

# COXHEALTH

## **SYSTEM POLICY – Finance**

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**TITLE: Financial Assistance Policy Procedure**

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**APPROVED BY: Jake McWay, Sr. VP & Chief Financial Officer**

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### **PURPOSE:**

CoxHealth is committed to providing exceptional health care services to all persons in need, regardless of their ability to pay. Through its Financial Assistance Policy (FAP), CoxHealth is able to further its charitable purpose and to serve the most vulnerable in its community by providing care without charge or at significantly reduced rates.

### **POLICY:**

The purpose of CoxHealth’s FAP is intended solely for the benefit of Indigent patients and any acceptable Guarantors for debts incurred due to Emergency Services and Medically Necessary Services. The FAP is not to be construed to benefit third parties such as insurance companies or others who are obligated for a patient’s health care expenses. The FAP is also meant to comply with Section 501(r) of the Internal Revenue Code and the regulations promulgated thereunder and shall be interpreted and applied in accordance with such regulations. The FAP has been adopted by the governing body of CoxHealth in accordance with the regulations under Section 501(r).

This internal Department Procedure (“Procedure”) sets forth the categories of Financial Assistance available at CoxHealth, the process for applying for Financial Assistance and how CoxHealth determines eligibility for Financial Assistance. CoxHealth may in its sole discretion revise the procedures set forth in this Procedure.

### **SCOPE:**

The FAP and this Procedure apply to all CoxHealth hospitals and physician clinics set forth on **Schedule 3** of the FAP (collectively “CoxHealth”).

### **DEFINITIONS:**

- 1. “CoxHealth Financial Assistance Income and Discount Schedule” (“Discount Schedule”)** sets forth the discounts available to Indigent patients and Uninsured patients (See **Schedule 2** of the FAP). The Discount Schedule will be updated at least annually within sixty (60) days of publication of the updated Federal Poverty Guidelines.

2. **“Emergency Services”** means care provided by a hospital for emergency medical conditions as defined in CoxHealth’s Emergency Medical Treatment and Active Labor Act (EMTALA) Policy.
3. **“Family Income”** means a family’s annual income as determined by calculating the following sources of income for all qualifying household members: wages, salaries, tips, unemployment compensation, workers’ compensation, Social Security, Supplemental Security Income, public assistance, veterans’ payments, survivor benefits, pension or retirement income, dividends and interests, rent and royalties, alimony, child support, legal judgments, trust funds, and charitable foundations, etc. Income does not include assets, such as matured certificates of deposit, mutual funds, bonds or other easily convertible investments that can be cashed without penalty, cash, bank accounts and money markets accounts. Income is determined on a before tax basis. Items that are not considered in determining income include non-cash benefits (such as food stamps and housing subsidies), capital gains, and losses. For services provided by NHSC sites, Family income does not include assets. For non-NHSC sites, financial determination may include both income and assets for determining eligibility for financial assistance.
4. **“Federal Health Care Program”** means any health care program operated or financed at least in part by the federal, state, or local government, including but not limited to Medicare, Medicaid, SCHIP, Healthcare Exchange Insurance, and Tricare (CHAMPUS).
5. **“Federal Poverty Guidelines”** means those guidelines issued by the United States Department of Health and Human Services from time to time that describe poverty levels in the United States based on a person or family’s household income. The Federal Poverty Guidelines (“FPL”) are adjusted according to inflation and published in the Federal Register. For the purposes of this Procedure, the most current guidelines will be utilized.
6. **“Financial Assistance”** is the provision of health care services offered at a discount to individuals who meet CoxHealth’s established Financial Assistance criteria.
7. **“Guarantor”** means the patient him/herself, parent or guardian, or other person who guarantees the payment of a debt incurred by the patient receiving Emergency Services or Medically Necessary Services at CoxHealth. Guarantor also includes any community or communal-living funds or assets that are available to satisfy all or a portion of a debt incurred by the patient.
8. **“Indigent”** is defined as 1) an Uninsured patient whose Family Income falls at or below 300% of the FPL (not to exceed \$100,000) (See **Schedule 2** of the FAP), 2) an Underinsured patient for services received at a NHSC Site when the patient’s Family Income falls at or below 200% of the FPL or 3) a patient who is eligible for/enrolled in Medicaid.
9. **“Insured”** means an individual who has third-party coverage by a commercial insurer, an ERISA plan, a Federal Health Care Program, Worker’s Compensation, Medical Savings Accounts or other coverage for all or part of his or her medical bills.
10. **“Medical Hardship”** means persons who may or may not have insurance who have suffered a catastrophic medical event and have incurred medical expenses, which would threaten the household financial viability. Qualifying for a Medical Hardship does not require qualification as Indigent. Generally, persons with a Medical Hardship qualify for reductions in their obligations to pay for Emergency Services and Medically Necessary Services rendered. Medical Hardship Financial Assistance considers the patient’s ability

