

PARK PLACE SURGICAL HOSPITAL		POLICIES AND PROCEDURES	
SUBJECT: Hardship Discount Cases POLICY NUMBER: BO.102		DEPARTMENT: Business Office	
EFFECTIVE DATE: 06/03	REVISION DATE: 08/10, 06/16, 01/18	ORIGIN DATE: 06/03	
SCOPE: Business Office		Page 1 of 11	

PURPOSE

The purpose of the Hardship Discount Cases policy is to specify:

- Eligibility criteria for financial assistance in the form of free care
- How to apply for financial assistance
- How Park Place Surgical Hospital calculates amounts charged to patients
- How the Hardship Discount Cases policy is widely publicized within the community served by Park Place Surgical Hospital
- What actions the Park Place Surgical Hospital may take in the event of non-payment
- Compliance with applicable state and federal laws and regulations

POLICY

Park Place Surgical Hospital is committed to providing financial assistance to those who have healthcare needs and are uninsured or underinsured, for medically necessary care based on their individual financial situation. Park Place Surgical Hospital strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

To **determine** whether an individual is **eligible** for financial assistance, the **individual must apply** for financial assistance. This Hardship Discount Cases policy describes how to apply, as well as specifies the eligibility criteria that an individual must satisfy to receive financial assistance. The information and **documentation required** to be submitted as part of the Hardship Discount Cases policy application is also set out in this Hardship Discount Cases policy.

This Hardship Discount Cases policy applies **to all emergency and other medically necessary care provided by Park Place Surgical Hospital** for the diagnosis and treatment of illness or injury. Park Place Surgical Hospital will determine whether a service is eligible for financial assistance. Services specifically **excluded** include, but are not limited to, the following:

- Care that is not medically necessary, including but not limited to
 1. Cosmetic procedures, such as breast augmentation, abdominoplasty, Botox injections, blepharoplasty, chemical peels, skin tag removal, dermal fillers, sclerotherapy, and dermatological laser treatments
 2. Cosmetic dental procedures
 3. Bariatric surgery
 4. Circumcision

5. Genetic testing
 6. Hormone replacement therapy
 7. Stretta therapy
- Personal items provided during an inpatient stay, e.g. guest trays, private rooms that are not medically necessary
 - Charges resulting from procedures that are not covered by third-party insurance, despite being medically necessary, due to the patient's failure to follow insurance payer guidelines where a patient knowingly received services in a non-contracted hospital
 - Motor vehicle accidents where third-party liability is being pursued for payment of hospital expenses (e.g., those involving patients with no health care insurance)

If a patient has **potential payment resources** such as, but not limited to, health insurance or third-party settlement proceeds, the individual may not be eligible for financial assistance.

Financial assistance is not considered to be a substitute for personal responsibility. **Patients are expected to cooperate** with Park Place Surgical Hospital's procedures for obtaining financial assistance or other forms of payment, **and to contribute** to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so.

If a Hardship Discount Cases policy applicant is or may be eligible for funds from local, state, or federal programs that cover some or all of the costs of health care services, the Hardship Discount Cases policy applicant is expected to apply for such programs before a determination of eligibility is made under this Hardship Discount Cases policy. Financial assistance is generally **payer of last resort** to all other financial resources available to the patient including: insurance, government programs, such as but not limited to Veterans Administration (VA) benefits, Medicare, and Medicaid, third-party liability, and personal assets, including existing liquid assets. Park Place Surgical Hospital will provide assistance to individuals in applying for government programs.

Park Place Surgical Hospital will not deny financial assistance under this Hardship Discount Cases policy based on an applicant's failure to provide information or documentation that Park Place Surgical Hospital does not specify in this Hardship Discount Cases policy or in the Hardship Discount Cases policy application form. Park Place Surgical Hospital will notify the individual in writing of the decision on their eligibility under this Hardship Discount Cases policy and the basis for the decision.

Financial assistance documentation obtained from patients will be secured. Access to this documentation will be limited to those essential to the financial assistance process.

