



Allegheny Health Network

PURPOSE

The purpose of this policy is to provide patients with information on the Allegheny Health Network (AHN) Financial Assistance Policy (the "Policy"). The Policy outlines the process for determining a patient's eligibility for financial assistance related to their medical bill at AHN, the types of financial assistance available to qualified patients, and the services that are included and excluded under this Policy, as well as the billing and collection policy that relate to patients who are eligible for financial assistance. In addition, the Policy also outlines certain elements of the patient billing and collection process that are relevant to patients who seek and receive assistance under this Policy.

SCOPE

The mission at AHN includes offering individuals in the community access to medical care, including those who may have difficulty paying for services due to limited financial resources and income. AHN will provide, without discrimination, care for emergency medical conditions to individuals regardless of their ability to pay. This Policy applies to all emergency and other medically necessary care provided by AHN hospitals, including care provided in those hospitals by any substantially-related entity (as defined by the Internal Revenue Service).

The AHN hospitals that are subject to this policy are Allegheny General Hospital, Allegheny Valley Hospital, Canonsburg Hospital, Forbes Hospital, Jefferson Hospital, Saint Vincent Hospital, West Penn Hospital, Westfield Memorial Hospital, AHN Harmar Neighborhood Hospital, AHN McCandless Neighborhood Hospital, AHN Brentwood Neighborhood Hospital, and AHN Hempfield Neighborhood Hospital. See Appendix C for a complete list of providers for whom this Policy applies and for whom this Policy does not apply. Additional and separate requirements for the Westfield, New York, service area are set forth in Appendix E.

This Policy is subject to periodic review and may be revised at any time as business needs require. This Policy has been adopted by the AHN Board of Directors and the applicable AHN hospital Board of Directors and such Boards must approve any material changes to this Policy; provided, however, the Boards of AHN and the AHN hospitals have authorized the Chief Financial Officer of AHN to make any changes to the Policy that are required for the Policy to be compliant with applicable law and any other non-material changes he/she determines to be necessary or desirable.

DEFINITIONS

Amounts Generally Billed (AGB): AGB is defined as the amounts generally billed for emergency or other medically necessary care to individuals who have insurance covering such care determined in accordance with section 1.501(r)-5(b).

Consistent with the requirements of the Internal Revenue Code Section 501(r), AHN uses the “Look-Back” method to determine AGB for emergency or other medically necessary care, as per 26 C.F.R. Parts 1, 53, and 602. The AGB is calculated by dividing the sum of the amounts of all of AHN’s claims for emergency and other medically necessary care that have been allowed by private insurers, Medicare fee-for-services, and Medicaid during a prior 12-month period by the sum of the associated gross charges for those claims. Refer to Appendix D for hospital AGB calculations.

Based on guidelines of the Internal Revenue Code Section 501(r), AHN limits the amounts charged for emergency or other medically necessary care provided to individuals eligible for Financial Assistance. Following a determination of eligibility for Financial Assistance, these individuals are not to be charged more than the AGB.

The public may readily obtain information regarding the AGB and the manner in which it is calculated in writing and free of charge by visiting the following website [<https://www.ahn.org/financial-assistance-ahn-bills>] or submitting a request, in writing, to the following address:

Charity Care Policy
Director Customer Care Center
Allegheny Health Network
4th Floor, 4 Allegheny Center
Pittsburgh, PA 15212

Certain Assets Excluded from Financial Assistance Consideration: Retirement funds segregated in pension funds, 401(k) or other similar retirement investment accounts, primary residence, and primary vehicle will not be included as part of the calculations to determine eligibility for Financial Assistance.

Emergency Medical Condition: Defined within section 1867 of the Social Security Act (42 U.S.C. 1395dd). An emergency medical condition is defined as a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain, psychiatric disturbances and/or symptoms of substance abuse) such that the absence of immediate medical attention could reasonably be expected to result in (1) placing the health of an individual (or with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, (2) serious impairment to bodily functions, or (3) serious dysfunctions of any bodily organ or part.

