

<b>POLICY TITLE:</b> Centura Health Financial Assistance Policy	
<b>DEPARTMENT:</b> Revenue Management	<b>ORIGINATION DATE:</b> 11/01/2006
<b>CATEGORY:</b> Billing	<b>EFFECTIVE DATE:</b> July 1, 2016

### SCOPE

This Policy applies to all Centura Health (Centura) licensed hospitals and provider-based practices listed in Addendum A (Centura Hospitals) and to the providers and practices listed in Addendum B (Covered Providers).

### STATEMENT OF POLICY/PURPOSE

Centura is dedicated to ensuring that emergency and other medically necessary care is accessible to all patients, regardless of ability to pay, ability to qualify for financial assistance, or the availability of third-party coverage. Accordingly, in compliance with applicable State and federal law, Centura Hospitals have adopted this Financial Assistance Policy (FAP). This FAP will be widely publicized and includes the eligibility criteria for financial assistance, the basis for calculating amounts charged to patients, the method for applying for financial assistance, the actions that may be taken in the event of nonpayment, and a list of the individual providers delivering care in the hospitals that specifies which are covered by this FAP and which are not.

Exceptions: Financial assistance under this policy is not available for services that are not medically necessary as determined by the patient's treating provider.

### DEFINITIONS:

**Adjusted Federal Poverty Level** – Total household size, **current** income and liquid assets.

**Amounts Generally Billed (AGB)** - The amounts generally billed for emergency or other medically necessary care to individuals who have insurance covering such care after discounts have been applied per the individual's insurance contract. Centura calculates the AGB pursuant to the look-back method, as described by §1.501(r)-5. The look-back method is based on actual past claims paid to the hospital facility by Medicare Fee-for-Service along with all private health insurers paying claims to the hospital facility. The amounts billed for emergency and other medically necessary medical services will not be more than the AGB to individuals with insurance covering such care. The AGB percentage is separately calculated for each Centura Hospital and is specified in Addendum A. The AGB percentage will be reviewed and updated annually by the 120<sup>th</sup> day after the 12-month period the hospital facility used in calculating the AGB percentage, which is November 1 for Centura.

**Discount** - A reduction from the full or gross charges for services rendered.

**Extraordinary Collection Actions (ECA)** – ECA's are actions taken by a hospital facility against an individual related to obtaining payment of a bill for care and services provided that may require a legal or judicial process, involve selling an individual's debt to another party or involve reporting adverse information about an individual to consumer reporting agencies or credit bureaus.

**Federal Poverty Level** – Total household size and current income.

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**Gross Charges** – The total charges for care and services provided, as listed on the hospital’s charge master, before any applicable discounts are applied.

**Medically Necessary** – Any service or procedure reasonably determined by the patient’s treating provider to prevent, diagnose, correct, cure, alleviate, or avert the worsening of conditions that endanger life. The physical, mental, cognitive, or developmental effects cause suffering or pain, result in illness or infirmity, threaten to cause or aggravate a handicap, or cause physical deformity or malfunction, if there is no other equally effective, more conservative or less costly course of treatment available. It may also include a course of treatment that includes mere observation or no treatment at all.

**PROCEDURE:**

- A. As described by Centura’s Emergency Medical Treatment & Active Labor Act (EMTALA) policy, a Hospital will not delay the provision of a medical screening exam (MSE), stabilizing treatment, or appropriate transfer, or otherwise engage in any activities that would discourage an individual from seeking emergency medical care to inquire about the individual’s method of payment or insurance status. The Hospital will not seek, request, direct an individual to seek, or allow a health plan coordinator to request prior authorization for services before the individual has received a MSE and initiation of stabilizing treatment as required by EMTALA.
- B. Financial Assistance Policies are transparent and available to the individuals served at any point in the care continuum. Each Centura Hospital and **physician practice** will:
1. Prominently and conspicuously post complete and current versions of the following on the [www.Centura.org](http://www.Centura.org) website:
    - a) Financial Assistance Policy (FAP)
    - b) Financial Assistance Application Form (FAA Form)
    - c) Plain Language Summary of the FAP (PLS)
    - d) Contact information for Centura facility Financial Counselors.
  2. Make paper copies of the FAP, FAA Form, and the PLS available upon request and without charge, both in public locations in the hospital facility and **practices** (including without limitation, emergency rooms and admission and registration areas) and by mail.
  3. Notify and inform members of the community served by the **facility or practice** about the FAP in a manner reasonably calculated to reach those members who are most likely to require financial assistance; and
  4. Notify and inform individuals who receive care from the hospital facility **or practice** about the FAP by: (1) offering a paper copy of the PLS to patients as part of the intake or discharge process; (2) including a conspicuous written notice on billing statements that notifies recipients about the availability of financial assistance under FAP and includes the telephone number of the hospital facility office or department that can provide information about the FAP and FAP application process and the direct web site address where copies of the FAP, FAP application form, and PLS of the FAP may be obtained; and (3) setting up conspicuous public displays that notify and inform patients about the FAP in public locations in the hospital facility **and practice**, including, at a minimum, the emergency room and admissions areas.

