

PLATTE HEALTH CENTER/AVERA HEALTH PLATTE, SOUTH DAKOTA

PATIENT ASSISTANCE PROGRAM & BILLING PRACTICES

I. Introduction

In a spirit of charity and justice, Platte Health Center / Avera Health (referred to hereafter as PHC) exists in response to God's calling for a healing ministry to the sick, the elderly and the oppressed, and to provide healthcare services to all persons in need, without regard to the consideration of race, sex, creed, national origin or ability to pay.

Our philosophy on providing healthcare for sick and needy patients:

- We believe that providing healthcare for those who require it is an obligation of justice, as well as charity and mercy.
- We believe that all persons have a right to medically necessary healthcare and equal access to diagnostic and therapeutic treatment regardless of financial status.
- We believe caring and ensuring equal access to medically necessary healthcare is a societal obligation and should be shared by all healthcare institutions and society in general.
- We believe that our healthcare organizations, because of our deep concern for human dignity, have an obligation to respond as fully as possible to the healthcare needs of the poor and medically indigent in our area.
- We believe that we have a dual responsibility to maintain a leading role in providing medically necessary, cost effective healthcare for the poor and medically indigent and to take an advocacy role by working toward adequate reimbursement of healthcare services for the poor and medically indigent.

II. Purpose

The purpose of this policy is to state specifically how PHC views patient assistance, how requests for patient assistance will be addressed, and to ensure that Avera organizations follow and apply uniform billing practices.

This policy is specifically targeted at low-income, uninsured patients who meet certain eligibility requirements and is not intended to be applied to insured patients who have the means to accept the responsibility for their incurred charges.

PHC recognizes that certain state and/or federal laws require it to make good-faith efforts to collect all accounts and as such, collection agency services will be utilized in accordance with standard business industry practice.

Additionally, PHC recognizes that certain state and/or federal laws do not allow discounts to all patients and as such, PHC will only consider discounts on a case-by-case basis as requested by the patient or his or her legal representative or guardian. PHC also recognizes that laws may prevent it from discounting or waiving certain co-pays, deductibles and the like.

III. Guiding Principles

To: Provide community assistance to patients and families when charges for hospital/clinical services received create an undue financial hardship.

To: Create a process in which the financial ability of the patient is evaluated and patient assistance provided relative to the patient's financial situation.

To: Provide a uniform, consistent billing practice and patient assistant program throughout Avera's sponsored, owned, leased and managed healthcare organizations.

IV. Policy

A. Open Door Services

PHC, Avera's sponsored, owned, leased and managed operations shall maintain an open door policy to provide medically necessary medical care to the community. (No limitations or situations for rendering care will be based on the patient's ability to pay.)

B. Patient Assistant Services

Patient assistant services represent those categories of service provided to patients when full payment based on established rates is not expected or received. Those that qualify for patient assistant services will be identified by each healthcare organization's business office and so classified in the specific accounts of the organization's accounting records.

Circumstances that may qualify a patient for a patient assistance are:

- 1) Continued collection efforts would place an extreme financial hardship on an individual or family;
- 2) Collection of the account would force an individual or family to lose their only source of income.
- 3)
- 4) A family has lost its sole source of support through death or disability and there are inadequate existing assets, resources, insurance settlements, pending inheritance, or income available to satisfy the debt in a reasonable period of time.
- 5) Inability to secure adequate funding from Federal/State/Local assistance programs and/or insurance coverage.
- 6) Demonstration of the patient's inability to pay rather than unwillingness to pay.

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Circumstances that may disqualify a patient for a patient assistance are:

- 1) Fraud (lying on the Financial Assistance Application & Patient Financial Information Form).
- 2) Patient or legal representative/guardian unresponsive to requests for information.
- 3) Refusal to fully complete Financial Assistance Application & Patient Financial Information Form.
- 4) Refusal to provide requested documentation of income and assets.

Public Notice, Posting, and Communication with Patients.

1. Avera organizations shall post a notice, in accordance with the Community Assurance Provision of the Hill-Burton Act and various other State, federal, and JCAHO requirements, regarding the availability of financial assistance for the payment for services provided to low-income uninsured patients.

The Community Assurance Provision of the Hill-Burton Act under Title VI of the Public Health Service Act requires recipients of Hill-Burton Funds to make services provided by the facility available to persons residing in the facility's service area without discrimination on the basis of race, color, national origin, creed, or any other ground unrelated to the individual's need for the service or the availability of the needed service in the facility. The community service obligation does not require the facility to make non-emergency services available to persons unable to pay for them. It does, however, require the facility to make emergency services available without regard to the person's ability to pay. This assurance is in effect for the life of the facility only so long as the facility is operated by a not-for-profit or public entity. For reference, please visit <http://www.hhs.gov/ocr/hburton.html> and <http://www.hrsa.gov/osp/dfcr/obtain/CONSFAQ.HTM>.

