

ARNOT HEALTH POLICY

COMMUNITY CARE PROGRAM (CHARITY CARE)

Applicable: Arnot Ogden Medical Center, Ira Davenport Memorial Hospital, St. Joseph's Hospital and Arnot Medical Services PLLC

Policy: Arnot Ogden Medical Center, Ira Davenport Memorial Hospital, St. Joseph's Hospital and Arnot Medical Service PLLC shall be collectively referred to hereafter as Arnot Health. We are committed to providing Charity Care/Community Care to persons who have health care needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. Consistent with its missions to deliver compassionate, high quality, affordable health care services, and to advocate for those who are poor and disenfranchised, Arnot Health strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. Arnot Health will provide, without discrimination, care of emergency medical conditions to individuals regardless of their eligibility for financial assistance or for government assistance.

Accordingly, this written policy:

- Includes eligibility criteria for financial assistance—free and discounted (partial Charity Care/Community Care)
- Describes the basis for calculating amounts charged to patients eligible for financial assistance under this policy.
- Describes the method by which patients may apply for financial assistance.
- Describes how the hospital will widely publicize the policy within the community served by the system.
- Limits the amounts that the hospital will charge for emergency or other medically necessary care provided to individuals eligible for financial assistance to the amount generally billed (received by) the hospital for commercially insured or Medicare patients.

Purpose: Charity Care/Community Care is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with Arnot Health's procedures for obtaining Charity/Community Care or other forms of payment or financial assistance, 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, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets.

In order to manage its resources responsibly and to allow Arnot Health to provide the appropriate level of assistance to the greatest number of persons in need, the Board of Directors establishes the following guidelines for the provision of patient charity.

Definitions

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

1. **Charity Care/Community Care:** Health care services that have been or will be provided but are never expected to result in cash flows. Charity Care results from a provider's policy to provide health care services free or at a discount to individuals who meet the established criteria.
2. **Family:** Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance.
3. **Family Income:** Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:
 - Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veteran's 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;
 - Noncash benefits (such as food stamps and housing subsidies) DO NOT count;
 - Determined on a before-tax basis;
 - Excludes capital gains or losses; and
 - If a person lives with a family, includes the income of all family members (non-relatives, such as housemates do not count)
4. **Uninsured:** The patient has no level of insurance or third-party assistance to assist with meeting his/her payment obligations.
5. **Underinsured Patients:** Are individuals who have government or private health insurance, which results in less than 100% coverage of medical bills.

6. **Gross Charges:** The total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied.
7. **Emergency Medical Conditions:** Defined within the meaning of section 1867 of the Social Security Act. (42 U.S.C. 1395dd)
8. **Medically necessary:** As defined by CMS (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

Procedures:

A. Services Eligible under this Policy. For purposes of this policy, "charity/community" or "financial assistance" refers to health care services provided by Arnot Health without charge or at a discount to qualifying patients. The following health care services are eligible for charity/community:

1. Emergency medical services provided in an emergency room setting;
2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
4. Medically necessary services, as defined by CMS.

Please note: Certain services, including but not limited to, such as cosmetic and skilled nursing facility services are not eligible for the Charity Care/Community Care Program.

B. Eligibility for this Program. Eligibility for this program will be considered for individuals who are Uninsured, Underinsured, ineligible for any government health care benefit program, and who are unable to pay for their care, based on an individualized determination of financial need, and shall not take into account, age, gender, race, social or immigrant status, sexual orientation, or religious affiliation. Arnot Health shall determine whether or not patients are eligible to receive charity for deductibles, co-insurance, or co-payment responsibilities.

Effective 2012, Medicare co-insurances and deductibles are considered in the eligibility requirements.

C. Method by Which Patients May Apply for Charity/Community Care.

1. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may
 - Include an application process, in which the patient, the patient's guarantor or power of attorney are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need;
 - 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 Arnot Health 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 financial resources available to the patient;
- Include a review of the patient's financial resources available to the patient;
- Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.
- For those with family income greater than 150% of the federal poverty level, exempt assets (based on minimum Medicaid exempted assets) listed below will not be added to family worth for Charity/Community Care consideration:
 - Family's principle residence.
 - Motor vehicle(s).
 - Personal effects and household goods.
 - Resources necessary for self support; All resources of both spouses are considered together. Certain resources are excluded such as the home, household goods, personal effects, vehicles, and life insurance with a face value not more than \$1,500, or irrevocable burial plan are also excluded and not counted toward the resource limit.
 - Life insurance policy up to \$1,500.
 - Income tax refunds in the month of receipt.
 - Earned income tax credit (EITC) in the month received and the following month.
 - Basic State issued Food benefits.
 - Bona fide loans, including student loans.
 - Adoption support payments.
 - Foster care payments provided under Title IV-E and/or state foster care maintenance payments.
 - Specified employer sponsored retirement/pension plans e.g. 401K 403 (B), IRA, ROTH IRA. (Monthly income drawn from investments will be added as family worth for charity consideration.
 - A Trust Fund when unavailable. A trust fund is considered unavailable when:
 - A household member cannot revoke the trust or change the beneficiary;
 - The trustee administering the funds is not under the direction of a household member or is appointed by the court with court-imposed limitations in the use of the funds;
 - The funds are use solely to made investments on behalf of the trust or pay for medical or educational expenses for a specific household member; and
 - The investments made on behalf of the trust do not directly involve or assist any business or corporation under the control, direction, or influence of a household member; or
 - The patient must petition the court to release part or all of a resource, including funds in blocked accounts or trusts.

