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Subject: Self-Pay Collections

POLICY: Financial Assistance Program

Approved By: Rassoul Rangaviz, Chief Financial Officer

Subsidiaries: Copley Hospital Copley Woodlands Copley Terrace Health Center Building

Department(s): Patient Financial Services

POLICY STATEMENT:

Copley Hospital is committed to providing quality health care to everyone in need, regardless of their ability to pay. Copley Hospital may grant financial assistance for medically necessary health care services provided to patients/guarantors who identify themselves as unable to pay all or part of their Copley Hospital bills due to financial hardship. Eligibility for the Financial Assistance Program will be determined based upon the Federal Poverty Level Guidelines and the applicant's confidential disclosure of financial information related to household income and assets and supporting documentation.

POLICY PROVISIONS:

Communication:

Copley Hospital will pursue every opportunity to inform its patients of the existence of the Financial Assistance Program and encourage patients/guarantors to submit an application for assistance if paying a Copley Hospital bill may create an undue financial hardship. This includes advising patients of the Financial Assistance Program in the following ways:

- Signage and/or brochures will be located in registration areas, written in plain language
- Copley Hospital's website will include a page related to the Financial Assistance Program, written in plain language, and an electronic copy of the policy and application.
- Patients presenting without insurance will be informed of the Financial Assistance Program and provided a copy of the application form during the registration and/or admissions process.
- Each billing statement sent to the patient/guarantor will advise the guarantor of the Financial Assistance Program, contact information for financial counseling, and contain a short form that can be submitted to initiate the application process.
- Patient Account Representatives will advise patients/guarantors of the Financial Assistance Program during the course of normal collections activities should a patient/guarantor indicate that they cannot afford their medical bills or cannot afford payment arrangement terms in accordance with the Payment Arrangements Policy (See also Patient/Guarantor Billings & Collection Policy).

Application Process & Requirements:

Patients/guarantors can apply for financial assistance by submitting a complete application with all required documentation to the Patient Financial Services department in person or via mail.

An application for Financial Assistance can be submitted any time from the date that care is provided through the 240th day after the patient/guarantor receives the first post-discharge billing statement (the “application period”). In order to determine eligibility for financial assistance, patients/guarantors must submit a complete application. An application is considered to be complete if all questions are answered completely, the application is signed and dated by applicant(s), and all required supporting documentation is attached. Assistance will be provided by a financial counselor upon request for any applicants that need assistance due to limited English proficiency or would like assistance for any other reason.

Documentation required to be submitted along with the completed application will depend upon the household’s financial circumstances, and may include, but not be limited to, the following items:

- Copy of most recently filed federal income tax return, including all forms and schedules, related to each member of the household.
- Proof of household income to be submitted will depend upon the various sources of household income. See the Financial Assistance Application for details of what supporting documentation is required for each type of income.
- Copy of most recent bank statements for all checking and/or savings accounts.
- Copy of most recent bank or broker statements related to any stocks, bonds, mutual funds, money market accounts, CD’s, trusts, annuities, etc.
- Documentation supporting the current value of certain household assets as applicable. See the Financial Assistance Application for details of which household assets must be supported and what documentation is required for each type of asset.

Upon receipt of an application during the application period defined above, patient accounts related to all members of the household with outstanding balances in good standing (less than 120 days outstanding) will be placed on hold during the application review process. Accounts placed on hold will not receive statements or collection phone calls. If the application is found to be incomplete, the applicant will be notified by telephone, in addition to a written notice in the mail, to communicate what required elements are missing. The applicant must submit the required information within 10 business days or the account hold will be released and the collections cycle will continue (see Patient/Guarantor Billings & Collection Policy).

Upon receipt of a complete application, a determination of eligibility for or denial of financial assistance will be communicated to the applicant in writing within 15 business days of receipt of the complete application.

If an application is received during the application period, defined above, related to a patient account in bad debt status, and the patient is determined to be eligible for Copley’s Financial

Assistance Program, Copley will take all reasonably available measures to reverse any extraordinary collection actions such as lift any liens or remove adverse information on credit reports.

Eligibility Requirements:

Not all applicants or medical services are eligible for financial assistance from Copley Hospital. The following criteria must be met to be eligible for financial assistance:

Residency:

The applicant must be a full-time resident of Vermont, or must reside in Vermont for more than the last consecutive 6 months. Proof of residency may be requested of the applicant during the application screening process. Applicants that do not meet this residency requirement may be considered for financial assistance for emergency services only.