Extraordinary Collection Actions (ECAs): Defined to include the following under the Internal Revenue Code Section 501(r):

- Selling debt to another party, except under certain exceptions

- Reporting adverse information to consumer credit reporting agencies or credit bureaus
- Taking actions that require a legal or judicial process, including but not limited to the following:
 - Placing a lien on property (with certain exceptions)
 - Foreclosing on real property
 - Attaching or seizing a bank account or any other personal property
 - Commencing a civil action
 - Causing an individual's arrest
 - Subjecting an individual to a writ of body attachment
 - Wage garnishments

Family: Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of Financial Assistance under this Policy.

Federal Poverty Guidelines: Federal Poverty Guidelines are those guidelines which are updated annually in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code.

Financial Assistance: Full or partial adjustment of charges for services provided to patients by AHN hospitals, employed physicians, and non-employed physicians and other affiliated organizations that are listed in Appendix C, determined by program eligibility, which is based on AHN qualification criteria.

Guarantor: An individual other than the patient who is responsible for payment of the patient's bill or debt if the patient fails or is unable to pay the bill or debt.

Gross Charges: AHN's fully established rates and total charges for the provision of patient care services before contractual allowances (including negotiated discounts), other deductions from revenue, and payments are applied.

Income: Family income shall include salaries, wages unemployment compensation, child support, any medical support obligations, alimony, social security income, disability payments, pension or retirement income, rents, royalties, income from estates and trusts, legal judgments, dividends, and interest earnings as well as any other form of taxable income unless specifically excluded as noted herein. Certain items shall be excluded from consideration in the testing done pursuant to this Policy including equity in a primary residence, retirement plan accounts, and irrevocable trusts for burial purposes, and federal or state administered college savings plans. For patients under 18 years of age, family income includes that of the parents and/or step-parents, unmarried or domestic partners (who may or may not live with the minor).

Annual Income, for purposes of this Policy, is a determination of Income on an annual basis using Income information provided by the patient. Generally, Annual Income shall be derived by reviewing the latest official tabulation of such amounts through review of tax returns, W-2's, pay stubs and/or other

relevant supporting documents and information provided to AHN during the application process. If applicable, AHN may apply a reasonable methodology to that Income information in order to derive an estimate of Annual Income when Income information is not available for a recent full year or when recent changes in a patient's income warrant review.

Recent circumstances such as a job loss, job attainment, job change, etc. along with the application of reasonable judgment by AHN, may, at AHN's sole discretion, be taken into account when calculating Annual Income and determining eligibility for Financial Assistance under this Policy.

Liquid Assets: Liquid assets include cash, checking, savings and money market accounts, certificates of deposit, mutual funds, bonds and other similar financial instruments held by the patient or guarantor. Liquid assets in excess of amounts shown in Appendix F must be applied to any bill or indebtedness owed to AHN prior to consideration for Financial Assistance.

Medical Hardship: For purposes of this Policy, an individual whose patient responsible balances, after exhaustion of all liquid assets, insurance and other third party benefits, meets or exceeds 25% of the individual's Annual Income shall be deemed to have suffered a Medical Hardship.

Medically Necessary: Defined by the Centers for Medicare and Medicaid Services as services or items reasonable and necessary for the diagnosis or treatment of illness or injury.

CRITERIA FOR QUALIFYING (AND PROCESS FOR OBTAINING) FINANCIAL ASSISTANCE

1. Overview of the Process

Patients who seek Financial Assistance will engage in a series of important steps that are generally categorized below.

