

Title: Financial Assistance Program - Policy, English (Spanish - 8081)	Document #: 7485
Category: Corporate Document	Version: 18
Sites: System :	Page 1 of 11
JobTitle: DIRECTOR SINGLE BUSINESS BILLING OFFICE	Most Recent Review: 02/27/2023
Document Owner: Crawl, Kristie	SPPC Approval: 3/02/2022

Policy Statement / Purpose:

St. Charles Health System (St. Charles) is committed to protecting the dignity and rights of our patients and to establishing fair and equitable guidelines for financial assistance, consistent with responsible financial stewardship. This document can be distributed to the public.

St. Charles is a tax-exempt, charitable organization 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 FAa program information, including this policy, is shared 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 financial counselors or single billing office representatives. FA applications are available on the St. Charles website or by request.

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 FA. FA 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 claims previously paid to St. Charles by Medicare, Medicaid (excluding capitated plan) and 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.

Catastrophic Specialty Program

Catastrophic loss and/or medically indigent, defined as a medical debt that is more than the household’s combined annual income.

Debt Collection Agency

A debt collection agency or collection agency employs a team of debt collectors who specialize in collecting outstanding debts. In this scenario, the debts are outstanding medical debts. Debt collection agencies are hired by companies who seek the agencies help to collect these debts.

Debt Collector

A person that by direct or indirect action collects or attempts to collect a debt owed, or alleged to be owed, to a creditor or debt buyer.

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 are determined by the federal government and revised annually. They can be found at <https://aspe.hhs.gov/poverty-guidelines>.

Financial Assistance (FA)

FA 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>.

Medical Debt

An amount owed by a patient to a hospital or a nonprofit hospital-affiliated clinic for medically necessary services or supplies.

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, 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. Financial Assistance exclusions can be found at <https://www.stcharleshealthcare.org/sites/default/files/Documents/Financial%20Assistance/2022/FAPolicyExclusion11-2022.pdf>

Patient Cost

The portion of charges billed to a patient for care received at a hospital or a hospital-affiliated clinic that are not reimbursed by insurance or a publicly funded health care program, taking into account the requirements of section 501(r)(5) of the Internal Revenue Code that: "prohibit a nonprofit hospital from billing gross charges; and Limit amounts charged for emergency or other medically necessary care, to a patient who qualifies under the nonprofit hospital's financial assistance policy, to no more than amounts generally billed to a patient who has insurance that reimburses all or a portion of the cost of the care."

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 the 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 are only evaluated if an applicant is denied for exceeding the established Federal Poverty Level (FPL) and could potentially be eligible for SCHS catastrophic specialty program. Qualified Assets are not used in the evaluation of financial assistance or catastrophic specialty programs for amounts due from services provided at National Health Service Corp site (NHSC). Current NHSC sites can be found at <https://nhsc.hrsa.gov>. St. Charles excludes using assets to make any financial assistance determinations of Mosaic Medical patients.

For services provided at non-NHSC sites, assets that will be considered liquid include those that could be converted to cash within one year. These include checking accounts, savings accounts, retirement funds, trust funds and other investments. Additionally countable assets include the liquidated value of luxury items such as recreational vehicles and second homes. In lieu of liquidating the assets, they may be counted as current year’s income in the financial assistance eligibility determination.

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.

Accountability:

St. Charles Board of Directors will approve the Financial Assistance program policy (policy #7485) and any substantive changes to the policy.

Single Billing Office (SBO) leadership will prepare and submit change reports to the Board of Directors for review and approval prior to implementing policy changes.

The St. Charles FA policy is reviewed annually by designated Revenue Cycle leaders.

Instructions:

FA 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. FA is not designed to circumvent insurance coverage. Eligibility and benefit criteria are 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 qualify for FA as early as possible during their episode of care. Patients may be identified as a candidate for FA 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. Accounts placed with a collection agency more than 240 days after the first billing statement will not be eligible for FA.

It is the responsibility of the patient or their authorized 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 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 FA 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 FA 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 their authorized representative may apply for FA. A patient seeking FA must provide the documentation specified in the application unless St. Charles indicates otherwise. The application may be obtained online through the St. Charles website, requested by telephone, at any St. Charles 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

FA 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 the written determination of approval or denial within the 21-day period. Approved applications are applied to services from the date the application is received through the end of that month and an additional three months.

