SCOPE: Applies to all PeaceHealth Operations.

PURPOSE: To provide information about PeaceHealth's financial assistance programs that assists patients, provides medical management, and supports PeaceHealth's financial stability.

POLICY: PeaceHealth adopted financial assistance programs known as Bridge and Pathways. The Financial Assistance programs are part of PeaceHealth's commitment to educate caregivers to identify patients who can benefit from Financial Counseling services and Financial Assistance. The Financial Counseling and Financial Assistance Policies promote System financial health, enabling PeaceHealth to continue the healing mission of Jesus Christ.

REQUIREMENTS:

1. Financial Assistance Overview

1.1. Signage and brochures informing patients of PeaceHealth's Financial Counseling Programs and Financial Assistance are available at appropriate access areas, including registration, and are also available on the internet (www.peacehealth.org).

1.2. Financial Assistance information is provided at least annually to community agencies such as local health departments, Medicaid offices, social service agencies, and physician practices.

1.3. Patients may apply for Financial Assistance before, during, or after treatment, or at any time during the billing and collection process.

1.4. The Financial Assistance determination and approval process is the same regardless of the amount of the patient's balance.

1.5. Emergent care is never delayed by an assistance determination or by requests for financial or other information regarding ability to pay.

1.6. Financial Assistance is secondary to all other financial resources available to the patient, including, but not limited to:
- 1.6.1. Insurance
- 1.6.2. Third party liability payers
- 1.6.3. Government programs
- 1.6.4. Outside agency programs; and
- 1.6.5. Personal resources

1.7. Financial Assistance is not granted to patients that do not cooperate with efforts to determine eligibility for government or other insurance programs.

1.8. Financial Assistance is granted only for medically necessary evidenced-based care. Services that are cosmetic or elective in nature or have been shown to lack clinical efficacy are not eligible for coverage under this policy.

1.9. Health Savings Accounts (H.S.A.) are considered insurance funds. PeaceHealth may require health savings account funds be applied to the account balance prior to providing financial assistance.

1.10. Patients who reside outside PeaceHealth's service area may not be eligible for Financial Assistance unless they require emergent services while visiting in PeaceHealth's service area.

1.11. Improved coordination of clinical care and appropriate triage of Financial Assistance patients to better direct their care is consistent with PeaceHealth's mission and this policy.

2. Financial Assistance Eligibility

2.1. Anyone seeking Financial Assistance may request a Financial Assistance application.

2.2. Financial Assistance applications are available by request at all Registration areas, by contacting Customer Service, or by downloading an application from the PeaceHealth website

2.3. Consideration for Financial Assistance occurs once a completed application has been submitted to PeaceHealth.

2.4. While a financial assistance application is pending review, Peace Health does not initiate collection efforts or request deposits provided that the responsible party is cooperative with PeaceHealth's efforts to obtain payment from other sources.

2.5. Financial Assistance screening requests may be proposed by sources other than the patient, such as the patient's physician, family members, community or religious groups, social services, or medical center caregivers.

2.6. A responsible party may be considered for Financial Assistance without a completed Financial Assistance application if sufficient information can be obtained that allows for final determination.

2.7. Peace Health may offer additional financial assistance for patients with extraordinary circumstances based on a review of remaining balance, income, and assets.

2.8. The System Director of the Revenue Cycle responsible for administering the Financial Assistance Policy may make exceptions to policy when it is in the best interest of PeaceHealth to do so.

3. Verification of Income

3.1. Acceptable verification of income includes the following:

3.1.1. All gross income for the past 90 days (e.g., including payroll stubs, Social Security or unemployment benefits, health savings account statements, brokerage account statements); and

3.1.2. Most recent year's tax return.

3.2. An Income Statement for self-employed applicants is required.

3.3. In the absence of income, a Letter of Support and/or a Declaration of No Income may be accepted. The Letter of Support may be accepted from individuals providing for the patient's and/or responsible party's living needs; the Declaration of No Income must include an explanation of how expenses are being met.