- A. Patient Obtains an Understanding of the Criteria for Qualification and the Level of Financial Assistance Available Under the Policy
- B. Patient Completes the Application Process
- C. AHN Completes the Financial Assistance Determination
- D. If Approved, Financial Assistance is Applied to the Patient Account

2. Criteria for Qualification and Financial Assistance Available

Residence: A patient must be a citizen of the United States of America or a lawful permanent resident of the United States of America, and a resident of the Commonwealth of Pennsylvania, or New York State for Westfield Memorial Hospital. International patients or unauthorized immigrants may qualify for Financial Assistance if they are eligible for Medicaid. There may be special circumstances for out-of-state and international patients (e.g., auto accident, emergent illness) under which, at AHN's sole discretion, such individuals could be considered for qualification for Financial Assistance under the Policy.

Patient Requirement to Pursue Other Available Funding Sources First: The patient must be able to demonstrate a good faith effort in having applied for, and complied with, available and affordable healthcare benefit alternatives (e.g., Medicaid eligibility and other Affordable Care Act subsidized healthcare benefit programs), or provide evidence/proof that the patient would fail to meet the eligibility requirements for coverage of Medicaid or other programs.

- **Refusal to Seek Other Funding Sources:** Financial Assistance will not be available to patients who refuse to use insurance options available to them and to patients who have not exhausted all sources of insurance payment (e.g., Medicare lifetime reserve days).

Types of Services that are Covered Under Financial Assistance: Financial Assistance will only apply to emergency and other medically necessary services. Certain services not covered by Financial Assistance under this Policy are outlined in Appendix A. Financial Assistance will not be available for obligations incurred when a patient refuses discharge and incurs additional charges that are considered medically unnecessary. Regarding pharmaceutical costs, Financial Assistance discounts apply only to drugs administered by AHN during an inpatient stay or outpatient service. These discounts do not apply to any other drugs or mail order prescriptions. Financial Assistance does not apply to services that are covered by an insurance carrier that has denied services due to litigation, lack of cooperation from the patient, or receipt of (or reliance on) erroneous information provided by the patient.

Financial Requirement Threshold Criteria and Calculation: There are three principal financial criteria that are applied as follows in order to determine whether a patient has economic means to pay and whether that patient meets eligibility for Financial Assistance under this Policy, assuming other criteria in the Policy (such as residency) are also met.

1. First, a patient's liquid assets are determined (see earlier definition of liquid assets). If liquid assets exceed the calculated threshold level indicated in Appendix F, then all liquid assets above the threshold level must first be used to satisfy any outstanding balance owed to AHN by a patient.
2. Once step one has been completed, if the patient still owes a balance, then the patient will be evaluated on an income basis. If the patient and/or guarantor's household income is at or below 200% of the Federal Poverty Level (FPL) Guidelines, then 100% of the balance for which the patient is still responsible and for which Financial Assistance is available under this Policy, will be forgiven by AHN. No Financial Assistance is available for a patient or a guarantor whose Annual Income is greater than 200% of the FPL unless they qualify under Medical Hardship as described below. See Appendix B for current guidelines and FPL table.
3. As an alternative to step 2, a patient may demonstrate Medical Hardship. Patients that meet Medical Hardship criteria qualify for the same Financial Assistance benefit as individuals whose income is at or below 200% of the FPL Guidelines.

Generally AHN does not provide Financial Assistance to patients whose income exceeds 200% of the FPL unless they meet the criteria for Medical Hardship.

AHN does not use any previous Financial Assistance eligibility determinations to presumptively approve a patient for Financial Assistance. When a patient's Financial Assistance has terminated, the patient must reapply for Financial Assistance. Generally, once qualified, an individual qualifies and remains eligible for Financial Assistance for a six month period before requiring re-qualification for Financial Assistance under the Policy. In addition, a Financial Assistance application filed and approved at any AHN hospital shall apply to all AHN hospitals with the exception of Westfield Memorial Hospital.

3. Application Process

Patients generally must complete the AHN Financial Assistance application form in order to be considered under the Policy.

