Policy Statement

It shall be the policy of St. Joseph's/Candler ("SJ/C") to provide health care services to patients regardless of their ability to pay and to grant financial assistance to those who qualify. No patient shall be denied emergency or other medically necessary care based upon their ability to pay, race, color, religion, creed, sex, national origin, age or disability.

SJ/C provides financial assistance to those patients who need emergency or other medically necessary care, but can demonstrate an inability to pay for all or some portion of the charges normally due. Patients with no financial ability to pay SJ/C's charges will be screened for eligibility under Medicaid and other state programs and/or evaluated against pre-established guidelines for financial assistance and provided information about how to apply for financial assistance.

SJ/C shall make such financial assistance available without regard to the patient's race, color, religion, creed, sex, national origin, age, or disability of such person, or any other classification prohibited by law. In offering discounts, SJ/C shall strive to treat similarly situated individuals in a substantially similar manner. SJ/C shall not offer any discount for the purpose of generating business payable under a federal health care program or to influence such beneficiary's selection of a particular provider, practitioner or supplier.

The financial assistance policy contained herein is applied consistently to all emergency and other medically necessary care provided by SJ/C at the following facilities:

- St. Joseph's Hospital
- Candler Hospital
- SJC Medical Group (Medical Group)
- SJC Oncology Services (Oncology Services)

Purpose

- To provide a framework to inform patients or responsible parties of their financial obligations for health care services, to assist them in resolving their financial liability, and to counsel them regarding insurance coverage.
- To provide guidelines and objective, consistent criteria for use in determining the financial status of patients so that appropriate classification and distinction can be made between uncollectible amounts arising from a patient's inability to pay and those arising

from a patient's unwillingness to pay.

- To identify those needing financial assistance at the beginning of the collection cycle and reduce the time it takes to resolve an account.
- To explain how patients may apply for financial assistance.
- To provide a Discount for Uninsured patients that results in charges that equal the amounts generally billed (AGB) to Insured patients.
- To define the method used to calculate AGB and how to obtain this information free of charge.
- To facilitate cash flow by offering a Prompt-Pay Discount to patients with a self-pay balance.
- To simplify the process for patients and reduce paperwork for both the patient and SJ/C staff.
- To gather and maintain data to substantiate a patient's inability to pay and meet the requirements of §501(r) of the Internal Revenue Code and the Affordable Care Act requirements for §501(c)(3) hospitals.

Entities to whom this Policy Applies

St. Joseph's Hospital, Candler Hospital, SJ/C Medical Group, and Cancer Care Pavilion

Definition of Terms

Amounts Generally Billed (AGB) - The amount by which charges for *uninsured* patients are measured. Uninsured patients will not be charged more for emergency or other medically necessary care than the AGB for patients who have insurance coverage. To calculate AGB, SJ/C uses the Look-Back method. The Look-Back method utilizes data from Medicare and private health insurers based on the prior 12-month fiscal year to determine the AGB percentage applied. The AGB percentage utilized by SJ/C and the method in which it was determined is available free of charge from the Customer Service Department. Customer Service may be contacted at 912-819-8455 or 800-374-7054.

Avadyne - The self-pay billing company engaged by SJ/C to follow-up on self-pay accounts by mailing patient statements and making telephone collection calls. Avadyne is considered an extension of SJ/C's business office.

Centralized Billing Office (CBO) - completes the patient billing on behalf of SJ/C employed physicians.

Discount - A reduction of the patient account balance (up to 100% of Gross Charges).

Extraordinary Collection Actions (ECA) - Any actions taken by the SJ/C (or any agent of SJ/C, including a collection agency) against an individual related to obtaining payment of a bill covered under this policy that requires a legal or judicial process, involves selling an individual's debt to another party, or reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus. Placing an account with a third party for collection is not an ECA.

Financial Assistance Policy (FAP) Discount - A percentage Discount of the patient account balance based on the patient's ability to pay.

