



Upper Chesapeake Health

Subject: Financial Assistance Policy

Effective Date: 10/2018

Approved by: _____

Steve Witman, Sr. VP CFO

Board of Directors

To provide financial relief to patients unable to meet their financial obligation to University of Maryland Upper Chesapeake Health.

1. Policy

- a. This policy applies to the University of Maryland Upper Chesapeake Health (UM UCH) facilities to include:
 - i. University of Maryland Upper Chesapeake Medical Center
 - ii. University of Maryland Harford Memorial Hospital.

UM UCH is committed to providing financial assistance to persons who have health care needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for all medically necessary care will be covered based on their individual financial situation.

- b. It is the policy of UM UCH to provide Financial Assistance (FA) based on indigence or high medical expenses (Medical Financial Hardship program) for patients who meet specified financial criteria and request such assistance. The purpose of the following policy statement is to describe how applications for FA should be made, the criteria for eligibility, and the steps for processing applications.
- c. UM UCH will post notices of availability at appropriate intake locations as well as the Patient Accounting Office. Notice of availability will also be sent to patients on patient bills. A Patient Billing and Financial Assistance Information Sheet will be provided before discharge and will be available to all patients upon request and without charge, both by mail and in the emergency room and admission areas. A written estimate of total charges, excluding the emergency department, will be available to all

patients upon request. This policy, the Patient Billing and Financial Information Sheet, and the Financial Assistance Application will also be conspicuously posted on the UM UCH website

(<https://www.umms.org/uch/patients-visitors/for-patients/financial-assistance>).

- d. FA may be extended when a review of a patient's individual financial circumstances has been conducted and documented. This may include a review of the patient's existing medical expenses and obligations, including any accounts having gone to bad debt.
- e. Payments made for care received during the financial assistance eligibility window that exceed the patients determined responsibility will be refunded if that amount exceeds \$5.00
 - i. Collector notes, and any other relevant information, are deliberated as part of the final refund decision; in general refunds are issued based on when the patient was determined unable to pay compared to when the payments were made
 - ii. Patients documented as uncooperative within 30 days after initiation of a financial assistance application are ineligible for a refund
- f. UM UCH retains the right in its sole discretion to determine a patient's ability to pay. All patients presenting for emergency services or diagnosed-cancer care will be treated regardless of their ability to pay, except as noted under 2. d. iv. below.

2. Program Eligibility

- a. Consistent with our mission to deliver compassionate and high quality healthcare services and to advocate for those who do not have the means to pay for medically necessary care, UM UCH strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. To further the UM UCH commitment to our mission to provide healthcare to the surrounding community, UM UCH reserves the right to grant financial assistance without formal application being made by our patients.
- b. Specific exclusions to coverage under the Financial Assistance Program:
 - i. Physician charges are excluded from UM UCH's FA policy. Patients who wish to pursue FA for physician related bills must contact the physician directly. For a list of physicians providing emergency and other medically necessary care in the hospital facility, whose services are not covered under this policy, please contact our Financial Assistance Department at (443) 843-5092.

- ii. Generally, the FA program is not available to cover services that are 100% denied by a patient's insurance company; however, exceptions may be made on a case by case basis considering medical and programmatic implications
 - iii. Cosmetic or other non-medically necessary services
- c. Patients may become ineligible for FA for the following reasons:
 - i. Have insurance coverage through an HMO, PPO, Workers Compensation, Medicaid, Motor Vehicle or other insurance programs that deny access to UM UCH due to insurance plan restrictions/limits
 - ii. Refusal to be screened for other assistance programs prior to submitting an application to the FA program
- d. Determination for Financial Assistance eligibility will be based on assets, income, and family size. Please note the following:
 - i. Liquid assets greater than \$15,000 for individuals, and \$25,000 for families will disqualify the patient for 100% assistance.
 - ii. Equity of \$150,000 in a primary residence will be excluded from the calculation for determination of financial assistance; and
 - iii. Retirement assets, regardless of balance, to which the IRS has granted preferential tax treatment as a retirement account, including but not limited to, deferred compensation plans qualified under the IRS code or nonqualified deferred compensation plans will not be used for determination of financial assistance.
 - iv. Non-citizens/non-residents of the United States may only qualify for Financial Assistance under these circumstances: 1. an initial visit for emergency care or 2. if qualified for presumptive Medical Assistance upon inpatient admission or prior to outpatient treatments for cancer care, and only after a determination by the Financial Counselor/Director of Patient Accounting and/or V.P. of Finance. See the Upper Chesapeake Health Self Pay Billing policy for criteria for beginning outpatient cancer care for these patients.
- e. Patients who indicate they are unemployed and have no insurance coverage shall be required to submit a FA application unless they meet Presumptive FA (see section 3 below) eligibility criteria. If a patient qualifies for COBRA coverage, the patient's financial ability to pay COBRA insurance premiums shall be reviewed by the Financial Counselor and recommendations shall be made to Senior Leadership. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services and for their overall personal health.