Patients must submit one or more of the forms of supporting documentation listed below as proof of income and/or assets:

- Federal Income Tax form 1040 or other Federal Form(s) used to report taxes for the previous year (with explanation of any significant income changes)
- Pay stub copies (for the past 30 days)
- Written verification of any other income received (e.g., alimony, child support, disability compensation, pensions, rental income, self-employment income verification (profit and loss statement for the last month), social security, unemployment compensation, VA benefits, workmen's compensation may be requested as part of the application process)
- Bank statements from the most recent month prior to Financial Assistance application date
- Bankruptcy notices that result in dates of service being considered in the bankruptcy process
- Formal affidavit that supports patient's/guarantor's income/asset information that would qualify him/her for Financial Assistance
- If applicable and available, proof of residence at a homeless shelter or homelessness indication

Applications must be received within 240 days from the date that AHN first sent a post-discharge billing statement to the patient (the "application period"). Failure by the patient to submit a complete application or failure to return the application including all required supporting documentation within such application period may result in a denial of Financial Assistance.

- The notification period is the period during which AHN must notify an individual about this Policy. This period begins on the date care is provided to the individual and ends on the 120th day after AHN provides the individual with the first post-discharge billing statement. If the patient has failed to submit an application for Financial Assistance by the end of the

notification period, AHN may engage in Extraordinary Collection Actions (ECAs) for purposes of collecting on the patient account

- AHN will accept and process applications submitted by an individual during the longer application period that ends on the 240th day after AHN provides the patient with the first post-discharge billing statement
- Any applications requiring additional information will result in a letter being mailed to the patient requesting the additional information. Also, a phone call may be made to the applicant to notify them of the additional information that is needed. If all information necessary to qualify a patient is not received within the 240 day application period, the application for Financial Assistance may be denied by AHN
- Complete Financial Assistance applications with complete accompanying documentation are to be submitted to the following address. The Customer Care Center can provide information regarding this Policy and is responsible for working with patients to determine their eligibility for Financial Assistance

AHN Revenue Cycle Operations
Customer Care Center
4 Allegheny Center, 4th Floor
Pittsburgh, Pa 15212

Patients requiring information about this Policy or assistance related to the completion of an application should contact the AHN Customer Care Center at 1-844-801-8400.

4. Financial Assistance Determination

Once a patient is approved, Financial Assistance is granted for a period of six months beginning on the date of approval. AHN will apply Financial Assistance adjustments to prior accounts that are within 240 days from the first post-discharge patient billing statement that triggered the Financial Assistance application. However, AHN reserves the right to limit retroactive application of Financial Assistance for time frames in excess of what is generally required under 501(r). Generally, this limitation would only apply when extraordinary differences exist between the patient's current financial condition and their financial condition in the six month period prior to approval and when such differences are also accompanied by a clear indication that sufficient funds or income were available in the prior period to pay outstanding medical bills.

Financial Assistance discounts apply to patient responsible amounts only; no amounts due from insurance carriers will be included. A determination of whether an individual is eligible for Financial Assistance may include a number of different circumstances, including the following:

- The patient does not have Medical Assistance or adequate insurance coverage
- The patient has exhausted insurance benefits
- Primary insurance has rendered payment but a secondary liability exists
- The patient is considered indigent due to medical hardship
- A deceased patient's estate will exhaust (be depleted) based on the amounts owed

- The patient has provided a formal bankruptcy judgment that impacts the obligation of a patient to pay for the services provided on the dates in question
- The patient is homeless or has proven residence in a homeless shelter

AHN shall promptly process all requests for Financial Assistance and send a notification of its determination as to a patient or applicant's eligibility for Financial Assistance to the patient or applicant in writing within 14 days of receipt of a completed application.

AHN will not deny an application based on an applicant's failure to provide information or documentation, other than information or documentation described in this Policy or the Financial Assistance application form.

The patient may ask for a review of any decision by AHN to deny Financial Assistance. The patient must submit a request for review orally or in writing within 30 days of receiving the denial of Financial Assistance. Once a request for review has been received by AHN, the review will be done by a member of the Customer Care Center management or his/her designee within 30 days pending receipt and verification of any additional information required to complete the requested reconsideration review.