to pay without liquidating assets critical to living or earning a living, such as home, car personal belongings, etc. All patients, whether insured or not, are eligible to be considered for Medical Hardship Assistance.

**11. “Medically Necessary Services”** are services or supplies needed for the diagnosis or treatment of a patient’s medical condition and are not used primarily for convenience and are not considered an experimental or an excessive form of treatment. If there is any question as to whether a service is a Medically Necessary Service, the ordering physician is responsible for making that determination.

**12. “NHSC Site”** means a CoxHealth location that participates in any of the National Health Service Corps programs.

**13. “Service Area”** means the geographic area served by CoxHealth. This area has been defined to include the following counties in southwest Missouri: Barry, Barton, Cedar, Christian, Dade, Dallas, Douglas, Greene, Hickory, Howell, Jasper, Laclede, Lawrence, Newton, Ozark, Polk, Pulaski, Stone, Taney, Texas, Vernon, Webster, and Wright. The following counties in northwest Arkansas are also included: Baxter, Boone and Carroll.

**14. “Underinsured”** means a patient who is insured, but whose Family Income falls at or below 200% of FPL.

**15. “Uninsured”** means a patient who is not insured and who otherwise has no third-party assistance available to meet or assist with his/her payment obligations.

## **Types of Financial Assistance**

**1. Indigent Discount** - - an Indigent patient who does not qualify for Medicaid will receive the applicable discounts set forth on the Discount Schedule. For Indigent patients earning at or below 100% of FPL a nominal fee will be charged (“Nominal Fee”). For purposes of clarification, the Indigent Discount applies to patients receiving hospital or clinic services whose Family Income is at or below 300% FPL (not to exceed \$100,000). In addition, the Indigent Discount applies to patients who are enrolled in/eligible for Medicaid at a 100% discount. For NHSC sites, Medicaid eligibility or a Medicaid denial letter is not required prior to receiving Financial Assistance.

**2. Uninsured Discount** - Any Uninsured patient that does not qualify for the Indigent Discount or does not participate in the Financial Assistance application process and receives care at a CoxHealth hospital shall not be charged more than the amounts generally billed (“AGB”) for the applicable hospital facility providing service (See **Schedule 1** of the FAP). For purposes of clarification, the Self-Pay Discount applies to Uninsured patients receiving hospital services only (no clinic services are eligible) whose Family Income exceeds 300% FPL (or \$100,000).

## **PROCEDURE:**

### **A. Eligibility**

1. Eligibility determinations will be made based on CoxHealth's Financial Assistance Policy and an assessment of a patient's financial need.
2. Patients who qualify for Financial Assistance shall be identified as soon as possible, either before or after care is provided.
3. Generally, a patient is eligible for Financial Assistance if he:
  - a. receives Emergency Services or Medically Necessary Services;
  - b. resides in the Service Area (Hospital only, not applicable to NHSC sites);
  - c. completes a Financial Assistance application within two hundred forty (240) days after receiving an initial bill; and
  - d. is, or is deemed to be, Indigent, or
  - e. is Uninsured but not Indigent.

