POLICY

St. Luke's Hospital
Columbus, NC 28722

Policy No: __51-0103_____________ Effective Date: ___February 1, 2005

Chapter: ___Business Office________ Section: ___100________________

Subject: __Community Care Program_____________________________________

Recommended By: Tamara Arndt and Alana Lanford, Revenue Cycle Directors_______

Approved By: ____

Reviewed By: ____________________ Revised: April 1, 2006_______________

Tamara Arndt_________ September 17, 2007__________

Tamara Arndt_________ April 15, 2009_____________

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I. BACKGROUND/PURPOSE:

St. Luke's Hospital, (SLH) recognizes that certain individuals are unable to pay entirely, or in part, for services provided by the institution. The purpose of this policy is to develop a unified system to assist those qualified individuals who are unable to pay for their health care services.

II. DEFINITIONS:

Community Care means healthcare a hospital provides to a patient who after an investigation of the circumstances surrounding the patient's ability to pay, including non-qualification for a public program, is determined by the hospital to be unable to pay all or a portion of the hospital's normal billed charges. Community care does not include bad debt or contractual shortfalls from government programs, but may include insurance co-payments or deductibles, or both.

Bad Debt is defined as expenses resulting from treatment for services provided to a patient and/or guarantor who, having the requisite financial

resources to pay for health care services, have demonstrated by his/her actions an unwillingness to comply with the contractual arrangements to resolve a bill.

Income represents total cash receipts from all sources before taxes including, but no limited to, wages, public assistance payments, Social Security, Unemployment or Worker's Compensation benefits, VA benefits, child support, alimony, pension income, insurance or annuity payments, interest, rental income, royalties, estate or trust income, tax refunds, or compensation for injury claims. Adult children living at home, unless they can be considered a dependent on taxes, will be considered based upon their personal income not the household.

III. POLICY:

As part of its mission, St. Luke's Hospital will provide its primary service area residents (Polk or adjoining counties) with full or partial financial assistance through its Community Care program. SLH's Community Care program is not an entitlement program. Inability to pay will be determined by SLH and will be based upon specific financial information provided by the guarantor.

Non-discrimination.
This hospital shall render services to all members of the community who are in need of emergency medical care regardless of the ability of the patient to pay for such services. The determination of full or partial Community Care will be based on the patient's ability to pay and will not be abridged on the basis of age, sex, race, creed, disability, sexual orientation or national origin. The hospital shall send anyone who requests information on the hospital's Community Care Program a letter and application form.

Determination of Eligibility.
The determination of Community Care for non-emergent patients should be made before providing services. If complete information on the patient's insurance or financial situation is unavailable at the time of service, or if the patient's financial condition changes, the designation of Community Care may be made after rendering services. All efforts will be made to establish whether the patient is eligible for Community Care before leaving the hospital.

Confidentiality.
The need for Community Care may be a sensitive and deeply personal issue for recipients. Confidentiality of information and preservation of individual dignity shall be maintained for all who seek charitable services. No information obtained in the patient's Community Care application may be released unless the patient gives express permission for such release.

IV. **PROCEDURE**:

Responsibility:

Financial Counselor and/or Patient Access Representatives:

- SLH staff shall attempt to complete the application by interviewing uninsured inpatients at the time of service to determine eligibility for the charity care adjustments. In the event staff is unable to interview the patient at the time of service, follow-up activity shall be initiated to determine the patient's eligibility.

- Patients who do not receive a financial review while in-house or at the point of service may contact the Patient Financial Counselor to request financial assistance. Patient Financial Counselor will mail an application to the patient to be completed and returned to the Financial Counseling. Upon receipt of the completed application, Financial Counseor will review to determine eligibility for assistance based on SLH established charity guidelines.

