BAPTIST

OPERATIONS POLICY, PROCEDURE, AND GUIDELINE MANUAL

Effective Date: 9/03	**FINANCIAL ASSISTANCE POLICY**
Last revision: 8/04; 5/06, 12/06; 3/08; 4/09; 4/10; 6/14; 8/16 **Reviewed: 4/11; 9/12**	
Reference #: S.FI.3025.07	

PURPOSE: To establish a mechanism to provide financial assistance to qualifying patients and provide an effective and consistent means of administration.

POLICY:

Baptist is committed to treating all patients equitably, with dignity, respect and compassion. Baptist provides services in anticipation of payment by the patient and/or guarantor for services rendered. Baptist determines eligibility for financial assistance and assists patients to qualify for available payment sources upon receipt of required financial information and other documentation from the patient. Baptist offers patients who qualify for financial assistance, a reasonable variety of payment options or terms for payment, including partial payment. Baptist utilizes payment procedures for uninsured or medically underinsured, which take into consideration other payment arrangements with insurance companies, managed care networks, and government-sponsored programs.

No patient will be denied financial assistance because of their race, religion, or national origin or any other basis which is prohibited by law. This policy covers services for emergency and medically necessary services provided by Baptist facilities and providers.

A list of any providers delivering emergency or other medically necessary care that specifies which providers are covered by the facility's FAP can be found in the attached addendum.

OBJECTIVES:

- To consistently apply a charity, uninsured and indigent policy
- To identify those patients that qualify financial aid

SCOPE:

All Baptist entities, including Baptist Minor Medical Facilities and Baptist physicians.

There may be other city, county, or state indigent programs available that supersede or compliment this policy.

DEFINITIONS:

Indigent Care – Applies to those patients whose gross income is at or below poverty based upon the poverty guidelines.

Uninsured - Patients for whom no third party is responsible for their medical claims.

Professional Charges – This billing is for work performed by physicians, suppliers and other non-institutional providers for both outpatient and inpatient services.

Technical Charges – This billing is for the use of equipment, facilities, non-physician medical staff, supplies, etc. at areas such as hospitals, skilled nursing facilities and other institutions for outpatient and inpatient services.

Medically Underinsured – Any insured patient having incurred out of pocket liability for technical charges in excess of $5,000 in a single encounter.

Any insured patient having incurred out of pocket liability for professional charges in excess of $2,500 in a single episode of care for the calendar year.

Non-Covered Services

- In some cases, patients may receive separate bills for services from a provider that does not participate in the Baptist Financial Assistance program. A non-inclusive list of examples of which would be outside laboratory services, radiologists, pathologists, ambulance services, non-participating physicians as well as services provided at facilities that are not owned by Baptist. Charges for services at any non-participating providers are not covered under the Baptist Financial Assistance program.
- Special promotion/package priced procedures which have reduced or special pricing arrangements associated with them.
- Cosmetic surgery performed purely for the purpose of enhancing one's appearance.
- The following major organ transplant surgeries:
    - kidney
    - liver
    - heart
    - lung
    - pancreas
    - intestine
    - heart/lung
    - left ventricular assist device (LVAD) and related procedures
    - tubal reversal procedures
    - male implant procedures
    - stem cell transplants
    - wellness services

Charity Care - Provision of help or relief to those uninsured patients whose gross income is above poverty based upon the poverty guidelines.

Discount - To anticipate and make allowance from, deduct or subtract from the gross charges.

Family - A family is a group of two or more persons related by birth, marriage, or adoption who live together; all such related persons are considered as members of one family. For instance, if an older married couple, their daughter and her husband and two children, and the older couple's nephew all lived in the same house or apartment; they would all be considered members of a single family.

Unrelated individual - An unrelated individual is a person (other than an inmate of an institution) who is not living with any relatives. An unrelated individual may be the only person living in a house or apartment, or may be living in a house or apartment (or in group quarters such as a rooming house) in which one or more persons also live who are not related to the individual in question by birth, marriage, or adoption. Examples of unrelated individuals residing with others include a lodger, a foster child, a ward, or an employee.

Family Unit -"Family unit" is not an official U.S. Census Bureau term, although it has been used in the poverty guidelines Federal Register notice since 1978. As used here, either an unrelated individual or a family (as defined above) constitutes a family unit. In other words, a family unit of size one is an unrelated individual, while a family unit of two, three, etc. is the same as a family of two, three, etc.

Series Account – Series accounts are those accounts which represent the same services received in multiple encounters by single patient in a 30-day period which are for the same diagnosis and ordered by the same physician.

Episode of Care - consists of all clinically related services for one patient for a discrete diagnostic condition from the onset of symptoms until treatment is complete.

Single encounter – one interaction with a care provider.

Out-of-Pocket Estimator – The Baptist electronic estimator available on the BMHCC Intranet, to be utilized in estimating the patient out-of-pocket cost associated with their procedure and for requesting payment by the patient prior to the service. Only for hospitals.

Out of Network Coverage – Occurs when Baptist has not contracted with an insurance company for reimbursement at a negotiated rate and the beneficiary's plan does not include Baptist as part of their provider network.

Amounts Generally Billed (AGB) – An average of the amounts generally billed to insured individuals. Claims during the prior fiscal year (12 months) are included in the calculation. The claims include Medicare fee-for-service as well as all other private health insurers. Each of the hospitals adopting this policy separately calculates an AGB percentage annually and uses the "Look Back Method", as defined by Internal Revenue Code Section 501(r). Baptist compares the amount paid by insured patients and their insurance companies in the prior fiscal year. A patient approved for financial assistance cannot be charged more than AGB. Baptist will apply one system-wide rate for all hospitals adopting this financial assistance policy. The AGB is calculated annually and the Baptist Vice President Revenue Cycle will determine the system-wide AGB rate, which cannot be more than lowest individual hospital AGB.