**B. Dissemination of Eligibility Information**

1. Patients who appear to be Uninsured, and those Uninsured who indicate their inability to pay for Emergency Services or Medically Necessary Services shall receive:
  - a. A packet of information that describes the Financial Assistance available and relevant procedures, including an application for Financial Assistance, and/or,
  - b. Financial counseling, including an application for Financial Assistance.
2. Notification regarding CoxHealth's Financial Assistance shall also be disseminated, free of charge, by CoxHealth through various means, including those set forth in the FAP.
3. CoxHealth's Financial Assistance Policy, including discount schedules shall be located on the CoxHealth website.
4. In order to allow CoxHealth to properly determine Financial Assistance eligibility, documents provided to patients by CoxHealth shall be translated into numerous languages spoken by the population serviced by CoxHealth, and translation assistance will be provided as needed.
5. Referral of patients for Financial Assistance may be made by any member of the CoxHealth staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors.
6. A request for Financial Assistance may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

**C. Eligibility Methodology**

1. To be eligible for Financial Assistance, Guarantors must demonstrate that they reside within the CoxHealth Service Area.
  - a. Guarantors residing outside of the Service Area may be eligible for Financial Assistance for Emergency Services as well as Medically Necessary Services, but in the case of Medically Necessary Services, only as determined by CoxHealth in its sole discretion. This section shall not apply for applications being made for services provided by a NHSC site.
2. All available financial resources shall be evaluated before a determination regarding Financial Assistance is made.
  - a. CoxHealth shall consider the financial resources of the patient, as well as other persons having legal responsibility to provide for the patient (e.g. parent of a minor, spouse). For NHSC sites, eligibility is based on Family Income and size only.
3. The patient/Guarantor shall be required to provide information sufficient for CoxHealth to determine whether he or she is eligible for benefits available from Federal Health Care Programs. This section shall not apply for applications being made for services provided by a NHSC Site.
4. If in the course of evaluating the patient's financial circumstances it is determined by CoxHealth that the patient may qualify for Federal Health Care Programs, financial counseling will be provided to assist patients in applying for available coverage.
  - a. Financial Assistance will be denied to patients/Guarantors who do not cooperate fully in applying for available coverage. This section shall not apply for applications being made for services provided by a NHSC Site.
5. If a patient has a claim (or potential claim) against a third party from which the hospital's bill may be paid, the hospital will defer its Financial Assistance determination-pending disposition of the third party claim.
6. Patients who are eligible for/enrolled in Medicaid who receive Emergency Services or Medically Necessary Services that are not covered by Medicaid are automatically eligible for a 100% discount; however some services may require a co-pay or Nominal Fee (hereinafter defined) (i.e. outpatient therapy).
  - a. Medicaid patients are not required to complete the application process for these services because verification of Medicaid eligibility confirms their eligibility for Financial Assistance.
7. Copies of documents to substantiate residence in the Service Area and income levels and assets shall be provided by the patient/Guarantor (See **Schedule 5** of the FAP) Documents that are altered will not be accepted. Assets will not be required for applications for financial assistance for services provided by a NHSC Site.
8. Failure to cooperate with the application requirements may result in ineligibility for Financial Assistance.

9. Charges for any elective or cosmetic procedures or services are not eligible for Financial Assistance.
10. All information obtained from patients and Guarantors shall be treated as confidential to the extent required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
11. Eligibility for Financial Assistance expires at the earlier of the following events:
  - a. Six (6) months from the date of Financial Assistance determination; or
  - b. Change in the Guarantor's financial circumstances (i.e., ability to pay, eligibility to participate in Federal Health Care Programs that would otherwise affect Guarantor's ability to receive Financial Assistance or the amount of Financial Assistance granted).

#### **D. Determination Review and Re-Determination**

1. **Determination Review:**
  - a. Patients/Guarantors shall be notified in writing when CoxHealth makes a determination concerning Financial Assistance.
  - b. Determinations of Financial Assistance eligibility will usually be made within ten (10) to fifteen (15) days, but not more than thirty (30) days from receipt of the completed Financial Assistance application, unless the application is incomplete.
  - c. If an incomplete application is received by CoxHealth the patient is sent a correspondence from a financial counselor which confirms the application was received and additional documentation is required in order to determine if the patient is eligible.
    - i. If the patient does not supply the information within thirty (30) days, the patient may be denied Financial Assistance.
    - ii. The patient/Guarantor may reapply for Financial Assistance for future Emergency Services and Medically Necessary Services.
  - d. In the event CoxHealth determines that a patient is ineligible for Financial Assistance or the patient is dissatisfied with the amount of discount, the patient may appeal that decision in writing to the System Director of Admissions and Central Access or the Patient Financial Services Director within thirty (30) days following receipt of the bill for which financial assistance has been requested.
    - i. Failure to so appeal will result in the decision becoming final.

