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|  Kaleida Health POLICY | Title: Financial Assistance | # PFS.3 |
| | Owner: Patient Financial Services | Issued: 12/1/99 |
| Keywords: financial assistance, presumptive eligibility | | |

I. Statement of Purpose

- A. Kaleida Health is committed to providing financial assistance to persons who have healthcare 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. The purpose of this policy is to ensure that the approval of discounts for healthcare services and billing to patients for services rendered are consistent, fair and in compliance with all Federal and New York State Laws and regulations.
- B. Kaleida Health’s financial assistance program does NOT include the following:
 - 1. Cosmetic surgery
 - 2. Durable medical equipment
 - 3. Services provided by physicians not employed by Kaleida Health such as radiology, anesthesia, emergency room physicians, consulting visits, or any private provider are not covered.
 - 4. Long-term care services
 - 5. Prescriptions filled at High Street Prescription Center, Children’s Home Care Pharmacy, and Suburban Family Pharmacy

II. Audience

All Kaleida Health personnel

III. Instructions – (Outline necessary steps for consistent completion of process/ procedure)

A. Definitions

- 1. **Financial Assistance:** Financial Assistance is the provision of healthcare services free or at a discount to individuals who meet established criteria.
- 2. **Household Income:** Household Income is determined on a before-tax (gross) basis by calculating the following sources of income for all qualified household members:
 - a. Include earnings, self-employment, unemployment compensation, workers’ compensation, gross social security supplemental income, disability, public assistance, veterans’ payments, survivor benefits, pension income, interest, dividends, royalties, income from estates, trusts, alimony, child support, assistance from outside the household, and other miscellaneous sources.
 - b. Include the income (household income) of all qualified family members ages 19 years or older living at the same address. Qualified family members include: spouse, parent, child, sibling, grandparent, grandchild and spouse of grandchild, stepparent, stepchild, stepbrother, stepsister, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, and life partner (non-relatives, such as housemates, do not count). In some cases, a dependent claimed for tax purposes may qualify as a family member even though he/she does not live at the same address.
 - c. Exclude non-cash benefits such as food stamps and housing subsidies.
 - d. Exclude capital gains or losses.
- 3. **Proof of Income:** the following are acceptable for proof of income:

- a. Last four (4) pay stubs for those who are paid weekly OR the last two (2) pay stubs for those who are paid bi-weekly. Kaleida Health calculates the projected annual household income defined by NYS when assessing for financial assistance.
 - b. Social Security award letter from current year which outlines gross payment.
 - c. Disability check stub which outlines payment cycle.
 - d. Unemployment statement printed from the NYS Department of Labor website.
 - e. Child Support statement from the county/courts, OR direct deposit OR letter from the person paying the support notarized, signed and dated.
 - f. Official pension statement outlining the gross amount OR copy of the stub with gross amount noted.
 - g. Alimony statement from the county/courts, OR direct deposit OR letter from the person paying the support notarized, signed and dated.
 - h. Dividends/Interest current documentation of amount and frequency received.
 - i. Current rental income (within one year) receipt or lease agreement.
 - j. Other Income would include contributions from others. A statement outlining the amount and frequency received must be notarized, signed and dated. Students living off loans must submit a current Financial Aide Award Letter (Student loans are not counted as the applicant is required to repay a loan).
 - k. Self-employed individuals must submit a current three (3)-month business ledger, notarized, signed and dated.
4. **Uninsured:** The patient has no level of insurance or third party assistance to aid with meeting his/her payment obligations.
 5. **Underinsured:** The patient has some level of insurance or third party assistance, but still has out-of-pocket expenses that exceed his/her financial abilities. In instances where a Medicaid patient has limited coverage, the patient may be screened for financial assistance when requested.
 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 Medicare, services or items reasonable and necessary for the diagnosis or treatment of illness or injury.