The actions of Park Place Surgical Hospital may take in the event of non-payment are described generally in this Hardship Discount Cases policy. **Park Place Surgical Hospital will make reasonable efforts to determine whether an individual is eligible for assistance under this Hardship Discount Cases policy before engaging in any extraordinary collection action (ECA).** Following a determination of Hardship Discount Cases policy eligibility, a Hardship Discount Case-eligible individual will not be charged more for emergency or other medically

necessary care than the Amounts Generally Billed (AGB) to individuals who have insurance covering such care.

The **Amounts Generally Billed** (AGB) calculation will be performed annually for Park Place Surgical Hospital. Any needed change will be implemented within 120 days of the calculation. Park Place Surgical Hospital will limit the amounts that it charges for emergency or other medically necessary care provided to individuals eligible for financial assistance to the average amounts generally billed for commercially insured and Medicare patients. Amounts Generally Billed is determined by multiplying the gross charges for eligible care by an Amounts Generally Billed percentage. The Amounts Generally Billed percentage is based on all claims allowed by Medicare and private health insurers over a specified 12-month period, divided by the associated gross charges for those claims. Written copies of the Amounts Generally Billed percentage currently being used may be obtained, free of charge, by calling Park Place Surgical Hospital at (337) 237-8119 extension 3106

Notification about Park Place Surgical Hospital's financial assistance programs will be disseminated through various means, which may include, but are not limited to, the publication of notices in patient bills and by posting notices in admissions areas, and at other public places that Park Place Surgical Hospital may elect. Park Place Surgical Hospital also shall publish and widely publicize on facility websites the following: this financial assistance policy, a plain language summary of the policy, and the financial assistance application. These documents shall be provided in the primary languages spoken by limited-English proficiency populations served by Park Place Surgical Hospital. Paper copies of these documents will be provided to patients in admission areas upon request and by mail.

Park Place Surgical Hospital management and facility shall **comply with** all other federal, state, and local **laws, rules, and regulations** that may apply to activities conducted pursuant to this policy.

APPLICATION PROCESS

Completing, signing, and submitting an application for financial assistance, as well as submitting the required documentation set out in this policy, is required in order to determine if an individual qualifies for financial assistance. Applications are available through the Billing Department and on Park Place Surgical Hospital's website. Directions for returning the completed application are detailed in the financial assistance application.

The availability of financial assistance will be publicized to patients at intake or discharge. Financial Counselors will screen interested patients and assist in completing the application for financial assistance. Financial Counselors are available in the hospital to assist in completing the application or answering any questions in regard to this Hardship Discount Cases policy.

The patient or the patient's guarantor are required to supply personal, financial, and other documentation relevant to making a determination of financial need **within thirty (30) days** of the request for assistance. The applicant must provide the requested information for the patient, spouse, family members who reside together, and dependents claimed on the same tax return.

Applications not meeting these conditions may be returned to the applicant or considered denied.

An uninsured person who fails to supply the information necessary for an accurate determination shall be presumed to be able to pay the full charge for services rendered.

Although applications may be denied if not completed within thirty (30) days, the application will be re-opened and reconsidered if the patient contacts us and requests reconsideration within 240 days after post-discharge billing.

FINANCIAL ASSISTANCE DETERMINATION

Financial assistance will be determined in accordance with procedures that involve an **individual assessment of financial need** and may:

- Include the use of external publically available data sources that provide information on a patient's or a patient's guarantor's ability to pay (such as credit scoring)
- Include reasonable efforts by Park Place Surgical Hospital to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs
- Take into account the patient's available assets, and all other financial resources available to the patient

Verification of income is required for any financial assistance request. The following documents must be provided:

- A completed financial assistance application
- Photo Identification or legal identification
- Most recent tax returns for the patient/guarantor, family members living in the house, and dependents claimed on the patient's/guarantor's tax return. If patient/guarantor is not required to file federal taxes (because of low income or no income), a statement from the IRS is required
- Proof of income for the patient/guarantor, family members living in the house, and dependents claimed on the patient's/guarantor's tax return
 1. If employed - last 3 paystubs, last 3 months' bank statements, last available W-2's
 2. If self-employed - monthly income statement for self-employment or a copy of general business ledger/business checking account summary
 3. If not employed - a copy of benefit information from Social Security disability, other Social Security income/benefits, 1099R, pension, public assistance, worker's compensation, trust fund, unemployment, military support, child support, and alimony; public assistance checks; retirement checks; and/or notarized statement of support