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- C. Make available, through Financial Counselors, financial assistance, discount information, and financial counseling to all individuals admitted to a Centura facility or practice. Interpreters or other communication aids will be used, as indicated, to allow for meaningful communication with individuals, including those who have limited English proficiency, are deaf, or are hard of hearing.
- A. Accessibility to limited English proficient individuals: Centura will translate its FAP, FAA Form, and PLS into each language that constitutes the lesser of 1,000 individuals or 5 percent of the community served by a Centura Hospital or the population likely to be affected or encountered by the Centura Hospital.
    - a. The basis for calculating each language: All patient visits where a preferred language was captured at the point of registration and it exceeded 1,000 individuals or 5% of the patient population. The preferred language will be reviewed and updated by the 120<sup>th</sup> day after the 12<sup>th</sup> month period, which is November 1 for Centura.
  - B. The FAP, FAA and PLS are available in English and Spanish.
- D. Centura and the individual patients served each hold accountability for the general processes related to the provision of financial assistance.
- 1. Centura Responsibilities:
    - a) Centura workforce members in Revenue Management and the hospital Patient Access areas understand the Centura FAP and can direct questions regarding the policy to the proper hospital representatives.
    - b) Centura requires all contracts with third party agents who collect bills on behalf of Centura to include provisions that these agents will follow Centura's FAP.
    - c) Centura will provide a refund to a patient if payments have been made more than the approved financial assistance rate and established copayment.
    - d) Centura provides patients with options for payment arrangements.
    - e) Centura upholds and honors individuals right ask questions and seek reconsideration.
    - f) Centura will annually review and incorporate federal poverty guidelines for updates published by the United States Department of Health and Human Services.
    - g) Centura will make financial assistance eligibility determinations and the process of applying for financial assistance equitable, consistent, and timely. Centura will allow 30 days for processing of the application and 30 days to contact the patient with the determination in writing.
  - 2. Individual Patient Responsibilities
    - a) To be considered for a discount under the FAP, the individual must cooperate with Centura to provide the information and documentation necessary to determine eligibility and to apply for any financial assistance that may be available to pay for healthcare such as Medicare, Medicaid, third-party liability, etc. This includes completing the required application forms and cooperating fully with the information gathering and assessment process.
    - b) An individual who qualifies for financial assistance must cooperate with the hospital to establish a reasonable payment plan and must make good faith efforts to honor the payment plans for their discounted hospital bills. The individual is responsible to promptly notify Centura of any change in financial situation so that the impact of this change may be evaluated against the FAP, their discounted hospital bills, or provisions of payment plans.
- E. Eligibility Criteria and Basis for Calculating Federal Poverty Level (FPL)

