



Financial Assistance Policy	PFS-051
Penn State Health Revenue Cycle - Patient Financial Services	Effective Date: 11/19/2018

PURPOSE

To define the criteria under which financial assistance is requested and approved for qualifying patients receiving emergent and other medically necessary care in accordance with the mission of Penn State Health (PSH).

SCOPE

All staff who may have a contact with a patient who expresses financial concerns.

DEFINITIONS

Financial Assistance means the ability to receive free care or discounted care. Patients who are uninsured/insured and receiving medically necessary care, who are ineligible for governmental or other insurance coverage, and who have family income at or below 300% of the U.S. Federal Poverty Level will be eligible for free care under the auspice of this policy.

Uninsured Patient means an individual who does not have health care coverage through any third-party insurer, an ERISA plan, Federal Health Care Program (including The Federal or State Health Insurance Marketplace, Medicare, Medicaid, SCHIP, and Tricare), Workers' Compensation, Medical Savings Accounts or other coverage for all or any part of the bill. Patients who have exhausted their health insurance coverage or have non-covered services as outlined in the patient's insurance policy will not be considered uninsured.

Presumptive Financial Assistance refers to an individual that is presumed indigent and eligible for Financial Assistance when adequate information is provided by the patient or through technology sources that allows PSH to determine that the patient qualifies for Financial Assistance. Factors that support Presumptive Charity include, but are not limited to: homelessness, no income, eligibility for Women's, Infants and Children's programs (WIC), food stamp eligibility, low income housing provided as a valid address, deceased patients with no known estate or eligibility in state-funded prescription programs.

Medically Necessary shall mean health care services that a provider, exercising prudent clinical judgement, would provide to a patient for the purpose of preventing, evaluating, diagnosing or treating an illness, injury, disease or its symptoms, and that are

(1) In accordance with generally accepted standards of medical practice

(a) For these purposes, “generally accepted standards of medical practice” means standards that are based on credible scientific evidence published in peer-reviewed medical literature generally recognized by the relevant medical community or otherwise consistent with the standards set forth in policy issues involving clinical judgement.

(2) Clinically appropriate, in terms of type, frequency, extent, site and duration, and considered effective for the patient’s illness, injury or disease.

(3) Not primarily for the convenience of the patient, physician or other health care provider, and not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that patient’s illness, injury or disease.

(4) Services, items or procedures considered Investigational or experimental will be addressed on a case by case basis.

Federal Poverty Income Levels are published by the Department of Health and Human Services (HHS) in the Federal Registry each year in January. <https://aspe.hhs.gov/poverty-guidelines>

Amount Generally Billed (AGB) Definition: The AGB or limitation on gross charges is calculated by PSH using lookback methodology in accordance with the IRS 501R final rule. PSH will utilize this methodology to calculate the average payment of all claims paid by private health insurers and Medicare. Eligible individuals will not be charged more than the amounts generally billed for emergency or medically necessary care only. PSH will make available a free written copy of the current AGB calculation to patients who request so.

Countable Assets are defined as assets that are considered available for payment of healthcare liabilities such as, cash/bank accounts, certificates of deposits, bonds, stocks, mutual funds or pension benefits. Defined in Department of Health Services (DHS) Medical Assistance Bulletin, Hospital Uncompensated Care Program and Charity Plans Countable Assets do not include non-liquid assets such as homes, vehicles, household goods, IRAs and 401K accounts

POLICY AND/OR PROCEDURE STATEMENTS

NOTIFICATION:

- a) This Financial Assistance Policy, Financial Assistance Application, and a plain language written summary will be made available to the public upon request.
- b) Patient billing statements will contain information regarding the availability of financial assistance.
- c) Notice of availability of this program will be posted at patient registration areas within the hospital, clinics, and on the PSH web site.
- d) Financial Assistance Policy and application will be available at all outpatient clinic location sites.
- e) If the primary language of any population constitutes the lesser of 1,000 or 5% of the community served, the FAP will be made available in that language.
- f) Financial Assistance Policy and application will be made available at community outreach events in which PSH participates.

ELIGIBILITY CRITERIA:

- a) Financial Assistance is approved based on family income according to the guidelines below. Qualifying patients will be eligible for 100% free care for medically necessary services incurred.

Household Size	Gross Income	Financial Assistance Discount
1	\$36,420.00	100%
2	\$49,380.00	100%
3	\$62,340.00	100%
4	\$75,300.00	100%
5	\$88,260.00	100%
6	\$101,220.00	100%
7	\$114,180.00	100%
8	\$127,140.00	100%

* For Family Size of more than 8 (eight) people, add \$12,960.00 for each additional person.

- b) An evaluation for Financial Assistance begins with the completion of the Financial Assistance Application. It must be complete, signed by the guarantor and currently dated. (See Attached)