B. Financial Assistance Program Provisions

1. All hospital sites and off-site patient care locations must notify patients of the Financial Assistance Program through the conspicuous posting of language-appropriate information. Information will be included on bills and statements sent to patients stating that financial assistance may be provided to qualified patients, including how they may obtain further information. Kaleida Health will provide financial assistance for emergency hospital services, including emergency transfers pursuant to the federal Emergency Treatment and Active Labor Act (EMTALA), to patients who reside in New York State and for medically necessary hospital services for patients who reside the in health system's primary service area. Financial assistance may be made available to non-New York State residents or other residents outside of Kaleida Health's primary service area. Consideration will be made on a case-by-case basis. During the intake and registration process, Kaleida Health notifies patients of its Financial Assistance

Services by distributing “Process for Applying for Financial Assistance” (Attachment A) and give a summary of this policy by distributing Attachment B. All personnel processing registrations, billing and collections are trained on the Financial Assistance Program.

2. **Services eligible under this Policy.** For purposes of this policy, “financial assistance” refers to healthcare services provided by Kaleida Health without charge or at a discount to qualifying patients. The following healthcare services are available for financial assistance:
 - a. Emergency medical services provided in an emergency room setting;
 - b. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
 - c. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
 - d. Medically necessary services, evaluated on a case-by-case basis at Kaleida Health’s discretion.
3. **Eligibility for Financial Assistance.** Eligibility for financial assistance will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care benefit program, present approved IRS Form 4029, or who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. The granting of financial assistance is based on the household determination of financial need, and does not take into account age, gender, race, social or immigrant status or sexual orientation.
4. **Method by which patients may apply or qualify for financial assistance.** Financial need is determined in accordance with procedures that involve a household assessment of financial need. This assessment includes:
 - a. An initial screen using the presumptive eligibility criteria listed below in Section C; OR
 - b. An application process, in which the patient or the patient’s guarantor is required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need listed below in Section D.

C. Presumptive Financial Assistance Eligibility.

1. Kaleida Health understands that certain patients may be unable to complete a financial assistance application, comply with a request for documentation, or are otherwise non-responsive to the application process. As a result, there may be circumstances under which a patient’s qualification for financial assistance is established without completing the formal application process. This information will enable Kaleida Health to make an informed decision on the financial need of non-responsive patients utilizing the best estimates available in the absence of information provided directly by the patient.
2. **Process for awarding presumptive financial assistance.**
 - a. Staff receives weekly reports of those patients screened “Yes” and “No” for presumptive financial assistance.
 - b. Those screened “No” will not be awarded presumptive financial assistance. However, the patient will be contacted by telephone to establish a budget/payment plan. During this time the patient is informed of financial assistance services.
 - c. Those screened “Yes” are verified as not having insurance through the Kaleida Health insurance verification process before presumptive financial assistance is awarded and applied to the account(s).

- d. Those screened “Yes” and are already on a budget plan and making payments will be awarded presumptive financial assistance for any remaining balance.
- e. Those screened “Yes” and who do not have active insurance are awarded 100% presumptive financial assistance solely for the existing episode of care.

D. Financial Assistance Application Process. Kaleida Health’s financial counselors or facilitated enrollers may meet with the patient to assist in the completion of the financial assistance application. This may include screening through the NYS Marketplace. For information on billing and collection practices and information on installment plans, see policy PFS.4 (Billing and Collections).

