



Policy Name: Financial Assistance/Collections Policy
Effective January 1, 2018
Policy Area: Revenue Cycle
Last Revision: January 1, 2018

Status: Approved
Review Date: January 1, 2019
Expiry Date: N/A

Policy Statement: The Financial Assistance Program must be issued in a consistent and proper manner throughout Allegheny Health Network (AHN). Processes have been established to ensure an effective and efficient administration of financial assistance and collections that align with the developed internal control environment of AHN, and applicable regulatory requirements.

[Signature]
Signature/Date
Chief Financial Officer

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Signature/Date
Chief Revenue Cycle Officer

I. Purpose

The purpose of this policy is to define the income eligibility criteria, the type of financial assistance, and the services that are included and excluded under this policy. The policy sets forth the procedure by which a patient shall apply for financial assistance, sometimes referred to as charity care.

Charity is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with Allegheny Health Network's procedures for obtaining charity or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets.

II. Policy

The Hospitals and Physicians of the Allegheny Health Network are committed to improving the health of our patients and the citizens of Western Pennsylvania. Additional and separate requirements for the Westfield, NY service area are set forth in Appendix E. It is the policy of Allegheny Health Network to offer medical care to all patients, including those who may have difficulty paying for services due to limited income. Consistent with its mission to deliver compassionate, high quality, affordable healthcare services and to advocate for those who are poor and disenfranchised, Allegheny Health Network strives to ensure that the financial capacity of people who need healthcare services does not prevent them from seeking or receiving care. Allegheny Health Network will provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility for financial assistance or for government assistance. The hospitals include Allegheny General Hospital, Allegheny Valley Hospital, Canonsburg Hospital, Forbes Hospital, Jefferson Hospital, Saint Vincent Hospital, West Penn Hospital, and Westfield Memorial Hospital. This financial assistance policy applies to all emergency and other medically necessary care provided by the hospitals, including care provided in the hospitals by any substantially-related entity (as defined by the IRS).

Guideline

Allegheny Health Network's financial assistance and collection policy was developed to comply with the Centers for Medicare and Medicaid Services Medicare Bad Debt Requirements (42 CFR SS13.89), and The Medicare Provider Reimbursement Manual (Part 1, Chapter 3). This policy also addresses Internal Revenue Code Section 501© as required under the Section 9007(1) of the Federal Patient Protection and Affordable Care Act (Pub. L No. 111-148), with the Final Rule issued by the IRS and Department of Treasury on December 29, 2014 (and published in the December 31, 2014 Federal Register).

III. Definitions

ACA or Affordable Care Act — *The ACA is aimed at individuals who will not or cannot buy health insurance. It is also aimed at those referred to as the underinsured, people who have health care coverage that does not adequately protect them from high medical expenses.*

Charity Care — *Full or partial adjustment of charges for services provided to patients (by AHN hospital and employed physicians) determined by program eligibility, which is based on AHN qualification criteria.*

Collection Actions- *As approved by the Board of Directors, the use of third party collection agencies as well as other legal activities identified as reasonable collection efforts in this policy may be used by the Allegheny Health Network when pursuing payment for medical services provided to patients.*

Emergency Medical Condition — *Defined within the meaning of 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 the individual (or with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, (ii) serious impairment to bodily functions, or (iii) serious dysfunction of any bodily organ or part.*

Extraordinary Collection Actions— *Extraordinary collection actions, as required by the Internal Revenue Code Section 501(r), are actions defined as follows:*

- *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 the exception noted below)*
 - *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.*

Family Income— *Family income shall include salaries, 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. The following shall be excluded from family income; 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.*

Federal Poverty Guidelines— *Federal Poverty Guidelines 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.*

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 — *Allegheny Health Network's fully established rates and total charges for the provision of patient care services before contractual allowances, other deductions from revenue, or negotiated discounts are applied.*

Medically Necessary — *Medically necessary services are those as typically 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.*

Non-responsive Patients — *AHN acknowledges that some patients may be non-responsive to AHN's application process. Under these circumstances, AHN may utilize other sources of information to make an individual assessment of financial need.*

Uninsured Patient — *An individual having no third-party coverage by a commercial third party insurer, an ERISA plan, a Federal Health Care Program (including without limitation Medicare, Medicaid, SCHIP and CHAMPUS), worker's compensation, or other third party assistance to assist with meeting his/her patient obligations.*