- f. Free medically necessary care will be awarded to patients with family income at or below 200 percent of the Federal Poverty Level (FPL).
- g. Reduced-cost, medically necessary care will be awarded to low-income patients with family income between 200 and 300 percent of the FPL
- h. If a patient requests the application be reconsidered after a denial determination made by the Financial Counselor, the Director of Patient Accounting will review the application for final determination.
- i. Payment plans can be offered for all self-pay balances by our Self Pay Vendor.

3. Presumptive Financial Assistance

- a. Patients may also be considered for Presumptive Financial Assistance eligibility with proof of enrollment in one of the programs listed below. There are instances when a patient may appear eligible for FA, but there is no FA form on file. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with FA. In the event there is no evidence to support a patient's eligibility for FA, UM UCH reserves the right to use outside agencies or information in determining estimated income amounts for the basis of determining financial assistance eligibility and potential reduced care rates. Once determined, due to the inherent nature of presumptive circumstances, the only financial assistance that can be granted is a 100-percent write-off of the account balance. Presumptive FA eligibility shall only cover the patient's specific date of service. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:
 - i. Active Medical Assistance pharmacy coverage
 - ii. Special Low Income Medicare Beneficiary (SLMB) coverage (covers Medicare Part B premiums)
 - iii. Homelessness
 - iv. Medical Assistance and Medicaid Managed Care patients for services provided in the ED beyond coverage of these programs
 - v. Maryland Public Health System Emergency Petition (EP) patients (balance after insurance)
 - vi. Participation in Women, Infants and Children Program (WIC)
 - vii. Supplemental Nutritional Assistance Program (SNAP)
 - viii. Eligibility for other state or local assistance programs
 - ix. Deceased with no known estate
 - x. Determined to meet eligibility criteria established under former State Only Medical Assistance Program

- xi. Households with children in the free or reduced lunch program
 - xii. Low-income household Energy Assistance Program
 - xiii. Self-Administered Drugs (in the outpatient environment only)
 - xiv. Medical Assistance Spenddown amounts
- b. Specific services or criteria that are ineligible for Presumptive FA include:
- i. Uninsured patients seen in the ED under EP will not be considered under the presumptive FA program until the Maryland Medicaid Psych program has been billed

4. Procedures

- a. The Financial Counselor will complete an eligibility check with the Medicaid program to verify whether the patient has current coverage
- b. The Financial Counselor will consult via phone or meet with patients who request FA to determine if they meet preliminary criteria for assistance.
 - i. To facilitate this process each applicant must provide information about family size and income. To help applicants complete the process, we will provide an application that will let them know what paperwork is required for a final determination of eligibility
 - ii. All applications will be tracked and after eligibility is determined, a letter of final determination will be submitted to the patient
 - iii. Patients will have fifteen days to submit required documentation to be considered for eligibility. The patient may re-apply to the program and initiate a new case if the original timeline is not adhered to. For any episode of care, the financial assistance application process will be open up to at least 240 days after the first post-discharge patient bill for the care is sent.
- c. There will be one application process for UM UCH. The patient is required to provide a completed FA application. In addition, the following may be required:
 - i. A copy of their most recent Federal Income Tax Return (if married and filing separately, then also a copy of spouse's tax return)
 - ii. Proof of disability income (if applicable)
 - iii. A copy of their three most recent pay stubs (if employed) or other evidence of income of any other person whose income is considered part of the family income
 - iv. A Medical Assistance Notice of Determination (if applicable)
 - v. Proof of U.S. citizenship or lawful permanent residence status (green card)
 - vi. Reasonable proof of other declared expenses may be taken in to consideration

- vii. If unemployed, reasonable proof of unemployment such as statement from the Office of Unemployment Insurance, a statement from current source of financial support, etc.
- viii. A Verification of No Income Letter (if there is no evidence of income)
- ix. Three most recent bank statements

Written request for missing information will be sent to the patient. Where appropriate, oral submission of needed information will be accepted.

