



Department Name
Policies and Procedures

Patient Financial
Services

Title:	Financial Assistance Policy/Indigent and Charity Care Policy	Original Date Issued:	May 24, 2010
Policy Number:		Date Reviewed/Revised	12/28/2015
Applies to:	Patient Financial Services		
Approved By:	Chief Executive Officer		

PURPOSE

To identify patients who are in need of Indigent/Charity Care

DEFINITION

Indigent/Charity Care results from a determination of a patient’s ability to pay, not their willingness to pay. This determination should be made during the registration process or shortly thereafter. However, unforeseen untoward events after the service date could change the patient’s ability to pay, making retrospective determination a possibility.

SERVICES COVERED

The financial assistance available under this policy is available for all emergency and medically necessary care.

DEFINITIONS

Extraordinary Collections Actions: Extraordinary Collections Actions include, but are not limited to, any action taken related to obtaining payment of a bill for care covered under this Financial Assistance Policy that requires a legal or judicial process, selling an individual’s debt to a third party, or reporting adverse information about an individual to a consumer credit agency. Actions such as merely sending patients a bill or calling patients from the hospital’s accounting office are not considered Extraordinary Collections Actions.

Medically Necessary: Medically Necessary means care that a reasonable physician would consider to be medically necessary according to the generally accepted standards of medical practice in Georgia

POLICY

It is the policy of Northridge Medical Center to provide appropriate healthcare services to individuals regardless of race, creed, national origin, handicap or method of payment, i.e.,

cash, check, money order and credit card(s). Patient responsibility for payment is essential to the provision of health resources in the community. However, certain patients may not have the ability to pay or have the sponsorship of entitlement programs.

Criteria to be considered in determining eligibility for Indigent or Charity Care may include, but are not limited to the following:

- A. The guarantor's/patient's gross income.
- B. The guarantor's/patient's net worth.
- C. The guarantor's/patient's employment status and earning capacity.
- D. Living expenses and financial obligations.
- E. The previous exhaustion of all other available resources.
- F. Account must be over \$500.00

PROCEDURE

Each patient who appears eligible for Indigent or Charity Care determination and who requests such determination must complete a "Charity Care Application" and provide supporting documentation as requested and necessary to verify the patient's financial condition. The application and supporting documentation must be received by the Business Office within thirty (30) days from the date of request, unless extenuating circumstances exist. The prospective Indigent/Charity accounts must remain in a self pay financial class and regular collection efforts will continue until the application and documentation is received, however no Extraordinary Collections Actions will be pursued until Northridge Medical Center has made reasonable efforts to determine whether a patient qualifies for financial assistance under this Policy. These accounts are not to be left on the active A/R indefinitely, but adjusted off to bad debt and referred to a collection agency if the appropriate information is not received in a timely fashion and only after the hospital has made all reasonable efforts to determine whether a patient is eligible for financial assistance under this Policy. Reasonable efforts include notification to the patient of the Policy upon admission and discharge, sending multiple notices in post-discharge communications of the financial assistance policy, and attempts to contact patients via telephone or other means.

We will conduct predetermination of eligibility for financial assistance prior to performing outpatient procedures ordered by physicians except in circumstances where it may be medically necessary to conduct such procedure without delay. The same guidelines will be followed for these cases.

Approval for financial assistance is granted for periods of (6) months. If it has been longer than 6 months since an application and financial documentation has been received, a new application and required documentation must be provided for reconsideration for financial assistance.

Limitation on Charges

For emergency and medically necessary services, the charges to individuals eligible under this Financial Assistance Policy are limited to the Amounts Generally Billed (AGB) for such services. Amounts Generally Billed will be calculated pursuant to the Prospective Medicare Method described in section 501(r)-5(b)(4) of the internal revenue code meaning that Northridge Medical Center will consider the Amounts Generally Billed for emergency and medically necessary services to be the amount allowed by Medicare in the current calendar year, and including patients' copays, for a particular service.

Uninsured Patients

Uninsured patients discounts will be calculated based on the Amounts Generally Billed, described above, and will be applied in accordance with household income as further set forth below:

- Household income 100% or less of Federal Poverty Line will qualify for free care and thus will not be charged for care.
- Household income between 101%- 125% of Federal Poverty Line will be charged an amount equal to twenty five percent of the Amount Generally Billed.
- Household income between 126%-150% of Federal Poverty Line will be charged an amount equal to fifty percent of the Amount Generally Billed. .
- Household income between 151%-175% of Federal Poverty Line will be charged seventy five percent of the Amount Generally Billed.

Insured Patients

Insured patients' (those patients that have third party coverage for healthcare services) who qualify for the Financial Assistance Policy may receive discounts. Such discount will be calculated based on the Amounts Generally Billed, described above, and will be applied in accordance with household income as further set forth below:

- Household income 100 % or less of Federal Poverty Line will not be charged for care.
- Household income between 101%- 125% of Federal Poverty Line will be charged an amount equal to twenty five percent of the Amount Generally Billed.
- Household income between 126%-150% of Federal Poverty Line will be charged an amount equal to fifty percent of the Amount Generally Billed.
- Household income between 151%-175% of Federal Poverty Line will be charged seventy five percent of the Amount Generally Billed.

Catastrophic Provision

Uninsured or Insured patients who are not eligible for Indigent/Charity Care and whose healthcare bill exceeds 25% of the annual family income will be charged an amount equal to twenty five percent of the Amount Generally Billed.

Other

The Registration Staff/Business Office staff will use the most recent Federal Poverty Guidelines for the qualification process.

An applicant for financial assistance under this Policy will receive a letter notifying them of the Indigent/Charity Care qualification after the determination is made.

Accounting transactions to reflect these discounts must be posted in the month the determination is made to the patients account.

The Indigent/Charity adjustments, Uninsured and out of pocket discount transactions are to be written off to the Indigent/Charity Care Financial Statement Line.

Northridge Medical Center must maintain written documentation regarding each Indigent/Charity Care discount determination.

METHOD BY WHICH PATIENTS MAY APPLY FOR FINANCIAL ASSISTANCE

Patients should apply for financial assistance according to the instructions attached hereto as Exhibit A, and using the application form attached hereto as Exhibit B. The instructions and application form are also available to print on Northridge Medical Center's website.

COLLECTIONS PRACTICES AND POLICIES

Notwithstanding anything to the contrary in the foregoing, Northridge Medical Center shall not impose Extraordinary Collections Actions before making all reasonable efforts to determine whether a patient qualifies for financial assistance. Please see attached the Outside Agency Placement Policy regarding collections, attached hereto as Exhibit D.

PROVIDERS IN HOSPITAL COVERED BY THIS POLICY

Please see Exhibit C for a list of the providers and/or departments of the hospital who practice at Northridge Medical Center and whether such providers are covered by this policy.

EXHIBIT C

Hospital Based Providers

Hospitalists

Anesthesiologists

Pathologists

Emergency Room Providers

Radiologists