

Adm. Policy Number: 1.64
Effective Date: June 2016

SUBJECT: Financial Assistance Policy (FAP)

SPONSOR: Patient Accounting

POLICY:

It is the policy of Heritage Valley Health System to provide quality care in a compassionate manner regardless of the patient's ability to pay for such services. Consistent with this policy, Heritage Valley Health System is committed to providing necessary health care services at no charge, or reduced charges, to patients who are willing to meet his/her financial obligations, but do not have or cannot obtain adequate financial resources. Financial Assistance is available to patients that are uninsured or underinsured to assist with necessary healthcare services provided.

PURPOSE:

This policy is intended to identify the action that may be taken with respect to billing and collection of hospital charges for services provided to patients of Heritage Valley Health System. This Policy also describes the uninsured discount, self pay statement generation process and collection actions that may be taken for unpaid balances.

PROCEDURE:

Uninsured Discounts: Heritage Valley Health System automatically reduces total charges for all uninsured patients prior to statements being mailed. As a result of this discount an uninsured patient will not be charged more than the "Amount Generally Billed" for emergency or other medical necessary care.

Inpatient: Uninsured rates are calculated based on Medicare's Inpatient Base Rate Table. In the event the reduced rate is higher than total charges, HVHS has the ability to review and determine a reasonable rate for the services received.

Outpatient: Uninsured rates are determined annually based on an overall collection percentage of outpatient Medicare.

Patient Billing Practices

Heritage Valley Health System sends 4 statements (1 per month) to all patients that are uninsured for any out of pocket balance deemed a patients responsibility by the insurance. Uninsured discounts are applied prior to sending out the first statement. Below is a description of the 4 statements consecutively:

- Initial Notice - first statement sent for an outstanding balance.
- Second Notice - sent 30 days following the Initial Notice if no payment is received
- Final Notice - sent 30 days following the Second Notice if no payment is received
- Final Letter - sent 30 days following the Final Notice if no payment is received

Patients will continue to receive a monthly statement until the claim is paid in full. If a payment is received on a monthly basis collection activity will not escalate beyond the statement generation process.

Each statement provides a phone number, hours of operations for the Billing Office, a billing email address (BILLING@HVHS.ORG), the Heritage Valley Health System web site (www.heritagevalley.org) in an effort to facilitate the recipient in satisfying the debt. In addition each statement references Heritage Valley's Charity Care Program. The application can be requested via telephone, email or online.

If no payment is received during the self pay billing span of 4 months (or 120 days) of statement the claim is turned over to a collection agency for additional collection efforts. In addition to collection efforts from the agency delinquent debt will be reported to the credit bureau.

Financial Assistance Determination

Heritage Valley Health System determines financial assistance based primarily on financial information provided on the Charity Care Application form. Applications for Charity Care are available in the Patient Accounting Department, Emergency Room, and all Registration areas. In addition the Charity Care application is available on our website. Patients can contact the Patient Accounting Department and request a copy of the application be mailed by calling 412-749-4200 or 724-773-5681. The Charity Care Application is also available to print from the web site. If additional assistance is needed, a representative from the Patient Accounting Department will be able to provide individual assistance. Heritage Valley Health Systems Payment Billing and Payment Center is located at 200 Ohio River Blvd. Baden, PA 15005.

To request financial assistance, patients will complete the Charity Care Application providing household income. If information included on the application is found to be incomplete the application along with all documentation accompanying the application will be sent back to the patient along with a letter indicating what information is required to complete the application process. The patient will need to review the information received, provide the additional information requested and return the application along with all applicable documentation for consideration.

The approval guidelines are based on **Federal Poverty Guidelines (FPG)** as established and updated annually by the Department of Health and Human Services. Various levels of assistance are established by applying percentages to the base established by the Department of HHS. The Heritage Valley Health System guidelines allow for the granting of assistance at levels of 100%, 75%, 50% and 25%.

