



# Revenue Cycle - Policy and Procedure Manual

**Category/Section:** Charity Care & Financial Assistance

**Policy Number:** RC-001

**Title:** Charity Care & Financial Assistance

**Policy Origination Date:** 04/01/2014

**Policy Revision #:** 8

**Last Date Reviewed:** 04/29/2022

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**Effective Date of Current Revision:** 06/01/2022

## **POLICY:**

As part of our not-for-profit mission, St. John's Episcopal Hospital provides charity care and/or financial assistance to those who are unable to afford to pay for hospital care, and who have not qualified for other coverage alternatives for medically necessary hospital services rendered.

## **PURPOSE:**

To qualify and make available to the St. John's Episcopal Hospital patient population charity care and/or financial assistance when no other coverage alternatives are available to cover the cost of medically necessary hospital services.

## **ATTACHMENTS:**

**Addendum A** – Financial Aid Eligibility Chart/Charity Care, Gross Income Categories

**Addendum B** – St. John's Episcopal Hospital Charity Care (St. John's Choice) & Financial Assistance Process.

**Addendum C** - List of physicians covered and not covered by Hospital's Financial Assistance Policy

## **DEFINITIONS:**

Charity Care – refers to free or low cost care by hospital to uninsured or underinsured patients.

Medically Necessary Hospital Services – is defined as “health-care services or supplies needed to prevent, diagnose, or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine.” (Definition from Medicare.gov)

Presumptive Financial Assistance Eligibility – is the process that the facility systems may use as a courtesy to the patient to determine whether patients qualify for free or discounted care before they submit a financial assistance application.

## **RESPONSIBILITIES:**

**VP Revenue Management & Financial Services** - will update the policy annually upon Federal Poverty Level publication, and intermittently (as needed) when DOH provides any updates to existing DOH policy.

**Financial Counselor(s) or Equivalent Staff** - will determine patient eligibility based on information and documentation provided by the patient and/or patient representative. The determination will be communicated to the patient in writing and recorded accordingly in the hospital's billing system.

**Revenue Cycle Management (Patient Accounts)** - will review appeals to charity denial notification(s) and confer with VP of Revenue Management & Financial Services to provide final disposition to appeal submitted. Management is also responsible for auditing the Charity Care Application process to ensure compliance with existing policy.

#### **PROCEDURES/GUIDELINES:**

1. Patient is interviewed by Financial Counselors or equivalent staff (includes staff from all intake areas: ER, Clinics, Patient Accounts, etc.).
2. Financial Counselors or equivalent staff determines if Patient is Insured, Uninsured or Underinsured (i.e.: has excessive income and not Medicaid eligible, or is eligible for Medicaid or other indigent care programs, but has charges for services rendered that were non-covered).
3. Financial Counselors advise the patient of available government insurance programs, such as Medicaid. For all patients who meet eligibility criteria, a Medicaid application will be prepared and submitted to the Medical Assistance Program.
4. Financial Counselors will advise patient of St. John's Choice (Charity Care option). Financial Counselors will obtain basic required information, such as household composition and income. Financial Counselors will assist patient in completing the Charity Care Application and secure the patient's signature to attest to the accuracy of information provided on the form.
5. The form with the patient's signature will be scanned into the patient's account.
6. The Financial Counselors, using the information present on the signed Charity Care Application will review the Poverty Level Schedule/Fee Scale chart, and determine the patient's responsibility. The Financial Counselors will notify the patient of their ultimate financial responsibility.
7. The Financial Counselor shall prepare the "Notice of Reduced Fee Determination" and either give it or send it to the patient.
8. The Financial Counselors will then make the adjustment to the applicable open accounts. Based on the poverty level guidelines patient balance will appear and the account will be in a Charity Care Insurance plan. The remaining balance of the bill will be written off as a Charity Care adjustment. Patient balances listed in the Charity Care Insurance plan shall be operationally handled like any other insurance plan including sending it to Bad Debt for the remaining patient responsibility. In sending these cases to Bad Debt they can only be referred for the amount that was reduced and was the patient's responsibility. In addition, the patient responsibility will include the applicable NYS HCRA Surcharge (9.63%).