FA will be applied to accounts with open balances for services incurred 240 days before the approval date. Any credits generated by FA 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 missing or insufficient documentation. St. Charles will not withhold FA for failure to supply documentation that is not specified in the St. Charles FA application. If an applicant is denied for missing documentation, the applicant has 60 days to provide additional information or appeal the decision. If the missing documentation is not provided within the timeframe provided, Extraordinary Collections Actions (ECA) will commence.

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 applicant has a change in income, the applicant has 30 days to request a secondary review with new income.

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 FA. Determinations may also be reversed or revised if third party reimbursement was made directly to the patient. FA applications will be denied if fraudulent information is included in the application.

St. Charles Financial Assistance program eligibility

Eligibility for FA is based on the current financial state of the household. Household is defined as follows:

- A single individual,
- Spouses or domestic partners living together,
- Parent(s) and child(ren) under age 18 years of age living together or
- Other individuals for whom a single individual, spouse, domestic partner or parent is financially responsible.

St. Charles uses scoring technology software to determine the household Federal Poverty Level (FPL) for each application. Eligibility determination factors include gross income, household size, and any mitigating information. Applicants must meet the eligibility criteria listed below to be considered for FA. Specific documentation requirements are listed in attachment B.

St. Charles Financial Assistance program eligibility criteria:

1. Income is not more than the St. Charles income level requirements, currently defined as percentage of 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 medical debt that is more than the household's combined annual income. Patient liability in the event of catastrophic loss will be 20% after the Amount Generally Billed (AGB). If the patient experiences a catastrophic event/diagnosis, the patient may be eligible for additional Financial Assistance, depending on the situation. The situation should be consistent with St. Charles's purpose and mission.

3. Reside in the St. Charles primary service area, defined as Deschutes, Crook, and Jefferson counties.
4. 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.
5. Services are emergent, defined as services provided in the emergency department or urgent care. St. Charles follows Emergency Medical Treatment and Active Labor Act (EMTALA) regulations.
6. Services are considered medically necessary by the ordering and/or providing physician. Medically necessary care does not include elective services, cosmetic, non-essential or items that are solely for the comfort or convenience of a patient.
7. Patients are required to exhaust all other financial resources before qualifying for FA. Resources include medical insurance, COBRA coverage, government programs, Third Party Liability (TPL) coverage and community or faith-based collaboratives. Patients eligible for entitlement-based coverage (such as VA, TPL) but chose not to enroll or provide necessary information, may not qualify for FA.
8. Homeless patients who meet the following qualifications will be considered presumptively eligible under this policy. Qualifications will be verified to the best of SCHS ability. Qualifications include:
 - No income
 - No health care coverage, government coverage, or other benefit plan
9. In extenuating circumstances, St. Charles may at its discretion approve FA outside of the scope of this policy. Charity may be approved due to the following: social diagnosis, homelessness, bankruptcy, deceased with no estate, history of non-compliance and non-payment of account(s).
10. St. Charles may provide premium assistance in the event of COBRA eligibility in accordance with St. Charles Health System mission, applicable laws and regulatory bodies. If COBRA coverage is possible and the patient is not a Medicare or Medicaid beneficiary, the patient or patient's guarantor shall provide the information necessary to determine the monthly COBRA premium. The patient or guarantor will be expected to cooperate to determine whether they qualify for St. Charles COBRA premium assistance, which may be offered for a limited time to assist in securing COBRA insurance coverage.
11. St. Charles may provide FA to patients who have met charity qualifications through community partners and programs. St. Charles utilizes the community partners and community programs screening processes to qualify for FA, as these programs serve the same patient population.

12. FA will be applied to balances remaining on accounts for patients with Medicaid secondary/tertiary for Medicare deductible/co-insurance per EPIC Medicare Financial Assistance/Bad Debt (policy #9038).

St Charles Health System classifies adjustments for Financial Assistance, AGB, self-pay discount, non-covered Medicaid, unbillable homeless, Volunteers in Medicine, Vaccines for Children, Tri-County Mental Health and Kids Center Program as charity care.

Patients not eligible for St. Charles FA program who are true self-pay or un-insured are eligible for a 20.68% self-pay discount.

The St. Charles Financial Assistance department is the final authority in determining that all reasonable efforts have been made to determine financial assistance eligibility. The FA department can be reached by phone at 541-706-7750 (option 6) or by mail at St. Charles Financial Assistance department PO Box 6095 Bend, OR 97708.