Notices shall be posted in English and Spanish in a visible manner in locations where there is a high volume of inpatient or outpatient admitting/registration, such as emergency departments, billing offices, admitting offices, and outpatient service settings as well as the organizations website.

2. Posted notices shall contain the following:
 - a. A statement indicating that the organization has a financial assistance policy for low-income uninsured patients who may not be able to pay their bill and that this policy provides for patient assistance and reduced-payment for healthcare services; and
 - b. Identification of a contact phone number that a patient can call to obtain more information about the financial assistance policy and about how to apply for such assistance.

C. Billing and Collections

At the time of billing, the organization shall provide to all low-income, uninsured patients the same information on services and charges that it provides to all other patients receiving care.

When sending a bill to an uninsured patient, the organization shall include on the bill all of the following information:

- a. A statement that indicates that if the patient meets certain income requirements the patient may be eligible for a government-sponsored program or for financial assistance from the organization for help in paying for the services that were provided; and
- b.
- c. A statement that provides the patient with an organization contact resource from which the patient may obtain information about the organization's financial assistance policy for low-income uninsured patients and how to apply for such assistance for the payment of services that were provided.
- d.
- e. Notices and contact information may be printed on the front or back of patient billings. The printing on the bill does not need to be exhaustive and may read similar to "PHC has a financial assistance policy if you meet certain requirements and are unable to pay part or all of your bill. Please contact the business office at (605) 337-3364."

If the patient qualifies for the organization's financial assistance policy for low-income, uninsured patients and is cooperating with the organization with regard to efforts to settle an outstanding bill within a reasonable time period, the organization or its agent shall not send, nor intimate that it will send, the unpaid bill to any outside agency if doing so may negatively impact a patient's credit. At such time as the organization sends the uncollected account to an outside collection agency, the amount referred to the agency shall reflect the reduced-payment level for which the patient was eligible under the organization's financial assistance policy for low-income uninsured patients.

Any extended payment plans offered by a hospital in settling the outstanding bills of low-income, uninsured patients who qualify for financial assistance shall be interest-free so long as the repayment schedule is met.

D. Data Compilation and Reporting Requirements

Each Avera organization shall post on its website or otherwise make available to the public on a reasonable basis notification that it has a financial assistance program for low-income uninsured patients and the organization's contact person or department to request financial assistance.

The Avera Central Office shall annually compile and post on its website or otherwise make available to the public on a reasonable basis the following data:

1. The amount of patient assistance provided is based on the charges.

2. The unreimbursed costs of care provided to beneficiaries of government programs including, but not limited to, Medicare, Medicaid and county indigent programs with this item being defined as the shortfalls between costs and off-setting reimbursement/revenue that a hospital experiences in providing care.

E. Protocols

Avera organizations are required to:

1. Utilize a standardized financial assistance request form when patient assistance is requested. (Attachment I)
2. Provide information on Public Assistance Benefits with appropriate contact information for each organization. (Attachment II)
3. Make reasonably available, and/or on request, the booklet “A guide to your hospital bill and insurance” both in print form and on each hospital website.
- 4.
- 5.
- 6.
7. Utilize a discount grid structure that takes into account income, assets, and federal poverty guidelines. Each hospital may adjust the grid structure and discount percentages as necessary.

V. Definitions

Patient Assistance is defined as that portion of patient care services provided by PHC for which a third-party payer is not responsible and a patient has the inability to pay. Patient Assistance does not include bad debt, contractual adjustments, or un-reimbursed costs (payment shortfalls). Patient Assistance may include unpaid coinsurance, deductibles, and non-covered services if the patient meets PHC’s Patient Assistance criteria. Any portion of services that a patient is unable to pay can count as Patient Assistance. PHC may determine or re-determine a patient’s eligibility for Patient Assistance any time information on the patient’s eligibility becomes available.

Financially Indigent shall mean the uninsured or underinsured patient who is provided care with no obligation or a discounted obligation to pay for the services rendered. These patients are also defined as poor or economically disadvantaged and have income at or below federal poverty levels.

Medically Indigent shall mean the patient whose medical or hospital bills, after payment by third-party payers, exceed the financial resources available to the patient. The patient who incurs catastrophic medical expenses is classified as medically indigent when payment would require liquidation of assets critical to living or would cause undue financial hardship to the family support system. In addition, medically indigent shall also include catastrophic medical expenses of patients where after payment by third-party payers, the residual amount exceeds the financial resources available to the patient.

Bad Debt is defined as those amounts that are uncollectible and do not meet the Patient Assistance services eligibility criteria. Bad Debt is the result of unsuccessful collection efforts on accounts of patients unwilling to pay. There should not be Patient Assistant implications in collection efforts on accounts of patients unwilling to pay.

VI. Procedure

Procedure to be implemented individually at each Avera organization.

Implemented June 2005, Updated October 2006