Financial Counselors - SJ/C co-workers who verify proper insurance coverage, secure payment of deductibles and other estimated self-pay balances, provide assistance for those unable to pay by referral for Medicaid or other state programs, and provide guidance with the FAP.

Federal Poverty Guidelines (FPG) - Determined by the government of the United States and published annually in the Federal Register. FPG are based on the size of a family and family's income. FPG are used in determining a patient's eligibility for financial assistance under Medicaid and SJ/C's financial assistance policy.

Gross Charges - Full, established price for medical care that the hospital consistently and uniformly charges all patients before contractual allowances, discounts or other deductions.

Insured - The status of a patient with insurance or third-party coverage which pays all or a portion of the patient's Gross Charges for medical services.

Prompt-Pay Discount - A 5% Discount of the patient's self-pay account balance (including any co-payment or deductible) if paid in full within 30 days of the statement date. The Prompt-Pay Discount is available to Hospital and Oncology Services patients regardless of their ability to pay (this Discount is not available to Medical Group patients). This Discount is an administrative adjustment and is not considered financial assistance.

Scoring Vendor - The software company engaged by Avadyne and SJ/C to provide a financial rating (calculated based on public data) for patients. The financial rating is utilized as a factor in determining a patient's ability to pay.

Self-Pay Discount - A percentage Discount of the patient's self-pay account balance based on the patient's Uninsured status. Uninsured Hospital and Oncology Services patients are eligible for a Self-Pay Discount based on the most recent AGB. Uninsured Medical Group patients are eligible for a 50% Self-Pay Discount regardless of their ability to pay.

Uninsured - The status of a patient without insurance or third-party coverage who does not qualify for Medicaid or other state assistance. A patient may also be classified as "uninsured" if the patient is insured, but the insurer refuses to pay for medical services rendered for reasons such as pre-existing conditions, out-of-network provider, etc.

Procedures

I. ELIGIBILITY CRITERIA

SJ/C provides financial assistance to patients who need emergency or other medically necessary care, but can demonstrate an inability to pay for all or a portion of the amount charged for medical services.

Patients without the financial ability to pay are evaluated for eligibility under Medicaid or other state assistance programs. Patients ineligible for Medicaid or other state assistance programs are then evaluated for financial assistance under SJ/C's Financial Assistance Policy (FAP). SJ/C financial assistance is provided in the form of a FAP Discount or as free care.

Eligibility for financial assistance to Uninsured and Insured patients with a self-pay balance is based upon FPG, income of the patient's household, personal assets, and the amount of medical debt owed to SJ/C for which the patient is liable. Upon receipt of a patient's completed financial assistance application and proof of income, the level of financial assistance is determined using a sliding scale based on the Gross Charges or balance due after insurance payment. Exhibits A, B, C, D and E (attached) provide the tables used in determining the applicable income category and percentage Discount applied to a patient's account balance. Exhibits B and C apply only to services provided by the Hospitals or SJC Oncology Services – Hilton Head. Exhibits D and E apply only to services provided by the Medical Group and SJC Oncology Services – Savannah. Gross Charges for all emergency and non-elective medically necessary treatment provided by SJ/C are eligible for a Discount under the FAP if the patient qualifies. There are no service restrictions.

II. METHOD OF APPLYING FOR ASSISTANCE

To apply for financial assistance, patients must complete a one-page application (see Exhibit F attached) and provide proof of income. Applications are available from Registrars, Financial Counselors, Customer Service Representatives, or Avadyne (by mail); and on-line at www.sjchs.org. Financial Counselors are available to answer questions and assist in the completion of the application.

Financial Counselors may be contacted by calling any of the phone numbers below:

St. Joseph's Hospital	912-819-2434
Candler Hospital	912-819-8246
SJC Medical Group	912-819-5838
SJC Oncology Services	912-819-5838

Proof of income must be in the form of the following:

- A copy of most recent pay stub with year-to-date gross pay amounts for the patient and patient's spouse, if applicable, or for the parents of the patient if the patient is a minor child;
- A copy of most recently filed Federal Income Tax return, including all schedules; and
- Proof of any income enumerated as "other income" on the FAP application.

