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HERITAGE VALLEY
HEALTH SYSTEM

Kennedy Campus

HERITAGE VALLEY KENNEDY
ADMINISTRATIVE POLICY AND PROCEDURE

Policy Number: AD 240.05 M
Supersedes: AD 240.05 L

Subject: Heritage Valley Kennedy Program (Patient Financial Assistance
Section: Program) Credit and Collections

Revision Approval Date: April 24, 2018

POLICY AND PROCEDURE

A. INTRODUCTION

Heritage Valley Kennedy (HVK) is committed to treating all patients with compassion, providing personalized health care services in a friendly, caring and cost-effective manner while continuously improving quality, safety, comfort and well-being. The Heritage Valley Kennedy Cares Program (HVKCP) provides financial relief to underinsured or uninsured patients receiving non-elective care based on Federal Poverty Guidelines and established protocols for processing discounts, based on inability to pay, evidenced by a financial application and income validation documentation.

B. DEFINITION:

- **Indigent Care:**
Gross income equal to 100% or less than the Federal Poverty Guidelines (per Department of Community Health (DCH) definition) published each February in the Federal Register.
- **Family:**
A family is a group of two or more persons related by birth, marriage or adoption that lives together; all such related persons are considered as members of one family. For example, if an older married couple, their daughter and her husband and two (2) children and the older couple's nephew all live in the same house or apartment, they would all be considered members of a single family. An unmarried person living alone will be considered a family for purposes of this policy. This policy uses the "family" concept and will apply the poverty guidelines separately to each family within a household if the household includes more than one family unit.
- **Income & Assets:**
For purposes of determining financial eligibility under the Heritage Valley Kennedy Cares - Financial Assistance Program, income includes total annual cash receipts before taxes from all sources.

Income includes money wages and salaries before any deductions; net receipts from non-farm self-employment compensation, strike benefits from union funds, workers' compensation, veterans' payments, public assistance (including Aid to Families with Dependent Children or Temporary Assistance for Needy Families, Supplemental Assistance or General Relief money payments), and training stipends; alimony, child support and military family allotments or other regular support from any absent private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments; dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

- **Uninsured Patient:**

An individual who is uninsured, having no third-party coverage by a commercial third-party insurer; an ERISA plan; a Federal Health Care Program (including without limitation Medicare, Medicaid, SCHIP and CHAMPUS, Workers' Compensation, Medical Savings Accounts or other coverage for all or any part of the bill, including claims against third parties covered by insurance to which HVK is subrogated, but only if payment is actually made by such insurance company.

- **Federal Health Care Program**

Any Health Care Program operated or financed at least in part by the federal, state or local government.

- **Presumptive Financial Assistance**

Criteria for Presumptive determination – if a patient is unable to apply for Charity Care and/or provide required supporting documentation to make a routine determination of eligibility, the Predictive Analytics score will be used. If the Predictive Analytics score is 20XX or less (151-200% FPG) the patient will be reviewed for Charity Care assistance.

- **Heritage Valley Kennedy's Patient Financial Assistance Guidelines:**

Re-named Heritage Valley Kennedy Cares - Financial Assistance Program. Gross income in excess of 100% but no greater than 200% of Federal Poverty Guidelines per Department of Community Health (DCH) published each February in the Federal Register. Gross income between 0 - 200% will qualify for a 100% charity care adjustment. Gross income from 201% and 250% will receive an 80% discount off receivables. Gross income from 251% to 300% will receive a 70% discount off receivables. Gross income in excess of 300% receives no discount. Please refer to Appendix A.

Non-Emergency Room originated services

Gross income in excess of 100% but no greater than 200% of Federal Poverty Guidelines per Department of Community Health (DCH) published each February in the Federal Register. Gross income between 0 – 200% will qualify for a 100% charity care adjustment. Please refer to Appendix A.

- **Heritage Valley Kennedy’s Uninsured Patient Discount:**
Heritage Valley Kennedy will discount some amount, for a reason other than a patient’s ability to pay. Prompt pay discounts, courtesy allowances, etc. can all be classified as discounting practices.

Inpatient Services	Discounted to the Medicare allowed amount based upon DRG Reimbursements
Outpatient Services	22% of Gross Charges

C. RESTRICTION OF BENEFICIARIES

1. HVK will make medically necessary services available to individuals who cannot afford to pay.
2. The facility will adhere to the Protocols outlined in the Professional Discount Policies.
3. The facility will use discretion when HVKCP Uninsured Patient Financial Assistance program discounts are being reviewed and granted.
4. HVK Uninsured Patient Financial Assistance is applicable only to items and services defined as “covered items and services” in HVK’s benefit plan for medically necessary treatment. “Covered items and services” shall include at a minimum those items and services covered by Medicare from time to time.
5. Upon request, Uninsured Patients eligible for discounts described in this policy must complete an application for Medical Assistance participation or for coverage by other governmental payment programs.
6. Patients are not eligible to apply for the HVKCP if:
 - a) The patient has medical/health insurance, but fails to obtain pre-certification or seeks treatment at HVK when HVK is not the preferred provider.
 - b) Procedures are cosmetic or non-essential
 - c) The patient has been previously denied financial assistance or had their financial assistance terminated as a result of the patient’s use of false information or fraudulent actions.