POLICY EXCLUSIONS:
This policy does not apply for the following conditions:

1. The patient is out of network.
2. The patient is requesting non-covered services (as defined herein).
3. The treatment is for a work-related accident with third party coverage.
4. The treatment is the result of an auto accident with third party coverage.
5. The patient is currently in the custody of a correctional facility.
6. The patient's Medicare/Medicaid/TennCare benefits have been exhausted.
7. The patient's primary residence is outside the US.

POLICY APPLICATIONS:

I. Medically Underinsured

A. Verify that the patient has insurance coverage.

1. Patients with insurance can be deemed medically underinsured when their out of pocket liability after all insurance payments, exceeds the following established levels. For technical charges in excess of $5,000 in a single encounter or professional charges in excess of $2,500 in a single encounter, they are eligible for a 30% discount on their out-of-pocket liability in excess of $5,000 or $2,500 respectively.

a) For mother and newborns, both accounts should be combined as a single encounter for applying this discount.

b) Hospital series accounts as defined in this policy should be combined for applying this discount

II. Self Pay/Charity

A. Verify that the patient does not have any third party coverage.

1. Ensure the designated third-party qualifier has evaluated the patient and determined the patient does not qualify for federal, state or local assistance programs.
2. Upon receipt of the Financial Evaluation Form from the patient ensure the form is complete and all necessary supporting documentation is present.
3. If the Financial Evaluation Form is incomplete or lacks the necessary supporting documentation, notify the patient and request the missing information. If the patient is unable or unwilling to provide the necessary financial documentation, the patient will receive a 75% discount off their total charges and not be eligible for any further discounts identified in this policy and the account will continue to follow the standard collection process.

III. Determine the uninsured patient's financial status

A. All patients will be eligible to apply for financial assistance at any time during the continuum of care or billing cycle. Patients are given the opportunity to apply for financial assistance up to 240 days from the date of service.

B. If Baptist has determined a patient's financial status in the previous 90 days it does not need to be determined again. New information is not required.

C. Patients who have not qualified for discounted care may reapply again within 30 days.

D. Income used to compute financial status:

1. Money income: Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, disability payments, 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. When calculating income from any of the preceding sources use the gross amount.
2. Non-cash benefits (such as food stamps and housing subsidies) do not count as income
3. If a person lives with a family, calculate the total gross income of all family members.
    a) Non-relatives, including housemates, do not count.
    b) A child who is a full-time student away from home in an accredited college may be counted.

c) Minor childrens' earned wages are not to be included in determining income.

d) Court-ordered or state/federal issued assistance related to a minor should be included in determining income.

4. Primary residence of individuals claimed in a family unit should be verified using tax returns or Federal, State or Governmental court documents indicating residency.

D. Measure of need (poverty thresholds):

1. Poverty thresholds are the dollar amounts used to determine poverty status

2. Each person or family is assigned one poverty threshold. Thresholds vary according to size of the family.

E. Documenting Income:

1. In order to accurately substantiate the family income, any of the following documents may be utilized. Always use gross income for determining the patient's financial status. Most recent income information is given priority in determining financial status therefore, attempt to obtain the following documents in this order:

a) Pay stubs for the last 3 months

b) Income tax return for the previous year

c) W2 Form for the previous year

d) State/Federal Assistance Documents

e) Bank Statements for the last 3 months

f) Legal documents including divorce decree and/or child support and alimony

g) Pension/retirement statements

F. Computation:

I. If total family gross income is less than the established threshold for that family unit;

a) The family unit is eligible for Indigent care

b) All members of the family unit are eligible for Indigent care

c) For individuals who do not live with family members, their own gross income is compared with the appropriate threshold

II. If total family gross income equals or is greater than the threshold, the family (or unrelated individual) is not eligible for indigent care, but may qualify for charity care

Example: Family A has five members: two children, their mother, father, and great aunt. Their threshold is $28,440 based upon 2016 federal guidelines:

a) Estimated members' incomes:

Mother:	$15,000
Father:	5,000
Great-aunt:	12,000
First child:	0
Second child:	0
Total family income:	$32,000

b) Compare total family income with their family's threshold

c) Income / Threshold = $32,000 / $28,440 = 1.13

d) Since their income was greater than their threshold, the family is not eligible for indigent care but does qualify for charity care as established in this policy.

IV. Identify whether uninsured patient is able or partially able to pay for services

Sliding scale to determine patient's ability to pay:

MEMPHIS and TIPTON TECHNICAL CHARGES

% of Poverty	Discount from charges	Classification
Below Poverty	100%	Indigent
100-119%	100%	Charity Care
120-139%	90%	Charity Care
140-169%	80%	Charity Care
170-199%	70%	Charity Care
In Excess of 200%	50%	Charity Care

ALL OTHER TECHNICAL AND PROFESSIONAL CHARGES

% of Poverty	Discount from charges	Classification
Below Poverty	100%	Indigent
100-119%	100%	Charity Care
120-139%	90%	Charity Care
140-169%	80%	Charity Care
170-199%	70%	Charity Care
200-299%	40%	Charity Care
In Excess of 299%	39%	Charity Care

V. External Reference

- Tennessee Code Title 68 - Health, Safety and Environmental Protection Health § 68-1-109 and 68-11-262, 268
- Emergency Medical Treatment and Active Labor Act
- Federal Register Poverty Guidelines
- Internal Revenue Service Code Section 501(r)