Purpose:
To assist patients who are uninsured or underinsured to qualify for a level of financial assistance, in accordance with their ability to pay. Financial assistance may be provided in the form of free care or discounted care for qualifying patients for inpatient and/or outpatient service charges (excluding cosmetic or other procedures which are not Medically Necessary).

Policy:
Unity Health facilities are open for medical care services to the general public, and it is our policy that no patient will be denied medical care services due to inability to pay. The determination of a patient’s ability to pay and financial responsibility for services provided will be made according to the eligibility criteria established within the procedural guidelines of this policy.

Good stewardship of resources in light of expenses make it necessary to establish procedures and guidelines. These procedures are not designed to turn away, impede or discourage those in need from seeking Medically Necessary treatment. They are in place to assure that the resources of Unity Health are devoted to ongoing quality medical care and the provision of financial assistance for those patients who are in need and least able to pay, rather than those who choose not to pay. **Completion of the Unity Health Financial Assistance Application is the initial necessary step in this process.**

Unity Health is committed to the following:

- Communicating with patients so they can more fully and freely participate in providing the needed information without fear of losing basic assets and income
- Assessing the patients’ capacity to pay and establish payment arrangements that do not jeopardize the patients’ health and basic living arrangements or undermine their capacity for self-sufficiency
- Upholding and honoring patients’ rights to appeal decisions and seek reconsideration, and to have a self-selected advocate to assist the patient throughout the process
- Providing options for payment arrangements without requiring that the patient select higher cost options for repayment
- When circumstances allow, engaging in communication with patients regarding the anticipated costs of care and available sources of payment so that the patient may make informed decisions. However, at no time will a patient be refused Medically Necessary care or services due to inability to pay.
Definitions:

**Bad Debt Expense:** Uncollectible accounts receivable that were initially expected to result in payment received (i.e. the patient did not meet the Financial Assistance eligibility criteria). They are defined as the provision for actual or expected uncollectible accounts resulting from the extension of credit.

**Catastrophic Financial Assistance:** Assistance available to all uninsured patients who have a balance owed for medical care who do not qualify for the Financial Assistance program but have an extraordinary balance owed; a debt that is catastrophic to the family income base. Determination is made through the Unity Health Catastrophic Financial Assistance Committee on a case-by-case basis.

**Charity Care:** Charity care is care that represents the uncompensated cost to a hospital and clinic of providing funding or otherwise financially supporting healthcare services on an inpatient or outpatient basis to a person classified as uninsured or otherwise financially indigent. Charity care services are those that may not initially have been expected to result in payment received. Charity Care results from Unity Health’s policy to provide health care services free or at a discount to individuals who meet the established criteria.

**Current Medical Debt:** Self-pay portion of current inpatient and outpatient account(s). Depending on circumstances, accounts related to the same episode of illness may be combined for evaluation. Internal and external collection agency accounts are considered as part of the current medical debt.

**Family/Household:** A group of two or more persons related by birth, marriage (including any legal common law spouse), or adoption who live together. All such related persons are considered as members of one family.

**Liquid Assets:** Money that can be accessed in a relatively short period of time, which may include cash/bank accounts, certificates of deposit, bonds, stocks, cash value of life insurance policies, and pension benefits.

**Living Expenses:** A per person allowance based on the Federal Poverty Guidelines times a factor of two and adjusted for the Arkansas Wage Index. Allowance will be updated annually when guidelines are published in the Federal Register.
Medically Necessary: Health care services or supplies needed to diagnose or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine. Services or supplies provided primarily for the convenience or personal preference of a patient are not included. This definition will be interpreted in accordance with CMS rules and regulations. [https://www.medicare.org/articles/what-does-medically-necessary-mean/](https://www.medicare.org/articles/what-does-medically-necessary-mean/)

Payment Plan: When the patient is unable to pay his or her portion of healthcare costs all at one time, Unity Health will arrange to accept the amount due in regular installments over a defined period of time. Payment plans are expected to be resolved within one year. Payment plans extending beyond one year will be classified as bad debt expenses and forwarded to the Internal Collections Unit for processing.

Projected Medical Expenses: A patient’s significant, ongoing, annual medical expenses, which are reasonably estimated to remain as non-covered by insurance carriers (e.g., drugs, co-payments, co-insurance, deductibles, and durable medical equipment).