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- 1) A patient's Adjusted FPL will be calculated using the patient's household income plus liquid assets and household family size.
  - i) Special Charity Funding Sliding Scale departments are excluded from calculating the FPL using assets. Federal Poverty Level calculation will be household size and current income only.
- 2) If any other charity or indigent care program is used to discount a bill and leaves a patient balance, Centura financial assistance cannot be applied, except in special cases, with approval of facility leadership and/or revenue management leadership.
- 3) Patient's must be ineligible for Medicaid, Child Health Plan+, Colorado Indigent Care Program (where applicable), or other financial assistance programs.
- 4) Medicaid patients who receive non-covered medically necessary services will be considered for financial assistance. Financial assistance may be approved in instances prior to the Medicaid effective date.
- 5) Insurance programs leaving a patient balance may be eligible for Centura Financial assistance if the patient meets financial screening requirements. Financial assistance determinations will be based upon the patient's liability, not original charges.
- 6) Patients who are approved for financial assistance and have accounts in bad debt may have those accounts reviewed on a case-by-case basis. Centura will accept a FAA Form up to 240 days from the date of the first post-discharge statement.
- 7) Non-medically necessary services and procedures will not qualify for Centura's FAP.
- 8) Established residency in Centura's market service area is required, unless the visit is due to an urgent or emergent visit. All scheduled services for patients who reside outside the market area require prior approval from the facility Chief Financial Officer
  - i) For scheduled services: If an ordering provider has requested services at a Centura hospital and the same service is also provided at another facility closer to the patient's residence and not in Centura's primary market service area, Centura Health may request the ordering provider to re-evaluate the services and request the services be performed closer to home.
- 9) Residents of countries outside the United States of America are not eligible for financial assistance without prior approval from the facility Chief Financial Officer.
- 10) A third-party scoring tool may be used to justify FPL calculation.
- 11) Additional extraordinary circumstances that may qualify for financial assistance on a case-by-case basis:
  - a. Individual is homeless;
  - b. Individual is deceased and has no known estate able to pay hospital debts;
  - c. Individual is incarcerated;
  - d. Individual is currently eligible for Medicaid, but was not eligible at the date of service;
  - e. Individual is eligible by the State to receive assistance under the Violent Crimes Victims Compensation Act or the Sexual Assault Victims Compensation Act;
- 12) When determining an individual's income, the following information is required:
  - a) Household size and income includes all members of the immediate family and other dependents in the household as follows:
    - i. An adult and, if married, a spouse.
    - ii. Any natural or adopted minor children of the adult or spouse.
    - iii. Any minor for whom the adult or spouse has been given the legal responsibility by a court.

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- iv. Any student over 18 years old, dependent on the family for over 50% support (current tax return of the responsible adult is required).
  - v. Any other persons dependent on the family's income for over 50% support (current tax return of the responsible adult is required).
- 13) Proof of Physical address (at least 2 of the following: current month's utility, water, trash, or rent/mortgage)
- 14) Income documentation for the last 90 days
- a) Income Tax Return
  - b) IRS form W-2
  - c) Paycheck stub
  - d) Complete bank statements (savings and checking)
  - e) Signed attestation to income
  - f) If no income documentation is available, a notarized letter, identifying how you are financially surviving is required
- 15) Liquid Asset documentation for the last 90 days (Special Charity Funding Sliding Scale departments excluded)
- a) Investments, including stocks and bonds
  - b) Trust funds
  - c) Money Market accounts
  - d) Mutual funds
  - e) Other investment funds that will not incur a penalty for early withdrawal
- Example: \$25,000 bill for an Inpatient Stay for family size of 1  
Employment income of \$16,000 per year  
Liquid stock investment of \$16,500.  
Total family resources are  $16,000 + \$16,500 = \$32,500$   
Calculation determination: eligible for financial assistance with 90% adjustment  
Patient responsibility: \$2,500 ( $\$25,000 \text{ charges} \times 90\% \text{ adjustment} = \$22,500$ .  $\$25,000 - \$22,500$ )
- f) Any crowd-funding websites, social media accounts, or bank sponsored charity/gift fund set up to solicit funds to pay for expenses

#### F. Federal Poverty Levels

- A. See Section L, below, for the Approved Financial Assistance Adjustment Amounts.
- B. Covered Facilities and Covered Providers in Colorado as described in Addendum A and B.
  - a. As contemplated in Colorado Revised Statute 25-3-112, Centura Health offers financial assistance to eligible individuals that may be a 100% reduction from gross charges (i.e., full write-off) less the applicable copay, where the individual's Federal Poverty Level calculation is at or below 250% of the current Federal Poverty Guidelines.
  - b. Individuals with Federal Poverty Level calculated between 251%-399% of the current Federal Poverty Guidelines are eligible for financial assistance as described in Section L below.
- C. Covered Facilities and Covered Providers in Kansas as described in Addendum A and B.
  - a. To be eligible for a 100% reduction from gross charges (i.e., full write-off) less the applicable copay, the individual's Federal Poverty Level calculation must be at or below 150% of the current Federal Poverty Guidelines.