- ii. The determination of the System Director of Admissions and Preadmission Services or the Patient Financial Services Director shall not be subject to further appeal.

2. **Re-Determination:**

- a. Patients/Guarantors must submit new or updated documentation every six (6) months.
- b. Any material change in the patient's/Guarantor's family size, income, or ability to pay will warrant a redetermination of the Financial Assistance award.
- c. Redeterminations can increase or decrease the amount of Financial Assistance previously awarded. Such redeterminations may take place at any time, including each six (6) month review of determination or upon notification of material change in the patient's/Guarantor's income or ability to pay.

**E. Billing and Collection**

1. **Billing:** Once eligibility for Financial Assistance is approved, CoxHealth will apply the applicable discount described in the Discount Schedule and/or this procedure. Any balance due by the Guarantor will be reviewed to ensure it is less than the applicable AGB percentage. If the balance due is more than the AGB allowable amount, an additional discount will be applied to the balance to reduce it so that it does not exceed the applicable AGB.

- a. **Actions in the event of non-payment:** If a bill is outstanding one hundred twenty (120) days or more, CoxHealth will take action as set forth in its Collection Policy (See **Schedule 6** of the FAP).

2. **Record Keeping:** CoxHealth will maintain copies of all applications and the associated working documents in the patient's billing file in order to meet internal and external compliance requirements. Such documentation may include a copy of determination letters from Medicaid (where applicable) or notice of ineligibility from a certified application counselor, financial counselor, or eligibility vendor; copies of paycheck stubs; financial records such as tax returns or other documents demonstrating financial need and all correspondence between CoxHealth and the Guarantor pertaining to the Guarantor's debt.

3. **Regulatory Requirements:** In implementing the FAP and this Procedure, CoxHealth shall comply with all applicable federal, state, and local laws, rules and regulations.

**F. Other Assistance Not Included in the FAP**

1. **Medical Hardship**

- a. The CoxHealth Senior VP and Chief Financial Officer, Director of Admissions and Central Access and Director of Patient Financial Services have the authority to evaluate information related to patient accounts that do not clearly qualify under Financial Assistance eligibility criteria to determine whether a discount is appropriate under the circumstances.
  - b. CoxHealth shall make a decision about a patient/guarantor's Medical Hardship by reviewing the Financial Assistance application, including accompanying financial documentation, in addition to other relevant documentation that supports the Medical Hardship of the patient. The following are examples of such documentation:
    - i. Copies of all patient/guarantor medical bills;
    - ii. Information related to patient/guarantor drug costs;
    - iii. Information demonstrating multiple instances of high-dollar patient medical liabilities; and
    - iv. Other evidence of high-dollar amounts related to health care costs, such as documentation that an HSA that has been fully expended.
2. **Commerce Loan:** Any Uninsured patient with a balance equal to or greater than Five Hundred Dollars (\$500.00) may obtain an interest-free loan from Commerce Bank. Additional information is available from financial assistance counselors.
3. **Clinic Uninsured Discount:** If an Uninsured patient receives clinic services at Ferrell Duncan Clinic, Springfield Neurological or CoxHealth Regional Services and does not qualify for the Indigent Discount, a discount may be available. Additional information is available from financial assistance counselors.

**EDUCATION:**

All registration, financial counseling and PFS staff from the CoxHealth Hospital and CMG will be assigned semi-annual education through Healthstream.

**REFERENCES/DOCUMENTS:**

- Schedule 1 Amounts Generally Billed
- Schedule 2 CoxHealth Financial Assistance Income and Discount Schedule
- Schedule 3 Covered Providers
- Schedule 4 Non-Covered Providers
- Schedule 5 Application for Financial Assistance
- Schedule 6 Collection Policy
- Full FAP
- Plain Language FAP Version
- Process Flow Presumptive Charity for OP Therapy
- FAP Education