HCA REVIEW OF NMC’S FINANCIAL ASSISTANCE POLICY (FAP)

1. FEDERAL REQUIREMENTS FOR A NONPROFIT HOSPITAL FAP

The Code of Federal Regulations specifies the various requirements of a nonprofit hospital’s FAP. We evaluated your hospital’s FAP to determine whether it is consistent with 11 of the FAP minimum requirements:

1. The FAP must be written.
2. The FAP must state that it applies to emergency and medically necessary care.
3. The FAP must list all levels of financial assistance the hospital offers and the eligibility criteria for financial assistance (at each level).
4. The FAP must state how patients can apply for financial assistance.
5. The FAP must make clear that patients eligible for financial assistance may not be charged more than the “amount generally billed” (AGB) to an insured patient and detail how the AGB is calculated.
6. The FAP must describe potential collection steps that the hospital will take to collect on an overdue bill including time frames and collection processes or have a separate billing and collections policy that states this information.
7. The FAP must include a listing of, or link to, providers whose services are covered by the FAP and those that are not.
8. The FAP must provide the contact information for a person(s) that patients can speak with if they need assistance applying for financial assistance or understanding the FAP. The contact information must include the physical location and telephone number of the hospital department or office that can provide additional information about the FAP.
9. There must be a plain language summary of the FAP.
10. The FAP and the plain language summary must be widely available as defined by the applicable regulations.
11. The FAP, the financial assistance application, and the plain language summary must direct patients to translated versions of these documents if such translations must be provided.

---

1 26 C.F.R. § 1.501(r) et seq.
2. NORTHWESTERN MEDICAL CENTER’S FAP

Per HCA review, Northwestern Medical Center (NMC)’s FAP complies with the following requirement(s):

- The FAP is written (requirement 1);

Per HCA review, NMC’s FAP partially complies with the following requirement(s):

- The FAP, website, and summary state that financial assistance is available for emergency care, and the FAP notes that all services are covered except for listed exclusions. The FAP, website, and summary do not explicitly state that the FAP applies to all medically necessary care. Additionally, the FAP, website, and summary include confusing language about how the FAP applies to unspecified NMC locations outside Franklin and Grand Isle counties. (requirement 2)
  - Recommendation: Update the FAP, website, and summary to clearly state that the FAP covers emergency and medically necessary care.
  - Recommendation: Clarify what is meant by “NMC locations outside of Franklin or Grand Isle Counties” and how the FAP applies to care provided at these locations.

- The FAP states that “the Request for Financial Assistance Application shall be completed for all requests for financial assistance, and be submitted to Patient Financial Services.” However, the FAP does not include information about how to submit the application to Patient Financial Services. The FAP does not include an address or other information for submitting the application. (requirement 4)
  - Recommendation: Update your FAP to clearly explain how to submit the application to Patient Financial Services including the address for Patient Financial Services. We recommend using active voice when explaining how to apply for financial assistance. For example: “To apply for financial assistance, complete the Request for Financial Assistance Application and mail the application to Patient Financial Services at: [address].

- The FAP states that patients receiving financial assistance will not be charged more than the average generally billed amount. The FAP also states that this amount will be determined by doing a yearly look-back. However, the FAP does not state the Amounts Generally Billed (AGB) percentage(s) that the hospital uses to calculate AGB or provide a description of the method that would allow members of the public to “readily obtain” such percentages. Simply stating that AGB is calculated using a look-back does not meet the minimum standard required by law. (requirement 5)
  - Recommendation: Refer to 26 C.F.R. § 1.501(r)-4(b)(2)(i)(C) for the requirements related to AGB including information that must be provided when a hospital states it is using the “look back” method. Update FAP to comply with these requirements.

- The hospital has a billing and collections policy that describes potential collection steps that hospital will take to collect on an overdue bill including time frames and collection processes. However, the FAP does not inform patients that NMC’s collection policies are detailed in the separate Billing and Collection Practices policy. (requirement 6)
- **Recommendation:** Add a section to the FAP that states that billing and collection processes are set forth in the Billing and Collections Practices policy.

- The FAP provides contact information for a person that patients can seek more information from regarding the FAP. However, the FAP lists only the address of the hospital and not the name and physical location of the department. (requirement 8)
  - **Recommendation:** Update your FAP to include the name and physical location of the department that people should contact if they need assistance applying for financial assistance or understanding the FAP.

- The FAP has a summary. However, the summary is not written in plain language (see Section 2 below). (requirement 9)
  - **Recommendation:** Update your FAP summary to be clear, concise and readable (see Section 2 below).

