

**ATLANTIC GENERAL HOSPITAL/HEALTH SYSTEM**

**POLICY AND PROCEDURE**

**TITLE: FINANCIAL ASSISTANCE POLICY**

**DEPARTMENT: PATIENT FINANCIAL SERVICES**

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Signature:

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Vice President, Finance

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Director, Patient Financial Services

**APPROVAL DATES:**

Author

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Board of Trustees

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Finance Committee

**Policy:**

It is the policy of Atlantic General Hospital/Health System (AGH/HS) to provide medically necessary services to those who do not have the resources to pay, or at a reduced cost to all eligible patients whose healthcare coverage does not pay the full cost of their hospital bills. Services will be provided without discrimination on the ground of race, color, sex, religion, ancestry, marital status, sexual orientation, gender identity, genetic information, disability, national origin or creed. In addition, the patient's citizenship or immigration status will not be used as an eligibility requirement for Financial Assistance (FA). Eligibility is based on income and family size. Interest-free payment plans are offered for any portion of the bill not eligible for FA, which will not exceed 5% of the patient's adjusted monthly income. FA applies only to bills related to services provided by the AGH/HS. Fees for healthcare and professional services that are not provided by AGH/HS are not included in this policy. All un-insured or

under-insured patients seen in the hospital will be charged consistently as established by the Health Services Cost Review Commission (HSCRC) which equates to the amounts generally billed (AGB) methodology.

All un-insured or under-insured patients seen by an AGHS provider in an unregulated area will be charged the Medicare Fee Schedule, or a contracted rate in the absence of a Medicare Fee Schedule. A roster of providers that deliver emergent, urgent, and other medically necessary care is updated quarterly and available on the hospital website at [www.atlanticgeneral.org](http://www.atlanticgeneral.org), indicating which providers are covered and which are not under the FA policy. This information is also available by calling a Financial Counselor at (410) 629-6025.

**Definitions:**

- a. Emergent Care: An emergency accident, meaning a sudden external event resulting in bodily injury, or an emergency illness, meaning the sudden onset of acute symptoms of such severity that the absence of immediate attention may result in serious medical consequences.
- b. Medical Necessity: Inpatient or outpatient healthcare services provided for the purpose of evaluation, diagnosis and/or treatment of an injury, illness, disease or its symptoms, which otherwise left untreated, would pose a threat to the ongoing health status. Services must:
  - i. Be clinically appropriate and within generally accepted medical practice standards
  - ii. Represent the most appropriate and cost effective supply, device or service that can be safely provided and readily available with a primary purpose other than patient or provider convenience.
- c. Immediate Family: A family unit is defined as all exemptions on the income tax return for the individual completing the application, whether or not they were the individual filing the return or listed as a spouse or dependent. For homeless persons or in the event that a family member is not obtainable, the family unit size will be assumed to be one. If a tax return has not been filed, then income from all members living in the household must be submitted.
- d. Post-Discharge Billing Statement: The first billing statement after the discharge date of an Inpatient or the service date of an outpatient.
- e. Medical Hardship: Medical debt incurred by a family a 12- month period that exceeds 25% of family income. Medical debt is defined as out of pocket expenses for medically necessary care billed by AGH/HS. The hospital will provide reduced-cost, medically necessary care to patients with family income at or below 500% of the Federal Poverty Level.
- f. Liquid Assets: Cash, checking/savings account balances, certificates of deposit, stocks, bonds, money market funds, rental properties etc. The availability of liquid assets plus annual income may be considered in relation to the current poverty guidelines published in the Federal Register. The first \$100,000 of monetary assets are excluded.

- g. Medical Debt: Out of pocket expenses, excluding copayments, coinsurance and deductibles, for medical costs for medical costs billed by AGH/HS.
- h. Extraordinary Collection Actions (ECA): Any legal action and/or reporting the debt to a consumer-reporting agency.
- i. Plain Language Summary (PLS): A summary of the Financial Assistance Policy, which includes information on how to apply and how to obtain additional information.
- j. Income: The amount of income as defined on the tax returns, pay stubs, social security award letter, unemployment report, etc.

**Outreach and Patient Education:**

The Maryland State Uniform FA application, (Attachment 1) the AGH/HS FA policy, Collection policy and the Plain Language Summary (PLS) are available in English and Spanish. No other language constitutes a group that is 5% or more of the hospital service area based on Worcester County population demographics as listed by the U.S. Census Bureau. Delaware residents are instructed to leave the following fields blank on the application form:

- Social Security Number
- Marital Status
- Residency Status
- Liquid and Other Assets

The policies, application, and PLS can be obtained free of charge in English and in Spanish by one of the following ways:

- a. Available upon request by calling (410) 629-6025.
- b. Are located in the registration areas and AGHS Offices
- c. Downloaded from the hospital website; [www.atlanticgeneral.org/FAP](http://www.atlanticgeneral.org/FAP)
- d. The PLS is inserted in the Admission packet
- e. FA language is included on all the patient's statement and includes the telephone number to call and request a copy and the website address where copies may be obtained.
- f. FA notification signs are posted in the main registration areas
- g. An annual notification is posted in the local newspaper
- h. Patients who have difficulty in completing the application can orally provide the information

