

Policy Manual:	Administration/Operational
Manual Section:	Reimbursement - Policies
Policy Number:	REIMB-400-003
Effective Date:	February 1, 2018
Supersedes:	
Reviewed Date:	

I. TITLE: FINANCIAL ASSISTANCE POLICY

II. PURPOSE:

This Financial Assistance Policy (FAP) outlined herein is intended to address the dual interests of providing access to care to those without the ability to pay and to offer a discount from billed charges for those who are able to pay a portion of the cost of their care. Upon adoption by the Ballad Health (BH) Board of Directors, acting in its capacity as the governing body for each hospital and physician clinic, the policy set forth herein will constitute the official financial assistance policy (within the meaning of Section 501(r) of the Internal Revenue Code) for each such hospital and physician clinic.

III. SCOPE:

Applies to each hospital and physician clinic owned, operated, and managed by BH.

IV. DEFINITIONS:

- A. Amounts Generally Billed (AGB)** means the Usual and Customary Charges for Covered Services provided to individuals eligible under the FAP, multiplied by the Hospital-Specific AGB Percentage applicable to such services.
- B. Application Period** means period of time a patient has to submit a completed Application for Financial Assistance. Patients are given the opportunity to apply for financial assistance for the later of 240 days from the date of the first post-discharge billing statement.
- C. CMS** means the Center for Medicare and Medicaid Services.
- D. Credit and Collection Policy** means the BH Policy entitled: "Credit and Collection Policy –Patient Financial Services", as the same may be amended from time to time.
- E. Covered Providers** means those physicians and other non-Hospital individuals, if any, whose Emergent and other Medically Necessary services are covered by the FAP.
- F. Covered Services** means those inpatient and outpatient services provided by a BH hospital or physician clinic which are Medically Necessary in accordance with the standards of BH's Medicare fiscal intermediary, Medicaid regulations, and/or payor contracts.
- G. Emergent Condition** means a medical condition of a patient that has resulted from the sudden onset of a health condition with acute symptoms which, in the absence of immediate medical attention, are reasonably likely to place the patient's health in serious jeopardy, result in serious impairment to bodily functions, or result in

serious dysfunction of any bodily organ or part as outlined in "Emergency Medical Conditions" per Section 1867 of the Social Security Act (42 U.S.C. 1395dd).

- H.** Emergent Services means the services necessary and appropriate to treat an Emergent Condition.
- I.** FAP-Eligible Individual means an individual eligible for financial assistance under this Policy hereunder without regard to whether the individual has applied for financial assistance.
- J.** Federal Poverty Guidelines means minimum income requirements published annually by the U.S. Department of Health and Human Services and in effect at the date(s) of service for which financial assistance may be available.
- K.** Hospital means each hospital owned or operated by BH at which the BH Board of Directors has governing body authority over the operations of such hospital.
- L.** Hospital-Specific AGB Percentage means, for each Hospital, a percentage derived by dividing (1) the sum of all claims for Medically Necessary services provided at such Hospital allowed during the Relevant Period by Medicare fee-for-service and all private health insurers as primary payors, together with any associated portions of these claims paid by Medicare or Medicaid beneficiaries or insured individuals in the form of co-pays, co-insurance, or deductibles, by (2) the Usual and Customary Charges for such Medically Necessary Services. The Hospital-Specific AGB Percentage shall be calculated no later than September 30 of each year for the most recently completed Relevant Period. Each Hospital-Specific AGB Percentage will be effective until the next annual calculation based on the most recent Relevant Period is implemented. The calculation of the Hospital-Specific AGB Percentage shall comply with the "look-back method" described in Treasury Regulation §1-501(r)-5(b) (1) (B).
- M.** Household Income means family income as determined by using the Census Bureau definition (a group of two or more people who reside together and who are related by birth, marriage, or adoption) in computing income.
- N.** Relevant Period means each 12-month period ending on June 30th and calculated based on claims paid during the same 12-month period.
- O.** Medicaid means all State and Federal programs which include (but are not limited to) Medicaid and TennCare.
- P.** Medically Necessary means those services required to identify or treat an illness or injury that is either diagnosed or reasonably suspected to be Medically Necessary taking into account the most appropriate level of care. In order to be Medically Necessary, a service must:
 - 1. Be required to treat an illness or injury;
 - 2. Be consistent with the diagnosis and treatment of the Patient's conditions;
 - 3. Be in accordance with the standards of good medical practice;
 - 4. Not be for the convenience of the Patient or the Patient's physician; and
 - 5. Be that level of care most appropriate for the Patient as determined by the Patient's medical condition and not the Patient's financial situation.

