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CALVERT HEALTH SYSTEM
PRINCE FREDERICK, MARYLAND 20678

Policy Name: Financial Assistance

Policy Number: BD9

Category: Clinical non-Clinical

Review Responsibility: Director, Patient Financial Services
Vice President, Finance/CFO

Approved By: Chairman, Board of Directors
President & CEO
Vice President, Finance/CFO

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2/17, 5/19, 1/20, 11/20, 12/20, 6/22

Associated Documents/Policies:

The policies set forth do not establish a standard of care to be followed in every case. It is recognized that each case is different, and those individuals involved in providing health care are expected to use their clinical judgment in determining what is in the best interests of the patient, based on the circumstances existing at the time. It is impossible to anticipate all possible situations that may exist and to prepare policies for each. Accordingly, these policies should be considered to be guidelines to be consulted for guidance with the understanding that departures from them may be required at times.

I. PURPOSE:

The purpose of this policy is to determine when financial assistance will be offered to a patient based upon the patient's ability to obtain assistance through state and local agencies and the patient's ability to pay. This policy will assist Calvert Health System (CHS) in managing its resources responsibly and ensure that it provides the appropriate level of financial assistance to the greatest number of persons in need.

II. SCOPE:

This policy applies to all patients of CHS for all medically necessary services ordered by a physician. Hospital employed providers or those employed of a single member LLC where the hospital holds membership; and or employed providers of a legal entity established as a partnership with the CHS maintains a capital or profit interest in its existence will adhere to policy.

III. DEFINITIONS:

For the purpose of this policy, the terms below are defined as follows:



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Amounts Generally Billed (AGB) – The CHS determination of AGB will be the allowed amounts as determined by Medicare, including the patient responsibility of the total.

Charity Care: Healthcare services that have or will be provided but are never expected to result in cash inflows. Charity care results from the Hospital's Financial Assistance Policy to provide healthcare services free or at a discount to individuals who meet the established criteria.

Family: Using the United States Census Bureau's definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to the Internal Revenue Service rules, if the patient claims someone as a dependent on their individual income tax return, they may be considered a dependent for purposes of the provision of financial assistance.

Family Income: Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

- Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources.
- Noncash benefits (such as food stamps and housing subsidies) do not count.
- Determined on a before-tax basis.
- Excludes capital gains or losses; and
- If a person lives with a family, includes the income of all family members (non-relatives, such as housemates, do not count).

Uninsured: The patient has no level of insurance or third-party assistance to assist with meeting his/her payment obligations.

Underinsured: The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

IV. POLICY & PROCEDURE:

Policy:

CHS is committed to providing financial assistance to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. Consistent with its mission to deliver



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compassionate, high quality, affordable healthcare services and to advocate for those who are poor and disenfranchised, CHS strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

Financial Assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with CHS's procedures for obtaining financial assistance or other forms of payment or assistance, and to contribute to the cost of their care based upon their individual ability to pay. 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, for their overall personal health, and for the protection of their individual assets.

In order to manage its resources responsibly and to allow CHS to provide the appropriate level of assistance to the greatest number of persons in need, the Board of Directors establishes the following guidelines for the provision of financial assistance.

Procedure:

- A. Services Eligible Under this Policy:** For purposes of this policy, financial assistance or "charity" refers to healthcare services provided without charge or at a discount to qualifying patients. The following healthcare services are eligible for financial assistance:
1. Emergency medical service provided in an emergency room setting.
 2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual.
 3. Non-elective and non-emergency services.
 4. Medically necessary services, evaluated on a case-by-case basis, at CHS's.
- B. Eligibility for Financial Assistance ("Charity Care"):** Eligibility for financial assistance will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care benefit program, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. The granting of financial assistance shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation. The hospital will make a determination of probable eligibility within 2 business days following a patient's request for charity care services, application for medical assistance, or both. Patients with



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insurance are eligible to receive financial assistance for deductibles, co-insurance, or co-payment responsibilities as long as they demonstrate financial need that meet the policy requirements as outlined in this Policy.

C. Determination of Financial Need:

1. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and will
 - a. Include an application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need. The application form is the Maryland State Uniform Financial Assistance Application.
 - b. Include the use of external publically available data sources that provide information on a patient's or a patient's guarantor's ability to pay (such as credit scoring);
 - c. Include reasonable efforts by CHS to explore appropriate alternative sources of payment and coverage from public and private payment programs.
 - d. Take into account the patient's available assets, and all other financial resources available to the patient; and
 - e. Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.
2. It is preferred but not required that a request for financial assistance and a determination of financial need occur prior to rendering of services. However, the determination may be done at any point in the collection cycle. The need for payment assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than 12 months prior, or at any time additional information relevant to the eligibility of the patient for financial assistance becomes known.
3. The Financial Counselor or designee shall attempt to interview all identified self-pay inpatients. The Financial Counselor shall make an initial assessment of eligibility for public/private assistance, or if it is determined that the patient would not meet the criteria for public assistance and the patient has a financial need, then financial assistance may be considered.