Income is considered the patient's household gross income or, if self-employed, the gross income less work expenses directly related to producing the goods or services. Temporary Assistance for Needy Families (TANF), child support payments, and financial assistance from friends and family is excluded from income.

The completed application and proof of income can be mailed to:

SJ/C Patient Accounts
5353 Reynolds Street
Savannah, GA 31405

Applications may also be dropped off with the Hospital Cashiers or faxed to 912-819-8639.

Upon receipt of a patient's FAP application, the application will be screened for the required information and attachments. Hospital FAP applications are screened by Avadyne, and Medical Group and Oncology Services applications are screened by the CBO Financial Counselor. In addition, the financial ratings for patients with account balances in excess of $25,000 are validated with Scoring Vendor data. Avadyne will make the Scoring Vendor information available to SJ/C electronically. If applicable, Scoring Vendor data is added to patient's FAP application. SJ/C will not deny financial assistance due to the applicant's failure to provide information that is not specified on the application form. Patients who submit incomplete financial assistance applications will receive a letter within 15 working days detailing the information needed.

Within 15 working days of receipt of a complete application, patients will receive a notification letter. An approval letter will show the percentage Discount from Gross Charges or the balance after insurance payment and the balance still due from the patient, if any. A denial letter will list the reason for the denial.

A patient may apply for financial assistance at any time. If a patient is making payments on a payment plan and their income situation changes, the patient may apply for financial assistance on their remaining balance. A patient may apply for financial assistance even after their patient account has been referred to a collection agency.

III. BILLING PROCEDURES

A. Insurance coverage for all patient accounts is reviewed within 24 hours of the pre-admission interview or actual admission date (except when the patient is admitted during the weekend). SJ/C attempts to meet all managed care pre-certification requirements; however, it is ultimately the patient's responsibility to obtain pre-certification/referral authorization prior to admittance. SJ/C will not be held liable if a pre-certification/referral is not properly obtained, unless SJ/C is contractually obligated to obtain the pre-certification/referral.

B. Uninsured patients are screened for eligibility under Medicaid or other state programs as soon after admission as possible. Financial Counselors meet with uninsured patients and patients with deductibles and co-insurance to identify the payment source, to make payment arrangements, and/or to provide information regarding the FAP. Financial counseling is

available to all patients to address concerns regarding financial options.

C. Co-payment and deductible and/or estimated co-insurance amounts are requested from Emergency Department patients at the time of discharge. Co-payment and deductible amounts (or estimated amounts thereof) are requested from Inpatient, Observation, Imaging, and Same Day Surgery patients at pre-registration, registration or prior to discharge.

D. It is the patient's responsibility to provide SJ/C with all necessary information to bill the patient's insurance(s). SJ/C staff will complete and submit claims on the patient's behalf. Patients will be billed for balances remaining after third-party payments and adjustments are applied. Even though insurance is carried, the patient is ultimately responsible for providing payment for services rendered. If the patient's insurance rejects or denies payment for services, SJ/C will bill the patient, unless SJ/C is contractually prohibited from doing so.

E. The Self-Pay Discount is available to all uninsured patients regardless of their ability to pay, and therefore is not considered financial assistance. However, if an uninsured patient is unable to pay the remaining balance after the Self-Pay Discount is applied, the patient may apply for financial assistance. If an Uninsured patient receives a Self-Pay Discount and subsequently provides valid insurance information, the Self-Pay Discount will be reversed when SJ/C bills the third party. If an uninsured patient receives a Self-Pay Discount and subsequently qualifies for financial assistance, the Self-Pay Discount will be reversed before the FAP Discount is applied so the adjustment is properly classified.

F. Uninsured Hospital and Oncology Services (Hilton Head) patients are eligible for a Self-Pay Discount based on the most recent AGB. This Discount is provided at the time of final billing and is reflected on the first bill. Uninsured Medical Group and Oncology Services (Savannah) patients are eligible for a 50% Self-Pay Discount. This Discount will be processed by the Practice Manager or designee at the time charges are processed or reviewed.