Underinsured Patient — *An individual, with private or public insurance coverage, for whom it would be a medical hardship to pay out-of-pocket expenses for medical services provided by Allegheny Health Network.*

IV. Procedure

Publication of the Policy

The policy will be available in the following measures:

- ✓ **Paper copies:** Paper copies of this policy, the application form and plain language summary of the policy will be available upon request and without charge, both in public locations in the hospital facility and by mail
- ✓ **Informing/notifying visitors:** This policy will be available by conspicuously posting standard signs, forms, and brochures that provide basic information about the policy in public locations in the hospitals.
- ✓ **Informing/notifying members of the community served by the facility:** the distribution of information sheets summarizing this policy to local public agencies and nonprofit organizations that address the health needs of the community's low- income populations will be made available.
- ✓ **Website publication:** The Financial Assistance policy, application form, and a plain language summary will be available on the AHN website.

Statement of Guidelines

It is the intent of AHN to provide necessary services to those patients who demonstrate an **inability** to pay and **not an unwillingness** to pay.

As per guidelines IRC §501(r), AHN limits the amounts charged for emergency or other medically necessary care provided to Charity Care eligible individuals. These individuals are not to be charged more than the amounts generally billed (AGB) to individuals covered by insurance, and the guidelines prohibit the use of gross charges. Please see Appendix D for the self-pay discounts for each AHN facility.

The AHN Hospitals use the "Look-Back" method to determine AGB for emergency or other medically necessary care, as per the Federal Register, Vol 79, No. 250 dated December 31, 2014, 26CFR Parts 1, 53 and 602. The amounts to be collected from uninsured patients found eligible for financial assistance shall not exceed the rates paid by an average of private insurers, Medicare and Medicaid. Patients that are eligible for financial assistance will not be expected to pay gross charges. The public may readily obtain this information in writing and free of charge by submitting a request, in writing, to the following address:

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

Criteria for Qualification

Patients who meet the criteria as established by this policy will be eligible for financial assistance including free or discounted care:

- 1. A patient must be both a citizen of the United States of America or a lawful permanent resident of the United States of America, and a resident of Pennsylvania (or, a NY state resident for Westfield Memorial Hospital).**
- 2. As of the date the application is submitted:**

Charity Care is reserved for Pennsylvania residents (or NY residents for the Westfield Memorial Hospital service area) because Pennsylvania residents are paying the Pennsylvania state and local taxes that support many health care services for the state's citizens. Similarly, for United States of America citizens paying for federal taxes. AHN would expect that out-of-state patients who would qualify for AHN Charity Care based on their financial circumstances should receive medical care and charity care privileges in their state of residency. International patients or unauthorized immigrants may qualify for Charity Care if they are eligible for Medicaid. There are special circumstances for out-of-state and international patients (e.g., auto accident, emergent illness) under which they would qualify for Charity Care.
- 3. The patient/guarantor must be able to demonstrate a good faith effort to having applied for and complied with available affordable healthcare benefit alternatives (e.g. Medicaid eligibility and other ACA subsidized healthcare benefit programs), or provide evidence that coverage for Medicaid or other programs would not be granted before becoming eligible for Charity Care.** Patient must submit a complete application for Charity Care within the application period. AHN will make reasonable efforts to determine whether an individual is eligible for outside assistance before engaging in extraordinary collection actions (ECAs) against the individual. Reasonable efforts: For purposes of meeting these requirements, there is both a "notification period" and an "application period." 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 billing statement for the care. If the individual has failed to submit an application by the end of the notification period, AHN may engage in Extraordinary Collection Actions (ECAs) against the individual. However, 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 individual with the first billing statement for the care. Patients who fail to submit a complete application or fail to return the application including supporting documentation after 240 days may be denied due to failure to comply.
- 4. Coverage by Charity Care is limited to basic medical care.**
- 5. Charity Care will only apply to emergency and other medically necessary services. Charity Care will not be available to a patient that refuses discharge and incurs additional charges that are considered medically unnecessary. Charity Care discounts apply only to drugs administered during an inpatient stay or outpatient service. These discounts do not apply to any other drugs or mail order prescriptions. Charity Care will 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 erroneous information from the patient.**

Charity care will also not apply to patients/guarantors who refuse to use insurance options available to them. Charity care will also not apply to patients/guarantors who have not exhausted all sources of insurance payment (ex: Medicare lifetime reserve days).
- 6. An approved application will cover applicable services provided to the patient from 180 days preceding to 180 days following the date on which the application is approved:**

Patients/ guarantors must reapply for ongoing Charity Care every 180 days. This reapplication process may consist of a verification of the Presumptive Charity Care data or may require the submission of an updated and complete Charity Care application.