- i. The PLS is on the third patient statement

#### **Collection Process Pre-Approval for Financial Assistance**

- a. The Federal Poverty Level (FPL) will be calculated at the time of the first self-pay placement, and again at 240 days after the bill was originally issued. No Extraordinary Collection Actions (ECA) will be taken within 180 days of the first post-discharge billing statement. A notification message will be on the statement thirty days prior to initiating ECA notifying the patient. During the 180-day period, the patient will be reminded of the FA option during normal collection calls. If the patient applies for FA but the application is ineligible, normal collection actions will resume, which includes notifying the agency if applicable to proceed with ECA efforts.
- b. If the application is received within 240 days of the first post-discharge billing statement, and the account is with a collection agency, the agency will be notified to suspend all ECA until the application and all appeal rights have been processed. A list of approved ECA actions may be found in the Credit and Collection (#3247)
- c. If the FA application is submitted incomplete, any ECA efforts that have been taken will be suspended for 30 calendar days and assistance will be provided to the patient in order to get the application completed. A written notice that describes the additional information and/or documentation required will be mailed which includes a phone contact to call for assistance.
- d. Approved FA through a complete application process applies to all applicable open balances at the time the application is approved, and shall remain in effect for future medically necessary services for six months. Approved FA from the presumptive eligibility process is only granted for current services and past accounts. Future services will need revalidation. For patients that have paid \$5.00 or more, and within a two-year period was found to be eligible for FA at 100%, will be refunded.
- e. Within two business days following the initial request for FA, a determination of probable eligibility will be provided in writing. Information about family size, insurance, and income must be provided before a final determination can be finalized.

#### **Eligibility:**

- a. If the patient is enrolled in a means-tested program, the application is approved for 100% FA on a presumptive basis, not requiring supporting financial data. The patient is responsible for providing proof of eligibility. Examples of a means-tested program are:
  - Reduced/free school lunch
  - Food stamps (SNAP)
  - Energy and housing assistance
  - Out of state Medicaid

- Women's, Infants and Children's (WIC) programs
  - A deceased patient with no estate.
  - Patients approved under any Federal or State Grant are eligible for FA for the balance over the grant payment.
  - QMB /SLMB coverage
- b. If a patient applies for an interest-free payment plan option for all or a portion of their self-pay responsibility, eligibility for FA will be reviewed based on the Federal Poverty Guideline at the time of request and at 240 days after the bill was issued if the payment plan is still active.

**Eligibility Consideration:**

Income and family size will be considered in approving applications for FA. This includes all available financial resources of other persons and entities who may have legal responsibility for the patient. Liquid assets such as rental properties, stocks, bonds, CD's, and money market funds will be considered if one of the following scenarios occurs:

- a. The amount requested is greater than \$20,000
- b. The tax return shows a significant amount of interest income
- c. The patient has a savings or checking account greater than \$100,000
- d. If the patient/guarantor is self-employed, a current Profit and Loss statement may be required.
- e. The following assets are excluded:
  - i. The first \$100,000 of monetary assets
  - ii. Certain retirement benefits such as a 401K where the IRS has granted preferential tax treatment as a retirement account including but not limited to deferred-compensation plans qualified under the Internal Revenue Code, or nonqualified deferred-compensation plans where the patient potentially could pay taxes and/or penalties by cashing in the benefit.

**FA approval is based on the following Federal Poverty Guideline (FPL) income level:**

- a. 0% to 200% of the FPL – 100% reduction for Medically Necessary care
- b. Between 201% and 225% of the FPL – Reduced cost Medically Necessary care at 75%
- c. Between 226% and 250% of the FPL - Reduced cost Medically Necessary care at 50%
- d. Between 251% and 300% of the FPL - Reduced cost care Medically Necessary care at 25%

**Medical Hardship is based on the following income level:**

- a. 0% to 200% of the FPL – 100% reduction for Medically Necessary care
- b. Between 201% and 300% of the FPL – Reduced cost Medically Necessary care at 75%
- c. Between 301% and 400% of the FPL - Reduced Cost Medically Necessary care at 50%
- d. Between 401% and 500% of the FPL - Reduced Cost Medically Necessary care at 25%

If the patient qualifies for both reduced cost-care and Medical Hardship, the reduction that is most favorable to the patient will be applied. The FPL, family size, and income level can be referenced on Attachment 2.

This policy may not be changed without the approval of the Board of Trustees. Furthermore, this policy must be reviewed by the Board and re-approved at least every two years.

**Appeals**

Patients and guarantors can appeal any decision regarding their eligibility for FA. An appeal letter, including any additional information that may be applicable, and be sent to the Director of Patient Financial Services indicating the reason for the appeal. In addition, an appeal can be sent to the Health Education and Advocacy Unit of the Maryland Office of the Attorney General. Assistance can be provided in filing and mediating an appeal. The written determination letter shall contain the address, phone number, facsimile number, e-mail address, mailing address and website of the Health Education Advocacy Unit.

Health Education and Advocacy Unit

200 St Paul Street

Baltimore, MD 21202

Phone number: (410) 528-1840, Toll free: 1-877-261-8807

Fax number: (410) 576-6571

<https://www.marylandattorneygeneral.gov/Pages/CPD/HEAU/default.aspx>