G. All Hospital and Oncology Services (Hilton Head) patients are eligible for a 5% Prompt-Pay Discount if they pay in full within 30 days of their first statement. Prompt Pay Discounts are classified as administrative adjustments.

H. Billing functions for self-pay balances are performed by Avadyne. The patient billing cycle begins with the production of a final bill (in the case of Uninsured patients) or with payment or denial by the insurer (in the case of Insured patients). The billing cycle is as follows:

Day 1	–	1st statement
Day 30	–	2nd statement
Day 80	–	Final notice
Day 120	–	Returned to SJ/C and referred to collection agency or written off as presumptive charity based on financial rating from Scoring Vendor

Outbound calls are placed throughout the billing cycle and patients are informed of the

prompt-pay discount on the first billing statement and the availability of financial assistance on all billing statements.

I. Avadyne also establishes and monitors patient payment plans according to the following guidelines:

Account Balance	Maximum Number of Monthly Payments Allowed
$0 - $50	2
$51 - $250	3
$251 - $1,000	6
$1,001 - $2,500	12
$2,501 - $5,000	18
$5,001 - $7,500	24
> $7,500	Patient must secure outside financing or apply for financial assistance

Statements are provided on a monthly basis to patients on approved payment plans.

Any and all exceptions to the above procedure must be approved by the Director of Patient Financial Services (for patient account balances of up to $25,000) or the Chief Financial Officer (for patient account balances of $25,000 and above).

J. Patient concerns are handled by the Avadyne or Patient Accounts Customer Service staff. Any unresolved patient concerns are referred to the Customer Service Team Leader or Patient Accounts Manager. If questions regarding patient charges arise, the manager of the clinical department is consulted. If there is a material dispute regarding the charges on the patient's bill, the collection process may be put on hold until the dispute is resolved. Write-offs done as resolution to a patient concern or patient care issue must be approved by the Director of Patient Financial Services or Director of Risk Management (up to $25,000), the Chief Financial Officer ($25,000 to $50,000) and the President/Chief Executive Officer ($50,000 or more).

IV. FINANCIAL ASSISTANCE PROCEDURES

A. Hospital FAP Discounts receive the appropriate level of approval, i.e., the Director of Patient Financial Services or designee must approve all Hospital Financial Assistance Discounts under $25,000, the Chief Financial Officer those over $25,000, and the President & Chief Executive Officer those over $50,000. The CBO Manager must approve Medical Group and Oncology Services Financial Assistance discounts under $25,000. Oncology Services discounts over $25,000 must be approved by the Executive Director of LCRP.

B. Approved Hospital FAP Discounts are processed by Payment/Insurance Verification staff. A notification regarding the level of FAP Discount is provided by mail to the patient by Avadyne on-site staff. Approved FAP Discounts for the Medical Group and Oncology Services are processed by the CBO Financial Counselor who will mail notification to the patient. FAP Discounts are classified by SJ/C as charity care.

C. Patients who are denied financial assistance have the right to appeal. Appeals should be submitted to the Director of Patient Financial Services. An appeal will initiate re-evaluation of a FAP application. If SJ/C chooses again to deny a patient's request for financial assistance, a patient has the right to ask the Georgia Department of Community Health for approval.

D. To make a reasonable effort to determine FAP eligibility for patients who do not submit an application, Avadyne will include the Scoring Vendor financial rating on the weekly list of accounts returned to the Hospital for non-payment. Customer Service staff will review all accounts on the list and use the Scoring Vendor financial rating as proof of eligibility for a presumptive FAP Discount. The Discount percentage will be based on the Hospital's sliding fee scales. Balances that do not qualify for a Discount will be referred to a collection agency.

E. Any patient who falls outside the SJ/C guidelines to receive a Discount or whose financial situation has changed, but still feels that they are unable to pay or set up appropriate payment arrangements, can apply for assistance by completing the financial assistance application and furnishing proof of income. These requests will be considered on a case-by-case basis. The same authority for approval listed in Section V (A) above will apply and Customer Service will process the write-off and notify the patient.

