

Title: Financial Assistance Program Policy, English - 7485 (Spanish - 8081)	Document #: 7485 Version: 3
Facility: St. Charles Bend, St. Charles Madras, St. Charles Medical Group, St. Charles Prineville, St. Charles Redmond	Page 1 of 9
Owner: Crowl, Kristie, Manager Revenue Cycle Management	Effective Date: 12/14/2018

Policy Statement / Purpose:

St. Charles Health System (St. Charles) is committed to protecting the dignity and rights of our patients, to establish fair and equitable guidelines for determining eligibility for financial assistance, consistent with responsible financial stewardship.

St. Charles is a tax-exempt, charitable organization committed to providing emergent and medically necessary services to patients without regard to race, creed, religion, sexual orientation, disability, citizenship, or ability to pay. The St. Charles Financial Assistance (FA) program is designed to assist patients with medical bills that present a significant financial hardship. The St. Charles FA program follows the Federal 501r regulations as defined in <https://www.irs.gov/charities-non-profits/financial-assistance-policies-faps>.

St. Charles makes every effort to identify and extend FA to patients who may need assistance. The FA program information is shared, including this policy, widely and without charge. Information includes but is not limited to the following: FA policy, Credit and Collections policy, FA program brochure (plain language summary), and the FA application. St. Charles provides FA information to the community and to patients through the St. Charles website, Conditions of Registration, patient bill of rights, brochures and signage. Information may also be provided at time of registration, during insurance verification, or while working with a financial counselor or a patient financial services representative. FA applications are available on the St. Charles website or by request.

Definitions: *(Definitions of acronyms or specialized terminology) – Refer to end of document for Definitions*

Instructions:

Financial assistance is provided by St. Charles with the intent to aid members of the communities served by St. Charles. Patients, regardless of their ability to pay, insured or uninsured, may apply for financial assistance under this policy. Eligibility and benefit criteria is set to provide assistance for those with the greatest financial need.

Reasonable Efforts to Identify Individuals who may qualify for the St. Charles Financial Assistance Program

Every effort will be made to identify patients who may need financial assistance as early as possible during their episode of care. Patients may be identified as a candidate for financial assistance at any time before, during or after services are delivered. St. Charles may run, at its discretion, unpaid balances through scoring technology software which will be used to determine the household Federal Poverty Level. In some instances patients may not be identified as a candidate for financial assistance until they are assigned to a collection agency. Accounts placed with a collection agency more than 240 days after the first billing statement will no longer be eligible for financial assistance.

It is the responsibility of the patient or their representative to provide current contact information including a valid mailing address. If St. Charles is unable to contact a patient due to an invalid mailing



address, St. Charles considers that the reasonable effort requirement has been met (<https://www.federalregister.gov/documents/2012/06/26/2012-15537/additional-requirements-for-charitable-hospitals>).

Scope of the St. Charles Financial Assistance Program

The St. Charles financial assistance application and determination applies solely to St. Charles hospitals, clinics, and providers. A full listing can also be found on the St. Charles website (<https://www.stcharleshealthcare.org/~media/12506E2251EA4F309E8DC4C0ADAB9C6E.pdf>).

The St. Charles financial assistance program does not apply to non-St. Charles hospitals, clinics, or providers. Other providers and practices may have their own financial assistance programs. St. Charles encourages patients to contact these providers for further details. Please note that the emergency providers at the St. Charles Bend hospital are non-contracted providers who bill their services separately through Central Oregon Emergency Physicians (COEP). The St. Charles FA program does not apply to COEP providers.

How to Apply for the St. Charles Financial Assistance Program

Any patient or patients' authorized representative may apply to receive financial assistance. A patient seeking financial assistance must provide the documentation specified in the application unless St. Charles indicates otherwise. The application form may be obtained online, by telephone, from the St. Charles website, at any clinic location, or from a financial counselor at any St. Charles hospital. The financial counselor's office locations can be found on the St. Charles website: <https://www.stcharleshealthcare.org/For-Patients/Billing-and-Insurance/Patient-Financial-Assistance-Guidelines>.

St. Charles Financial Assistance Application Instructions

Financial assistance applications must be received within 240 days of the first patient billing statement. Applications received after 240 days are not eligible for financial assistance.

Completed applications will be processed within 21 days of receipt. St. Charles will provide written approval or denial determinations within the 21 day time frame. Approved applications are applied to services from the date the application is received through the end of that month and an additional three months.