Sliding Scale: An income-based scale that is adjusted to reflect the patient’s ability to pay based on the income level of the household. Table A reflects household income levels indexed according to the Federal Poverty Level, and the percentage allowance of Charitable Care to be provided.

<table>
<thead>
<tr>
<th># Persons in the Family</th>
<th>Income Level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20,175</td>
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<tr>
<td>1</td>
<td>27,258</td>
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<td>2</td>
<td>38,635</td>
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<td>3</td>
<td>46,603</td>
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<td>6</td>
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<tr>
<td>7</td>
<td>78,479</td>
</tr>
<tr>
<td>Allowance to Give</td>
<td>100%</td>
</tr>
</tbody>
</table>

Supersedes Policy Dated: 03/20
Prepared by: Leslie Altom
Approved by:
Episode of Illness: Medical encounters/admissions for treatment of a condition, disease, or illness in the same diagnosis-related group (DRG), or closely related DRG occurring within a 120-day period.

Supporting Documentation: Pay stubs, 1099s, workers’ compensation documentation, social security letters, disability award letters, bank statements, brokerage statements, tax returns, life insurance policies, real estate assessments, credit bureau reports, and other documentation typically utilized to establish income levels and charity care or Financial Assistance eligibility.

Take Home Pay: Patient’s and/or responsible party’s wages, salaries, tips, interest dividends, corporate distributions, net rental income before depreciation, retirement/pension income, social security benefits, and other income as defined by the Internal Revenue Service after taxes and other deductions.

Underinsured: Unity Health considers a patient underinsured when a patient’s primary, secondary, and/or other insurance will not cover a specific Medically Necessary service or procedure at any hospital or healthcare facility.

Uninsured: Unity Health considers a patient uninsured when the patient has no insurance coverage.

Uninsured Allowance: An Uninsured Allowance will be available to all patients who are without insurance and do not qualify for any financial assistance. The discount will be 65% for all hospital inpatient services, 75% for hospital outpatient services, and 50% for services provided in the clinic setting. These discounts are determined by taking 12 months’ claims paid by Medicare Fee for Service and all private insurers, and calculating the average discount given to those payers. The discount percentage will be reviewed annually and distributed by Administration to all Unity Health facilities and departments one month before the start of the new fiscal year, to be effective on the first day of the upcoming fiscal year.

SPECIAL INSTRUCTIONS/FORMS TO BE USED

- Financial Assistance Application (Attachment A)
Procedure:

I. Identification of Potentially Eligible Patients:
   1. An evaluation for financial assistance can be initiated in a number of ways, including the following:
      a. A patient with a self-pay balance due notifies the self-pay collector that he/she cannot afford to pay the bill and requests assistance.
      b. A patient presents at a clinical area without insurance and states that he/she cannot afford to pay the medical expenses associated with the current or previous medical services.
      c. A physician or other clinician refers a patient for a financial assistance evaluation for potential medical services.
   2. When possible, prior to the admission or registration of the patient, Unity Health will conduct a pre-admission/pre-registration interview with the patient, the guarantor, and/or his/her legal representative to evaluate the potential need for financial assistance. If a pre-admission or pre-registration interview is not possible, this interview should be conducted upon admission or registration, or as soon as possible thereafter. **However, at no time should a patient be refused Medically Necessary care or services due to inability to pay.** Likewise, Medically Necessary care will not be delayed pending a financial assistance review. In the case of an emergency admission, the evaluation of the potential need for financial assistance should not take place until the required medical care has been provided. At the time of the initial patient interview, the following information should be gathered:
      a. Routine and comprehensive demographic and financial data.
      b. Complete information regarding all existing third-party coverage.
   3. Identification of potentially eligible patients can take place at any time during the rendering of services or during the collection process (including bad debt collection).
   4. Those patients who may qualify for financial assistance from a governmental program should be referred to the appropriate program, such as Medicaid, prior to consideration for additional financial assistance under this policy.
   5. Prior to assignment of the account to a collection agency, a final review of the account will be conducted by the Patient Access Services Director or his/her designee to ensure that no application of financial assistance was received.
II. Determination of Eligibility:
   1. All patients identified as potential financial assistance recipients should be offered the opportunity to apply for financial assistance. If this evaluation is not conducted until after the patient leaves the facility, a Financial Counselor will mail a financial assistance application to the patient for completion. In addition, the hospital will provide a plain language summary of the financial assistance policy to the patient with all billing statements and communications within the first 120 days following the first billing statement. When no representative of the patient is available, the facility should take the required action to have a legal guardian/trustee appointed or to act on behalf of the patient in this regard.
   2. Requests for financial assistance may be received from:
      a. The patient or guarantor
      b. Physicians or other caregivers
      c. Various Unity Health clinics, practices, or other facilities
      d. Unity Health Administration
      e. Other approved programs that provide for primary care of indigent patients.
   3. The patient should receive, complete and submit a written application (Attachment A) and provide all supporting data required to verify eligibility.
   4. In the evaluation of an application for financial assistance, a patient’s family income and medical expenses will be the determining factors for eligibility. A credit report may be generated for the purpose of identifying additional expense, obligations, and income to assist in developing a full understanding of the patient’s financial circumstances. The AVP of Finance is responsible for the efforts of the Patient Access Services department in requiring reasonable efforts in assisting patients in attaining financial assistance under this policy.