If an approval for Financial Assistance creates a credit balance on a patient account (a credit that results directly from a previous payment made by the patient or on behalf of the patient for a patient responsible portion of the bill), then the patient or related payee (as the case may be) will be refunded all related patient payments arising from care delivered during the period for which Financial Assistance is approved but only for accounts or services dates to which Financial Assistance is specifically applicable.

Any patient account adjustment arising from approval for Financial Assistance must be approved by the appropriate authorized personnel at AHN. Patient account adjustments (based on gross charges) proposed under this Policy must have the following levels of approval:

Customer Care Center Designee	\$0-\$10,000
Customer Care Center Director	\$10,001 to \$50,000
Revenue Cycle Vice President	\$50,001 to \$100,000
Chief Revenue Cycle Officer	\$100,001 to \$250,000

The AHN Chief Financial Officer or his designee shall review and approve all patient account adjustments that exceed \$250,000 related to Financial Assistance.

5. Presumptive Eligibility Determination

AHN understands that certain patients may be unable to complete a Financial Assistance application, comply with requests for documentation, or are otherwise non-responsive to the application process. As a result, there may be circumstances under which a patient's qualification for Financial Assistance is established without completing the formal Financial Assistance application. Under these circumstances, AHN hospitals may utilize other sources of information to make an individual assessment of financial

need. This information may enable AHN to make an informed decision of the financial need of non-responsive patients utilizing the best estimates available in the absence of information provided directly by the patient.

AHN may utilize a third-party to conduct a review of patient information to assess financial need. This review utilizes a healthcare industry-recognized model that is based on public record databases. This predictive model incorporates public record data to calculate a socio-economic and financial capacity score that includes estimates for income, assets, and liquidity. The technology is designed to assess each patient utilizing the standards that we generally apply under this Policy and is used when specific information is not available from the patient.

AHN shall take measures to review this presumptive process from time to time and consider whether it results in application determinations for Financial Assistance acceptable to AHN in the absence of a patient's ability to complete a traditional application process.

When such third-party technology is used as the basis for presumptive eligibility, the discount afforded under this Policy will be granted for eligible services for a specific date of service only and the patient shall be informed of such determination and benefit in circumstances where such communication is required under regulation.

6. Certain Aspects of Billing and Collections as They Relate to Financial Assistance

AHN strives to obtain all appropriate third party reimbursement that is due for services rendered so as to reduce the financial burden on the patient and AHN. When third party coverage fails to cover the services rendered, or no third party coverage is in effect, AHN expects appropriate payment by the patient for services rendered unless the patient receives Financial Assistance under this Policy. AHN's billing and collection policies shall comply with federal and state regulations and laws governing healthcare billing and collections.

AHN may pursue normal collection actions (as well as ECAs) against patients found ineligible for Financial Assistance, or patients who are no longer cooperating in good faith to pay amounts due.

AHN generally applies a routine collection process to the patient responsible portion of an account. If the patient responsible portion remains unpaid after normal collection efforts, the AHN Revenue Cycle Office will assign or recommend assignment of the unpaid balance to bad debt status in accordance with its established policies and procedures.

Once an account is classified as a bad debt, AHN may take various steps to continue the collection process. AHN may use one or more ECAs to collect the account. However, AHN, at its sole discretion, may elect to use presumptive eligibility techniques to determine eligibility for Financial Assistance prior to pursuing any ECAs related to accounts where no Financial Assistance application has been made by the patient. If a patient meets presumptive eligibility requirements for Financial Assistance then no ECAs will be initiated and collection efforts will be discontinued on the account.

Patient accounts granted presumptive eligibility ultimately will be classified as charity care under this Policy. Such accounts will not be sent to collections, will not be subject to further collection actions, and will not be included in the hospital's bad debt expense.