Requests for financial assistance shall be processed promptly and Park Place Surgical Hospital shall **notify the patient or applicant in writing within thirty (30) days of receipt of a completed application.**

Financial assistance write-offs will be applied to the **date of service for which the financial assistance application was initiated** and for future dates of service within the following six (6)

months. NOTE - Insurance verification will be performed for each episode of care to determine if the patient remains uninsured.

Patients must **re-apply** for financial assistance **after** the six (6)-month period for which the original application was approved.

ELIGIBILITY AND AMOUNT OF WRITE-OFF

Eligibility for write-off is determined based on the number of persons in the household and annual family income as a percentage of the federal poverty level (FPL). Park Place Surgical Hospital will use the Federal Poverty Guidelines from the *Federal Register*, as provided in *Addendum A*. Such guidelines will be updated annually.

Uninsured patients whose family income is at or below 200% of the Federal Poverty Level will qualify for a full write-off of all hospital charges, excluding any deposits previously paid, assuming they meet the other eligibility criteria set out in this Hardship Discount Cases policy.

Uninsured patients whose family income exceeds 200% of the Federal Poverty Level may qualify for catastrophic medical assistance, depending on the patient's particular financial circumstances. If the patient's medical bills for the twelve (12) months immediately preceding treatment are greater than or equal to twenty percent (20%) of their annual family income, the patient may be granted financial assistance in the form of free care.

Underinsured patients (see Definitions section) will be treated as uninsured patients for purposes of financial assistance.

PRESUMPTIVE FINANCIAL ASSISTANCE

Presumptive eligibility for financial assistance occurs when Park Place Surgical Hospital uses information other than that provided by the individual to determine eligibility for free care. Accounts meeting presumptive criteria will be written off at 100%.

A patient may be eligible for financial assistance even if they have no financial assistance form on file, where the patient or other sources can provide sufficient evidence of presumptive eligibility. In these instances, collection activity (pursuant to the actions described in section below) will continue while the due diligence is being completed or until the patient's account is reviewed. A list of information obtained from other sources is included in *Addendum B*.

A scoring system may also be used in order to determine if a patient is eligible for presumptive financial assistance. The scoring system is similar to credit scoring and is produced by a Park Place Surgical Hospital approved vendor. Only those accounts that fall below the scoring system minimum will be considered for presumptive financial assistance. If a patient has been denied financial assistance due to non-compliance or income that has been discovered, he/she will not be eligible for a presumptive financial assistance write-off.

COLLECTION ACTIONS

In the event of non-payment on the part of the patient/guarantor, Park Place Surgical Hospital will engage in the following collections actions: sending billing statements, calling patients for open balances, transferring accounts to billing or collection agencies for follow up, and filing claims in bankruptcy proceedings. Park Place Surgical Hospital may also engage in extraordinary collection actions (ECA), which include wage garnishments, liens, reporting to outside credit agencies, foreclosure, bank account seizure, personal property seizure, and law suits.

Park Place Surgical Hospital will make reasonable efforts to determine whether an individual is eligible to receive free care before initiating the extraordinary collection actions. Reasonable efforts include:

- Notifying the individual about the BO.102 - Hardship Discount Cases policy (including reasonable efforts to notify the individual orally about the policy and how to obtain assistance)
- Refraining from any extraordinary collection actions for a period of at least 120 days from the date Park Place Surgical Hospital provides the first post-discharge billing statement for the care
- Giving the individual a written notice which indicates that financial assistance is available for eligible individuals and notifies the individual (at least thirty (30) days in advance) of the type of extraordinary collection actions Park Place Surgical Hospital intends to initiate and the deadline after which such extraordinary collection actions may be initiated. This written notice will also include a plain-language summary of the BO.102 - Hardship Discount Cases policy.