III. Review Process:
   1. The review process begins upon the completion of the Financial Assistance Application.
   2. The application should be completed by either the patient, a family member of the patient, the Financial Counselor, Collector, Patient Representative, or a Patient Advocate.

IV. Financial Assistance:
   1. Financial Assistance will be granted primarily based upon the household income schedule associated with the Sliding Scale income table. Questions concerning the application process may be directed to (501) 380-1022.
2. Patients qualifying for Charity Care for amounts greater than $5,000 may be referred to an outside entity for asset verification.

3. Upon the patient’s completion of the application and submission of appropriate documentation, the Financial Counselor or Patient Representative will complete the Unity Health portion of the Financial Assistance Application using either the manual form (Attachment A) used by the patient or an electronic form (Unity Health Financial Assistance application). The completed information shall be forwarded to the Patient Access Services Director or designee for determination, as required. Financial assistance approvals will be made in accordance with the guidelines and documented on the form used to complete the application.

4. Accounts for which the Financial Counselor, Patient Representative, or Patient Access Services Director identified special circumstances that affected the patient’s eligibility for financial assistance will be referred to the Unity Health AVP of Finance for final determination.

5. Accounts that do not clearly meet this policy will be reviewed by the Financial Counselor for decisions regarding Charity Care. The decisions and rationale for those decisions will be documented and maintained in the account file and sent to the patient in a timely manner.

6. A scanned electronic record shall be maintained, reflecting authorization of financial assistance. These documents shall be kept for 10 years.

7. If, due to special circumstances, a patient refuses to cooperate, or if an incomplete application is submitted, the Financial Counselor will provide written notice to the patient explaining what is needed for completion, send a plain language summary of the financial assistance policy, and provide written notice to the patient of the collection actions that could occur if the application is not completed.

V. Financial Assistance and/or Charity Care factors:
In addition to the Sliding Scale, financial assistance and/or Charity Care decisions may be influenced by the following factors:
1. State of residency
2. Individual or family income
3. Individual or family assets and net worth
4. Employment status and earning capacity
5. Family size
6. Amount and frequency of bills for healthcare services
7. Other sources of payment for the services rendered
8. Other financial obligations

VI. Financial Assistance Applications:
1. Applications should be completed within 30 days from the date of treatment, whenever possible.
2. Hospital charges incurred within one year of a financial assistance application may be considered for Charity Care discount or write-off.
3. Ambulatory Clinic balances due at the time of application approval (for Outpatient Departments of Unity Health) will be considered for Charity Care discount or write-off.

VII. Collection Efforts:
1. After medical services have been provided, collection efforts by internal departments or external collection agencies are to be considered part of the information collection process and can appropriately result in identification of eligibility for financial assistance.
2. After medical services have been provided, in the event a patient does not qualify for financial assistance, and fails to make payments or arrangement for payments within 120 days of notification that the patient did not qualify, Unity Health may utilize the services of external collection agencies by assignment of the account to help collect the patient’s debt.

VIII. Charges for non-covered third-party payments:
1. Charges that are remaining after third-party payments may also be eligible for financial assistance discount or write-off.
2. The eligibility requirements of this policy must be met in this situation as well.

IX. Determination of Eligibility for Financial Assistance:
1. Once a patient has qualified for financial assistance/Charity Care, Unity Health will discontinue all billing or collection efforts on the accounts qualifying for 100% write-off. Adjustments will be made to the patient receivable accounts per this policy. Accounts qualifying for partial financial assistance will be adjusted according to policy.
2. Appropriate adjustment code must be used.