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4. If a patient may potentially meet criteria to obtain assistance with their medical bills through appropriate agencies, the patient has the following responsibilities:
 - 1) Apply for assistance.
 - 2) Keep all necessary appointments.
 - 3) Provide the appropriate agency with all required documentation.
 - 4) Patients should simultaneously apply for any need base program that can potentially provide financial sponsorship.
5. Patients must provide all required documentation to support their Financial Assistance Application in order to prove financial need. Exhibit A displays the list of documentation to support the determination of need for financial assistance. Patients requesting financial assistance may be required to consent to release of the patient's credit report to validate financial need. The Financial Counselor should review the completed financial assistance application and complete a checklist of required information and forward this documentation request to the patient. The hospital encourages the financial assistance applicant to provide all requested supporting documentation to prove financial need within ten business days of completing the Financial Assistance Application; otherwise, normal collection processes will be followed. In general, CHS will use the patient's three most current months of income to determine annual income.
6. Patients are not eligible for the financial assistance program if: a) they refuse to provide the required documentation or provide incomplete information; b) the patient refuses to be screened for other assistance programs even though it is likely that they would be covered by other assistance programs, and c) the patient falsifies the financial assistance application.
7. Upon receipt of the financial assistance application, along with all required documentation, the Financial Counselor will review the completed application against the following financial assistance guidelines:
 - a. If the patient is over the income scale, the patient is not eligible for financial assistance and the account should be referred to the Manager of Financial Services, although the account should be reviewed to determine if it would potentially qualify under the catastrophic illness or medical indigence exception to this Policy's income levels. A letter will be sent to all patients who fail to meet



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the financial assistance guidelines explaining why they failed to meet the guidelines along with an invitation to establish a payment plan for the medical bill.

- b. If the patient is under scale but has net assets of \$14,000 or greater, then the request for charity will be reviewed on an individual basis by the Director of Revenue Cycle to determine if financial assistance will be provided. The patient may be required to spend down to \$14,000 of net assets in order to qualify for financial assistance. CHS will exclude certain retirement accounts such as 401k 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 no qualified deferred compensation plans.
- c. Once the patient has provided the required documentation to prove financial need, the Financial Counselor should review and evaluate the financial assistance application against the above guidelines and make a determination whether to request approval or to deny the application. If the Financial Counselor or designee believes the application meets the above guidelines, the Financial Counselor should sign the application on the line: "Request for Approval of the Financial Assistance Application" and forward the completed application and all supporting documentation to the following individuals as appropriate:
 - i. Manager (\$100.00 to \$999.99)
 - ii. Director of Revenue Cycle (\$1000.00 to \$9,999.99)
 - iii. Vice President of Finance (\$10,000 to \$24,999.99)
 - iv. Vice President of Finance & President & CEO (\$25,000 and over)
- d. Once administrative approval of the charity adjustment is obtained, the approved application and all supporting documentation are forwarded to the Manager of Financial Services who makes the actual adjustment. Patients will receive written notification when the application is approved, denied, or pended for additional documentation.
- e. Financial assistance approval will be applicable for accounts one (1) year from the application date and accounts (including bad debt) six (6) months prior to application date.



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8. CHS's values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of financial assistance. Requests for financial assistance shall be processed promptly and CHS shall notify the patient or applicant in writing once a determination has been made on a financial assistance application. Patients who disagree with the hospital's determination have the right to appeal. The appeal must be filed within 15 days of the determination and the appeal will be reviewed by the Director of Revenue Cycle. The patient will be notified in writing of the final determination.
9. The services and companies listed below are not billed by the hospital. It outlines which entities will accept and abide by our decision to provide financial assistance.
 - a. Emergency Room Physicians (Alteon Health) – Accept
 - b. American Radiology – Accept
 - c. Hospitalist Services – Accept
 - d. North American Partners in Anesthesia – Accept
 - e. Quest Diagnostics – Does Not Accept
 - f. All American Ambulance – Does Not Accept
 - g. Pathology – Does Not Accept
 - h. Grace Care, LLC – Does Not Accept
 - i. Lab Corp – Does Not Accept

D. Presumptive Financial Assistance Eligibility: There are instances when a patient may appear eligible for financial assistance discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with financial assistance. In the event there is no evidence to support a patient's eligibility for financial assistance, Calvert Health System could use outside agencies in determining estimate income amounts for the basis of determining financial assistance eligibility and potential discount amounts. Once determined, due to the inherent nature of the presumed circumstances, the only discount that can be granted is a 100% write-off of the account balance. Presumptive eligibility may be determined based on individual life circumstances that may include:

1. State funded prescription programs
2. Homeless or received care from a homeless shelter
3. Participation in Women, Infants, & Children (WIC) Program
4. Households with children in the free or reduced lunch program



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5. Patient is deceased with no estate
6. Low income/subsidized housing is provided as a valid address
7. Low-income-household energy assistance program
8. Supplemental Nutritional Assistance Program (SNAP)
9. Primary Adult Care Program (PAC), until such time as inpatient benefits are added to the PAC benefit package
10. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down)
11. Patient is active with any other needs-based program where the financial requirements regarding the federal poverty level match or exceed CalvertHealth System's Financial Policy income threshold.