- d. In addition to qualifying for Financial Assistance based on income, a patient can qualify for FA either through lack of sufficient income, insurance or catastrophic medical expenses based on the Financial Hardship criteria discussed below. Within two (2) business days following a patient's request for Financial Assistance, application for Medical Assistance, or both, the hospital will make a determination of probable eligibility. Completed applications will be forwarded to the Manager of Patient Accounting who will determine approval for adjustments up to \$10,000. Adjustments of \$10,000 or greater will be forwarded to the Director of Patient Financial Services and the V.P. of Finance for an additional approval.
- e. Once a patient is approved for FA, FA coverage is effective for:
 - i. All accounts in an AR (Accounts Receivable) status
 - ii. All accounts in a BD (Bad Debt) status that were transferred within one year of the service date of the oldest AR account being adjusted using the current application
 - iii. All future visits within 6 months of the application date
 - iv. In addition, coverage will also extend to any account for which a written notice described in paragraph h (below) has not been sent or for which the deadline stated therein has not elapsed. However, UM UCH may decide to extend the FA eligibility period further into the past or the future.
- f. Social Security beneficiaries with lifelong disabilities may become eligible for FA indefinitely and may not need to reapply
- g. UM UCH does not report debts owed to credit reporting agencies.
- h. In rare cases, accounts may warrant Extraordinary Collection Actions (ECAs). Once an account has met the following criteria, the account is closed by the collection agency as "uncollectible" and forwarded back to Patient Accounting for review to establish grounds for legal action. UM UCH reserves the right to place a lien on a patient's income, residence and/or automobile. This only occurs after all efforts to resolve the debt have been exhausted.

Criteria:

- i. The debt is valid
- ii. The account is equal to or greater than 120 days old
- iii. Patient refuses to acknowledge the debt
- iv. Upon review and investigation, we have determined liquid assets are available (checking, savings, stocks, bonds or money market accounts)
- v. The VP of Finance must authorize legal action

Action will be preceded by notice 30 days prior to commencement. Availability of financial assistance will be communicated to the patient and a presumptive eligibility review will occur prior to any ECA action being taken. This written notice will indicate that Financial Assistance is available for eligible individuals, identify the ECAs that the hospital (or its collection agency, attorney or other authorized party) intends to initiate to obtain payment for the care, and state a deadline after which such ECAs may be initiated. It will also include a Patient Billing and Financial Assistance Information Sheet. In addition, the hospital will make reasonable efforts to orally communicate the availability of Financial Assistance to the patient and tell the patient how he or she may obtain assistance with the application process.

5. Financial Hardship

- a. The following guidelines are outlined as a separate, supplemental determination of Financial Assistance, known as Financial Hardship. Financial Hardship will be offered to all patients who apply for FA and are determined to be eligible. Medical Financial Hardship is available for patients who otherwise do not qualify for Financial Assistance under the primary guidelines of this policy.
- b. Financial Hardship Assistance is defined as facility charges incurred at UM UCH owned hospitals or physician practices for medically necessary treatment by a family household that exceeds 25% of the family's annual income. The Financial Assistance reduction will be the balance that exceeds the 25% of the family's annual income. Family annual income must be less than 500% of the Federal Poverty Limit
- c. Once a patient is approved for Financial Hardship Assistance, coverage may be effective starting with the first qualifying date of service and the following twelve (12) months
- d. Financial Hardship Assistance may cover the patient and the immediate family members living in the same household. Each family member may

be approved for the reduced cost and eligibility period for medically necessary treatment.

- e. Coverage will not apply to elective or cosmetic procedures.
- f. In order to continue in the program after the expiration of an eligibility period, each patient (family member) must reapply to be considered.
- g. Patients who have been approved for the program should inform UM UCH of any changes in income, assets, expenses or family (household) status within 30 days of such changes. Patients determined to be eligible for Financial Hardship Assistance and granted an eligibility period extending into the future will be notified about how to apply for more generous assistance during such eligibility period.
- h. All other eligibility, ineligibility and procedures for the primary Financial Assistance program criteria apply for the Financial Hardship Assistance, unless otherwise stated
- i. See Attachment A for the sliding scale reduced cost of care.

6. Amounts Generally Billed

- a. An individual who is eligible for assistance under this policy for emergency or other medically necessary care will never be charged more than the amounts generally billed (AGB) to an individual who is not eligible for assistance. The charges to which a discount will apply are set by the State of Maryland's rate regulation agency (HSCRC) and are the same for all payers (i.e. commercial insurers, Medicare, Medicaid or self-pay).

