

**CALVERT MEMORIAL HOSPITAL
PRINCE FREDERICK, MARYLAND 20678**

POLICY AND PROCEDURE: BD 9 EFFECTIVE: 6/27/88

FINANCIAL ASSISTANCE

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.

II. SCOPE

This policy applies to all patients of Calvert Memorial Hospital for all medically necessary services ordered by a physician.

III. POLICIES

• **Provision of Financial Assistance**

CMH recognizes that the provisions of Federal Anti-Kickback Laws may be violated when an organization forgives financial obligations for reasons other than genuine financial hardship because this could be interpreted as unlawfully inducing the patient to request the provision of medical services. Therefore, financial assistance will be provided to patients solely based upon the patient's ability to obtain assistance through appropriate agencies (i.e. appropriate Department of Social Services), and the patient's ability to pay. CMH also recognizes that as a not-for-profit hospital, part of its mission is to provide appropriate and high quality medical care, within the resources available, to members of its community regardless of the patient's ability to pay.

• **Financial Advocacy**

The Hospital supports financial advocacy for patients through the role of the Financial Advocate. The Financial Advocate's role is to:

- Interview and assess the financial needs of our patients
- Review the patient's financial and medical status against the eligibility criteria for Medical Assistance for a possible referral
- Assist the patient in setting up the initial appointment with a Department of Social Services' caseworker
- Assist the patient in completing the financial assistance application
- Identify for the patient the documentation requirements for Medical Assistance or the Hospital's Financial Assistance Program
- Refer patients to the Pharmacy Assistance Program, Medbank Program, Calvert Healthcare Solutions, and other local agencies as appropriate.

- **Elective Services**

Patients requesting elective medical services may, through consultation with their physician, have their procedure postponed until such time the patient is able to meet the established deposit. Elective procedure patients, who, according to their diagnosis and/or physician, cannot be postponed, will be helped with obtaining assistance from appropriate agencies. If no community assistance is available, and the patient requests consideration for financial assistance, the patient's account will be reviewed against the financial assistance criteria.

Cosmetic surgery is ineligible for financial assistance due to the fact that it is not medically necessary.

- **Obligation to Apply for Assistance through Appropriate Agencies**

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.

A patient who may qualify for Medical Assistance from the State of Maryland may apply simultaneously for Medical Assistance and for Financial Assistance from the Hospital.

- **Hospital Financial Assistance Guidelines**

The Financial Assistance Program is available to assist both self-pay patients and those patients with insurance to assist these patients with co-insurance, deductibles, and co-payments. Financial assistance guidelines for charity care write-offs are based upon Federal Poverty Guidelines (published each February in the Federal Register). In general, patients with annual income up to 175% of the Federal Poverty Level may have 100% of their medical bill written off as charity care if they meet all of the financial assistance guidelines. Patients with annual income from 176% to 230% of the Federal Poverty Level are able to have a portion of their medical bill written off as charity care, based upon a sliding fee schedule, if they meet all of the financial assistance guidelines.

PROCEDURE

- 1) The Financial Advocate or designee shall attempt to interview all identified self-pay inpatients. The Maryland State Uniform Financial Assistance Application must be completed by the patient or the patient's representative. The Financial Advocate 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.

- 2) If a determination is made that the patient is not eligible for financial assistance then normal collection efforts should be pursued. Payment plans are encouraged if the patient is unable to pay the entire medical bill at once.
- 3) Any hospital employee may refer a patient to the Financial Advocate once they become aware that the patient has financial need.
- 4) The Financial Assistance Program is to be promoted to the public through the following methods: 1) information on the financial assistance program is included in the patient handbook, 2) a Patient Notice of Financial Assistance is provided to each patient at the time of registration, 3) patients are provided with a financial communications brochure which educates patients about their financial responsibilities, the potential financial obligation they may incur, their obligations for completing eligibility documentation, and the hospital's bill collection policies , 4) a financial assistance information packet is provided to each active medical staff member of the Hospital, 5) education of hospital staff about the charity care program, 6) signage located in registration areas, 7) notice on all bills that financial assistance is available for patients who meet certain income and asset criteria , 8) an annual notice in a local newspaper, and 9) the enhancement of the Calvert Memorial Hospital's website to communicate to the community the availability for financial assistance if certain income and asset criteria are met.
- 5) In order to be eligible for financial assistance, patients must complete a financial assistance application and provide all required documentation. The Financial Advocate may assist the patient to complete this application. 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 Advocate 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 seven days of completing the Financial Assistance Application; otherwise, normal collection processes will be followed.
- 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 fails to pay the sliding scale co-payments as required by the financial assistance program, c) the patient refuses to be screened for other assistance programs before screening for the Financial Assistance Program, and d) the patient falsifies the financial assistance application.

7) Upon receipt of the financial assistance application, along with all required documentation, the Financial Advocate 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 Supervisor of Financial Services. A letter will be sent to all patients who fail to meet 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 Manager of Financial Services to determine if financial assistance will be provided.
- C) Once the patient has provided the required documentation to prove financial need, the Financial Advocate 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. This evaluation of the application should be completed within two business days. If the Financial Advocate or designee believes the application meets the above guidelines, the Financial Advocate 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 of Financial Services (up to \$1,500)
 - ii) Director of Patient Accounting (up to \$3,000)
 - iii) Vice President of Finance (\$3,000 to \$9,000)
 - iv) Vice President of Finance & President & CEO (\$9,000 and over)

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.

- D) A special exception for financial assistance may be considered in circumstances where the patient is over the income scale if the patient has a significant medical debt to the hospital and has no net assets. Any special exceptions must have the approval of the President and CEO.

- E) Once a financial assistance application has been approved, all medical services provided three months prior to the approval date may be included in the charity care adjustment upon written request by the patient/guarantor. The initial eligibility period is six (6) months. Each patient will have to reapply at the end of each six-month period in order to continue in the financial assistance program. If there is a change in financial circumstances during the initial or subsequent six-month period such as income or family status, an updated or new application must be completed.
- F) All financial assistance applications along with all supporting documentation should be kept in accordance with the hospital's record retention policy, currently a minimum of 5 years.
- G) The Financial Advocate will keep a database of all financial assistance applications. This database will include the following information:
 - a. Patient Account Number
 - b. Determination of eligibility
 - c. Income
 - d. Family size
 - e. Approved charity care adjustment
 - f. For denied accounts, reason for denial
 - g. Zipcode
 - h. Account Type (Hospital Service)

Original: 6/27/88
Reviewed/Revised

7/93; 6/96, 4/99, 8/02; 8/03; 10/04; 1/08

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 year's Federal Tax Return
- 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