

ATLANTIC GENERAL HOSPITAL/HEALTH SYSTEM

POLICY AND PROCEDURE

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| <b>TITLE:</b>      | <b>FINANCIAL ASSISTANCE POLICY</b> |
| <b>DEPARTMENT:</b> | <b>PATIENT FINANCIAL SERVICES</b>  |

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Signature:

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Vice President, Finance

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Director, Patient Financial Services  
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**APPROVAL DATES:**

\_\_\_\_\_  
9/6/18, 02/05/2021  
Board of Trustees

\_\_\_\_\_  
Finance Committee

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**POLICY:**

It is the policy of Atlantic General Hospital/Health System (AGH/HS) to provide medically necessary services without charge or at a reduced cost to all eligible patients who lack healthcare coverage or whose healthcare coverage does not pay the full cost of their bill for AGH/HS services. The intent of this policy is to ensure access to AGH/HS services regardless of an individual's ability to pay, and to provide those services on a charitable basis to qualified indigent persons consistent with this policy. Financial Assistance (FA) is granted after all other avenues have been exhausted, including, but not limited to Medical Assistance, private funding, grant programs, credit cards, and/or payment arrangements. 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. Emergent and urgent services, including those services provided at the AGH ambulatory surgery facility, may be considered for FA. All hospital regulated services will be charged consistently as established by the Health Services Cost Review Commission (HSCRC), and the amounts generally billed (AGB). All patients requesting charity care services from an AGHS provider in an unregulated area will be charged the fee schedule plus the

standard mark-up, unless a final determination of eligibility for FA is made for services provided to a qualified indigent individual consistent with the procedures set forth below. 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. The patient must have a valid social security number, valid green card or valid visa. A patient's payment for reduced-cost care for AGH shall not exceed the amount generally billed (AGB) as determined by the Health Services Cost Review Commission (HSCRC).

**Definitions:**

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.

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:

- Be clinically appropriate and within generally accepted medical practice standards
- 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.

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.

Post-Discharge Billing Statement: The first billing statement after the discharge date of an Inpatient or the service date of an outpatient.

Medical Hardship: Medical debt incurred by a family over the course of the previous twelve months that exceeds 25% of the family's income. The hospital will provide reduced-cost, medically necessary care to patients with family income at or below 500% of the Federal Poverty Level.

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.

Medical Debt: Out of pocket expenses, excluding copayments, coinsurance and deductibles, for medical costs for medical costs by AGH/HS.

Extraordinary Collection Actions (ECA): Any legal action and/or reporting the debt to a consumer reporting agency.

Plain Language Summary: A summary of the Financial Assistance Policy which includes information on how to apply, appeal, and how to obtain additional information.

Income: The amount of income as defined on the tax returns, pay stubs, social security award letter, unemployment report, etc.

**Procedures:**

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

1. Available upon request by calling (410) 629-6025.
2. Applications are located in the registration areas and AGHS Offices
3. Downloaded from the hospital website;  
[www.atlanticgeneral.org/FAP](http://www.atlanticgeneral.org/FAP)
4. The PLS is inserted in the Admission packet
5. 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.
6. FA notification signs are posted in the main registration areas
7. An annual notification is posted in the local newspaper
8. Patients who have difficulty in completing the application can orally provide the information
9. The PLS is sent with each collection statement.

No ECA will be taken within 120 days of the first post-discharge billing statement. A message will be on the statement thirty days prior to initiating ECA notifying the patient. During the 120 day period, the patient will be reminded of the FA program during normal collection calls. If the application is ineligible, normal collection actions will resume, which includes notifying the agency if applicable to proceed with ECA efforts. 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 Extraordinary

Collection Actions (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 Policy. The patient may appeal a denied application by submitting a letter to the Director of Patient Financial Services indicating the reason for the request.

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.

Approved FA applies to all applicable open balances at the time the application is approved, and shall remain in effect for future medically necessary services for 6 months. For patients that have paid \$5.00 or more, and within a two-year period was found to be eligible for FA at 100%, any amount paid exceeding \$5.00 shall be refunded.

Within two business days following a patient's request for charity care services, application for medical assistance, or both, AGH/HS shall make a determination of probable eligibility and communicate the determination to the patient and/or the patient's representative. The determination of probable eligibility will be made on the basis of an interview with the patient and/or the patient's representative. The interview will cover family size, insurance and income. The determination of probable eligibility will be made based on the information provided in the interview. No application form, verification or documentation of eligibility will be requested or required for the determination of probable eligibility to be made. A final eligibility determination for charity care for qualified indigent persons will be provided in writing within 2 business days of receipt of a completed application for FA.

**Automatic Eligibility:**

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. Examples of a means-tested program are reduced/free school lunches, food stamps, energy and housing assistance, out of state Medicaid, WIC, and the Specified Low Income Beneficiary Program. The patient is responsible for providing proof of eligibility.

FA will be granted for 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.

FA may be approved based on their propensity to pay credit scoring.

**Eligibility Consideration:**

Generally only income and family size will be considered in approving applications for FA. Liquid assets such as rental properties, stocks, bonds, CD's, and money market funds will be considered if one of the following scenarios occurs:

1. The amount requested is greater than \$20,000
2. The tax return shows a significant amount of interest income
3. The patient has a savings or checking account greater than \$10,000
4. If the patient/guarantor is self-employed, a current tax return may be required
5. If AGH/HS has reason to believe the information is unreliable or incorrect, or obtained under duress, or through the use of coercive practices, FA may be denied.

The following assets are excluded:

1. The first \$10,000 of monetary assets
2. Up to \$150,000 in a primary residence
3. 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 income level:

- 0% to 200% of the Federal Poverty Guideline – 100% reduction for Medically Necessary care
- Between 201% and 225% of the Federal Poverty Guidelines – Reduced cost Medically Necessary care at 75%
- Between 226% and 250% of the Federal Poverty Guidelines - Reduced cost Medically Necessary care at 50%
- Between 251% and 300% of the Federal Poverty Guidelines - Reduced cost care Medically Necessary care at 25%

Medical Hardship is based on the following income level:

- 0% to 200% of the Federal Poverty Guideline – 100% reduction for Medically Necessary care
- Between 201% and 300% of the Federal Poverty Guidelines – Reduced cost Medically Necessary care at 75%
- Between 301% and 400% of the Federal Poverty Guidelines - Reduced cost Medically Necessary care at 50%
- Between 401% and 500% of the Federal Poverty Guidelines - Reduced cost care 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 Federal Poverty Guideline, 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.