeBridge Health System must notify the Hospital of their eligibility, which is validated prior to Financial Assistance adjustment. Validation can be made by contacting the approving Hospital's Patient Financial Services Department (Attachment #8).
- b. Maryland Medicaid 216 (resource amount) will be adjusted for patients eligible for Medicaid during their eligibility period.
- c. Patients eligible for non-reimbursable Medicaid eligibility programs such as PAC (Primary Adult Care), family planning only, pharmacy only, QMB (Qualified Medicare Beneficiary) and SLMB (Specified Low Income Medicare Beneficiary), X02 Emergency Services Only.
- d. Patients eligible for an out-of-state Medicaid program to which the hospital is not a participating provider.
- e. Patients enrolled in State of Maryland grant funded programs (Department of Vocational Rehabilitation – DVR; Intensive Outpatient Psychiatric Block Grant; Sinai Hospital Addictions Recovery Program – SHARP) where reimbursement received from the State is less than the charge.
- f. Patients denied Medicaid for not meeting disability requirements with confirmed income that meets Federal Medicaid guidelines.
- g. Patients eligible under the Jewish Family Children Services (JFCS) (Y Card) program
- h. Households with children in the free or reduced lunch program (proof of enrollment within 30 days is required).
- i. Eligibility for Supplemental Nutritional Assistance Program (SNAP) (proof of enrollment within 30 days is required).
- j. Eligibility for low-income-household energy assistance program (proof of enrollment within 30 days is required).
- k. Eligibility for Women, Infants and Children (WIC) (proof of enrollment within 30 days is required).

Note: An additional 30 days to provide proof of enrollment will be granted at the request of the patient or patient's representative.

Other Financial Assistance Considerations

- a. Expired patients with no estate.
  - b. Confirmed bankrupt patients.
  - c. Unknown patients (John Doe, Jane Doe) after sufficient attempts to identify.
2. Financial Assistance adjustments based on other considerations must be documented completely on the affected accounts. When appropriate, form: Sinai Hospital and Northwest Hospital Qualifications for Financial Assistance (Attachment #7) must be completed. The Director of Patient Financial Services or designee will sign as Reviewer and obtain appropriate Approval/Denial signature(s) as directed. Authorizing signatures are required for amounts \$10,000.00 and greater –
- |                         |                    |
|-------------------------|--------------------|
| \$10,000.00 – 24,999.99 | Director, PFS      |
| \$25,000.00 +           | V.P. Revenue Cycle |

D. Collection Agency Procedures

1. Written communication to Early Out Self-Pay (EOS) patients contains language regarding the Hospital's Financial Assistance Program and contact information.
2. The initial communication to Bad Debt referrals contains language regarding the Hospital's Financial Assistance Program and contact information.
3. Upon patient request and/or agency determination of inability to pay, agency will mail cover letter and Financial Assistance application with instructions to complete and return to the Hospital Patient Financial Services Department. Agency will resume its collection activity if patient is non-compliant with timely completion and return of the application. Agency will be notified upon the Hospital's determination of approval or denial.

E. Patient Refunds

1. Effective with dates of service October 1, 2010, the Hospital shall provide for a full refund of amounts exceeding \$25 in total, collected from a patient or the guarantor of a patient who, within a two-year period after the date of service, was found to be eligible for free care on the date of service.

2. The Hospital may reduce the two-year period to no less than 30 days after the date the hospital requests information from a patient, or the guarantor of a patient, to determine the patient's eligibility for free care at the time of service, if the hospital documents the lack of cooperation of the patient or the guarantor of a patient in providing the required information.
3. If the patient or the guarantor of the patient has entered into a payment contract, it is the responsibility of the patient or guarantor of the patient to notify the hospital of material changes in financial status, which could impact the ability to honor the payment contract and qualify the patient for Financial Assistance.
4. The Hospital must refund amounts paid back-dated to the date of the financial status change, or the date the financial status change was made known to the Hospital, whichever is most favorable for the patient. Previous amounts paid in accordance with a payment contract will not be considered refundable.

**DOCUMENTATION/APPENDICES:**

Attachment #1	Maryland State Uniform Financial Assistance Application
Attachment #2	Financial Assistance Cover Letter
Attachment #3	Northwest Hospital Financial Assistance Calculation Sheet
Attachment #4	Financial Assistance Eligibility Determination Letter
Attachment #5	Financial Assistance Presumptive Eligibility Determination Letter
Attachment #6	Northwest Hospital Installment Agreement
Attachment #7	Sinai Hospital and Northwest Hospital Qualifications for Financial Assistance

**STATEMENT OF COLLABORATION:**

Director, Patient Financial Services

**SOURCES:**

Health Services Cost Review Commission  
Federal Register (Current Federal Poverty Guidelines)

Original: May 10, 2006

Revised: March 4, 2009  
April 7, 2010  
October 1, 2010  
February 25, 2013  
April 25, 2016

Reviewed: January 22, 2018