- The FAP includes some policies to ensure that it is widely available. However, the FAP fails to include several required policies to ensure that it is widely available. (requirement 10)
  - The FAP, plain language summary, and financial assistance application are available on NMC’s website.
  - The FAP states that information about NMC’s financial assistance program shall be widely publicized within the community in a manner that will reasonably reach those who are most likely to require financial assistance. The FAP states that this will be accomplished by including information about the program in the St. Albans Messenger and certain free publications in the greater Franklin and Grand-Isle counties periodically throughout the year. The FAP also states that information about NMC’s financial assistance program shall be displayed in a conspicuous public display at the Franklin-Grand Isle United Way office and the Vermont Department of Health St. Albans District office.
  - The FAP states that all points of check-in/registration areas for the hospital and physician practices shall have written materials regarding the financial assistance program and applications located in a conspicuous place easily viewable and accessible by patients, and such information shall be included in every patient admission packet. The FAP does not specify that the written materials provided in every patient admission packet will include the plain language summary.
  - The FAP does not state that paper copies of the FAP, plain language summary, and financial assistance application can be obtained free of charge.
  - The FAP does not state how paper copies of the FAP, plain language summary, and financial assistance application can be obtained free by mail.
  - The FAP does not state that NMC will set up conspicuous public displays or other measures reasonably calculated to attract patients’ attention that notify and inform patients about the FAP in public locations in the hospital facility, including, at a minimum, the emergency room and admissions areas.

- **Recommendation:** Update FAP to correct the above detailed failures to meet minimum regulatory requirements.
Per HCA review, NMC’s FAP does not comply with the following requirement(s):

- The FAP does not list the levels of financial assistance available or the eligibility criteria for each level of financial assistance. (requirement 3)
  - Recommendation: Update the FAP to include the levels of financial assistance offered and the eligibility criteria for each level of financial assistance. If financial assistance is given using a percent discount, indicate what the discount is taken from (e.g., charges, allowed amount, AGB).
- The FAP does not list providers who are covered and not covered by the FAP. (requirement 7)
  - Recommendation: Update the FAP to list all NMC providers by name that are covered by the FAP and all providers by name that are not covered by the FAP.

Per HCA review, it is unclear whether the NMC FAP complies with the following requirement(s):

- The FAP, financial assistance application, and plain language summary are not provided in languages other than English. Section 1.501(r)-4(b)(5)(ii) of the Code of Federal Regulations states that these items must be provided in the appropriate language to be accessible to limited English proficient (LEP) individuals if there is an identifiable population that is reasonably likely to contact the hospital facility and this population consists of 1,000 individuals or more or 5 percent or more of the community served by the hospital, whichever is less. Per the regulations, the hospital is granted latitude to reasonably define how it identifies LEP individuals in the hospital’s community. As the method and calculations NMC used to assess the need to provide materials in non-English languages is unknown, the HCA cannot assess compliance with this requirement.
  - Recommendation: To ensure accessibility to LEP individuals and persons with disabilities, state in all financial assistance materials and on the website that:
    - Northwestern Medical Center provides free aids and services to deaf people and persons with disabilities to communicate effectively with us. This includes qualified sign language interpretation and written information in other formats (large print, audio, accessible electronic formats, other formats). If you need these services, please contact us at (XXX) XXX-XXXX.
    - Northwestern Medical Center provides free language services to persons whose primary language is not English. This includes qualified interpreters and written information in non-English languages. If you need these services, please contact us at (XXX) XXX-XXXX.

FAP Evaluation Conclusion:
Our review indicates that the FAP fully complies with 1 out of the 11 above enumerated minimal requirements set forth in federal regulations.
3. NMC’S FAP PLAIN LANGUAGE SUMMARY

We evaluated whether the plain language summary of your hospital’s FAP conformed with 8 of the requirements enumerated in the Code of Federal Regulations. These eight requirements are that the plain language summary:

1. Include a brief description of the eligibility requirements and assistance offered under the FAP.
2. Include a brief summary of how to apply for assistance under the FAP.
3. Include the direct Web site address (or URL) and physical locations where an individual can obtain copies of the FAP and FAP application form.
4. Include instructions on how an individual can obtain a free copy of the FAP and FAP application form by mail.
5. Include the contact information, including telephone number and physical location, of the hospital facility office or department that can provide information about the FAP and either—
   a. The hospital facility office or department that can provide assistance with the FAP application process; or
   b. If the hospital facility does not provide assistance with the FAP application process, at least one nonprofit organization or government agency that the hospital facility has identified as an available source of assistance with FAP applications.
6. Include a statement of the availability of translations of the FAP, FAP application form, and plain language summary of the FAP in other languages, if applicable.
7. Include a statement that a FAP-eligible individual may not be charged more than the AGB for emergency or other medically necessary care.
8. The plain language summary must provide the above-listed information “in language that is clear, concise and easy to understand.”

