

Edward – Elmhurst Health System Policy

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Manual:	System
Section:	Finance
Policy #:	FIN_011
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Reviewer:	AVP, Revenue Cycle
	Reviewer Signature

Policies and procedures are guidelines and are not a substitute for the exercise of individual judgment. If you are reading a printed copy of this policy, make sure it is the most current by checking the on line version.

POLICY: FINANCIAL ASSISTANCE

Applicability:

EDWARD-ELMHURST HEALTH (“System”). This includes Edward Hospital, Elmhurst Memorial Hospital and Linden Oaks Hospital.

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:

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.

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.

Legal Illinois Resident: A Legal Illinois Resident is a patient legally residing within the United States and who has his or her principal residence in the state of Illinois. With respect to foreign nationals, “legally residing” shall include individuals who have current visas and who are permanent residents and temporary workers. “Legally residing” shall not include foreign nationals who have visitor or student visas. Relation to Illinois for the sole purpose of receiving health care benefits does not satisfy the residency requirement under this definition.

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

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 B.
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 ration of cost to charges (RCC) from the most recently filed Medicare cost report to the uninsured patient's bill. Actual formula for discount is $[1 - (RCC \times 1.35)] \times \text{charges}$. 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.
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, evaluated on a case-by-case basis at EEH's discretion.
 - 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 Legal Illinois Residents.
5. A determination that a patient is eligible for financial assistance will affect only the patient's account balance as of the date of receipt of the completed application in accordance with Section 501(r) of the Internal Revenue Code.
6. The financial assistance discount criterion for uninsured patients is based on 200% to 600% of the Federal Poverty Level (FPL). Patients whose income is less than 200% will qualify for 100% discount. Patients whose income exceed 200% but are less than 600% of FPL will qualify for a sliding scale discount, as shown in the financial Assistance Determination Chart below. For underinsured patients the discount criterion is based on 200% to 300% of the Federal Poverty Limit. Patients whose income is less than 200% of FPL will qualify for a 100% discount on amounts owed after insurance pays its portion. Patients who income whose income exceed 200% but are less than 300% will receive a 25% discount on 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. Details for both the uninsured and underinsured discount are outlined in detail below along with maximum expected payments based on annual household incomes. For both the uninsured and underinsured discounts the Qualifying Assets test will be added to annual income.
7. Approved applications are active for six (6) months from the date of approval notice. Patients will have 240 days to apply for assistance. At no point will expected payments for uninsured accounts exceed the Amounts Generally Billed (AGB).
8. Patients will be notified in writing of the decision of the completed application.

Financial Assistance Determination Chart:

Uninsured Discount:

Expected Payment	Maximum Expected Payment (of Annual Income)	FPL %		
			-	
100% write-off	\$0	0%	-	200%
100% of Cost	10%	201%	-	300%
100% of Cost	15%	301%	-	400%
135% of Cost	25%	401%	-	600%

Underinsured Discount:

Expected Payment	Maximum Expected Payment (of Annual Income)	FPL %		
100% write-off	\$0	0%	-	200%
75% of OOP	10%	201%	-	300%

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 patient an opportunity to demonstrate that he or she qualifies for more assistance by notifying patient that he or she can apply for more assistance under this Policy.

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, cooperates 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, must 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. The basis for amounts EEH will charge patients qualifying for financial assistance is as follows: The lookback method will be used to calculate amounts generally billed at the hospital facility level as follows: multiply the hospital facility's gross charges for the care provided by the percentage resulting from the following:
 - 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. Amounts generally billed (AGB) 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. EEH will not charge a FAP eligible individual an amount equal to or exceeding gross charges for any medical care covered under the FAP.

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 on 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 EEH's Financial Assistance Policy with a plain language summary of the Policy; referencing the Policy on billing statements; and at least one written notice explaining the outside collection action that EEH intends to take thirty (30) days prior to such action.
 - b. Patients may submit financial assistance applications up to two hundred and forty (240) days after the first billing statement is mailed. If received within this time frame, EEH will suspend collection actions and assess patient eligibility for assistance.
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. Legal action may be taken, including wage garnishments to obtain payment in accordance with the payment plan 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 management before taking any legal action against any patient or responsible party.

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 Determination Policy is posted in the emergency departments and at all registration areas within the hospitals and off-site clinics. Information regarding the Financial Assistance Determination will also be on the hospital website.
 - a. A copy of the Financial Assistance Determination Policy will provide to any person in the public upon request
 - b. The Policy will be available in English and any other primary language (i.e. Spanish, French, German, etc.) that covers at least 5% of the patients located within the hospitals service area.
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 25% of billed charges for services provided by the aforementioned entities within Exhibit B

EXHIBIT B**OTHER PROVIDERS 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)

CROSS REFERENCE(S)

Policy Committee Review:	Effective Date:	Current Policy Replaces Policy:
February 2, 2016		FINL_011 FINANCIAL ASSISTANCE DETERMINATION
EEH Finance Committee		
June 3, 2016		