X. Patients may also qualify for financial assistance due to catastrophic medical expenses:
1. Medical indigence can occur when a patient has catastrophic medical expenses but does not qualify for financial assistance based upon the Sliding Scale of Table A.
2. In such cases, an application for assistance with explanation may be completed and considered. Determination is made through the Unity Health Catastrophic Financial Assistance Committee on a case-by-case basis.
XI. After financial assistance determination:
   1. The patient will be contacted and the patient’s account will be documented to reflect whether Charity Care is granted or denied.
   2. The following adjustment codes are to be used for write-offs:
      
      **Hospital:**
      a. 99026: A/R Charity Write-off
      b. 99079: Under-insured Adjustment
      c. 99026: Bad Debt Charity Write-off

      **Clinic:**
      a. 00053: A/R Charity Write-off
      b. 00079: Under-insured Adjustment
      c. BADDBT: Bad Debt Charity Write-off

   XII. Notification of Eligibility Determination:
   1. Clear information as to the length of time required to review the application and provide a decision to the patient should be provided at the time of application. A prompt turnaround and a written decision, which provides a reason for granting or denying (if appropriate), will be provided, generally within 45 days of the Financial Counselor’s decision after reviewing a completed application. If denied, patients will be notified by letter that they may appeal this decision and will be provided contact information to do so.

   2. If a patient disagrees with the decision, the patient may request an appeal process in writing within 45 days of the denial. The Financial Counselor will again review the application and escalate it to the AVP of Finance for a determination. Decisions reached will normally be communicated to the patient within 45 days and will reflect the Committee’s final and executive review.

   3. Collection activity will be suspended during the consideration of a completed financial assistance application, or an application for any other healthcare coverage (e.g., Medicare, Medicaid, Family Care, etc.). A note will be entered into the patient’s account to suspend collection activity until the financial assistance or other application process is complete. If the account has been assigned to a collection agency, the agency will be notified by telephone to suspend collection efforts until a determination is made. This notification will be documented in the account notes. The patient will also be notified verbally that collection activity will be suspended during consideration. If a financial assistance determination allows for a percent reduction, but leaves the patient with a self-pay balance, payment terms will be established on the basis of disposable income.
4. If the patient complies with a payment plan to which Unity Health has agreed, the facility shall not otherwise pursue collection action against the patient. However, if a patient misses one monthly payment, the account may be referred to the Internal Collections Unit, and the account may be assigned to a collection agency if more payments are missed.

5. A patient will be given a discount only if the account has an open self-pay balance. The determining factor for refunding monies back to the patient will be the date the patient becomes eligible. For example, if a patient is making payment arrangements on an account and part way through the agreed upon contract term the patient becomes eligible for financial assistance (e.g., they lose their job, etc.), then the monies paid (before the date of job loss and financial assistance eligibility) will not be refunded. If a patient makes payments on an account, and during the time in which the payments were made the patient qualified for financial assistance, then those monies will be refunded to the patient. The Patient Access Services Director is authorized to make exceptions to these guidelines.

6. If the patient has a change in financial status, the patient should promptly notify the facility’s Patient Access Services Director or designee. The patient may request and apply for financial assistance or a change in their payment plan terms.

XIII. Availability of policy:
Unity Health will provide any member of the public or state governmental entity a copy of its financial assistance policy, upon request. The policy will also be available on the hospital website, at all points of registration within the facility, and will be provided by mail to anyone requesting it at no charge. A plain language summary of the policy will be made available in these locations as well.

XIV. Application forms:
Unity Health will make the financial assistance application form available on the hospital website, at all points of registration within the facility, and via mail to anyone requesting it at no charge.

XV. Monitoring and Reporting:
1. Unity Health will maintain a record of approved Charity Care accounts, reflecting the appropriate information to claim the adjustment of charity for Disproportionate Share funding. A financial assistance record from which periodic reports can be developed shall be maintained, aside from any other required financial statements. Financial assistance logs will be maintained for ten years. At a minimum, the financial assistance records are to include:
### Subject: Financial Assistance

1. **Account number**
2. **Date of service**
3. **Application mailed (y/n)**
4. **Application returned and complete (y/n)**
5. **Total charges**
6. **Self-pay balances**
7. **Amount of financial assistance approved**
8. **Date financial assistance was approved**

2. Viewing capability of financial assistance records will be utilized to exchange financial assistance information between Unity Health facilities if applicable. A patient who uses multiple facilities, services, or practices at Unity Health will be able to have his or her approved financial assistance documented by one facility; thereby preventing the need for the patient to reapply for assistance. The Unity Health facilities should be able to reference the record and note in the patient’s account that the patient has already been approved for assistance. This notation will be considered sufficient documentation to extend that patient financial assistance.