Financial assistance will be applied to open balances for services incurred 240 days before the approval date. Any credits generated by financial assistance will be refunded. St. Charles may choose not to refund payments \$5 and under. All refunds are reviewed for accuracy.

Applications may be denied for insufficient documentation or missing information. St. Charles will not withhold financial assistance for failure to supply documentation that is not specified in the St. Charles financial assistance application. If an applicant is denied for missing documentation, the applicant has 60 days to provide additional information or appeal the decision.

Income and Federal Poverty Levels are based on the primary applicant, defined as the applicant who signed the application. If an application is over income or outside the Federal Poverty Level screening limits, St. Charles will conduct a full review before making a final determination. If an application is denied for income or FPL, the applicant has 30 days to request a secondary review.

The St. Charles Financial Assistance program operates under the good faith principle with the intent to provide assistance to community members in need. St. Charles reserves the right to reverse



determinations at any time if an applicant falsified information to obtain financial assistance. Determinations may also be reversed or revised if third party reimbursement was made directly to the patient. Financial Assistance applications may be denied if fraudulent information is included in the application.

St. Charles Financial Assistance Program Eligibility

Financial assistance eligibility is based on the current financial state of the household, defined as the applicant, the co-applicant and all household dependents under 18 years of age. Eligibility determination factors include gross income, household size, and any other mitigating information. Applicants must meet the eligibility criteria listed below to be considered for financial assistance. Federal 501r regulation Applicants must provide documentation of household income and/or assets substantiated by a third party. Specific documentation requirements are listed in attachment B.

Eligibility criteria:

1. Income and/or assets are not more than the St. Charles income level requirements, currently defined as percentage of Federal Poverty Level (FPL) (<https://aspe.hhs.gov/poverty-guidelines>).

Assistance will be provided based on the following criteria:

100% assistance for applicants within 0-300% FPL

Zero patient liability

75% assistance for applicants within 301-350% FPL

25% patient liability

50% assistance for applicants within 351-400% FPL

50% patient liability

Assistance will be awarded based on the FPL score of whomever signed the application.

2. Catastrophic loss and/or medically indigent, defined as a balance that is more than the household's combined annual income. Assistance will be provided based on the following criteria:
 - 80% of the household gross annual income
 - 20% patient liability
 - Any amount over the Amount Generally Billed (AGB)
3. Reside in the St. Charles primary service area, defined as Deschutes, Crook, and Jefferson counties.
 - Exceptions are made for emergent care, services not available in patients own service area, or if the primary medical insurance carrier is contracted with St. Charles.
4. Services are emergent, defined as services provided in the emergency department or urgent care. St. Charles follows EMTALA regulations.
5. Services are medically necessary as defined by Oregon Health Authority (Medicaid) guidelines. Services designated as Medically Necessary by the St. Charles Health System Medical Director are an exception to the Medicaid guidelines. This is subject to change without notice. Current services include the following conditions/procedures:
 - Foreign body in Ear and Nose
 - Cysts of Bartholin's Gland and Vulva
 - Angioedema

Sialolithiasis
 Mucocele
 Lacrimal laceration
 Prostatitis
 Hernia
 Dyspareunia
 Hematoma of the ear
 Hydrocele
 Hordeolum
 Chalazion

6. Patients are required to exhaust all other financial resources to qualify for financial assistance. Resources includes medical insurance, government programs, Third Party Liability (TPL), and qualified assets. Patients eligible for entitlement based coverage (such as Medicaid, VA, TPL) but chose not to enroll or provide necessary information, may not qualify for FA.
7. Patients without insurance may be asked to apply for Medicaid or provide proof that they will not qualify for Medicaid based on income or residency (<https://www.oregon.gov/oha/HSD/OHP/Pages/Apply.aspx>). If the household has applied and been denied for Medicaid in the last year, this requirement may be waived.
8. Homeless patients who meet the following qualifications will be considered to be presumptively eligible under this policy. Qualifications will be verified to the best of SCHS ability.
 - No income or assets
 - No health care coverage, government coverage, or other benefit plan

The final authority for determining that all reasonable efforts have been made to determine financial assistance eligibility is the St. Charles Financial Assistance department. The Financial Assistance department can be reached by phone at 541-706-4551 or by mail at St. Charles Financial Assistance department PO Box 6095 Bend, OR 97708.

St. Charles management will conduct regular audits of financial assistance adjustments to ensure the accuracy of financial assistance awards and compliance with St. Charles policies.

