



Current Status: Active

PolicyStat ID: 8845304



Origination:	2/2/2016
Effective:	11/5/2020
Last Approved:	11/5/2020
Last Revised:	11/5/2020
Next Review:	11/5/2023
Owner:	Gregory Arnold: VP, Revenue Cycle
Area:	Finance - Revenue Cycle
References:	Policy/Procedure
Applicability:	Edward Elmhurst Health System (All Locations)

## Financial Assistance, FIN\_011

*Policies and procedures are guidelines and are not a substitute for the exercise of individual judgment.*

### **Purpose / Policy Statement:**

It is the mission of Edward-Elmhurst Health (EEH) to provide quality healthcare services with efficiency, sensitivity, and a commitment to human dignity and wellness of the individual. It's both a philosophy and practice of EEH that all emergency and medically necessary healthcare services should be available to all individuals, regardless of their ability to pay. EEH make no differentiation between an individual's ability to meet the costs of healthcare and the quality of services it provides regardless of race, creed, color, sex, national origin, sexual orientation, handicap, or age. EEH recognizes as a part of its mission the caring for the sick who are medically or financially indigent, and will assist patients who cannot pay for part of all of the care they receive. However, the need for financial assistance for these patients is always balanced with a broader financial responsibility to keep EEH's doors open for all who live in its community and may need care, now and in the future.

This Policy sets forth guidelines and criteria for EEH's Financial Assistance programs. Any financial assistance awarded will be applied to the patient's responsibility for emergency or other medically necessary services only. This Policy is intended to comply with Section 501(r) of the Internal Revenue Code, the Illinois Hospital Uninsured Patient Discount Act, and the Illinois Fair Patient Billing Act, and the regulations promulgated thereunder.

### **Definitions:**

**Affiliated Physician Practices:** A practice subject to a Professional Services Agreement whereby EEH is billing for all of the professional services provided by the Providers of the practice.

**Amounts Generally Billed:** Patients who qualify for Financial Assistance will not be charged more for emergency or medical necessary care than the amounts generally billed (AGB) to patients who have insurance. See Exhibit C for current levels.

**Federal Poverty Level:** Poverty guidelines stated in the Federal Register by the United States Department of Health and Human Services under Title 42 USC Section 9902.

**Financial Assistance / Charity Care:** Is defined as care given at reduced or no cost due to the inability of the recipient to pay for such care due to being uninsured/underinsured, and having minimal income and assets.

This is a financial determination and in no way will affect the quality or level of care provided.

**Financial Indigence:** Patients who have reasonable measures of financial hardship.

**Illinois Resident:** An Illinois Resident is a patient who lives in Illinois and who intends to remain living in Illinois indefinitely. Relocation to Illinois for the sole purpose of receiving health care benefits does not satisfy the residency requirement under the Illinois Hospital Uninsured Patient Discount Act ("HUPDA").

**Indebtedness:** is defined as legal financial obligations both secured and unsecured including such items as mortgages, student loans, auto loans, other commercial loans, credit card debt and other medical debt.

**Medically Indigent:** Patients whose income level would not qualify them for financial assistance based on the federal poverty levels, but have incurred catastrophic charges for medically necessary services. Medical expenses, in relationship to their income, would make them indigent if they were to pay full charges for their medical expenses.

**Medically Necessary Services:** Any inpatient or outpatient service (s) that is covered by and considered to be medically necessary under Title XXVIII of the Federal Social Security Act. Medically necessary services do not include non-medical services such as social, educational, vocational services and elective cosmetic surgery.

**Net Worth:** Is defined as liquid assets in excess of indebtedness

**Payment Plan:** Plan which sets a series of equal payments over an extended period of time to satisfy the patient-owed amounts of bills

**Presumptive Eligibility:** In lieu of patient financial assistance application, the criteria used to deem a patient eligible for financial assistance

**Qualifying Assets:** Monetary assets which are counted toward the patient's income in determining if the patient will meet the income eligibility for the program. For purposes of this Policy, "Qualifying Assets" will mean 50% of the patient's monetary assets in excess of \$10,000, including cash, stocks, bonds, savings accounts, or other bank accounts, but excluding IRS qualified retirement plans and deferred-compensation plans. Certain real property or tangible assets (primary residences, automobiles, etc.) will not be included in "Qualifying Assets;" however, additional residences in excess of a single primary residence will be included, as will recreational vehicles. "Qualifying Assets" will not include the principal amounts of funds contained within an IRS recognized retirement account, such as an IRA, 401K, 403B retirement accounts.