Emergent Services are deemed to be Medically Necessary.

CMS also defines all Medically Unnecessary services in 42 CFR §411.15, "Particular services excluded from coverage", which are not included in the definition of Medically Necessary Services.

- Q.** Physician Clinic means any physician clinic owned, operated, or managed by BH.
- R.** Uninsured Patient means a patient without the benefit of health insurance or government programs that may be billed for Covered Services or physician services provided to them, and who is not otherwise excluded from this policy.
- S.** Underinsured Patient means any patient enrolled in a health plan that does not meet the "Minimum Essential Coverage" standard as defined under the Affordable Care Act in existence as of July 1, 2017 or a patient with some level of governmental or commercial insurance but the portion of the charges the insured patient is personally responsible for, i.e. co-pays, co-insurance, and deductibles exceeds their financial ability to pay in full. Non-covered services are not included.
- T.** Usual and Customary Charges means the rates for Covered Services set forth in the chargemaster for the Hospital and/or Physician Clinic at the time the Covered Services are rendered.

V. POLICY:

A. Overview

Ballad Health has a strong mission to meet the medical needs of the communities it serves.

Ballad Health is dedicated to providing quality healthcare to all patients regardless of age, sex, sexual orientation, race, religion, national origin, or ability to pay.

FAP-Eligible Individuals having annual household income below 225% of the Federal Poverty Guidelines may be eligible for a discount of 100% of Usual and Customary charges.

FAP-Eligible Individuals having annual household income between 225% and 450% of the Federal Poverty Guidelines may be eligible for a partial discount, based on a sliding scale of income, on Usual and Customary charges. Regardless of calculated discount, the required payment cannot exceed 15% of annual household income.

In addition to annual household income, family size according to the US Census Bureau, the number of dependents (per the IRS rules) and other resources may be considered in determining eligibility.

The FAP applies to all Emergent Services and Medically Necessary Services.

Other Considerations:

1. All Patients seeking financial assistance must submit an Application for Financial Assistance (AFA) and present documents in support of the information on the AFA, unless excluded per the guidelines forthcoming.
2. Eligibility will be determined based upon review of AFA, required documentation, and asset verification.
3. Applicants will be notified of the determination in writing.
4. Unique financial circumstances may be weighed and appropriately assessed on a case-by-case basis.
5. Financial assistance determinations may be retroactive for all outstanding balances.
6. Any payments made to an account within 240 days after the first billing statement will be refunded if the patient qualifies for financial assistance during application period.
7. Financial assistance may be offered in accordance with, but is not limited to, the following:
 - Income Limitation (Excessive Expenses) based on Federal Poverty Guidelines and evaluation of resources per CMS guidelines.
 - Lactation Consultation Services – effective for duration of breastfeeding
 - Oncology Treatment Regimens
 - Enrollment in Community Programs such as, but not limited to, Appalachian Mountain Project Access, Friends in Need, Rural Health Consortium, Providence Clinic, Healing Hands
 - Self-Pay Discounts in accordance with Tenn. Code Ann. §68-11-262
 - Grants from the Tennessee Department of Mental Health
 - Prescription Drugs filled post-discharge, refer to Infusion and Oral Drugs for Charity – Ballard Pharmacy policy

B. Exclusions/Special Circumstances

1. This policy does not apply to elective procedures except as may be determined in the sole discretion of BH on a case-by-case basis.
2. Implant cases may be pre-screened for financial assistance prior to procedure.

C. Covered and Non-Covered Providers

1. A list of providers covered or not covered by this policy is maintained in BH's Provider Participation List (See Exhibit B).
2. The Provider Participation List will be updated quarterly, at a minimum.
3. The Provider Participation List will be provided free of charge.

D. Reservation of Right to Seek Reimbursement of Charges from Third Parties

In the event an insurance, government, or third party payor is liable for any portion of the bill, BH will seek full reimbursement from the payor for all charges incurred by the patient at the Usual and Customary Charges despite any financial assistance granted pursuant to this policy.