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- b. Individuals with Federal Poverty Level calculated between 151-250% of the current Federal Poverty Guidelines are eligible for financial assistance as described in Section L below.
  - D. In addition to an income level evaluation as outlined above, the amount of patient responsibility will not exceed 25% of annual income.
- G. Possible Eligibility for Non-Responsive Patients: Centura recognizes that certain patients may be unwilling or unable to cooperate with Centura's application process. Under these circumstances, Centura may, but is not required to, utilize other sources of information to make an individual assessment of financial need. This information will enable Centura 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.
  - 1. Centura 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 Centura financial assistance under the traditional application process.
- H. Extraordinary Collection Activities ECAs will not be initiated earlier than 120 days after the first billing statement is sent to the individual. The notice of ECAs must be provided to the individual at least 30 days before the deadline specified in the notice. (See Early Out Collections policy).
  - A. The final notice will include:
    - a) Amount due and owing
    - b) The name, address and telephone number of the health care provider
    - c) Where payment may be made
    - d) The date of service
    - e) Plain language summary regarding availability of financial assistance, where to receive help for applying for assistance, where to obtain the FAA and FAP.
- I. Incomplete FAA Form Submitted
  - a. If an individual submits an incomplete FAA Form, Centura may take the following actions:
    - 1. Suspend any reporting to consumer credit reporting agencies/credit bureaus;
    - 2. Provide the individual with a written notice that describes the additional information and/or documentation required under the FAP or FAA Form that the individual must submit to complete his or her FAA Form and include the hospital's PLS with the notice;
    - 3. Provide the individual with at least one written notice that informs the individual that the hospital may engage in adverse reporting to consumer credit reporting agencies/credit bureaus if the individual does not complete the FAA Form or pay the amount due by a specified deadline. The deadline date must not be earlier than the last day of the application period or 30 days after the written notice is provided to the individual. Individuals will be

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given 60 days to resubmit a completed form before extraordinary collection activities (ECA's) will occur. If ECA's have already started, Centura will stop ECA's during the 60-day period.

- J. Method for Obtaining Assistance with or Applying for Financial Assistance
1. Centura will use the FAA Form date to assess eligibility based on the patient's most recent financial status.
  2. Patients interested in obtaining assistance with or applying for financial assistance may contact Revenue Management at 1-888-269-7001, the hospital financial counselor (See Addendum C for all locations), or <http://www.centura.org/for-patients-and-families/billing-and-financial-services/financial-help/> to obtain a copy of the FAA.
- K. A completed Centura FAA Form will be submitted to Revenue Management or the hospital financial counselor for processing.
- A. If the application is received within 100 days from the date of service, the hospital financial counselor will process the application for approval or denial. If the application is received and more than 100 days have passed from the date of service, the FAA Form will be submitted to Revenue Management for processing.
- L. Approved Financial Assistance Adjustment Amounts
1. Once the supporting documentation has been submitted and the individual has been approved for financial assistance, the following discounts will apply off gross charges.
  2. The minimum for 251-299% and 300-399% cannot be lower than 0-250% copay amounts.

#### Covered Facilities in Colorado Covered Providers

Hospital Charges					Professional Charges
FEDERAL POVERTY LEVEL	PATIENT RESPONSIBILITY (INPATIENT, OBSERVATION, SAME DAY SURGERY)	PATIENT RESPONSIBILITY (OUTPATIENT, RECURRING)	PATIENT RESPONSIBILITY (EMERGENCY)	AMOUNT OF FINANCIAL ASSISTANCE APPROVED	PROFESSIONAL FEES ASSOCIATED WITH ANY CENTURA SERVICE
<b>0-250%</b>	\$650 copay per visit	\$50 copay per visit	\$50 copay per visit	100% (less copay)	15% of charges
<b>251-299%</b>	10% of charges	10% of charges	10% of charges	90%	25% of charges
<b>300-399%</b>	20% of charges	20% of charges	20% of charges	80%	35% of charges

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**Covered Facilities in Kansas and Covered Providers**

Hospital Charges					Professional Charges
FEDERAL POVERTY LEVEL	PATIENT RESPONSIBILITY (INPATIENT, OBSERVATION, SAME DAY SURGERY)	PATIENT RESPONSIBILITY (OUTPATIENT, RECURRING)	PATIENT RESPONSIBILITY (EMERGENCY)	AMOUNT OF FINANCIAL ASSISTANCE APPROVED	PROFESSIONAL FEES ASSOCIATED WITH ANY CENTURA SERVICE
0-150%	\$650 copay per visit	\$50 copay per visit	\$50 copay per visit	100% (less copay)	15% of charges
151-200%	10% of charges	10% of charges	10% of charges	90%	25% of charges
201-250%	20% of charges	20% of charges	20% of charges	80%	35% of charges

**Special Charity Funding Sliding Scale\***

FPL Amount	Payer Code	Patient Responsibility
0% - 100%	Special Charity Funding A	\$0
101% - 117%	Special Charity Funding B	\$20
118% - 159%	Special Charity Funding C	\$25
160% - 200%	Special Charity Funding D	\$35
201% - 250%	Special Charity Funding E	\$40
251% - 299%	Low Income Level 1	25% of charges with \$50 min
300% - 399%	Low Income Level 2	35% of charges with \$80 min
Greater than 399%	No payer code, SP checkbox	Standard SP discount - 50%

\*If at any time the department determines that the patient responsibility amount due is a barrier to care for the patient, they reserve the right to adjust the remaining balance as a courtesy adjustment, following existing processes.