Reviewed / Revised: 10/2018

ORIGIN DATE: 10/2010

NEXT REVIEW DATE: 10/2019

1/23/2018

% discount	MAX/MIN	Family 1	Family 2	Family 3	Family 4	Family 5	Family 6	Family 7	Family 8
Fed Pov Guideline		\$12,140.00	\$16,460.00	\$20,780.00	\$25,100.00	\$29,420.00	\$33,740.00	\$38,060.00	\$42,380.00
MHA Guidelines now at 200% of FPL									
100% up to		\$ 24,280.00	\$ 32,920.00	\$ 41,560.00	\$ 50,200.00	\$ 58,840.00	\$ 67,480.00	\$ 76,120.00	\$ 84,760.00
90% Min		\$ 24,281.00	\$ 32,921.00	\$ 41,561.00	\$ 50,201.00	\$ 58,841.00	\$ 67,481.00	\$ 76,121.00	\$ 84,761.00
Max		\$ 26,708.00	\$ 36,212.00	\$ 45,716.00	\$ 55,220.00	\$ 64,724.00	\$ 74,228.00	\$ 83,732.00	\$ 93,236.00
80% Min		\$ 26,709.00	\$ 36,213.00	\$ 45,717.00	\$ 55,221.00	\$ 64,725.00	\$ 74,229.00	\$ 83,733.00	\$ 93,237.00
Max		\$ 27,922.00	\$ 37,858.00	\$ 47,794.00	\$ 57,730.00	\$ 67,666.00	\$ 77,602.00	\$ 87,538.00	\$ 97,474.00
70% Min		\$ 27,923.00	\$ 37,859.00	\$ 47,795.00	\$ 57,731.00	\$ 67,667.00	\$ 77,603.00	\$ 87,539.00	\$ 97,475.00
Max		\$ 29,136.00	\$ 39,504.00	\$ 49,872.00	\$ 60,240.00	\$ 70,608.00	\$ 80,976.00	\$ 91,344.00	\$ 101,712.00
60% Min		\$ 29,137.00	\$ 39,505.00	\$ 49,873.00	\$ 60,241.00	\$ 70,609.00	\$ 80,977.00	\$ 91,345.00	\$ 101,713.00
Max		\$ 30,350.00	\$ 41,150.00	\$ 51,950.00	\$ 62,750.00	\$ 73,550.00	\$ 84,350.00	\$ 95,150.00	\$ 105,950.00
50% Min		\$ 30,351.00	\$ 41,151.00	\$ 51,951.00	\$ 62,751.00	\$ 73,551.00	\$ 84,351.00	\$ 95,151.00	\$ 105,951.00
Max		\$ 31,564.00	\$ 42,796.00	\$ 54,028.00	\$ 65,260.00	\$ 76,492.00	\$ 87,724.00	\$ 98,956.00	\$ 110,188.00
40% Min		\$ 31,565.00	\$ 42,797.00	\$ 54,029.00	\$ 65,261.00	\$ 76,493.00	\$ 87,725.00	\$ 98,957.00	\$ 110,189.00
Max		\$ 32,778.00	\$ 44,442.00	\$ 56,106.00	\$ 67,770.00	\$ 79,434.00	\$ 91,098.00	\$ 102,762.00	\$ 114,426.00
30% Min		\$ 32,779.00	\$ 44,443.00	\$ 56,107.00	\$ 67,771.00	\$ 79,435.00	\$ 91,099.00	\$ 102,763.00	\$ 114,427.00
Max		\$ 33,992.00	\$ 46,088.00	\$ 58,184.00	\$ 70,280.00	\$ 82,376.00	\$ 94,472.00	\$ 106,568.00	\$ 118,664.00
20% Min		\$ 33,993.00	\$ 46,089.00	\$ 58,185.00	\$ 70,281.00	\$ 82,377.00	\$ 94,473.00	\$ 106,569.00	\$ 118,665.00
Max		\$ 35,206.00	\$ 47,734.00	\$ 60,262.00	\$ 72,790.00	\$ 85,318.00	\$ 97,846.00	\$ 110,374.00	\$ 122,902.00
10% Min		\$ 35,207.00	\$ 47,735.00	\$ 60,263.00	\$ 72,791.00	\$ 85,319.00	\$ 97,847.00	\$ 110,375.00	\$ 122,903.00
Max		\$ 36,420.00	\$ 49,380.00	\$ 62,340.00	\$ 75,300.00	\$ 88,260.00	\$ 101,220.00	\$ 114,180.00	\$ 127,140.00