St. Charles Financial Assistance Program Approval levels

In legacy electronic medical record (EMR) systems (pre-EPIC), all financial assistance adjustments are reviewed and approved by the appropriate level of control as defined below. Legacy system approvals are completed via paper forms.

Signature Approval Levels for Financial Assistance Determinations:

\$ 0 - \$ 1,000	Financial Assistance Specialist
\$ 1,001 - \$ 10,000	Patient Financial Services Supervisor
\$ 10,001 - \$ 20,000	Revenue Cycle Manager
\$ 20,001 - \$100,000	Revenue Cycle Director
\$100,001 and up	Chief Financial Officer or other St. Charles executive

In Epic, financial assistance adjustments are automated. Manually entered adjustments follow the approval levels listed above. Adjustments are reviewed and approved through Epic work queues. Professional services financial assistance adjustments are automatically applied and are exempt from



the tiered approval criteria. New patient billing statements are generated with any remaining patient responsibility.

Confidentiality

All St. Charles financial assistance applications and any supporting documentation are confidential and will not be shared without written permission from the applicant.

Collections

St. Charles collections procedures are defined in policy (Credit and Collections #4379). Collection procedures may be followed until a financial assistance application is received and approved. In the event that an applicant has outstanding balances after financial assistance is applied to an eligible account, St. Charles will continue to follow standard collection practices as referenced above. St. Charles reserves the right to reverse financial assistance determinations and resume collection activity if the application was falsified or fraudulent.

Extraordinary Collections Actions

St. Charles will not engage in extraordinary collection actions (ECA) before making a reasonable effort to determine if an individual is eligible for financial assistance. Reasonable efforts may include oral, written, and visual communication. ECA includes lawsuits, liens on residences, arrests, or similar collection processes, and other actions as defined by the U.S Department of Treasury or the Internal Revenue Service (<https://www.gpo.gov/fdsys/pkg/CFR-2015-title26-vol9/pdf/CFR-2015-title26-vol9-sec1-501r-3.pdf>).

Definitions: *(Definitions of acronyms or specialized terminology)*

Amounts Generally Billed (AGB)

A limitation on amounts charged for emergency or medically necessary care rendered to individuals eligible for financial assistance. Financial assistance awards may not be more than the amounts generally billed to individuals who have insurance coverage. To determine AGB, St. Charles uses the "look back method" based on actual past claims paid to St. Charles hospital facilities by either Medicare or Medicare together with private health insurers. AGB includes any patient responsibility assigned by the respective payer. AGB percentages are updated annually. Current AGB percentages may be found in attachment A.

HYPERLINK "http://vltwsdocm01.scmc.org/docview/?docid=12635"HYPERLINK

"http://vltwsdocm01.scmc.org/docview/?docid=12636"

Emergency Medical Treatment and Active Labor Act (EMTALA)

Patients requiring emergent or urgent medical care and pregnant women in active labor shall be treated without regard to their ability to pay

(<https://www.cms.gov/Regulations-and-Guidance/Legislation/EMTALA/index.html>).

Federal Poverty Level (FPL) / Federal Poverty Guidelines

St. Charles utilizes the Federal Poverty Guidelines (commonly referred to as the Federal Poverty Level or FPL) that are published by the U.S. Department of Health and Human Services. FPL guidelines are calculated annually by the Federal government and posted at <https://aspe.hhs.gov/poverty-guidelines>.

Financial Assistance

Financial assistance is a form of charity care designed to defer the cost of care for qualified patients. The St. Charles financial assistance program follows the federal 501r regulations which can be found at <https://www.gpo.gov/fdsys/pkg/FR-2014-12-31/pdf/2014-30525.pdf>.

Medically Necessary Care

Emergency, inpatient, or outpatient healthcare services provided by St. Charles for the purpose of evaluation, diagnosis, or treatment of an injury or illness, which if left untreated, would pose a threat to the patient's health. Services must be clinically appropriate and within generally accepted medical practice standards. The services provided must represent the most appropriate and cost effective supply, device, or service that can be safely provided and readily available at a St. Charles facility. Exclusions from Medically Necessary Services are health care services that are cosmetic, experimental, or part of a clinical research program, private and/or non-St. Charles facility or professional fees and services and/or treatments not provided at a St. Charles facility.

Plain Language Summary

St Charles publishes a brochure titled "Financial Assistance Program" which explains the assistance program, qualifications, and application process. This brochure is available in registration areas throughout St. Charles Health System. Additional information can be found on the St. Charles web site: <https://www.stcharleshealthcare.org/For-Patients/Billing-and-Insurance/Patient-Financial-Assistance-Guidelines>.