D. ADMISSION AND ABILITY TO PAY

HVK believes that a community hospital provides a community benefit, not only by providing quality healthcare but also in providing emergency care to all patients regardless of their financial status. It is the policy of HVK to make a financial assistance program available to all qualified patients. HVK will follow the procedure outlined in the policy for making a determination. HVK will not arbitrarily restrict the provisions of health services to certain individuals or groups. HVK will post signage in patient registration areas containing a statement of existence of our obligation to

provide free and below cost care and of the mechanism for receiving such care. HVK will make available a written notice to each patient or their representative of the existence, criteria and mechanism for receiving such care. HVK will create and maintain records demonstrating that the required criteria and mechanism are established. HVK will record any and all requests for above or below cost care, the disposition and the dollar amount of HVKCP/Patient Financial Assistance Program provided. In all instances, patient confidentiality will be protected. In the event that there is an insurance policy with unpaid premiums, the hospital will assist in locating a charitable foundation that may assist with premium payments. This will help the patient, as it will offer a wider network of services for physician and discharge planning.

HVK maintains a separate Billing and Collections Policy, a free copy of which can be obtained by contacting the Patient Financial Assistance Office at 412-777-6161. The Billings & Collections Policy sets forth the actions that may be taken in the event of non-payment of amounts determined to be patient responsibility under this Policy.

E. FINANCIAL ELIGIBILITY

An individual notice of availability of the HVKCP Uninsured Patient Financial Assistance program will be made available to each patient or their representative prior to services being rendered, with the exception of emergency services. These notices shall be available in general areas of the Hospital and shall include the most current available “Family Income Guidelines” as published in the Federal Register.

Eligibility will be determined by comparing household family income against the income poverty guidelines. Income is defined as the total household annual cash receipts, from all sources.

HVKCP will be provided to uninsured patients receiving medically necessary care based on income and is outlined in this policy (Appendix A). It is the applicant’s responsibility to provide proof of income. After thorough review of the Financial Application and documented research through Medicaid eligibility denial or other means, the Director, Patient Financial Services or designee may waive supporting documentation when it is apparent that the patient/responsible party is unable to meet the requirement and clearly needs the HVKCP Uninsured Patient Financial Assistance Program.

F. PERFORMANCE STANDARDS

1. Completed applications for HVKCP Uninsured Patient Financial Assistance Program will be collected by the Financial Counselor or Patient Account Representative.
2. The Financial Counselor/Patient Account Representative will review the application for accuracy. Patient/guarantor contact will be made to collect any omitted information. Once completed, the application will be processed and/or referred to the Director, Patient Financial Services and/or their designee for evaluation.
3. The Financial Counselor/Patient Account Representative will maintain a Medicare

Charity Log for cost reporting purposes.

4. The Director, Patient Financial Services and/or the Internal Auditor/Corporate Compliance Officer may monitor HVKCP Uninsured Patient Financial Assistance Program eligibility on a monthly basis.

Exceptions:

HVK reserves the right to grant financial assistance discounts in extraordinary circumstances to uninsured patients who do not meet the guidelines stated above. It is recognized by the parties that there is a very small percent of the uninsured patient population which has very substantial assets and could easily afford to pay for health care, but whom, because of having tax exempt income or otherwise, will not have income reflected on a tax return.

Additionally, some providers who provide medically necessary or emergency care within HVK have patients who are not eligible to apply for financial assistance under this policy. A list of those providers can be found under Appendix B.

G. PERFORMANCE MEASUREMENT

1. The Director, Patient Financial Services will review the HVKCP Uninsured Patient Financial Assistance Program applications monthly. Information relative to cumulative fiscal year data will be compiled and reported to the Controller and/or their designee, on an as needed basis.
2. The Internal Auditor/Corporate Compliance Officer will randomly audit HVKCP Uninsured Patient Financial Assistance Program discounts applied on a quarterly basis.

H. PROCEDURE

Step 1 To determine eligibility the patient/guarantor must complete the Financial Assessment defined as the Heritage Valley Kennedy Cares Application Form and provide documentation to support the request. This application form and the Notice of Availability will be distributed in Patient Access areas.

Step 2 The Financial Counselor/Patient Account Representative will refer patients and/or guarantors to the vendor employed by HVK for other financial assistance programs such as Medical Assistance (Medicaid).

Step 3 The Financial Counselor/Patient Account Representative will identify patients that may qualify for HVKCP Uninsured Patient Financial Assistance Program relief as the direct result of job tasks and responsibilities.

The Financial Counselor/Patient Account Representative will conduct a private interview with the patient and/or guarantor to discuss the charity alternative and parameters.

Step 4 If the applicant being reviewed was approved as an indigent patient by Heritage Valley Kennedy Cares Program within the last six (6) months prior to the current review, he/she is considered indigent at the time of the current review. New income information is not required.