**Underinsured Patient:** A Patient with health insurance or coverage, but facing high deductibles, coinsurance and/or large out-of-pocket expenses.

**Uninsured Discount:** With respect to the medical necessary services rendered to an uninsured patient, a discount is applied after charges are incurred. The uninsured discount applies to the eligible patients whose income is less than 600% of the Federal Poverty Level (FPL).EEH may also provide discounts to individuals who have been verified as eligible through contracted local health access programs. These discounts will be identified as charity care.

**Uninsured Patient:** A patient who does not have third party coverage from a health insurer, a health care service plan, Medicare, or Medicaid or not eligible for state funded programs, or whose injury is not compensable for purposes of workers compensation, automobile insurance, or other insurance as determined and documented.

## ***Procedure:***

### **UNINSURED DISCOUNT:**

1. Uninsured patients not applying for financial assistance may be granted a discount. Determination for an uninsured discount applies to both inpatient and outpatient services.
2. The determination of eligibility for an uninsured discount is based on a presumptive review using sophisticated technology, exceptions to this Policy are outlined in Exhibit A.
3. The uninsured discount will be calculated as follows for Hospital charges, these will be discounted to 135% of cost. Cost is determined by applying the ratio of cost to charges (RCC) from the most recently filed Medicare cost report to the uninsured patient's bill. Actual formula for discount is  $[1-(RCC \times 1.35)] \times$  charges. The discount will be documented as charity care.
4. The maximum amount that may be collected in a 12-month period for hospital services is 25% of the patient's family income. The effective date begins on the first date that the patient qualifies for the uninsured discount. Patient's that incur balances greater than 25% of the patient's family income would be considered medically indigent.
5. Patients who are ineligible for an uninsured discount because their incomes exceed 600% of the poverty level may be eligible for financial assistance if they are determined to meet the definition of medically indigent.
6. Patients who qualify for the uninsured discount but are unable to pay the remaining account balance may also qualify for payment plans.

### **FINANCIAL ASSISTANCE:**

1. Eligibility for financial assistance will be considered for those individuals who are uninsured or underinsured, and who are unable to pay for their care, based on a determination of financial need in accordance with this Policy.
2. For purposes of this Policy, the following healthcare services are eligible for financial assistance:
  - a. Emergency medical services provided in an emergency room setting.
  - b. Medically necessary services.
  - c. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting.
3. If a patient seeking care other than Emergency Services is covered by an HMO or PPO and Edward-Elmhurst Health is not an in-network provider, then the patient should be directed to seek care from his participating providers and shall not be eligible for Financial Assistance. Financial Assistance is not available for out-of-network costs.
4. The determination of eligibility for financial assistance is based on either a presumptive review using a sophisticated software program or a completed application with required documentation; a review of the patient's gross annual income, expenses and assets to determine if a patient has adequate means to pay their hospital bill. All applicants for financial assistance will be Illinois Residents.
5. The financial assistance discount criterion for uninsured patients is based on 200% to 600% of the Federal Poverty Level (FPL). Uninsured patients whose income is less than 200% will qualify for 100% discount. Uninsured patients whose income exceed 200% but are less than 600% of FPL will qualify for a

discount based on Amounts Generally Billed (AGB) Exhibit C. For underinsured patients the discount criterion is based on 200% to 300% of the Federal Poverty Limit (FPL). Underinsured patients whose income is less than 200% of FPL will qualify for a 100% discount on amounts owed after insurance pays its portion. Underinsured patients whose income exceeds 200% but is less than 300% will receive a percentage discount based on Amounts Generally Billed (AGB) Exhibit C, for amounts owed after insurance pays its portion. Underinsured patients whose income exceeds 300% are eligible for other forms of assistance such as payment plans or full payment discounts. For both the uninsured and underinsured discounts the Qualifying Assets test will be added to annual income.