4. Determination

4.1. ***Assistance by Federal Poverty Level***

4.1.1. Existing open balances at PeaceHealth are adjusted when the patient is determined to meet Financial Assistance criteria Subject to the considerations set forth below, Financial Assistance is granted in accordance with the following table:

Federal Poverty Percentages			**BRIDGE Allowance** (uninsured)	**PATHWAYS Allowance** (insured)
From		**To**		
0	-	200%	100%	100%
201	-	250%	85%	40%
251	-	300%	65%	30%
301	-	350%	65%	20%
351	-	400%	65%	10%

4.1.2. Consideration for Financial Assistance includes a review of:

- Gross household income
- Number of people in the home
- Securable assets excluding primary residence
- Bank, brokerage, and retirement accounts
- Special medical costs
- Other indicators of the responsible party's ability to pay
- Extenuating circumstances/catastrophic (see the Definitions section)

4.1.3. *Key Points:*

- These are guidelines; each individual situation is reviewed independently.
- Allowances may be made for extenuating circumstances (see description of Extenuating circumstances/catastrophic in the Definitions section of this policy).

4.2. ***Assets***

4.2.1. Assets are not considered for Financial Assistance applicants whose Adjusted Gross Income (AGI) falls below 200% of the Federal Poverty Levels (FPL).

4.2.2. Assets may be considered when determining eligibility for Financial Assistance for applicants whose gross household income is between 201-400% of FPL.

4.2.3. Equity in the primary residence is excluded from the asset calculation.

4.2.4. If the asset consists of real property, the asset considered is the difference between the value of the asset and the amount owed against the asset.

4.2.5. A $3,000 asset exemption is allowed for households with 1 member, and an additional $500 is allowed for each additional household member.

4.2.6. Assets above the exemptions listed above, may be used to determine the amount of Financial Assistance provided to applicants with household income between 201-400% of FPL.

4.3. ***Application***

4.3.1. If an incomplete application is received by PeaceHealth, a letter is sent to the responsible party explaining what is required to complete the application.

4.3.2. If the responsible party does not return the application or requested information to PeaceHealth within 30 days from the date of the letter requesting additional information, PeaceHealth may initiate collection efforts. Additional time to respond may be provided if the patient's medical condition warrants a delay.

4.3.3. PeaceHealth provides written notice of assistance determinations within 14 calendar days of receipt of a completed Financial Assistance application.

4.3.3.1. Notifications include the amount of the reduction and the balance not covered by the Financial Assistance program.

4.3.3.2. If a completed application is denied in full, the reason for the denial is provided in the Financial Determination letter.

- The process for appealing a denial is included in the denial letter.

- Applicants are entitled to appeal denials if the household income is less than 400% of FPL

4.3.4. PeaceHealth keeps Financial Assistance applications and supporting documentation confidential. However, PeaceHealth may, at its own expense, request a credit report to further verify the information on the applications. Conflicting information between the credit report and the application may result in a denial or request for additional information.

4.4. ***Financial Appeals Process***

4.4.1. Responsible parties may appeal the determination of eligibility for Financial Assistance by submitting additional written information, such as income verification or explanations of extenuating circumstances to the System Director of the Revenue Cycle within 30 days of the denial notification.

4.4.2. The Vice-President of the Revenue Cycle or designee makes the final determination for all appeals.

4.4.3. If this determination affirms the previous denial of Financial Assistance, written notification is sent to the responsible party. If the review results in a total denial for a Financial Assistance application for services conducted at a PeaceHealth facility or provider in Washington State and the household income is at or below 200% of FPL, a copy of the paperwork is also provided to the Washington State Department of Health.

4.4.4. Collection activities for accounts under appeal are pended for the first 30 days of the appeal process.

4.5. ***Accounts Assigned to Collection Agencies***

4.5.1. Financial Assistance program information is present on PeaceHealth statements/billings.

4.5.2. Accounts are not assigned to collection agencies prior to 120 days from the date of first billing.

4.5.3. Financial Assistance applications for accounts that have been assigned to a collection agency must be submitted with proof of income for the date(s) of service. If a Financial Assistance application is received for an account previously assigned to collection, the collection agency is requested to hold further actions until the results of the pending Financial Assistance review are available. If the review shows the patient qualifies for the reduction or

elimination of the debt, appropriate actions are taken to amend or correct previous actions.

5. Bridge Assistance Medical Management Overview

5.1. ***Medical Management***

5.1.1. Services that are cosmetic or elective in nature or have been shown to lack clinical efficacy are not covered under this policy. Patients need a referral from their Primary Care Provider (PCP) before seeing a specialist. Considerations are given for preventive screenings on a case by case when not covered by State Programs.

5.1.2. Non-urgent service requests for Financial Assistance patients (even those who receive care at PeaceHealth from outside providers) are reviewed for medical necessity prior to being scheduled. Clinical review utilizes available clinical information to determine medical necessity/approval.

5.1.3. Efforts are made to provide case management services for those patients who have multiple chronic illnesses or have frequent Emergency Department (ED) and/or inpatient admissions.