Step 5 The Financial Counselor/Patient Account Representative will distribute the HVKCP Uninsured Patient Financial Assistance Program application and assist in its completion, as necessary.

Proof of income will be requested from the patient/guarantor and may consist of the following:

1. The most recent IRS tax return and W-2
2. Three months copies of the applicant's most recent paychecks
3. Denial notice received from Medical Assistance
4. Social Security Administration notice of benefits
5. Bank Statements where the EFT is recorded.

Step 6 The Financial Counselor/Patient Account Representative will refer the completed HVKCP Uninsured Patient Financial Assistance Program Application and any/all attachments to the Director, Patient Financial Services or designee for review and handling. The Financial Counselor/Patient Account Representative will prepare an adjustment form to be attached to the application and attachments.

Step 7 Should an applicant be deceased; a copy of the death certificate must be attached to the application and documentation must be recorded on the Heritage Valley Kennedy Cares Application that efforts were made to verify income and estate information through a family member or other close associate of the deceased patient. If the deceased patient/individual has no estate, the account will be considered an Indigent-Uninsured/Heritage Valley Kennedy Cares Program account.

Step 8 The Financial Counselor/Patient Account Representative will maintain a detailed Charity Care log of all patients. A separate log for Medicare patients will be maintained for Cost Report purposes.

Step 9 All documentation and information requested within this policy must be submitted in its entirety and the application signed by the patient/guarantor, in order for an application to be complete.

Step 10 The Financial Counselor/Patient Account Representative will enter comments that convey any and all actions taken in the notes feature of the hospital computer system.

Step 11 The Director, Patient Financial Services or designee will determine the OVCP Uninsured Patient Financial Assistance Program eligibility based on federal poverty guidelines attached (Appendix A).

Step 12 Based on the eligibility status results, the Financial Counselor/Patient Account Representative:

Eligibility Approved:

1. Will communicate the approval with the patient/guarantor within ten (10) business days following completion of the application process.
 2. Will record a written comment to the patient's account explaining all actions.
 3. Will review the completed adjustment form for the appropriate discount amount and adjustment code.
 4. Will have the form approved by the Director, Patient Financial Services on the appropriate line of HVKCP/uninsured charity program for discounts of \$4,999.00 or less.
 5. Will refer the form for authorization to the Controller and/or the Chief Financial Officer for balances that are \$5,000 or greater.
 6. The duly executed adjustment form will be cleared for entry into the Meditech system.
 7. Will retain documentation and records according to the HVK retention policy.
 8. Will maintain the charity file according to the PFS retention policy.

Eligibility Denied:

1. Will communicate the denial with the patient/guarantor within ten (10) business days following completion of the application process.
 2. Will record a written comment to the patient account explaining all actions.
 3. Will file all documentation and determinations in a separate file.
 4. Will maintain the charity file according to the HVK and PFS retention policy.

APPENDIX A

2018						
Poverty Guidelines for the 48 Contiguous States and the District of Columbia						
Family Size	Poverty Guidelines	To Qualify for 100% Assistance		To Qualify for 80% Assistance		To Qualify for 70% Assistance
		200%		250%		300%
1	\$12,140	\$24,280	-	\$30,350	-	\$36,420
2	\$16,460	\$32,920	-	\$41,150	-	\$49,380
3	\$20,780	\$41,560	-	\$51,950	-	\$62,340
4	\$25,100	\$50,200	-	\$62,750	-	\$75,300
5	\$29,420	\$58,840	-	\$73,550	-	\$88,260
6	\$33,740	\$67,480	-	\$84,350	-	\$101,220
7	\$38,060	\$76,120	-	\$95,150	-	\$114,180
8	\$42,380	\$84,760	-	\$105,950	-	\$127,140

For family units with more than (8) members, add \$4,320 for each additional member.

APPENDIX B

List of Physician Provider Groups Not Covered Under Hospital Financial Assistance Policy:

Brighton Radiology Associates, P.C.

University of Pittsburgh, Dept. of
Emergency Medicine

JSO Associates in Pathology and
Laboratory Medicine, Ltd.

Washington Healthcare Strategies, Inc.

Alternate Procedure (Presumptive)

- Step 1.** Self Pay accounts and self pay balances after insurance that were transferred to an outside vendor acting as an extension of the Heritage Valley Kennedy Business Office will be processed through a Presumptive Charity Care analysis tool to determine eligibility for charity care based on Heritage Valley Kennedy's guidelines and in accordance with Form 990 Schedule H language.
- Step 2.** The file received from the outside vendor containing the "charity score" will be reviewed by the Director, Patient Financial Services to determine those accounts qualifying for a charity discount. All qualified accounts will be adjusted to the charity care write off. Account scored as falling at or below 200% of the then current federal poverty guidelines will be reviewed for the charity discount.
- Step 3.** Each account qualifying for the charity discount will be noted in the Hospital computer system.
- Step 4.** The charity score file will be retained in accordance with the Patient Financial Services retention policy.

Committee Name: N/A

Approval Date: N/A

Board Approval: April 24, 2018

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