6. Approved applications are active for six (6) months from the date of approval notice. Patients who are granted less than a 100% discount based on a prior approved application during this six month period will be notified that their discount was based on a prior approved application and about how to apply for more generous assistance and given a reasonable period of time to apply for such assistance. Patients will have 240 days from the first post-discharge bill for an episode of care to apply for assistance for that care. A determination that a patient is eligible for financial assistance based on a completed application will apply to (and only to) all initial post-discharge bills issued during the 240-day period preceding the receipt of that application. At no point will expected payments for that care from the patient exceed the Amounts Generally Billed (AGB) Exhibit C.
7. Patients will be notified in writing of the decision of the completed application.
8. If the amount a patient is personally responsible for paying (i.e. in the form of deductibles, co-insurance amounts, co-pays, or other self-pay amounts) exceeds AGB after the discount percentages are applied, the patient's bill will be further reduced to AGB.

## **PRESUMPTIVE FINANCIAL ASSISTANCE ELIGIBILITY**

EEH may use a flexible evaluation platform for missed applications that utilizes multiple demographic, behavioral and financial variables to perform a comprehensive financial review and determine financial assistance and discount eligibility in lieu of patient-provided data. Several data sources are used including historical data, census data and credit report data. Results are delivered in a timely, efficient manner, enabling the hospital to extend appropriate discounts and maintain documentation for auditing. There is no credit report impact. Using such technology allows EEH to review as many patients as possible for financial assistance, in keeping with the Affordable Care Act. In the event EEH presumptively determines a patient qualifies for less than financial assistance for the full amount, it will give the patient an opportunity to demonstrate that he or she qualifies for more assistance by notifying the patient that he or she has been presumptively determined to be eligible for financial assistance based on the methodology described above and about how he or she may apply for more assistance under this Policy.

Presumptive eligibility may be determined on the basis of individual life circumstances that may include the following:

- Homelessness
- Deceased with no estate
- Mental incapacitation with no one to act on the patient's behalf
- Medicaid eligibility, but not on a date of service or for non-covered service
- Enrollment in the following assistance programs for low-income individuals having eligibility criteria at or below 200% of the Federal Poverty Guidelines.
  - Women, Infants and Children Nutritional Program (WIC)
  - Supplemental Nutritional Assistance Program (SNAP)
  - Illinois Free Lunch and Breakfast Program

- Low-Income Home Energy Assistance Program (LIHEAP)
- Organized community-based program providing access to medical care that assesses and documents limited low-income financial status as criteria
- Receipt of grant assistance for medical services
- Temporary Assistance for Needy Families (TANF)
- Illinois Housing Development Authority's Rental Housing Support Program
- Recent personal bankruptcy
- Incarceration in a penal institution
- Affiliation of a religious order and vow of poverty

## **APPLYING FOR ASSISTANCE AND PATIENT RESPONSIBILITIES:**

1. Complete the "Request for Determination of Eligibility for Financial Assistance".
2. Cooperate with EEH to provide the information and documentation necessary to apply for Public Aid or other financial programs that may be available to pay for the healthcare services. If an application for other public aid or other coverage is subsequently denied for no cooperation from the patient EEH may also deny a request for Financial Assistance.
3. Provide financial and other documents needed to determine financial assistance eligibility within thirty (30) days of request for such information.
4. If approved for a partial discount, cooperate with EEH to establish a reasonable payment plan that takes into account available income and assets, the amount of the discounted bill and any prior payments.
5. If payment plan is established, promptly inform EEH of any changes of circumstances that will impair patient's ability to comply with the payment plan.