Calvert Health System may utilize technology to identify patient populations presumed as eligible for financial assistance that may not complete the application process. Financial data mining software may be used to establish proof of eligibility to support 100% discounting of a specific date of service. In these instances, guarantors will be encouraged to complete a financial assistance.

E. Patient Financial Assistance Guidelines: Services eligible under this Policy will be made available to the patient on a sliding fee scale, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of determination, as follows:

1. Patients whose family income is at or below 200% of the FPL are eligible to receive free care.
2. Patients whose family income is above 200% but not more than 300% of the FPL are eligible to receive services on a sliding fee scale (i.e., percentage of charges discount).
3. Patients whose family income exceeds 300% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of CHS. Typically, in these cases the outstanding medical bill is subtracted from the estimated annual income to determine any spend-down amount that meets a corresponding financial assistance discount level.
4. Patients whose family income exceeds 501% of the FPL may be considered for medical hardship on a case-by-case basis with additional financial and medical required information.

Example:

Financial Assistance Sliding Scale Free and Discounted Care
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Federal Poverty Level Percentages	% of Discount
0 – 200%	100% Free Care
201 – 250%	80% - Patient pays 20% of bill
251 – 300%	60% - Patient pays 40% of bill
301 – 350%	40% - Patient pays 60% of bill
351 – 400%	20% - Patient pays 80% of bill
401-500%	10% - Patient pays 90% of bill
Above 501%	Medical Hardship Consideration

- The Health Services and Cost Review Commission (HSCRC) establish CHS’s fees and charges. Any patient share amounts for partial Financial Assistance approvals will be limited to the amounts generally billed (AGB) as determined by the commission.

Example:

Gross Charges	Medicare Allowed Amount (AGB)	Sliding Scale Award	Total Financial Assistance Granted	Patient’s Share
\$100.00	\$94.00	60%	\$56.40	\$37.60

Sliding scale determines each patient’s share.

- Communication of the Financial Assistance Program to Patients and the Public:** Notification about the availability of financial assistance from CHS, which shall include a contact number, shall be disseminated by CHS by various means, which shall include, but are not limited to, the publication of notices in patient bills, the Emergency Department, admitting and registration departments, and patient financial services offices. Information shall be included on the hospital’s website and in the Patient Handbook. In addition, notification of the Hospital’s financial assistance program is also provided to each patient through a plain language summary provided each patient at the time of registration. Such information shall be provided in the primary languages spoken by the population serviced by CHS. Referral of patients for financial assistance may be made by any member of the CHS staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, and chaplains. The patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws, may make a request for financial assistance.



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- G. Patients Qualifying for Assistance Unable to Pay Insurance Premiums** may be referred to the CHS Foundation for potential programs that sponsor payment of premiums for indigent guarantors on a case-by-case basis. The Foundation will determine any eligibility requirements for grants, matching the patient's needs with the appropriate program. Sponsorship for premium payments includes COBRA, Affordable Care Act and specific programs tailored to specific health care specialties to assist patients with financing the cost of their care.
- H. Relationship to Collection Policies:** CHS's management shall develop policies and procedures for internal and external collection practices that take into account the extent to which the patient qualifies for financial assistance, a patient's good faith effort to apply for a governmental program or for financial assistance from CHS, and a patient's good faith effort to comply with his or her payment agreements with CHS. During the financial assistance application process, the hospital will not send unpaid bills to outside collection agencies if the patient cooperates with the application process.
- I. Regulatory Requirements:** In implementing this Policy, CHS shall comply with all federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy.
- J. Contact Information to Apply:** Please contact our Patient Financial Services Department at 410-535-8248 for assistance with the application process. Written correspondence should be forwarded to 100 Hospital Road, Prince Frederick, MD, 20678.



Exhibit A

Documentation Requirements

Verification of Income:

- Copy of last year's Federal Tax Return
- Copies of last three (3) pay stubs
- Copy of latest W (2) form
- Written verification of wages from employer
- Copy of Social Security award letter
- Copy of Unemployment Compensation payments
- Pension income
- Alimony/Child Support payments
- Dividend, Interest, and Rental Income
- Business income or self-employment income
- Written verification from a governmental agency attesting to the patient's income status
- Copy of last two bank statements

Size of family unit:

- Copy of last year's Federal Tax Return
- Letter from school

Patient should list on the financial assistance application all assets including:

- Real property (house, land, etc.)
- Personal property (automobile, motorcycle, boat, etc.)
- Financial assets (checking, savings, money market, CDs, etc.)

Patient should list on the financial assistance application all significant liabilities:

- Mortgage
- Car loan
- Credit card debt
- Personal loan