7. Charity Care discounts apply to patient liability amounts only; e.g. no insurance amounts will be considered. Approved amounts may be a result of:

- ✓ Patient does not have Medical Assistance or adequate insurance coverage
- ✓ Patient has exhausted his/ her insurance benefits (e.g., exceeded maximum covered days/ amounts, exceeded Medicare's lifetime reserve days)
- ✓ Patient has a primary insurance carrier who has rendered payment but a secondary liability exists for which he/ she does not have coverage
- ✓ Patient is considered indigent due to the amount of medical debt incurred in comparison to the patient's financial circumstances
- ✓ Deceased patient's estate will exhaust prior to payment of the full patient balance
- ✓ Patient has provided formal bankruptcy judgment that impacts the date on which services were provided. With consideration of the judgment and updated income/ asset information, the patient would qualify for Charity Care
- ✓ Patient is 'homeless' or has proved residence as a homeless shelter
- ✓ Patient has provided formal affidavit documentation regarding income/ asset information and/ or homeless status that qualifies the patient for Charity Care

Procedure for Application

1. Charity Care Application

The use of Charity Care applications is required to qualify a patient/guarantor for Charity Care.

If the patient and/or guarantor's income is at or under 200% of the Federal Poverty Guidelines, all patient liability balances will be forgiven at 100%. Patients documented as homeless also are considered at the 100% rate. Patient's gross household income for the current and previous year may not exceed two (2) times the Poverty Income Guidelines published annually in the Federal Register by the U.S. Department of Health and Human Services (most current year's data will be mainly considered.) See appendix B for current guidelines and applicable FPL table.

All liquid assets (cash, checking, savings and money market accounts, matured certificates of deposit, mutual funds and bonds that may be cashed without penalty and other easily convertible investments) held by the patient or guarantor in excess of \$10,000.00 must be applied to the indebtedness owed to Allegheny Health Network prior to consideration for a financial assistance adjustment. Retirement funds will not be included. The primary residence and primary vehicle will not be included as part of the asset test. Any secondary residence or vehicle will be considered and evaluated on a case by case basis.

"Hardship" documentation may be required (i.e., cases with excessive medications, terminal illness or multiple hospitalizations.) For patients that exceed 200% of the Federal Poverty Guidelines and in which their account balance exceeds 25% of their annual household income, AHN may claim the excess balance as "hardship" provided the patient provides documentation of income or income can be derived from outside database sources.

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.

2. Supporting Documentation

Forms of income and asset information requested for the application process.

- ✓ Federal Income Tax Form 1040 or other Federal Form(s) used to report taxes for the previous year (with explanation of drastic 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, as required (most recent month prior to Financial Assistance application date)
- ✓ Bankruptcy notices that impact dates of services being considered in addition to income/ asset information that would qualify patient/ guarantor for Charity Care. Formal affidavit that supports patient's/ guarantor's income/ asset information that would qualify him/ her for Charity Care
- ✓ Proof of homelessness or residence at a homeless shelter

3. Application Information

All applicants must complete the AHN Financial Assistance application form and provide requested documents when applying for financial assistance. To be considered for financial assistance, completed applications must be received within 240 days of receiving medical services from Allegheny Health Network.

The Allegheny Health Network financial assistance application form must be completed and documentation provided in order for a request to be considered. Any applications returned requiring additional information will be held for 30 days from the date the letter was mailed to the applicant requesting this information. A phone call will also be made to the applicant to notify them of the additional information that is needed. If the information is not received within 30 days, the application will be denied.