- c) The patient must be a United States citizen, permanent legal resident or PA resident who can provide proof of residency (excludes Non-US Citizens living out the US).
- d) The patient must apply for Medical Assistance, the Federal or State Insurance Marketplace (unless proof of exemption is provided) or any other applicable third party payment source before being approved for Financial Assistance.
 - (1) Partial Financial Assistance may be offered to self-pay children who are exempt from applying for Medical Assistance.
- e) All other options for payment of medical bills has been exhausted including, but not limited to; church or private fund raising, charitable programs or grants. Non-cooperation on the part of the patient or guarantor to pursue alternative payment options may disqualify them from consideration of Financial Assistance.
 - (1) Financial Assistance may not be offered if the patient has sufficient Countable Assets to pay their bill and liquidation of those Countable Assets would not cause undue hardship to the patient.
 - (2) Financial Assistance will be granted to any deceased patient based on criteria established in the **RC-12 Deceased Patient/Guarantor Account Resolution Policy**.
 - (3) As a result of programs with free care clinics (i.e. Hope Within, Centre Volunteers in Medicine, etc.) financial assistance may be granted based on the financial information collected or determined by the free-care clinic.
 - (4) The services, items or procedures are considered to be elective; such as, but not limited to cosmetic, Invitro/Infertility, glasses, hearing aids or some gastric by-pass procedures, etc.
 - (5) Income based insurance plans with co-payment or deductible patient balances may be considered eligible for Financial Assistance.
 - (6) The eligibility period for Financial Assistance is one year. PSH has the right to request a new application and evaluation of the patient's ability to pay at its discretion.

PROCEDURE TO APPLY:

- a) Financial Assistance applications will be available online via the PSH website, in person at any Clinic location, or via the mail.
- b) The following completed, appropriate supporting household documentation must be provided in order to ensure the patient meets the income and family size criteria.
 - (1) Most recently filed Federal Income Tax Return
 - (2) Most recent four (4) paystubs
 - (3) Most recent four (4) bank statements
 - (4) Social Security Income determination
 - (5) Unemployment income
 - (6) Pension income
 - (7) Distribution confirmation from estates or liability settlements (Financial Assistance will not be considered until the final settlement of the estate or litigation)
 - (8) Medical Assistance or Health Insurance Marketplace Determination
 - (9) Proof of citizenship or lawful permanent residence status (green card)
 - (10) If household has no income, letter from person(s) who are assisting with living expenses
 - (11) Any other information deemed necessary by PSH to adequately review the financial assistance application to determine qualification for Financial Assistance.
- c) If the information provided within the application is insufficient to make an appropriate determination the guarantor will be contacted to supply additional information.

EVALUATION METHOD AND PROCESS

a) Approval levels for Financial Assistance are as follows:

Staff Level:	Financial Counselors	Senior Associate	Team Manager/ Manager	Director Revenue Cycle	Vice President Revenue Cycle Operations or Chief Financial Officer
Amount:	< \$500	<\$5,000	<\$25,000	<\$50,000	>\$50,000

- b) Once the application is reviewed, a telephone call and letter will be sent to the patient or guarantor to communicate the determination.
- c) The individual making the financial assistance determination will document the patient’s account in the billing system accordingly and sign the “Request for Review” form. The account will be referred to the appropriate staff member for further handling.
- d) If a patient qualifies for Financial Assistance and is eligible for cobra benefits, as an institution, PSH may choose to pay the monthly insurance premium.
- e) Upon charity approval, debt reported to any Credit reporting agency will be retracted within 30 days.
- f) Once the financial assistance adjustments have been placed on the patient accounts receivable, any previous or subsequent payments received will be refunded to the patient.
- g) Patients whose accounts have already been referred to a collection agency may still apply and be approved for financial assistance.
- h) If financial assistance is approved, the appropriate staff member will enter the system adjustment and identify and review all open encounters under the patients' medical record number and apply the financial assistance discount
 - (1) Failure to contact financial counseling and/or to submit or fully complete the application may lead to actions which are outlined in the **RC-002 Patient Credit and Collections Policy**.
 - (2) A copy of the financial application and/or financial information is retained for seven years in accordance with PSH retention policies.

- (3) Additional requests for Financial Assistance within the same calendar year may not need supporting documentation unless there are changes to the information already on file.
- (4) Management may use their discretion for extenuating circumstances, such as, but not limited to: (examples as follows):
- (i) The patient’s income is over the charity guideline however; their medical debt exceeds yearly income due to a catastrophic medical event.
 - (ii) The patient receives a settlement from a lawsuit that is less than the account balance and does not have sufficient personal Countable Assets/income to pay the difference.
 - (iii) The patient is willing to borrow money to pay but does not qualify for the entire amount due on the account (verification from the lending institution is required).
 - (iv) The patient is willing to liquidate other assets that cover part of the balance.
 - (v) The patient does not complete a financial application but sufficient income/financial information is obtained to make a decision.

All policies referenced in this document are available for review at the PSH web site and are available to be printed upon request.

This policy sets forth a voluntary, charitable goal of Penn State Health. Accordingly, neither this policy nor any breach thereof shall be construed to create any legal obligation on the part of the hospital or any right in any patient or third party.

RELATED DOCUMENTS AND REFERENCES

The appendix to this policy includes:

- 1. PFS-051 - Provider List – Hershey Medical Center Appendix A
- 2. PFS-051 - Provider Sites – Hershey Medical Center Appendix B
- 3. PFS-051 – Provider and Site List – CPMG Appendix C
- 4. Plain Language Summary and Financial Assistance Application

APPROVALS

	Name	Title	Date
Authorized:	Paul Swinko	Chief Financial Officer	11/19/2018
Approved:	Dan Angel	Vice President of Revenue Cycle Operations	11/19/2018

DATE OF ORIGIN AND REVIEWS

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Revised: 10/10; 1/12, 12/14, 02/16 – Replaced 10/10 Policy; 6/17, 2/18, 10/18, 11/18

CONTENT REVIEWERS AND CONTRIBUTORS

Directors Revenue Cycle Hospital and Professional Operations