**M. Individual Payment Plans**

1. Payment plans will be individually developed with the individual patient. All collection activities will be conducted in conformance with the federal and state laws governing debt collection practices. No interest will accrue to account balances while payments are being made unless the individual has voluntarily chosen to participate in a long-term payment arrangement that bears interest applied by a third-party financing agent.
2. All payment plans will follow the Centura payment plan guidelines.

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ACCOUNT BALANCE	PLAN DURATION
• < \$500	No more than 12 months
• \$500 - \$1499	No more than 18 months
• \$1500 - \$4999	No more than 24 months
• >\$5000	No more than 36 months

All payment plans should be at least \$25 per month. If the patient requests payments less than \$25 or a longer payment plan than outlined above, the proposed payment plan must be approved by one of the following:

- Facility Patient Access Director
  - Facility CFO or Controller
3. If an individual complies with the terms of his or her individually developed payment plan, no collection action will be taken.

**N. Record-Keeping**

1. Centura maintains (and requires billing contractors to maintain, where applicable) documentation that supports the offer, application for, and provision of financial assistance, including income verification and available assets, for a minimum period of seven years.
2. Summary information regarding applications processed and financial assistance provided will be maintained for a period of seven years. Summary information includes the number of patients who applied for financial assistance at Centura, how many patients received financial assistance, the amount of financial assistance provided to each patient, and the total bill for each patient.
3. The cost of financial assistance will be reported annually in the Community Benefit Report. Financial Assistance (Charity Care) will be reported as the cost of care provided (not charges) using the most recently available operating costs and the associated cost to charge ratio.

**O. Approval Levels for Financial Assistance**

- A. The Centura Revenue Management department provides organizational oversight for the provision of financial assistance and the FAP.
- B. Approval levels for financial assistance are as follows:

Financial Assistance and Low-income self-pay discount approval levels:

- Financial Counselor: \$20,000 and under
- Supervisor/Manager: \$20,001 to \$30,000
- Director: \$30,001 to \$50,000
- VP / CFO: \$50,001 and above

The balances above will pertain to episodic patient accounts, not cumulative

- C. The approval request will be e-mailed to the appropriate person based on the approval levels above. The e-mail response will be scanned into the patient's electronic record. The adjustment will occur after the appropriate approval has been obtained.
- D. Approved applicants will be informed of the approved amount and their patient responsibility, along with instructions to contact Centura to arrange for payment of any outstanding amount. On denied applications a letter explaining the reason for the denial and a contact number will be sent.

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- P. Each facility retains the right to require a patient to re-apply if new income level information becomes available and could change the charity status. Patients may also request to reapply if their income level reduces significantly or their family status changes. Previous patient payments will be applied to the patient responsibility.
- Q. Each Centura Health Hospitals Board of Directors shall develop, publish and maintain the policies, instructions and procedures necessary for the implementation and continuance of this policy. This policy shall supersede all other applicable policies.

**Related Policies**

- EMTALA
- No Insurance Coverage
- Uninsured Discount-Hospital and Professional Services
- Early Out Collections

**Resources**

- Centers for Medicare & Medicaid Services at <https://www.cms.gov/Medicare/Coverage/DeterminationProcess/LCDs.html>
- Internal Revenue Service at [www.irs.gov](http://www.irs.gov)

**POLICY VIOLATION**

Any Centura associate who fails to abide by this policy may be subject to disciplinary action, up to and including termination.

**REVIEW/APPROVAL SUMMARY**

<b>REVIEW/REVISION DATES:</b> (04/25/08), 04/25/08, (2/6/09), 02/06/09, (06/19/09), 06/19/09, (7/10/09), 07/10/09, (08/07/09), 08/07/09, (8/30/10), 08/30/10, (02/02/11), 02/02/11, (02/01/12), 02/01/12, (6/11/12), 06/11/12, (11/06/12), 11/06/12, 01/07/13, 09/01/14, 3/31/2016, 07/01/2016, 4/12/2017, (6/30/17), 1/2/2018, 1/25/2018 <i>(Dates in parentheses include review but no revision)</i>	
<b>APPROVAL BODY(IES):</b> Facility Board of Directors (See Addendum A)	<b>APPROVAL DATE:</b> 12/18/2017

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