## **CALCULATING AMOUNTS CHARGED TO PATIENTS**

1. Individuals eligible for financial assistance will not be charged more for emergency or other medically necessary care than the amounts generally billed for individuals who have insurance coverage (AGB). The lookback method will be used to determine AGB. AGB percentages are calculated as follows:
  - a. Numerator: the sum of all claims during the prior 12-month period by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility; and
  - b. Denominator: the sum of the associated gross charges for those claims
2. AGB percentages will be calculated annually and will be used within 120 days after the end of the 12-month period used in calculating the amounts generally billed.
3. The AGB percentages calculated and in effect for each hospital facility are presented in Exhibit C.
4. EEH will not charge an individual eligible for assistance under this policy an amount equal to or exceeding gross charges for any medical care covered under this policy.

## **EEH COLLECTION PRACTICES IN THE EVENT OF NON-PAYMENT:**

1. EEH has the right to pursue collections directly or working with a third party collection agency. No outside collection activity against uninsured patients will begin for at least one hundred and twenty (120) days

after an EEH facility provides it first post-discharge billing statement.

- a. Prior to pursuing outside collection activity, patients will be notified of this Policy with a plain language summary of the Policy; referencing the Policy on billing statements; and at least one written notice explaining the "extraordinary collection actions" (described below) that EEH or its third party collection agency intends to take at least thirty (30) days prior to such actions. This written notice will also indicate that financial assistance is available, include the plain language summary as an attachment, and state the date after which extraordinary collection actions may occur.
  - b. EEH or its third party collection agent will also make reasonable efforts to orally notify patients about this Policy and how the individual may obtain assistance with the application process under this Policy at least thirty (30) days prior to any extraordinary collection action being initiated.
  - c. Patients may submit financial assistance applications up to two hundred and forty (240) days after the first post-discharge billing statement is mailed. If received within this time frame, EEH will suspend collection actions and assess patient eligibility for assistance. If a patient submits a financial assistance application during the permitted 240-day period that is incomplete, EEH will provide a written notice describing the additional information and/or documentation required to complete the application and including contact information for the office or department that can provide information about this Policy and assist with the application process.
2. The fair debt collection practices act will be followed when seeking to collect payment from all patients, including patients receiving financial assistance discounts and will require outside collection agencies to do the same.
  3. No legal action will be taken for non-payment of bills by patients or responsible parties who have demonstrated that they do not have sufficient income or assets to pay these bills.
  4. EEH or its third party collection agency may take the following collection actions that are described as "extraordinary collection actions" in Treas. Reg. § 1.501(r) -6(b):
    - a. Reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus; and
    - b. Legal action, including commencing a collection lawsuit and pursuing remedies such as wage garnishments and liens and attachments on property if there is evidence that the patient or responsible party has sufficient income and assets to meet his or her financial obligation.
  5. Regarding real property, no lien or legal action will be taken to force the sale of the patient's primary residence to pay an outstanding medical bill.
  6. All collection agents, both internal and external, hired to obtain payment of outstanding bills will follow up guidelines outlined above and are required to obtain authorization from the Director of Patient Accounts before taking any legal action against any patient or responsible party.
  7. If EEH determines that a patient is eligible for assistance under this Policy for any care, it will do the following:
    - a. If a discount is less than a total discount, provide the patient with an updated billing statement that indicates the amount the patient owes for the care after applying the discount and how that amount was determined and that states the AGB for the care.
    - b. Refund to the patient any amount he or she has paid for the care (whether to EEH or its third party collection agent) that exceeds the amount he or she is determined to be personally responsible for paying after applying the assistance, unless the excess amount is less than \$5.



- c. Takes all reasonable available measures to reverse any extraordinary collection actions taken against the patient to obtain payment for the care, including measures to vacate any judgement against the patient, lift any levy or lien applied to the patient's property, and remove from the patient's credit report any adverse information that was reported to a consumer reporting agency or credit bureau.

## **OTHER PROVIDER BILLS**

This Financial Assistance Policy applies to services provided by Edward-Elmhurst Health. As a patient within our facilities other providers may also be giving you care. These other providers are not bound by our policy therefore you may need to work directly with their offices to address any billing issues. These other providers are listed in Exhibit A.