5.2. ***Other Providers.*** PeaceHealth's decision to provide Financial Assistance in no way affects the responsible party's financial obligations to physicians or other health care providers, unless such physicians or other health care providers are providing care to patients pursuant to a contract with PeaceHealth that requires accepting Financial Assistance decisions made by PeaceHealth. If such a contract requirement exists, the physician or other health care provider must comply with this Financial Assistance policy.

DEFINITIONS:

1. The term "*Bridge*" refers to a PeaceHealth program for the uninsured through which medically necessary and some preventative services are provided by PeaceHealth at a reduced cost or without charge when it has been determined that payment for those services cannot be obtained through insurance, outside agencies, or private means.

2. The term "*Pathways*" refers to a PeaceHealth program for insured/underinsured patients through which medically necessary and some preventive services are provided at PeaceHealth at a reduced cost or without charge when it has been determined that payment for those services cannot be obtained through insurance, outside agencies, or private means.

3. The term "*Medical Necessity*" refers to care that, in accordance with clinically accepted parameters, is reasonably calculated to:

   3.1. Prevent the onset or worsening of an illness, condition, or disability;

3.2. Establish a diagnosis;

3.3. Provide palliative, curative or restorative treatment for physical, behavioral, and/or mental health conditions; and/or

3.4. Assist the individual to achieve or maintain functional capacity in performing daily activities, taking into account both the functional capacity of the individual and those functional capacities that are appropriate for individuals of the same age.

3.5. Each service is performed in accordance with national standards of medical practice generally accepted at the time the services are rendered, and must be sufficient in amount, duration, and scope to reasonably achieve its purpose. Course of treatment may include observation only, or when appropriate, no treatment at all.

4. The term "*Income*" refers to total cash receipts before taxes derived from wages and salaries, welfare payments, Social Security payments, strike benefits, unemployment or disability benefits, child support, alimony, and net earnings from business and investment activities paid to members of the household.

5. The term "*Financial Counseling*" refers to a process of working with our patients in a compassionate and caring manner to identify options for resolving their PeaceHealth financial obligations.

6. The term "*Guarantor/Responsible Party*" refers to a person age 18 or over, regardless of marital status, who has legal financial responsibility for services provided to household members.

7. The term "*Household*" refers to the following people living in the same home:
   7.1. Guarantor
   7.2. Guarantor's spouse
   7.3. Guarantor's unmarried partner if they have a child together
   7.4. Minor children/dependents residing in the home
   7.5. A household does not include any of the following people:
      7.5.1. Roommates
      7.5.2. Extended family members, such as aunts, uncles, cousins, parents, etc.

8. The term "*Service Area*" refers to the county in which the PeaceHealth entity/provider is located.

9. The term "*Average Generally Billed (AGB)*" refers to the average amount accepted as payment in full for the combination of Medicare and commercially insured patients. AGB is calculated annually in June by reviewing Medicare and commercial insurance billings for the previous 12 months. AGB may be different among PeaceHealth facilities as the percentages of patients that are Medicare and/or commercially insured varies by location. Patients that

qualify under the Bridge program are not charged more than the AGB for Bridge-eligible services.

10. The term "*Extraordinary Collection Actions (ECA)*" refers to the following actions: Placing a lien on property, attach bank account, filing civil action under contract law, garnish wages, reporting to a credit agency/bureau. PeaceHealth or its contracted collection agencies may take the listed actions for unpaid accounts subject to any court-required approvals.

11. The term "*Extenuating circumstances/catastrophic*" refers to consideration of additional factors in determining the patient portion of an account qualifying for less than 100% coverage under the Financial Assistance Policy. Factors include: remaining balance after all policy reductions, household income, medical status of patient/family, and level/type of assets.

REFERENCES:

Education & Training:

- Financial Counseling Training Manual (scroll down to Training)

Forms:

- Financial Assistance applications

Other:

- Department of Health & Human Services Poverty Guidelines

Policy Documents:

- Policy #SYS.19.5 Financial Counseling

Web Sites:

- www.peacehealth.org

HELP: For questions about this policy, or assistance with understanding your obligations under this policy, please contact the Patient Financial Services department.

End of Policy

The last page of this policy document contains approval, review and revision information only.

ORIGINAL VERSION:

Author:			
Responsible Party:	Kevin McAndrews; VP Patient Financial Services		
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Approved By:	John Hayward; CEO	**Date:**	3/1/2002
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REVISIONS:

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	Reviewed By:		**Date:**	
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