Income qualifications for assistance:

- At or below 300 percent of the FPG qualifies for 100%
- At or below 350 percent of the FPG qualifies for 75%
- At or below 400 percent of the FPG qualifies for 50%
- At or below 450 percent of the FPG qualifies for 25%

Financial Assistance will be denied if the patient's income exceeds all of the above guidelines.

Regardless of the outcome, all patients who apply for Financial Assistance are notified via a final determination letter. All communication is in plain language and easily understood.

Presumptive Charity Care

Presumptive Charity may be applied when a patient appears to be eligible for charity care, but supporting documentation is not on file. In situations where a conversation with a patient, family member or advocate for the patient provides sufficient detail to support the patient's eligibility, Charity Care may be approved. Some examples of Presumptive Charity Care are:

- Patient is deceased with no known estate
- Individual not able to conduct him/her emotions to complete the application process
- Eligible for MA (MA HMO) residual balance (i.e. Medicaid spend down, patient share including deductible, copay, coinsurance amounts or non covered due to the Healthcare Benefits Package plan)
- Rare occasions as deemed necessary by Patient Accounts Management

Presumptive Charity is determined on a case by case basis. With the exception of balances after MA and MA HMO's the situation leading up to the adjustment are commented on each account.

Use of External Collection Agencies

Heritage Valley shall not refer a patient's account to an external collection agency until the patient has received the above mentioned 4 statement / letter series. If after 120 days (4 statement/letter series) no communication has been received by the responsible party, the account will automatically qualify for collections. If Heritage Valley is unable to contact the patient via statements or phone due to incomplete address / contact information we may transfer the account sooner in the process in an effort to have the collection agency utilize their systems to identify better information to reach the patient. If no response is received the collection agency will report the unpaid balance to the credit agencies. This reporting will negatively affect the responsible party's credit score.

If the account is returned by the collection agency due to no payment Heritage Valley may turn the accounts over to a second collection agency or sell the old AR off for collection purposes.

Definitions and/or Limitations to the Policy

- A charity care approval considers all prior dates of service and is valid for a period of 1 year following the date of determination.
- Charity care determinations apply only to hospital services (technical charges) and Emergency Room Physicians. Determination for charity does not apply to radiologists or other professional services, not billed by the hospital staff. See attached listing of providers covered by the Financial Assistance Policy.
- Services that are cosmetic or elective surgical procedures deemed non-medically necessary are not eligible for the Charity Care program.
- Patients, whose medical services would be otherwise covered by health insurance in an alternative setting or at an alternative site/facility, are not eligible for Financial Assistance /Charity Care.

REFERENCES: 26 CFR Parts 1, 53, and 602

**Heritage Valley Health System, Inc.
Employed Physician Listing
as of July 1, 2016**

Emergency

Barton, Michael E.
Beierle Jr., James M.
Boulden, James R.
Boyd, Michael
Cammarata, Shayla
Campbell, Brian H.
Coleman, John
Dosch, Justin C.
Doyle, Thomas A.
Eubanks, Marc J.
Flaherty, Sarah
Forbeck, Lisa M.
Gonzalez, David
Graham, Lauren M.
Guido, Susan K.
Harmon, Douglass M.
Kutrovac, Kyle T.
Leckey, Ronald D.
Licata, Gaetano J.
Montibeller, Joseph A.
Page, Edwin H.
Petroski, Adam J.
Roth, Jacqueline M.
Shumway, Gail J.
Sidani, Ramzi S.
Titchner, Timothy J.
Tomsey, Alyssa K.
Wenig, Linda N.
Wheeler, Matthew T.
Wong-Perez, Ruth E.
Yealy, Rachel E.

Wound Care

Michael, Thomas P.

Family Medicine

Arora, Vikram
Hagberg, Stephen M.
Lee, Soo Jung
McKrell, Jonathan D.
Thimons, David G.

Psychiatry

Bukhari, Lubna
Dias Mandoly, Phillip C
Harlan, Brent S.
Pandian, Sujatha
Sinu, Apolonia

Approved: June 2016
Reviewed:
Revised:

SIGNATURES:

Bryan Randall
Chief Financial Officer

Norman F. Mitry
President and CEO