Medical Services:

Medical services eligible for financial assistance must meet the following criteria:

- Medical Services must be deemed medically necessary essential health care services. Determination of medical necessity will be based on generally accepted standards of medicine in the community, or may be determined by the attending physician to take into account all the relevant facts and circumstances.
- Services were provided by Copley Hospital within the applicable term period covered by financial assistance (see details below regarding the term of financial assistance)
- Services that have been denied by insurance due to the patient's non-compliance with the requirements of the patient's plan are not considered eligible for financial assistance.
- Services reimbursed directly to the patient/guarantor by the insurance carrier or covered by another third party.
- Services must be provided and billed by Copley Hospital or its employed providers, including the providers in the Mansfield Orthopaedics practice, The Women's Center, the Urology Clinic, Cardiology Clinic, and General Surgery Clinic. Copley Hospital's Financial Assistance does not cover services rendered by Apogee Hospitalists, Vermont Radiology Radiologist, The Manor, Copley Professional Services Group d/b/a Community Health Services of Lamoille Valley, or other providers not owned or operated by Copley Hospital.

Other Payment Sources:

Copley Hospital will work with the applicant to identify other potential sources of payment for their medical bills. If the Hospital identifies a potential alternative payment source, such as one of Vermont's Green Mountain Care programs, the applicant will be expected to cooperate with the Hospital to determine eligibility for that program. Failure to cooperate with applying for alternative sources of payment will be considered a voluntary withdrawal of the application for assistance from Copley Hospital.

Financial:

To be eligible for financial assistance from Copley Hospital, the applicant's household income and assets, or resources, should be at or below the following guidelines.

Assets/Resources:

Household assets, or resources, must be below 400% of the Federal Poverty Level Guidelines (FPLG), as adjusted for household size. Certain assets or resources are excluded from consideration, such as the applicant's primary residence, non-recreational vehicles, retirement assets, cash surrender value of life insurance policies, and burial funds.

Income:

Household income must be at or below 400% of the Federal Poverty Level Guidelines (FPLG), as adjusted for household size. Household income includes the following:

- Money from wages and salaries before deductions.
- Net income from self-employment after deductions (excluding depreciation) for business expenses.
- Payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, disability benefits, and veterans benefits.
- Public assistance payments including Aid to Families with Dependent Children, Supplemental Security Income (SSI), and General Assistance money payments.
- Alimony, child support, military family allotments, and/or other regular support from an absent family member or someone not living in the household.
- Private pensions, government employee pensions, and regular insurance or annuity payments.
- Dividends, interest, rents, royalties, or periodic receipts from estates or trusts.
- Net gambling or lottery winnings.

Household income does not include the following:

- Capital gains.
- Liquid assets, including withdrawals from a bank or proceeds from the sale of property.
- Tax refunds.
- Gifts, loans, and lump-sum inheritances.
- One-time insurance payment or other one-time compensation for injury.

Amount of Financial Assistance

The amount of financial assistance granted to eligible patients is determined on a sliding scale based on the household income. Free care is granted to eligible patients whose household income is at or below 300% of the Federal Poverty Level Guidelines (FPLG). Discounted care is granted to eligible patients whose household income is between 300% and 400% of the FPLG.

Following is a table summarizing the amount of the discount granted to eligible patients based on the FPLG:

FPLG	Up to 300%	301%- 350%	351%- 400%
Discount	100%	75%	50%

By applying the financial assistance discount, Copley ensures that no eligible patients under Copley's financial assistance program will be charged more than the amounts generally billed to patients who have insurance since the most an eligible patient will be charged is 50% of gross charges. Amounts generally billed to patients that have insurance is determined at least annually based on actual past claims allowed by all private insurers plus claims allowed under the Medicare fee-for-service program. More information on amounts generally billed is available upon request.

Term of Financial Assistance:

Each eligibility determination for financial assistance, whether approved or denied, is effective for a period of 6 months following the date of the determination letter, referred to as the termination date.

The awarded level of financial assistance for first-time recipients will be applied to eligible medical services, as defined above, that were billed to the recipient during the 8 months preceding the date of receipt of a complete application and will be automatically applied to any eligible medical services received up through the termination date communicated in the determination letter sent to the recipient.

Subsequent to the termination of the initial determination for financial assistance, a recipient may re-apply for assistance if they continue to claim financial hardship by submitting a complete application with updated information and supporting documentation. If approved, the awarded level of financial assistance will be applied to eligible services received since the termination of the last award, up to a maximum of 8 months preceding the date of receipt of the complete re-application.

Review and Approval of Financial Assistance Applications:

All financial assistance applications, supporting documentation, and summary of eligibility determination prepared by the Financial Counselor will be reviewed and approved by the Billing & Collections Manager and/or the Director of the Revenue Cycle. Applications for eligible recipients whose awarded assistance will be greater than \$5,000 will also be reviewed and approved by the Chief Financial Officer.

Account balances to be adjusted for award of financial assistance require the following review and approval based on the dollar amount of the adjustment:

- Up to \$500 – approved by the Financial Counselor
- Up to \$5,000 – approved by the Billing Manager and/or Director of the Revenue Cycle
- Over \$5,000 – approved by the Chief Financial Officer

REFERENCES:

Patient/Guarantor Billings & Collection Policy
Payment Arrangements Policy
Financial Assistance Application Form