E. Methods for Applying for Financial Assistance Eligibility

Patients may apply for Financial Assistance by:

1. Advising Patient Financial Services staff at registration
2. Downloading the AFA from the BH website and mailing the AFA and supporting documentation to the address on the form
3. Requesting an application by phone (423) 262-1379
4. Any method specified in the Credit and Collection policy

F. Documentation for Application for Financial Assistance

In order to apply for financial assistance, the following documents are required

1. Application for Financial Assistance
2. Current and prior two months of household income
3. Current and previous Federal Income Tax Return
4. Most current bank statements (checking, savings, health savings)
5. Food stamp certification letter, if applicable
6. Medicaid approval or denial letter, if applicable
7. Verification of monthly expenses (housing, medical, and any other basic essential needs), if applicable
8. Declaration of income/supporter statement, if applicable

G. Presumptive Eligibility

Ballad Health may determine some FAP-eligible individuals meet criteria for financial assistance based on previously approved financial assistance or information other than that directly provided by the individuals. Such information obtained from a third party i.e. credit agencies, Social Security Administration, can be used to establish income and family size. This information will be compared to eligibility criteria to determine verification. If the FAP-eligible individual is approved based on the information obtained, the individual will be treated as eligible for financial assistance for all services from the effective date of the determination.

H. Patients Qualifying for Financial Assistance without Documentation

1. Medicaid Eligible Patients will qualify for 100% financial assistance and not be required to complete the required documentation under V (F) when the following criteria apply:

- Medicaid eligibility requirements are met after the service is provided
 - Non-covered charges occur on a Medicaid eligible encounter
 - Benefits have been exhausted
2. Deceased patients with no estate will qualify for 100% financial assistance

I. Refunds

If a FAP-eligible individual previously paid for services and subsequently qualifies for financial assistance, any amounts paid in excess of amounts due per the FAP will be refunded to FAP-eligible individual provided the dollar amount meets the minimum dollar requirement for refunds.

J. Credit and Collection Policy

1. Patients not eligible for financial assistance are required to pay their portion of the bill in full.
2. BH reserves the right to pursue generally acceptable collection efforts to recover payment.
3. Accounts for services for patients who are able, but unwilling, to pay are considered uncollectible bad debts. These accounts will be referred to collection agencies for payment in accordance with the Credit and Collection Policy.
4. The unpaid discounted balances of patients qualifying for financial assistance are considered uncollectible bad debts and will be referred to collection agencies for payment in accordance with the Credit and Collection Policy.

BH gives patients the opportunity to apply for financial assistance prior to taking any extraordinary collection actions requiring legal or judicial process, selling the patient's debt to another party, or reporting lack of payment to credit agencies. BH will comply with informational requirements notifying the patient at least 30 days prior to taking any extraordinary collection action.

Refer to Ballad Health's Credit and Collection Policy for comprehensive information regarding billing and collections procedures.

Ballad Health's Credit and Collection Policy may be found on the BH website or obtained free of charge by contacting Patient Financial Services
(423) 431-1700

K. Monitoring of Programs

Reimbursement and Patient Financial Services departments are responsible for monitoring and ensuring reasonable efforts are made to determine if patients are eligible for financial assistance.

L. Publication of the Policy and Other Required Documentation

1. "Plain Language Summary" notifying patients BH offers financial assistance will be maintained and updated based upon any modifications to the information contained therein. The Plain Language Summary is attached. The Plain Language Summary will provide the required information per IRS 501(r) in language that is clear, concise, and easy to understand.
2. Electronic copies of the Financial Assistance Policy and forms contained in the below links and Exhibits are available upon request. This information is subject to periodic updates based on modifications to the information contained therein.

M. Dissemination of Information, Advertising, and Posters:

1. The various educational and application documents related to obtaining financial assistance are widely available at each hospital facility.
2. All documents are available on the BH website and printed copies are made available free of charge.
3. The Financial Assistance Policy and documents are available in Ballad Health's Emergency Departments and admitting areas to attract attention to and inform patients of their financial assistance options.
4. The following documents are available on request, in person, by mail, or by the website link offered below.

www.balladhealth.com/patients-and-visitors/application-for-financial-assistance

Financial Assistance Policy (FAP) (Spanish)

Plain Language Summary (English)

Plain Language Summary (Spanish)

Application for Financial Assistance (English)

Application for Financial Assistance (Spanish)

Infusion and Oral Drugs for Charity - Ballad Pharmacy (English)

Infusion and Oral Drugs for Charity – Ballad Pharmacy (Spanish)

Federal Poverty Guidelines

Credit and Collection Policy - Patient Financial Services

LINKS:

Credit and Collection Policy - Patient Financial Services ADM-400-018

Exhibit A – Limitation of Charges / Calculation of Amounts Generally Billed (AGB)

Exhibit B – Provider Participation List

Infusion and Oral Drugs for Charity -- Ballad Pharmacy MSOP-400-001

Executive Chair / President, Ballad Health

Date

Chief Executive Officer, Ballad Health

Date