Financial assistance applications are to be submitted to the following office, which is the office responsible for making reasonable efforts to determine whether an individual is eligible for financial assistance

Allegheny Health Network Revenue Cycle Operations
Customer Care Center
10th Floor, 4 Allegheny Center
Pittsburgh, PA 15212

Patients requiring assistance in completion of the financial assistance application can contact AHN Customer Service Department, phone 1-800-547-0540 or the Customer Care Center at 1-844-801-8400.

Requests for financial assistance shall be processed promptly and Allegheny Health Network shall notify the patient or applicant in writing within 14 days of receipt of a completed application. If eligibility is approved, financial assistance will be granted for a period of six months. Financial assistance shall also be applied to all eligible accounts incurred for services received up to six months prior to application date.

If denied financial assistance, the patient or patient's guarantor may re-apply at any time there has been a material change of income or status or six months after the date of denial decision.

4. Determination of Financial Need of Non-Responsive Patients and Guarantors

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 assistance application. Under these circumstances, AHN hospitals may utilize other sources of information to make an individual assessment of financial need. This information will enable AHN to make an informed decision on 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 an electronic 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 electronic technology is designed to assess each patient to the same standards and is calibrated against historical approvals for AHN financial assistance under the traditional application process.

The electronic technology will be deployed prior to bad debt assignment after all other eligibility and payment sources have been exhausted. This allows AHN to screen all uninsured patients for financial assistance prior to pursuing any extraordinary collection actions. The data returned from this electronic eligibility review will constitute adequate documentation of financial need under this policy.

When electronic enrollment is used as the basis for presumptive eligibility, the highest discount of full free care will be granted for eligible services for retrospective dates of service only. If a patient does not qualify under the electronic enrollment process, the patient may still be considered under the traditional financial assistance application process. To patients not qualifying through this process, AHN will provide them with a written notice informing them that financial assistance is available. It will include a plain language summary of the financial assistance policy and actions to be taken if an application is not submitted or the outstanding balance paid.

Patient accounts granted presumptive eligibility will be reclassified under the financial assistance policy. They will not be sent to collection, will not be subject to further collection actions, and will not be included in the hospital's bad debt expense.

5. Considerations and Administration of Charity

Request for Charity Care discount of approved amounts must be submitted to appropriate management levels for write-off approval. Patient/ guarantor will be notified, in writing, whether he/ she has been approved for or denied coverage under the Charity Care Program.

To act in the best interest of AHN as well as ensure maximum compliance regarding conflict of interest, employees and management take responsibility for pro-actively communicating to their immediate supervisors (next level of management) when applicants are fellow employees, relatives and/ or friends of the individuals responsible for application review and approval. It is expected that in such situations, applications will be approved by other management, including VP-level individuals as necessary.

Separate transaction codes will be used to track Charity Care discount amounts.

Incomplete Financial Assistance applications will be followed-up on by the Supervisor or designee via phone or letter request to expedite application consideration. A letter will be sent upon review and approval.

Responsibilities

Applications for coverage under the Charity Care Policy Financial Assistance Program, with complete accompanying documentation, will be submitted to and reviewed/approved by the Customer Care Center Management Management, or designee. Cases where the adjustment exceeds the following amounts or those requiring exception due to hardship must be reviewed and approved as follows:

Charity Care Management Approvals

Self-Pay Rep	\$0 - \$20,000
Self-Pay Manager	\$20,001 - \$50,000
Director	\$50,001 - \$75,000
Vice President, CBO	\$75,001 - \$150,000
Senior Vice President, Chief Revenue Officer	> \$150,001

6. Charity Care Management Reporting

Reporting and documentation of the AHN charity care will occur regularly.

- ✓ Charity care processes will be reviewed annually to ensure policies and procedures are being consistently applied. Annual review will also allow for suggestions to be made concerning policy and procedure updates and changes.
- ✓ Customer Care Center Management will be required to collect, document, and disclose charity care information including:
 - Total number of persons served
 - Total charges forgiven
 - Total cost of charity care
 - Total of funding received to support the cost of providing charity care

Billing and Collection Policy

Allegheny Health Network's billing and collections policies shall comply with federal and state regulations and laws governing healthcare billing and collections.