AHN's Policy regarding care for emergency medical conditions prohibits collection of payment prior to receiving services or collection activities that could interfere with provisions of emergency medical care. No ECAs will be pursued against any patient within 120 days of sending the first post-discharge billing statement and without first making reasonable efforts to determine whether that patient is eligible for Financial Assistance. The AHN Customer Care Center is responsible for the determination that reasonable efforts have been made to determine if a patient is eligible for Financial Assistance prior to initiation of any ECAs. Reasonable efforts shall include, but are not limited to:

- Validating that the patient owes the unpaid bills and that all sources of third-party payments have been identified and billed by AHN
- Instituting a prohibition on collection actions pursued against an uninsured patient until the patient has been made aware of this Policy and has had the opportunity to apply for Financial Assistance
- Notifying the patient in writing of any additional information or documentation that must be submitted for determination of eligibility for Financial Assistance
- Confirming whether the patient submitted an application for health coverage under Medicaid, or other publicly sponsored health care programs and obtaining documentation of such submission
- AHN will not pursue ECAs while this application for health care coverage is pending, but once coverage is determined, normal collection actions will ensue, provided that no other benefits under this Policy are available to the patient
- Sending the patient written notice of the ECAs that AHN may initiate or resume if the patient does not complete the Financial Assistance application
- Sending patient written notice of the ECAs that AHN may initiate or resume if payment due is not received by 30 days after the written notice

Under federal guidelines, AHN is permitted to undertake ECAs after a 120 day notification period from the date of the first post-discharge billing statement sent to the patient. However, at any time during the 120 days after the initial 120 day notification period, AHN will accept and process a Financial Assistance application from a patient, and ECA efforts will cease during that period until such time as a determination is made whether the patient is eligible for Financial Assistance. Accordingly, the total period during which AHN will accept and process Financial Assistance applications is 240 days from the date of the first post-discharge billing statement sent to the patient.

No collection agency, law firm, or individual may initiate legal action against a patient for non-payment of an AHN bill without the written approval of AHN's Chief Revenue Cycle Officer or designee.

In the event of patient bankruptcy, once AHN receives evidence of a bankruptcy filing, collection actions will immediately cease for outstanding balances incurred for all services provided prior and up to the bankruptcy filing date.

FINANCIAL ASSISTANCE REPORTING

AHN shall comply with all federal, state, and local laws, rules and regulations and reporting requirements that apply to activities conducted pursuant to this Policy.

Financial Assistance processes and procedures will be reviewed periodically to ensure that this Policy is being administered as defined herein.

Customer Care Center Management is the principal internal department responsible for collecting, documenting, and reporting related to Financial Assistance, under the supervision of the Chief Revenue Cycle Officer and in conjunction with AHN's controller.

PUBLICATION OF THE POLICY

This Policy shall be available in the primary languages of each covered AHN hospital's service area. Paper copies of this Policy, the application form, and plain language summary of this Policy will be available upon request and without charge in designated public locations in the hospital facilities, including at a minimum in the emergency room (if any) and admissions areas, and by mail. AHN shall use standard signage, and brochures to inform our patients and visitors of their availability in a manner reasonably expected to reach those members of the community who are most likely to require Financial Assistance. In addition, this Policy, along with an application form, and a plain language summary are available on the AHN website (<https://www.ahn.org/financial-assistance-ahn-bills>).

REFERENCES

Internal Revenue Code section 501(r)

26 Code of Federal Regulations 1.501(r)-1 through 1.501(r)-7

AHN Emergency Medical Treatment and Labor Act Policy (Policy stat ID 2538428).

ATTACHMENTS

Appendix A: Services Not Covered by the Financial Assistance Policy

Appendix B: Federal Poverty Guidelines

Appendix C: List of Providers Delivering Emergency or Other Medically Necessary Care

Appendix D: Allegheny Health Network Facility AGB Calculation

Appendix E: Separate and Additional requirements for Westfield Memorial Hospital Financial Assistance

Appendix F: Liquid Asset Amounts


Signature/Date
Chief Financial Officer 10/29/19


Signature/Date
Chief Revenue Cycle Officer 10/29/19