## **PUBLIC NOTICE**

1. Notice of Financial Assistance Policy is posted in the emergency departments and at all registration areas within the hospitals and off-site clinics. Information regarding the Financial Assistance Policy will also be on the hospital website.
  - a. A copy of the Financial Assistance Policy will be provided to any person in the public upon request.
  - b. Questions about financial assistance, how to apply for assistance, uninsured discounts or how to receive paper copies of our policy and or application can be directed to 630-527-5307 at Edward Hospital or at 331-221-6740 at Elmhurst Memorial Hospital. For all other billing-related questions, please contact our Patient Accounts Department at 630-527-3100 at Edward or at 331-221-6600 at Elmhurst Hospital. For in person assistance, please visit the financial counselor at Edward or Elmhurst.
  - c. The Policy is in English and Spanish, the two primary languages that cover the Edward-Elmhurst Health service area. Annually we will conduct a review of the primary language provided by patients at registration to ensure that our policy is translated into any language that covers the lesser of 1,000 or more individuals or at least 5% of the population located within the hospitals service area or likely to be affected or encountered by the hospital.
2. A monthly report listing total dollar amounts of uninsured and financial assistance discounts should be prepared and submitted for information to EEH Services Corporation Financial Committee.

## ***EXHIBITS:***

### **EXHIBIT A - EEH Provider Exceptions- Automated Review of Presumptive Eligibility**

For services provided by the following eligibility determinations will be made through completion of the "uninsured questionnaire".

1. Edward Health Ventures, d/b/a Edward Medical Group, Edward Hematology Oncology Group, Edward-Elmhurst Surgical Oncology Group, Edward Neuroscience Institute, Elmhurst Neuroscience Institute, Elmhurst Memorial Medical Group, and Linden Oaks Medical Group
2. Elmhurst Memorial Healthcare, d/b/a Elmhurst Clinic and Elmhurst Medical Associates,

The Patient or Responsible party for payment is responsible for making the discount request. A review of the

patient's gross annual income and number of exemptions as identified on the most recently filed 1040 tax return may also be needed. Asset information may be reviewed on a case-by-case basis to determine if the patient is eligible for an uninsured discount.

The uninsured discount will be a percentage of billed charges based on the EEH Hospital Uninsured Patient Discount for services provided by the aforementioned entities within Exhibit B

## **EXHIBIT B - Other Providers Providing Services in EEH Facilities Not Bound by EEH Financial Assistance Policy**

1. Cardiac Surgery Associates, S.C.
2. DuPage Medical Group, Ltd.
3. DuPage Neonatology Associates, S.C.
4. Fox Valley Radiation Oncology, LLC.
5. Laboratory and Pathology Associates
6. Laboratory and Pathology Diagnostics
7. DuPage Valley Anesthesiology Ltd.
8. Naperville Radiologists, S.C.
9. Pediatric Critical Care Specialists, P.C.
10. Breg Inc.
11. Elmhurst Anesthesiology (Anesthesia Business Consultants)
12. Suburban Surgical Associates, Ltd.
13. Elmhurst Emergency Medical Services (Millennium Medical Management)
14. Elmhurst Radiology (Physician Support Services)
15. Elmhurst Radiology (McKesson)
16. Associated Pathology Consultants (Med Data)

## **Exhibit C - Amounts Generally Billed (AGB)**

7/1/2018 Edward Hospital 77% Elmhurst Memorial Hospital 78% Linden Oaks Hospital 56%

9/28/2019 Edward Hospital 79.45% Elmhurst Hospital 80.81% Linden Oaks Hospital 59.07%

10/1/2020 Edward Hospital 79.36% Elmhurst Hospital 80.27% Linden Oaks Hospital 57.33%

## ***Cross Reference(s)***

### **Current Policy Replaces:**

Edward Hospital FINL\_011 Financial Assistance Determination

All revision dates:

11/5/2020, 11/4/2020, 12/3/2019, 6/4/2019, 6/10/  
2016



## Attachments

No Attachments

## Approval Signatures

Approver	Date
Margaret Cross: Clinical Education Mgr	11/5/2020
Gregory Arnold: VP, Revenue Cycle	11/5/2020

## Applicability

Ambulatory, Edward Elmhurst Health System, Edward Hospital, Elmhurst Hospital, Linden Oaks Hospital, Plainfield Lab

COPY