Qualified Assets

Qualified assets will be evaluated if an applicant is denied for exceeding the established Federal Poverty Level (FPL) guidelines and a review is requested by the applicant. Qualified Assets are not used in the evaluation of financial assistance for amounts due from services provided at National Health Service Corp site (NHSC). Current NHSC sites can be found at <https://nhsc.hrsa.gov>.

Qualified assets are defined as follows:

One quarter of the total value of household assets above \$75,000

EXAMPLE: \$100,000 in Household Assets would be calculated as follows:

$\$100,000 - \$75,000 = \$25,000$

$\$25,000 \times .25 = \$6,250$

\$6,250 is the amount the patient must pay before Financial Assistance is applied.

Primary Service Area

Primary service area is defined as Deschutes, Jefferson or Crook counties.

Responsible Party

Patients 18 years of age and older are a responsible party. The responsible party for patients less than 18 years of age is the natural/adoptive parent(s) or legal guardian with financial responsibility for the minor, unless the minor is legally emancipated and acting as their own responsible party. Power of attorney also constitutes a responsible party. If an applicant turns 18 during the financial assistance determination period, St. Charles will waive proof of income requirements.

References: *(Documents or Regulatory Requirements, to which this document refers, is linked to within Document Library, or from which the document was created. The following links are for St. Charles' internal use only.)*

- [Financial Assistance Program Brochure \(Plain Language Summary\) English 2503 \(Spanish - 2206\) v.7](#)
- [Financial Assistance Program Brochure \(Plain Language Summary\) Spanish 2206 \(English - 2503\) v.7](#)
- [Credit and Collections, English - 4379 \(Spanish - 8080\)](#)

- [Credito y Cobranzas, Spanish - 8080 \(Credit and Collections, English - 4379\)](#)
- [Financial Assistance Program Application - English \(2203 Spanish\)](#)
- [Solicitud para el Programa de Ayuda Financiera – Español - 2203 \(Inglés - 2204\)](#)
- IRS Requirments for 501c(3) Hospitals Under the Affordable Care Act – Section 501r - <https://www.irs.gov/charitable-organizations/requirements-for-501c3-hospitals-under-the-affordable-care-act-section-501r>

ATTACHMENT A

Amounts Generally Billed (AGB)

To determine AGB, St. Charles uses the “look back method” as defined in the federal 501r regulations. AGB is used to calculate the amount generally billed to patients who have insurance covering medically necessary care. The AGB includes any patient responsibility as assigned by the respective payer. AGB percentages are updated annually. Current AGB amounts are as follows:

St. Charles Bend hospital	28.64%
St. Charles Madras hospital	53.32%
St. Charles Prineville hospital	43.37%
St. Charles Redmond hospital	35.27%

St. Charles Medical Group locations use the AGB of the closest facility.

Updated 11/23/2018

ATTACHMENT B

Financial Assistance Application Documentation Criteria

Federal 501r regulations require that all income and/or financial documentation used to determine eligibility be substantiated by a third party. St. Charles therefore requires some or all of the following information to verify household income and/or assets. Proof of income is required for all household members 18 years of age and above. Income documentation requests may include but are not limited to:

- Paystubs or W-2 with date employment started,
- Self-employed income (1099 schedule C and three months of profit and loss statements), Social Security allotments,
- Pension allotments,
- Veteran's benefits,
- Unemployment benefits,
- Rental income,
- Trust income,
- Alimony,
- Federal tax return (most recent tax year),
- Bank statements or other asset documentation for applicants with assets above \$75,000,
- Other documentation that substantiates income may be requested on a case by case bases.

If there is no income, applicants must submit a written statement explaining how they are meeting cost of living requirements without income.

Qualified household assets will be evaluated if an applicant is denied for exceeding the established Federal Poverty Level (FPL) guidelines and a review is requested by the applicant. Asset documentation requests may include but are not limited to:

- Equity in real estate other than the primary residence,
- Cash value of stocks, bonds, treasury bills, certificates of deposit, and money market accounts, except those held in qualified retirement accounts (e.g. 401k, 403b, IRA, Roth IRA, etc.),
- Health Savings Account(s) (HSA),
- Flexible Spending Account(s) (FSA),
- Health Reimbursement Account(s) (HRA),
- Lump sum or one-time receipts of funds, such as inheritances, lottery winnings, insurance settlements.