F. If a patient receives debt relief under bankruptcy, the account balance is written off and classified as charity. The Hospital uses adjustment codes AWAGEARNER and ABANKRUPTCY. If the account is already in a bad debt status and at the collection agency, the same codes will be used to adjust the account using the Bad Debt Recovery journal. These will be reclassified to charity in the General Ledger.

G. In addition to financial assistance, the Chief Financial Officer may approve an adjustment to a patient account balance based on goodwill, public relations or risk management concerns, so long as there is no intention to influence patient referrals or induce any federal health care program beneficiary to receive services from SJ/C.

V. NON-PAYMENT

Patient accounts for which no payment has been received and financial assistance has not been requested are referred to a collection agency 120 days after the patient bill is produced. Patients whose accounts have been referred to a collection agency are still able to request financial assistance.

SJ/C requires the approval of the Director of Patient Financial Services to engage in an "extraordinary collection action" (ECA) on a patient account. The Director has the final authority and responsibility for determining whether SJ/C made reasonable efforts to decide whether a patient is FAP-eligible prior to engaging in ECAs. The Director will confirm the following actions were taken with regard to a patient prior to approving ECAs on the patient's account:

- The patient received the notice of an ECA no earlier than 120 days after first billing;
- The notice of a potential ECA specified the potential ECA(s) that would be taken if the patient did not submit a completed FAP application or pay the amount due by the deadline (specified in the notice); and
- The potential ECA notice was provided to the patient 30 days prior to the ECA deadline.

The Director will also inspect the patient's billing file prior to approving ECAs on the patient's account. The Director will confirm the following communications with the patient are noted in the billing file:

- A plain language summary application for financial assistance was provided before discharge;
- All billing statements and other billing communication were provided in plain language;
- Any oral communication with the patient provided financial assistance information in plain language; and
- At least one notice of potential ECAs was provided to the patient.

The collection agency is authorized by SJ/C to take the following ECAs to obtain payment of a patient bill. The collection agency is not authorized to pursue these ECAs at any time SJ/C itself would be prohibited from pursuing ECAs:

- Placing a lien or foreclosing on an individual's property;
- Attaching or seizing individual's bank account or any other personal property;
- Garnishing wages;
- Filing a civil lawsuit; or
- Causing an individual to be arrested or subject to writ of body attachment.

VI. FAP PUBLICATION

The Financial Assistance Policy, FAP application, and plain language summary are widely available on the SJ/C website at www.sjchs.org. The FAP, FAP application, and plain language summary are also available by request, free of charge, by mail or at all SJ/C patient registration and cashier areas in paper form in both English and Spanish.

The availability of financial assistance is advertised with conspicuous displays in all intake and discharge areas in all facilities. Additionally, the plain language summary is provided to SJ/C's community outreach affiliates, the African American Resource Center, the Georgia Infirmary, St. Mary's Community Center and the Good Samaritan Clinic.

Co-workers shall refer any patient who requests financial assistance or who indicates he/she is unable to pay the entire amount of his/her account balance to Patient Accounts Customer Service. Co-workers other than those persons working in the Patient Accounts Department shall not make specific representations or promises to patients concerning whether a patient may qualify for any type or amount of financial assistance. Notwithstanding the foregoing, co-workers in the Emergency Department shall follow EMTALA policies and procedures in responding to inquiries from Emergency Department patients regarding charges and related financial matters.

Approved:

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Signature

Original Implementation Date: 10/21/2010
Effective System Date: 05/22/2013
Next Review Date: 05/2016
Originating Department/Committee: Patient Accounts
Reviewed:
Revised:
Rescinded:
Former Policy Number(s): # 8221-02 (SJ)
Administrative Policy #1069-A Credit Collection
Administrative Policy #1194-A Financial Assistance
Legal Reference:
Cross Reference:

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