9. While every effort should be made to document the information on the Charity Care application, the final decision of the patient's responsibility can be based solely on the information contained on the signed Charity Care Application.
10. If Patient Accounts receives documentation that differs from the information on the Attestation Form, a new Charity Care fee scale agreement will be calculated based on the new information received.
11. The hospital will make a written determination of eligibility no more than thirty days (30) after receiving and reviewing the completed application and the information submitted to support the household income reported. If based on income and family size, it is determined that patient may qualify for Medicaid benefits, an Affordable Care Act insurance program or other similar programs, eligibility determination will not be made until such applications are completed and submitted.
12. This charity care program covers some Physicians billing. Any provider not covered by the hospital Financial Assistance Policy, financial hardships should be discussed directly with their respective billing entity.
13. See Financial Aid Eligibility document for Poverty Level Schedule / Fee Scale.
14. Application and patient letters are available in both English and Spanish.
15. The Charity care application is valid for 12 months (from January 1<sup>st</sup> through December 31<sup>st</sup>); patients are required to be re-screened for eligibility every year – between December 1<sup>st</sup> of the current year and January 31<sup>st</sup> of the year financial assistance would apply to.  
Approvals/Denials will be finalized once the Federal Poverty Guidelines are published for the financial assistance year (published towards the end of January).
16. Approved patients will receive an approval letter that includes the assigned "Financial Assistant ID#" in the format of YYYY####GRP### [i.e.: 20220001GRP101].

2022	0001	GRP1	01
YEAR	Counter	GRP Level	Patient, if Dependent increase the digits [i.e.: 02, 03, etc.]

- YYYY represents the year the FAP/Charity is approved for; and will be applied to prior visits as determined by the FAP Representative.
  - #### represents the digits/increasing counter, to identify the number of approvals issued to date, in the given year.
  - GRP# represents the particular FAP/Charity Group (financial assistance level) that the patient has been qualified for [i.e.: GRP1, GRP2, GRP3, GRP4 & GRP5].
  - ## identifies the specific household member [i.e.: 01 = the patient, 02 could be the Spouse or Dependent, etc.].
17. There are instances when a patient may appear eligible for Financial Assistance, but the formal application process and documentation requirements were not completed. For these cases, the

facility may use outside sources from software vendors (i.e.: income and credit verification software tools) to assist in estimating patient income to determine Presumptive Financial Assistance eligibility. If the patient is found to be eligible for free or discounted service, then the account will be adjusted with a CHARITYADJ entry to reflect the patient responsibility (if any) after Presumptive Eligibility has been established. NOTE: All patient statements advise the patient/guarantor of the availability of Financial Assistance/Charity Care, and the Presumptive Eligibility Screening takes places after the submission of patient's first patient statement; therefore, subsequent, patient statements will reflect any CHARITYADJ applied based on Presumptive Eligibility results.

#### **RELEVANT REFERENCES:**

Public Health Law 2807-k(9-a) – Financial Aid

Federal Poverty Guidelines (searchable at site below)

<https://www.federalregister.gov/>

#### **RELATED POLICIES:**

None

#### **LIST OF REVISIONS:**

<b>Revision No.</b>	<b>Date of Change</b>	<b>Additions/Amendments</b>
1	11/20/2014	<ol style="list-style-type: none"> <li>Added Charity Care definition.</li> <li>Added Public Health Law 2807-k (9-a) – Financial Aid to Relevant References section of policy.</li> <li>Added notice stating that hospital will follow its collection policy on outstanding balances after applicable charity care adjustments (page 3 of Addendum B).</li> <li>Added notice to patient to disregard hospital bills upon submission of a completed Charity Care Application and related documents until the hospital decision on said application is received by the patient or patient representative (Page 3 of Addendum B).</li> <li>Added DOH contact information to denial of charity eligibility notification (page 20 &amp; 21 of Addendum B).</li> <li>Removed dollar amounts from Other Assets/Resources section of Addendum B (page 10).</li> </ol>
2	2/23/2016	<ol style="list-style-type: none"> <li>Added 2016 Poverty Guidelines link to Relevant References section of policy.</li> <li>Updated facility logo on Addendum A.</li> <li>Updated respective year to reflect 2016 on Addendum A.</li> <li>Updated effective date on Addendum A.</li> <li>Updated dollar amounts on Addendum A.</li> <li>Updated Poverty Guideline Source on Addendum A.</li> <li>Updated revised date on Addendum B (cover page).</li> <li>Updated page 6 &amp; 7 of Addendum B to reflect AVP Revenue Cycle's signature, name and title.</li> <li>Updated page 11 with current year (2016), dollar amounts for 2016 Poverty Guidelines and link for respective information.</li> <li>Updated contact telephone number on page 12, 13, 16, 17, 20, &amp; 21.</li> </ol>