St. Charles management will conduct regular audits of FA 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 FA 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 Single Billing Office Supervisor
- \$ 10,001 - \$ 20,000 Revenue Cycle Director
- \$ 20,001 - \$100,000 Vice President of Revenue Cycle
- \$100,001 and up Chief Financial Officer or other St. Charles executive

FA adjustments for facility services are automated in Epic. Any manual adjustments follow the approval levels listed above. Adjustments are reviewed and approved through Epic work queues. FA adjustments for professional services are automatically applied and are exempt from the tiered approval criteria. New patient billing statements are automatically generated with any remaining patient responsibility.

Confidentiality

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

Collection Practices

St. Charles collection practices are defined in the St. Charles Credit and Collections policy (policy #4379). Collection practices may be followed until a FA application is received and approved. In the event that an applicant has outstanding balances after FA is applied to an eligible account, St. Charles will continue to follow standard collection practices as referenced above.

No attempts will be made to collect medical debts from children or other family members who are not financially responsible for the debt.

No interest will be charged on unpaid balances if patients qualify for FA. Interest may be charged on unpaid balances if patients do not qualify for FA and are referred to a debt collection agency in accordance with Oregon H.B. 3076, Section 4, 8(a).

St. Charles reserves the right to reverse FA determinations and resume collection activity if the application was falsified or fraudulent. St. Charles will reverse adjustments and hold patients financially responsible if determined the patient had other financial resources or insurance coverages available.

Extraordinary Collections Actions

St. Charles will not engage in ECA before making a reasonable effort to determine if an individual is eligible for financial assistance. St. Charles will screen guarantors in the pre-bad debt process for FA. If the guarantor's FPL is between 0-200%, St. Charles will mail the Financial Assistance Policy and Application to the patient. The patient has 30 days to return the application before the account is placed with a third-party collection agency. Reasonable efforts may include oral, written, and visual communication. ECA includes lawsuits, liens on residences, 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>).

All third-party collection agents and agencies performing ECA's are required to follow St. Charles policies and procedures.

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 Policy, English \(Spanish - 8080\)](#)
- [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 \(Inglés - 2204\)](#)
- EPIC Medicare Financial Assistance/Bad Debt, English -9038
- IRS Requirements 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>

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 adult family members' income. Income documentation requests may include but are not limited to:

- Federal tax return (most recent tax year), including schedules if applicable; or three months of Paystubs or W-2 with date employment started,
- Self-employed income (1099 schedule C or three months of profit and loss statements),
- Social Security allotments,
- Pension allotments,
- Retirement account distribution,
- Veteran's benefits,
- Unemployment benefits,
- Worker's compensation,
- Disability income,
- Rental income,
- Trust income,
- Child support
- Alimony,
- Federal tax return (most recent tax year),
- Approval letter of state public services such as TANF, basic food, WIC
- Approval/denial letter of eligibility for Medicaid/or state funded medical assistance
- Work study program income,
- Other documentation that substantiates income may be requested on a case-by-case bases.

If you are unable to provide income documentation, you may submit a written and signed statement describing your income.

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

Catastrophic Specialty Program assets are only evaluated if an applicant is denied for exceeding the established Federal Poverty Level (FPL) and could potentially be eligible for SCHS catastrophic specialty program. 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,
- 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,
- Bank statements or other asset documentation for applicants with assets above \$75,000

ATTACHMENT A

Amounts Generally Billed (AGB)

To determine AGB, St. Charles uses the “look back method” based on claims previously paid to St. Charles by Medicare, Medicaid (excluding capitated plan) and private health insurers. AGB includes any patient responsibility assigned by the respective payer. AGB percentages are updated annually. Current AGB amounts are as follows:

St. Charles Bend hospital	61.87%
St. Charles Madras hospital	40.69%
St. Charles Prineville hospital	49.86%
St. Charles Redmond hospital	61.87%
St. Charles Medical Group	61.11%
St. Charles Hospice	17.98%
St. Charles Home Health	16.38%

Updated 01/05/2023

ATTACHMENT B

An Access to Healthcare Crisis

An Access to Healthcare Crisis may be related to an emergent situation whereby state / federal regulations are modified to meet the immediate healthcare needs of St. Charles Health System community during the Access to Healthcare Crisis. During an Access to Healthcare Crisis St. Charles Health System may "flex" patient financial assistance policies to meet the needs of the community in crisis. These changes will be included in the patient FA policy as included as an addendum. Patient discounts related to an Access to Healthcare Crisis may be provided at the time of the crisis, regardless of the date of this policy.