3. The cost of financial assistance will be reported annually in the Community Benefit Report. Charity Care will be reported as the cost of care provided (not the charges for that care) using the most recently available operating cost and the associated cost-to-charge ratio, which is generated monthly.

### XVI. Presumptive Financial Assistance Guidelines and Eligibility Criteria:

1. In the following situations, a patient is deemed to be eligible for a 100% reduction from charges (i.e. full Charity Care write-off) without the necessity of completion and submission of the Financial Assistance Application:
   - **If a patient is currently eligible for Medicaid, but was not eligible on a prior date of service.** Instead of making the patient duplicate the required paperwork, the facility will rely on the financial assistance determination process from Medicaid up to 12 months prior to the eligibility date.
   - **If a patient states he or she is homeless and the facility, thru its own due diligence, does not find any evidence to the contrary.** The due diligence efforts are to be documented.
   - **If a patient dies without an estate.**
   - **If a patient is mentally or physically incapacitated and has no one to act on**
XVII. Payment Plans (See Payment Plans Policy):

1. In the event that Unity Health has provided care for a patient whose financial status makes it impractical or impossible to satisfy the self-pay portion balance in a single lump sum payment, equitable payment arrangements will be made.

2. To assist the patient in meeting his/her financial responsibilities, Unity Health allows patients to make payment arrangements when payment in full is not possible. Unity Health will provide long and/or short-term payment plans, based on patient/guarantor needs and financial situations. If the patient/guarantor qualifies for a payment plan, then the Patient Representative or Financial Counselor will inform the patient about his/her responsibilities under the payment arrangement program, as detailed in the Unity Health “Payment Plans” policy.

3. All Unity Health registration representatives will inform eligible patients/guarantors of the Unity Health Payment Plans policy if a patient is unable to pay his/her self-pay amount in full.

4. Insured patient accounts with self-pay balances will not be assigned to a collection agency unless first offered the opportunity to request a reasonable payment plan for the amount owed. Uninsured patients must be given the opportunity to assess the accuracy of their bill, apply for financial assistance (or request the Uninsured Allowance), and avail themselves of a reasonable payment plan prior to the account assignment to a collection agency.

5. If the patient cannot meet the requirements of the payment arrangement program, the patient should be evaluated for financial assistance.

6. Payment plans on partial Charity Care accounts need to be individually developed with the patient.

XVIII. In administering this policy, Unity Health will:

1. Ensure the dignity of the patient/guarantor
2. Encourage upfront financial counseling
3. Be patient-centric and patient-friendly
4. Serve the healthcare needs of everyone, regardless of ability to pay
5. Communicate collection procedures
Exclusions: Medical expenses excluded from the Uninsured Allowance:
1. Accounts which have received other administrative discounts.
2. Services or supplies which are not Medically Necessary.
3. Accounts for which any third parties are liable.

Uninsured Allowance:
1. The Uninsured Allowance will be available to all patients who are without insurance and do not qualify for any financial assistance. The discount will be 65% for all hospital inpatient services, 75% for hospital outpatient services, and 50% for services provided in the clinic setting.
2. These discounts are determined by taking 12 months’ claims paid by Medicare Fee for Service and all private insurers, and calculating the average discount given to those payers.
3. The allowance percentage will be reviewed annually and distributed by Administration to all Unity Health facilities and departments one month before the start of the new fiscal year, to be effective on the first day of the upcoming fiscal year.

Related Materials:
PFS Policy – Installment Payments
PFS Policy – Central Cashiering
PAS Policy – Cash Collection
PAS Policy – Inpatient Admission and Financial Responsibility
PAS Policy – Verification of Insurance Benefits
PAS Policy – Clearance External Transfers and Direct Admissions
PAS Policy – Discharge Clearance
State Department of Health Reference
NFPA
OSHA
NCQA
HIPAA
CMS
OIG
Anti-Kickback Statutes
501(r) Provider List
Financial Assistance Application
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**Distribution:**
- Organizational-Wide

**Filing Instructions:**
- General Manual

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**Supersedes Policy Dated:**
03/20

**Prepared by:**
Leslie Altom

**Approved by:**