Determining Ability to Pay

The applicant's ability to pay for all or a portion of the hospital's billed charges will be determined on a case-by-case basis. Balances previously placed with a collection agency will not be eligible for discount. Approved applications will be effective for all eligible amounts owed and will remain effective for a twelve-month period following the approval date unless a significant change in the applicant's financial status is discovered. After a twelve month time period, a new application will be required.

Determination of initial eligibility will be the responsibility of the Patient Financial Counselor or designee. Final approval for the Community Care discount will be based on the total adjustment amount:

- Assistant Director can approve amounts up to $5,000.
- Director can approve amounts up to $10,000
- CFO must approve amounts greater than $10,000 after review by Director.

- For eligibility determination, SLH may use the patient's statement of income household size in combination with or in lieu of financial data provided by banks, employers and external reporting agencies. Typically, the documentation used will be determined by patient type.

- In the event of a significant discrepancy between the patient statement of income and the financial data provided, patients may be responsible for providing SLH with financial information for both household income and total

assets. Information may include, but not be limited to, wages, pensions, retirement incomes, other benefits, checking and savings account balances, credit files, W-2, tax returns, employer statements, deeds, tax records as well as valuations for real properties. Patients with real property with equity value of less than $50,000.00 may be eligible for an uninsured/underinsured adjustment when the SLH uninsured income levels are met.

- SLH may use financial data provided by external credit reporting agencies in combination with, or in lieu of, documentation provided by patients to determine eligibility.

- The eligibility determination process shall include analysis of the ability to pay as well as potential eligibility for any third party coverage to include, but not be limited to, state and federal funding agencies.

- Financial documentation gathering shall be completed as soon as possible with a goal of 45 days for final determination.

- Upon approval, associated patient accounts remaining on AR status may be adjusted, per review of eligibility criteria. Eligibility of subsequent adjustments will be evaluated at the time of service.

- When approved, SLH staff shall submit an AR adjustment sheet based on the percentage of charity approved.

Approval Levels:

Percentage of FPG*	**Percentage of Charity**		
	Inpatient	**Outpatient**	**Emergency**
Up to 150%	100%	100%	100%
151% - 200%	85%	75%	75%
201% - 300%	75%	50%	50%
301% - 400%	60%	25%	25%
> 400%	0%	0%	0%

*Federal Poverty Guidelines as published annually in the Congressional Federal Register.

Application Process

Candidates for Community Care will complete and sign a Community Care application. Applications are available in the Financial Counselor's office. It should be completed and returned to the attention of the Patient Financial Counselor within ten (10) business days. Incomplete applications will be returned with a notation of missing documentation along with the original paperwork for the patient to review and resubmit within five (5) business days. Failure to return the application with required documentation may result in the application being denied.

Patient/Guarantor:

- Cooperate fully with SLH in the determination of charity eligibility. Full cooperation includes applying and assisting SLH with all processes and information to assist patient with applying for any other third party coverage that would result in reimbursement to SLH for services provided.

- Apply and follow through for all third party funding agencies available.

- Complete and sign a patient financial statement document that includes full disclosure of all financial information.

- Pay the balance of all accounts that are not eligible for adjustments.

Patients who are not eligible for any third party coverage or SLH charity care adjustments and who are unwilling or unable to pay balances may become eligible for SLH's extended payment arrangements.

Hospital:

- SLH reserves the right to reverse charity care adjustments provided by this policy if the information provided by the patient during the information gathering process is determined to be false or if SLH obtains proof that the patient has received compensation for services from other sources.

Exclusions from Charity Care Adjustments:

- Patients who do not cooperate fully with applying for other third party coverage
- All elective and cosmetic procedures
- Patients who own property with equity value at $50,000 or more
- Accounts currently in bad debt status

Notification of Acceptance or Denial

Applicants for community care will be notified in writing of acceptance or denial within thirty (30) days of receipt of a complete application and necessary supporting documentation. Approval letters will include the amount of the discount awarded, the remaining balances due from the patient and a payment schedule for any balances due. Future Community Care requests will be denied without review if patient has not attempted to follow payment arrangements on balances not covered by previous Community Care discounts. Denial letters will include reasons for the adverse decision and the balance due from the patient.