- For those with family income less than 150% of the federal poverty level, fixed assets will not be added for Charity/Community Care consideration.
2. It is preferred but not required that a request for Charity/Community Care and a determination of financial needs to occur prior to rendering of non-emergent medically necessary services.
 3. Patients have up to 12 months from the date of service to apply for Charity/Community Care.
 4. Arnot Health's values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of Charity Care/Community Care. Requests for this program shall be processed promptly and Arnot Health shall notify the patient or applicant in writing within thirty (30) days of receipt of a completed application.

D. Presumptive Financial Assistance Eligibility. There are instances when a patient may appear eligible for Charity/Community Care discounts, but there is not a financial assistance form on file due to a lack of supporting documentation. Presumptive eligibility may be determined on the basis of individual life circumstances.

The hospital may also use publicly available demographic and financial information to determine whether a patient who has not submitted a Financial Assistance application is presumptively eligible for Financial Assistance. Patients may also be considered presumptively eligible for 100% financial assistance if they have current eligibility under a Medicaid type program and have outstanding balances prior to that coverage.

When an account is changed to a precollection status it is flagged to be sent for presumptive financial assistance scoring. Arnot Health uses a rank-ordering process that predicts the likelihood of financial assistance eligibility on Self Pay and balances after insurance accounts. The process utilizes public record data and returns information to identify patients likely to qualify for financial assistance based on a predictive model and other financial and asset estimates. In the absence of additional information from the patient, this rule set is applied to all patients to determine which patients would have likely qualified for 100% financial assistance.

E. Eligibility Criteria and Amounts Charged to Patients. Services eligible under Policy will be made available to the patient on a sliding fee scale, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect as of July 1 of each calendar year. Once a patient has been determined by Arnot Health to be eligible for financial assistance, that patient shall not receive any future bills based on undiscounted gross charges.

The basis for the amounts Arnot Health will charge patients qualifying for financial assistance is as follows:

Annual Family Income	Amount of Discount
<200% FPG	100%
201 to 250%	80%
251 to 300%	60%
301 to 350%	40%
351 to 400%	20%

1. Patients whose family is at or below 200% of the FPL are eligible to receive free care. This process will be managed by establishing a financial class of CCP or equivalent in applicable financial systems.
2. Patients whose family income is above 200% but not more than 400% of the FPL are eligible to receive services at discounted rates.
3. Patients whose family income exceeds 400% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of Arnot Health. However, the discounted rates shall not be greater than the amounts generally billed to (received by the hospital) for commercially insurance (or Blue Cross) patients.
4. Extenuating Circumstances. There may be occurrences of extenuating circumstances where the patient/responsible party is not able to complete the application and/or provide supporting documentation and resource testing cannot be completed or where the medical indigence of that patient is determined as outlined by state requirements/policy. In those circumstances, a supervisor may make the decision to waive the required documentation provided that all attempts to obtain additional information are documented clearly or may perform additional resources testing to validate the need for financial assistance. Some of the following could be considered extenuating circumstances:
 1. Undocumented residents or homeless.
 2. Patient expiration.
 3. Approval of the extenuating circumstances, request charity write-off for extenuating circumstances with the appropriate form, which must be approved based on guidelines.

F. Communication of the Charity/Community Care Program to Patients and within the Community. Notification about charity/community Care programs available from Arnot Health, which shall include a contact number, shall be disseminated by Arnot Health by various means, which may include, but are not limited to, the publication of notices in patients bills and by posting notices in emergency rooms, in the Conditions of Admission form, at urgent care centers, admitting and registration departments, hospital business offices and patient financial services offices that are located on facility campuses, and at other public places as Arnot Health may elect. Arnot Health also shall publish and widely publicize a summary of this Charity Care/Community Care policy on facility Web site, in brochures available in patient access sites and at other places within the community served by the hospital as Arnot Health may elect. Such notices and

summary information shall be provided in the primary languages spoken by the population serviced by Arnot Health. Referral of patients for charity/community may be made by any member of the Arnot Health staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors. A request for charity/community care may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

- G. Patient Dispute/Appeal Process.** In the event a patient wished to file a dispute and appeal their eligibility for this policy, patient/responsible party may seek review from the Director of Patient Access or the Supervisor of Credit and Collections. Any determinations made under this policy may be appealed in writing to Arnot Health Systems, Director of Reimbursement at:

Arnot Health
600 Roe Avenue
Elmira, New York 14905

- H. Regulatory Requirements:** In implementing this Policy, Arnot Health Management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy.

I. Documents and Records

Confidentiality: All information relating to the application will be kept confidential. Copies of documents that support the application will be kept with the application form. Documents pertaining to charity/community care shall be retained for six (6) years.

- J. This policy is subject to change, please contact the Hospital for the most current version.**