No extraordinary collection actions (ECA) will be pursued against any patient within 120 days of issuing the initial bill and without first making reasonable efforts to determine whether that patient is eligible for financial assistance. Reasonable efforts shall include, but not be limited to:

- ✓ Validating that the patient owes the unpaid bills and that all sources of third-party payments have been identified and billed by Allegheny Health Network;
- ✓ Instituting a prohibition on collection actions pursued against an uninsured patient (or one likely to be underinsured) until the patient has been made aware of Allegheny Health Network's financial assistance policy and has had the opportunity to apply for it;
- ✓ Notifying the patient in writing of any additional information or documentation that must be submitted for a determination of 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. Allegheny Health Network will not pursue collection actions while this application for health care coverage is pending, but once coverage is determined, normal collection actions will ensue.
- ✓ Sending the patient written notice of the extraordinary collection efforts that the Allegheny Health Network may initiate or resume if the patient does not complete the financial assistance application or pay amount due by the later of 30 days after this written notice or 30 days from the date provided to the patient to complete the application for financial assistance.
- ✓ In addition, although AHN may undertake ECA after a 120 day notification period from the date of the first bill issued, at any time during the subsequent 120 days, AHN will accept and process a FAP application from a patient, and ECA efforts will cease during that period until such time determination is made that the patient is FAP eligible. Accordingly, the total period during which AHN will accept and process FAP applications is 240 days from the date of the first billing statement.

Allegheny Health Network's policy regarding care for emergency medical conditions prohibits the collection of payment prior to receiving services or permitting collection activities that could interfere with provision of emergency medical care. Reference Allegheny Health Network's Emergency Medical Treatment and Labor Act Policy (policy stat ID 2538428).

Allegheny Health Network may pursue normal collection actions against patients found ineligible for financial assistance, or patients who are no longer cooperating in good faith to pay the remaining balance.

No collection agency, law firm, or individual may initiate legal action against a patient for non-payment of an Allegheny Health Network bill without the written approval of an authorized Allegheny Health Network employee.

Collection Information

Allegheny Health Network strives to maximize third party reimbursement at all times to reduce the financial burden of the patient. When the third-party coverage fails to cover the services rendered, or no third party coverage is in effect, Allegheny Health Network expects payment by the patient for services, rendered, unless the patient is awarded financial assistance through the application process or is presumptively eligible.

When the collection routine progresses and the self-pay balance remains unpaid, the Revenue Cycle office will assign or recommend assignment to bad debt status in accordance with the established policy and procedure.

Payment Plans

Payment plans are available, upon approval, for Allegheny Health Network services. Payment plans are reasonable to the industry standards.

Bankruptcy

In the event of patient bankruptcy, once the Allegheny Health Network receives the Proof of Claim, collection actions will immediately cease for outstanding balances incurred for all services provided prior and up to the bankruptcy filing date.

Regulatory Requirements

Allegheny Health Network shall comply with all federal, state and local laws, rules and regulations and reporting requirements that may apply to activities conducted pursuant to this policy. This policy requires that Allegheny Health Network track all collection and financial assistance provided to ensure accurate reporting.

Record Keeping

Allegheny Health Network shall document all collection actions and financial assistance in order to maintain proper controls and meet all internal and external compliance requirements.

Policy Approval

Allegheny Health Network's Financial Assistance and Collection Policy is subject to periodic review and may be revised at any time as business needs require. Allegheny Health Network Board of Directors and the applicable AHN hospital boards must approve any changes to the policy

APPENDIX A: Select Services not covered by the Financial Assistance Policy

Definition	Program Eligibility		Service Definitions & Examples
	Self-Pay Discount	Charity Care	
Grant accounts	No	No	<ul style="list-style-type: none"> • Addison Gibson • Ryan White • Other services covered by grants/foundations
Certain Services, High cost treatments; treatments with other lower-cost, alternative treatment options	Yes	No	<ul style="list-style-type: none"> • Cochlear implants • Bariatric surgery • LDL apheresis • Deep brain stimulation • Vasectomy or vasectomy reversal • Transplants • Left Ventricular Assist Device (cf. transplant) • Pediatric Hearing Aids • Any other procedure that does not meet medical necessity.
Not Medically Necessary	No	No	<ul style="list-style-type: none"> • Cosmetic surgery/procedure • In-vitro fertilization • Non-medically necessary obstetric ultrasound, virtual colonoscopy, and full-body MRI/PET