Applications for financial assistance will be processed up to 240 days after the date of the first post-discharge billing statement for the care. Park Place Surgical Hospital has no obligation to process applications received after such date. Upon receipt of a timely application, any extraordinary collection actions already initiated will be temporarily suspended while the application is being processed.

If an individual submits an incomplete application during the 240-day period beginning after the first post-discharge billing statement for the care, efforts in addition to those discussed above should be undertaken before extraordinary collection actions are initiated or resumed. Park Place Surgical Hospital will notify the individual about how to complete the application, including a written notice that describes the additional information required and/or documentation that must be submitted. The written notice will also contain contact information for how to get more information on the BO.102 – Hardship Discount Cases policy process and how to obtain assistance with the application process. Park Place Surgical Hospital will give the individual a reasonable opportunity to provide the missing information before initiating or resuming extraordinary collection actions.

Once a completed application is submitted, Park Place Surgical Hospital will process it in a timely manner and notify the individual in writing as to whether they qualify and the basis for

such determination. Park Place Surgical Hospital will make reasonable efforts to reverse any extraordinary collection actions taken against the individual related to amounts no longer owed.

Park Place Surgical Hospital will not impose extraordinary collection actions for any patient without first making reasonable efforts to determine whether that patient is eligible for financial assistance under this financial assistance policy. The at Park Place Surgical Hospital has final authority and is responsible for determining that reasonable efforts have been made so that extraordinary collection actions are then allowable.

DEFINITIONS

For the purpose of this policy, the terms below are defined as follows:

Contractual Allowance is the difference between the levels of payment established under a contractual agreement with a third party payer and the patient's gross charges

Extraordinary Collection Actions (ECAs) apply when Park Place Surgical Hospital impacts credit reporting or initiates legal processes such as liens, foreclosures, seizures of bank accounts or personal property, garnishment of pay, and/or arrest. Extraordinary collection actions do **not** include: calling patients for open balances, sending statements or filing a claim in a bankruptcy proceeding

Emergency Care is when the patient requires immediate medical intervention due to a severe, life-threatening, or potentially disabling condition. Generally the patient is seen and/or admitted through the emergency room. See section 1867 of the Social Security Act (42 U.S.C. 1395dd). Patients, who may require specialized services related to dependent airway management, cardiac monitoring, complex medical regimes, and invasive diagnostic procedures, invasive nutritional support, and other complex resources not provided by Park Place Surgical Hospital will not be admitted. Emergency Room services are not provided; however, should an emergency present to the facility, the patient will be assessed and treated according to the EC.100 - Treatment of Individuals with Emergency Care Needs policy.

Financial Assistance is medical services provided at no charge to patients who are uninsured or underinsured and unable to pay based on income level (as based on the U.S. Department of Health and Human Services Federal Poverty Guidelines), financial analysis, demographic indicators and/or further healthcare needs based on diagnosis. Financial assistance does not include: contractual allowances from government programs and contractual allowances from insurance

Family is defined using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption.

Family Income is defined using the Census Bureau guidelines, the following is used when computing family income:

- Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits,

pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources

- Determined on a before-tax basis
- Includes the income of all family members who reside together and dependents claimed on the income tax return (non-relatives, such as housemates, do not count)
- For dependents who live outside the home, family income shall include the dependent's income, along with the income of those who claim the dependent on their tax return
- Family income also includes resources or property that are easily convertible to cash including but not limited to checking accounts, savings accounts, stocks, bonds, certificates of deposits, and cash. IRA's and 401K's are excluded until money is removed.

Federal Poverty Guidelines is defined as a simplification of the Census Bureau's poverty thresholds used for administrative purposes such as determining financial eligibility. Each year the Department of Health and Human Services (HHS) publishes the guidelines in the Federal Register

Gross Charges is the total charges at the hospital's full established rates for the provision of patient care services before deductions are applied

Medically Necessary Care is defined as medical treatment that is appropriate and necessary for treatment of the presented symptoms, as defined by Medicare and third party payers

Presumptive Financial Assistance is the assistance granted on the basis of a scoring system or other data sources that provide sufficient evidence of eligibility. A financial form on file is not required for approval of presumptive financial assistance.