Per HCA review, the plain language summary of NMC’s FAP complies with the following requirement(s):

- The plain language summary includes a brief summary of how patients can apply for assistance. (requirement 2)
- The plain language summary provides the hospital facility department that can provide information about and assistance with the FAP. (requirement 5)
- The plain language summary states that a FAP-eligible person may not be charged more than AGB for emergency or medically necessary care. (requirement 7)

---

2 26 C.F.R. § 1.501(r)-1(b)(24)
Per HCA review, the plain language summary of NMC’s FAP partially complies with the following requirement(s):

- The plain language summary provides a web address and physical location(s) where copies of the FAP application can be obtained, but does not provide a web address or physical location(s) where copies of the FAP itself can be obtained.
  - **Recommendation:** Update the plain language summary to include a web address and physical location(s) where copies of the FAP can be obtained. (requirement 3)

Per HCA review, the plain language summary of NMC’s FAP does not comply with the following requirement(s):

- The plain language summary does not a brief description of the eligibility requirements and assistance offered under the FAP. (requirement 1)
  - **Recommendation:** Update the plain language summary to include a description of the eligibility requirements and assistance offered under the FAP.

- The plain language summary does not include instructions on how the individual can obtain a free copy of the FAP and FAP application form by mail. (requirement 4)
  - **Recommendation:** Update the plain language summary to include instructions on how the individual can obtain a free copy of the FAP and FAP application form by mail.

- The plain language summary in not clear, concise, and easy to understand. The plain language summary is roughly 30% passive sentences, has a Flesch Reading Ease score of 21.2, and Flesch-Kincaid Grade Level of 16.2. These measures indicate that many Vermonters would have difficulty reading and understanding NMC’s plain language summary. For example, a Flesch-Kincaid Grade Level of 16.2 indicates that a person would need over four years of post-secondary education to understand the document. (requirement 8)
  - **Recommendation:** Create a clear, concise, and easy to understand plain language summary. Such a plain language summary should have no more than 10% passive sentences, have a Flesch-Kincaid grade level of no higher than 8, and have a reading ease score of 70 or higher. Several free resources are available to help you craft a clear, concise, and easily understandable plain language summary. For example, the Plain Language Action and Information Network’s plain language guidelines and the readability toolkit and online trainings from Kaiser Permanente.

It is unclear whether the plain language summary of NMC’s FAP complies with the following requirement(s):

- The FAP, financial assistance application, and plain language summary are not provided in languages other than English. The Code of Federal Regulations states that these items must be provided in the appropriate language to be accessible to limited English proficient (LEP) individuals.

---

3 [https://www.plainlanguage.gov/guidelines/](https://www.plainlanguage.gov/guidelines/)
4 [https://www.kpwashingtonresearch.org/about-us/capabilities/research-communications/prism/](https://www.kpwashingtonresearch.org/about-us/capabilities/research-communications/prism/)
5 26 C.F.R. § 1.501(r)-4(b)(5)(ii)
individuals if there is an identifiable population that is reasonably likely to contact the hospital facility and this population consists of 1,000 individuals or more or 5 percent or more of the community served by the hospital, whichever is less. Per the regulations, the hospital is granted latitude to reasonably define how it identifies LEP individuals in the hospital’s community. As the method and calculations NMC used to assess the need to provide materials in non-English languages is unknown, the HCA cannot assess compliance with this requirement. (requirement 6)

- **Recommendation:** To ensure accessibility to LEP individuals and persons with disabilities, state in all financial assistance materials that:
  - Northwestern Medical Center provides free aids and services to deaf people and persons with disabilities to communicate effectively with us. This includes qualified sign language interpretation and written information in other formats (large print, audio, accessible electronic formats, other formats). If you need these services, please contact us at (XXX) XXX-XXXX.
  - Northwestern Medical Center provides free language services to persons whose primary language is not English. This includes qualified interpreters and written information in non-English languages. If you need these services, please contact us at (XXX) XXX-XXXX.

**Plain Language Summary Evaluation Conclusion:**

The plain language summary of NMC’s FAP is not clear, concise, and understandable and does not comply with the minimal standards set by applicable federal regulations.

**HCA Contact Information:**

Eric Schultheis, Ph.D., Esq., Staff Attorney
Julia Shaw, MPH, Health Care Policy Analyst
Email: hcapolicystaff@vtlegalaid.org
Voice: (802) 495-0448 (Eric Schultheis)