3	4/14/2017	<ol style="list-style-type: none"> <li>1. Added 2017 Poverty Guidelines link to Relevant References section of policy.</li> <li>2. Updated facility logo on Addendum A.</li> <li>3. Updated respective year to reflect 2017 on Addendum A.</li> <li>4. Updated effective date on Addendum A.</li> <li>5. Updated dollar amounts on Addendum A.</li> <li>6. Updated Poverty Guideline Source on Addendum A.</li> <li>7. Updated revised date on Addendum B (cover page).</li> <li>8. Updated page 11 with current year (2017), dollar amounts for 2017 Poverty Guidelines and link for respective information.</li> </ol>
4	8/02/2017	<ol style="list-style-type: none"> <li>1. Revised Last Date Reviewed to reflect 8/2/2017.</li> <li>2. Revised Effective Date of Current Revision to reflect 9/1/2017.</li> <li>3. Updated item# 15 to further define the “12 months” period as January through December, and indicated that patients are required to be re-screened every year on or after January 2<sup>nd</sup>.</li> <li>4. Updated Addendum A to reflect Effective for dates of service starting 9/1/2017; revised Clinic &amp; Emergency Room rates; removed “Sliding Scale Fees” &amp; “Radiologist” from exclusion section (right side of document), and revised “Non-ER Group” to reflect “Non-P.C.”; also revised note at bottom of addendum to specify the P.C.s associated with Clinic and ER groups.</li> <li>5. Updated Addendum B to reflect “Revised August 2, 2017”; revised page 6 &amp; 7 “CP156” to “T5-33” and hours of operation; also revised page 20 &amp; 21 “T178” to “CP153”.</li> </ol>
5	7/12/2018	<ol style="list-style-type: none"> <li>1. Revised Last Date Reviewed to reflect 7/12/2018.</li> <li>2. Revised Effective Date of Current Revision to reflect 9/1/2018.</li> <li>3. Updated Addendum A to reflect Effective for dates of service starting 9/1/2018; revised to include separate category for “Outpatient Therapy”.</li> <li>4. Updated Addendum B to reflect “Revised July 12, 2017”; revised page 6 &amp; 7 “T5-33” to “CP156”.</li> </ol>
6	9/28/2018	<ol style="list-style-type: none"> <li>1. Revised Last Date Reviewed to reflect 9/28/2018.</li> <li>2. Revised Effective Date of Current Revision to reflect 10/1/2018.</li> <li>3. Updated Addendum A to reflect Effective for dates of service starting 10/1/2018; revised to include Phys Fee for Inpatient, Amb. Surg. and Observation. Also added information about Addendum C on last column of grid.</li> <li>4. Created separate Addendum B (English / Spanish).</li> <li>5. Reflected Addendum C on “Attachment” section of policy; this addendum is available in English and Spanish.</li> <li>6. Added Presumptive Financial Assistance Eligibility to the “Definition” section of this policy and item# 16 to the “Procedures/Guidelines” section.</li> <li>7. Added additional information to item# 2 relative “Underinsured” definition (see information within the parenthesis in item# 2).</li> </ol>
7	6/17/2019	<ol style="list-style-type: none"> <li>1. Revised Last Date Reviewed to reflect 6/17/2019.</li> <li>2. Revised Effective Date of Current Revision to reflect 7/1/2019.</li> <li>3. Updated Addendum A to reflect Effective for dates of service starting 7/1/2019, to reflect updated poverty guideline source, and professional group billing note.</li> <li>4. Updated Addendum B to reflect “Revised June 17, 2019”.</li> </ol>

8	4/29/2022	<ol style="list-style-type: none"> <li>1. Revised Last Date Reviewed to reflect 4/29/2022.</li> <li>2. Revised Effective Date of Current Revision to reflect 5/6/2022.</li> <li>3. Revised AVP Revenue Cycle to VP Revenue Management &amp; Financial Services.</li> <li>4. Expanded item #15 to include additional information relative to the re-application period.</li> <li>5. Added item# 16 for Financial Assistance ID# format.</li> <li>6. 2019 Poverty Guidelines updated to reflect “Federal Poverty Guidelines (searchable at site below) <b><a href="https://www.federalregister.gov/">https://www.federalregister.gov/</a></b></li> <li>7. Removed VP of Finance from “Recommended/Approved by:”.</li> <li>8. Updated Addendum A to reflect Effective for dates of service starting 6/1/2022; to reflect updated poverty guideline source; Inpatient, Amb-Surg, and Observation, added 10% of APG for facility and 10% of Medicaid Phys Fee Schedule for Phys Fee; Emergency Room to include a % of APG; Lab / X-Ray Ancillary Charges to include “EHS Fee Schedule”; Outpatient Therapy to reflect St. John’s Medical Services PC (D/B/A St. John’s Medical Group); Patient Co-Pays, Deductible &amp; Coinsurance to reflect a % amount for levels 1 thru IV; and additional notes # 3 &amp; 4.</li> <li>9. Updated Addendum B to reflect “Revised April 29, 2022”.</li> </ol>
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**TITLE, POLICY OWNER:**

VP Revenue Management & Financial Services

**RECOMMENDED/APPROVED BY:**

VP Revenue Management & Financial Services

**DISTRIBUTION:**

- ☒ Nursing Staff
- ☒ Medical Staff
- ☒ Department Heads
- ☒ All Employees
- ☐ Other \_\_\_\_\_