Uninsured Patient is a person receiving healthcare services that does not have healthcare insurance and will not qualify for any state/ federal programs

Underinsured Patient is a person receiving healthcare services who has private healthcare insurance, but whose coverage does not cover specified care. Patients with commercial insurance are not generally eligible for financial assistance write-offs due to health-plan and legal requirements related to billing patients for their full cost-share portion of the provided services. However, if third-party coverage does not provide benefits for the hospital services due to health plan exclusions, pre-existing conditions, waiting period prior to eligibility, or exhaustion of benefits, the patient may be considered uninsured and eligible for a financial assistance adjustment, for the services not covered. This does not apply when the third-party coverage does not provide coverage at Park Place Surgical Hospital for services that would otherwise be authorized in the payer's network of providers

EXCEPTION

None

REVISION HISTORY

APPROVAL DATE OF REVISION	DESCRIPTION OF REVISION
06/28/2016	<p>Revised ¹Purpose, ²Policy and ³Procedure from</p> <p>¹To provide a guideline for discounting patients that may be eligible for a Hardship Write-off</p> <p>²Park Place Surgical Hospital works to identify patients that are eligible for a hardship discount and provide these patients the discounts that are appropriate for their level of income. Patients must fill out a hardship application and include all necessary copies of proof of all income. Examples are: check stub, copy of bank statement and W-2 from the previous year's employment</p> <p>³Avenues for Identifying these Patients:</p> <p>Pre-Registration</p> <ul style="list-style-type: none"> • Surgical Hospital identifies these patients at the time of payment of deposit – identified patients are allowed to fill out a hardship application and determination is made at that time based off of current year Federal Poverty Guidelines <p>Post-Surgery Collections</p> <ul style="list-style-type: none"> • After surgery when patient responsibility is determined patient applies for hardship discount and eligibility is determined based of Federal Poverty guidelines for the current year to current policy
01/22/2018	<p>Changed Uninsured patients whose family income is at or below 200% to 250% and Uninsured patients whose family income exceeds 200% to 250% in the Eligibility and Amount of Write-Off section</p>

ADDENDUM A – Eligibility and Amount of Write-Off

Number of
Dependents

	Poverty Level	100% Write Off
1	\$12,060	\$30,150
2	\$16,240	\$40,600
3	\$20,420	\$51,050
4	\$24,600	\$61,500
5	\$28,780	\$71,950
6	\$32,960	\$82,400
7	\$37,140	\$92,850
8	\$41,320	\$103,300

Add \$4,180 for each person over 8 dependents

Park Place Surgical Hospital - 100% Write off is 250% of Poverty Level

ADDENDUM B – Presumptive Financial Assistance

Information obtained from sources other than the patient may be used to determine presumptive eligibility. Such information includes evidence that the patient is participating in one or more of the following:

- State-funded prescription programs
- LACHIP, subsidized housing, free or reduced school lunches, etc. for the patient/guarantor's children
- Louisiana food stamp program;
- State Medicaid program. For patients that have Medicaid coverage, the financial assistance determination will rely on information from the Medicaid program, including evidence that:
 1. Patient is currently on Medicaid, but has a prior balance within twelve (12) months of the approval date
 2. Patient currently has Medicaid with limited benefits (only covers family planning)
 3. Patient is in a hospice and has Medicaid only
 4. Patient has Medicaid through a non-contracted state
 5. Patient qualifies for Medicaid with a 'spend-down requirement'
 6. Patient is eligible for other state or local assistance programs that are unfunded (i.e., Medicaid spend-down)
 7. Patient is deceased with no known responsible party or estate. The due diligence efforts to verify the estate assets are to be documented via the hospital approved website

Additionally, a patient may be presumed to be eligible for financial assistance if there is an independent, qualified attestation that the patient is homeless