Catastrophic Provision:

For patients who do not qualify under the charity care adjustment provisions outlined above, St. Luke's Hospital shall provide for catastrophic adjustments under the following specific guidelines:

1. SLH shall provide adjustments to self pay patients who have catastrophic illnesses. Adjustments shall be evaluated for the uninsured and underinsured patients, including patients with large co-pay/deductible and non-covered amounts.

2. SLH understands that managed care and governmental payers forbid routine waiver of co-payment and deductible amounts. To ensure compliance, documentation shall be obtained from each patient in order to verify eligibility for a catastrophic adjustment.

Responsibility:

Financial Counselor:

- Identify via telephone call or patient correspondence that self pay patient may qualify for catastrophic adjustment based upon catastrophic illness.

- Review catastrophic illnesses and financial ramifications as a routine part of the financial counseling process for all inpatients receiving a review.

- Analyze financial outcomes to identify any possible third party payment options, state programs, Medicaid disability, etc.

- If no third party benefits are available, assess patient's financial status using:
  - signed patient financial statement
  - analysis of all assets including real properties, vehicles, recreational vehicles, income of patient and spouse, etc.
  - review of credit history
  - review of real property

- A patient's exposure and financial responsibility shall be limited to the patient's annual gross household income plus assets with equity value greater than $50,000.

Discount Scale:

Annual Gross Household Income + Assets	**% of Discount**
Annual Income + Assets = Amount of Hospital Bill	- 0-
Annual Income + Assets = to 75% of Hospital Bill	25%
Annual Income + Assets = to 50% of Hospital Bill	50%
Annual Income + Assets = to 25% of Hospital Bill	75%

Patient/Guarantor:

- Cooperate with financial counseling staff by answering all questions truthfully and completely and providing all required financial and asset documentation to support the catastrophic illness adjustment. Information and data shall include, but not be limited to, verified income and financial statement, (signed by the patient), bank checking and savings account information, verification of wages and all incomes, verification of all household assets, and verification of all expenses. Patients must also provide authorization to SLH for review and analysis of the patient's credit history.

Hospital:

- SLH reserves the right to reverse catastrophic adjustments provided by this policy if the information provided by the patient is found to be false or if proof is discovered that the patient/guarantor has received compensation for services from other sources. In such cases, SLH shall pursue collection efforts including legal recourse to obtain payment.

Control Mechanisms:

- With the exception of Outpatient and Emergency Department applications, which may be completed at the time of service, all applications for charity care adjustments and catastrophic discounts shall be completed in the financial counseling department. Other departments and staff may refer patients. All applications shall be processed and stored in Patient Financial Services. Financial counselors and/or any person with authorized approval responsibility shall be prohibited from taking applications and/or making recommendations for charity care adjustments and catastrophic discounts for family members, friends, and acquaintances. These applications, or any circumstances that give the appearance of a conflict of interest, shall be referred to another staff person for determination and completion.

This policy is not applicable to physicians, immediate family members of a physician (as defined in 42 C.F.R. § 417.351, as amended) or to any patient who is a referral source to a SLH entity.

SLH reserves the right to grant financial assistance to patients in extraordinary circumstances who do not satisfy the guidelines stated above.

Patient Appeals Process

Patients who have been denied Community Care shall have the right to appeal that decision. Denied applicants will have the appeal process included in the final determination letter sent to the patient. The patient must request the review in writing and it must be submitted to the Revenue Cycle Director no later than 30 days from the initial denial notification date. The Revenue Cycle Director will initiate an administrative review by the Chief Financial Officer and/or the Chief Executive Officer within 14 days of the initial receipt of the appeal. This decision of the administrative review will be communicated to the patient in writing within 14 business days.