1. Calculate the projected total annual income for all qualified family members. If the family’s income exceeds the income limit for the lowest level (50%) of discount available under their family size, assistance will be denied.
2. If the patient has indicated that they have health insurance coverage or that treatment was related to an accident or injury, the account history is reviewed to determine if this information was previously provided. If not, the eligibility of the health insurance coverage will be verified such as worker’s compensation, no-fault as well as third party lawsuits. If valid, the patient accounting system will be updated and billed to the appropriate payer. The patient will be notified that Kaleida Health is holding their request for financial assistance until a disposition is received from the health insurance carrier.
3. If the patient expires prior to receipt of the application for financial assistance, refer to Policy PFS.4. If the patient expires after Kaleida Health’s receipt of his/her application, a final determination will be sent to the address listed on the application.
4. If the patient is eligible for Medicaid, Child Health Plus or a Qualified Health Plan and the date of service is not covered, financial assistance will automatically be granted up to 120 days retroactively from the effective date of coverage.
5. Kaleida Health does not include retirement funds (including 401K, 403B and other retirement plans), education funds, cars used regularly by the applicant or immediate family members, life insurance, Health Savings Accounts (HSA), Flexible Spending Accounts (FSA) or burial trusts.
6. Bank statements for the current month are required (no more than 30 days from the signature date on the application). Statements must outline all activity (deposits/withdrawals) and may not be obscured in any way. Applicants must submit a letter of explanation for any deposit reflected on the bank statement of \$1,000 or more. Only the first five (5) digits of the account number may be obscured for security.
7. A document or printout from the New York State Marketplace which determines eligibility for Medicaid, Presumptive coverage, Child Health Plus, or a Qualified Health Plan is acceptable documentation. If the denial is a result of non-compliance with the New York State Marketplace application process and requirements, a denial for financial assistance will be generated unless the patient subsequently supplies sufficient income and asset verification.
8. Once Kaleida Health has determined that the patient’s income is within the eligible range for a 50%, 60%, 75%, 90% or 100% discount, Kaleida Health will notify the patient by sending an approval letter (see below). Decisions regarding financial assistance are rendered within 30 days from the receipt date of the completed application.
9. Financial assistance discounts may be awarded on unpaid medically necessary services up to 120 days prior to the date of service. Kaleida Health will not

impose any limitations regarding financial assistance services based on the medical condition of the applicant other than typical limitations or exclusions based on medical necessity, the clinical or therapeutic benefit of a procedure or treatment.

10. Financial assistance discounts may be awarded for non-covered medically necessary services provided to patients eligible for Medicaid or other indigent care programs who otherwise qualify for financial assistance under this policy.
11. Financial assistance applicants have the right to appeal a decision when financial assistance is denied. The appeals procedure is as follows:
 - a. The applicant must send a written appeal to the Kaleida Health Appeals Board within 20 days of the date on the denial letter. If there is additional information to support the appeal, it should be submitted at this time. The appeal and application will be re-assessed.
 - b. The Appeals Board reviews these cases on a monthly basis. The Board members include the Customer & Financial Assistance Services Manager, Vice President of Revenue Cycle Operations, and a representative from Corporate Compliance.
 - c. The Appeals Board has 30 days to respond to the appeal in writing. The response will include the final decision and a brief explanation of the reason(s) for the Board's actions.
12. Kaleida Health applies a self-pay fee schedule in accordance with NYS Public Health Law section 2807-k (9-a). The patient is responsible for the established rate or total charges (whichever is less). Insured patients with high deductible plans or plans in which Kaleida Health is considered out-of-network who are not eligible for a government program or financial assistance program may be offered a payment plan and/or settlement on a case-by-case basis in an effort to protect the patient's financial well-being. Uninsured patients are subject to this provision as well.
13. An application for financial assistance may be submitted up to 240 days after the date the services are rendered. The need for financial assistance is re-evaluated at each subsequent episode of care or at any time additional information relevant to the eligibility of the patient for financial assistance becomes known.

E. Methodology used to set fee schedule used for Financial Assistance discounts.

1. The basis for Kaleida Health's financial assistance fee schedule is the Medicare Fee-for-Service reimbursement rates and payment methodology applicable at the time the service is provided.
 - a. For inpatient exempt units and Medical Rehab, an average per diem rate is calculated based on Medicare Fee-for-Service payments, and is used in place of the Inpatient Rehabilitation Facility reimbursement methodology. No mark-up is applied to this reimbursement rate.
 - b. If there is no applicable Medicare Fee-for-Service reimbursement rate for a particular service, then the current New York State Medicaid reimbursement rate is used.
 - c. If there is no Medicare Fee-for-Service or New York State Medicaid reimbursement rate available, then the highest volume commercial contract rate is used.
 - d. If the calculated reimbursement rate is higher than the gross charges for an individual account, then the reimbursement rate is capped at gross charges,
2. **Eligibility Criteria and Amounts Charged to Patients.** Services under this Policy are discounted to the patient on a sliding fee scale in accordance with financial need as determined in reference to Federal Poverty Levels (FPL) in

effect at the time of the determination. Once a patient has been deemed eligible for financial assistance by Kaleida Health, that patient does not receive any future bills for the current episode of care based on undiscounted gross charges. Discounts are calculated as follows:

- a. Household income less than or equal to 200% of the FPL is awarded 100% discount. This will be no greater than 20% of the amount that would have been paid for the same services by the highest volume commercial payer.
- b. Household income between 200 – 249% of the FPL is awarded 90% discount or a sliding scale with a maximum of no greater than 20% of the amount that would have been paid for the same services by the highest volume commercial payer.
- c. Household income between 250 -299% of the FPL is awarded the lesser of a 75% discount or a sliding scale with a maximum of no greater than 20% of the amount that would have been paid for the same services by the highest volume commercial payer.
- d. Household income between 300 – 349% of the FPL is awarded the lesser of a 60% discount or the greater of the amount that would have been paid for the same services by the highest volume commercial payer.
- e. Household income between 350 – 400% of the FPL is awarded the lesser of a 50% discount or the amount that would have been paid for the same services by the highest volume commercial payer.

F. Communication of Financial Assistance Services to Patients and the Community.

- 1. Notification about Financial Assistance Services available from Kaleida Health including a contact number, is disseminated by Kaleida Health by various means including but not limited to the publication of notices on patient bills, by posting notices in the emergency rooms, in Conditions of Admission form, admitting and registration departments, hospital business offices, patient financial service offices that are located on facility campuses, and at other public places that Kaleida Health may elect.
- 2. Kaleida Health also publishes and widely publicizes a summary of this Financial Assistance policy on facility websites, in brochures available in patient access sites and other places within the community served by the Kaleida Health system. Such notices and summary information is provided in the primary languages spoken by the population of Kaleida Health.
- 3. Referral of patients for financial assistance may be made by any member of the Kaleida Health staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains and religious sponsors.
- 4. A request for financial assistance may be made by the patient, a family member, close friend or associate of the patient, subject to applicable privacy laws.

G. Relationship to Collection Policies

- 1. Kaleida Health has developed policies and procedures for internal and external collection practices. These practices are identified in PFS.4 and RM.11.
- 2. For patients who qualify for financial assistance and who are cooperating in good faith to resolve their discounted health system bills, Kaleida Health may offer extended payment plans, will not send unpaid bills to outside collection agencies, and may cease all collection efforts.
- 3. Kaleida Health does not impose extraordinary collections actions such as wage garnishments, liens on primary residences, or other legal actions for any patient without first making sure reasonable efforts to determine whether a patient is

eligible for financial assistance under this policy. Reasonable efforts shall include:

- a. Validating that the patient owes the unpaid bills and that all sources of third-party payments have been identified and billed by the health system;
- b. Documentation that Kaleida Health has offered or has attempted to offer the patient the opportunity to apply for financial assistance pursuant to this policy and that the patient has not complied with the application requirements;
- c. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan; and
- d. Information regarding the availability of financial assistance and Facilitated Enrollment Services is noted on all billing statements.

H. Regulatory Requirements

1. In implementing this policy, Kaleida Health complies with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this policy.
2. All records, including applications and supporting documentation for both approvals and denials are maintained for a period of no less than seven (7) years.

IV. Approved by - (Include date)

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| Executive Vice President, Chief Financial Officer | 5/11, 10/11, 12/17 |
| Corporate Policy Approval Committee | 1/12/18 |
| Vice President Revenue Cycle Operations | 7/08, N/A |

V. References (Include evidence based research, Kaleida Health policy, and regulation as applicable)

Patient Protection and Affordable Care Act Section 9007
 Patient Protection and Affordable Care Act Section 4959
 Internal Revenue Code Section 501R
 NYS Public Health Law Section 2907-k(9-2)
 PFS.4 - Billing and Collections
 IAC.19 – Code of Conduct & Business Ethics
 PT.5 – Financial Counseling Services
 RM.11 – Patient Transfer and Medical Screening

Attachment A: Financial Assistance Application Process

Attachment B: Financial Assistance Guidelines

Financial Assistance Summary

Financial Assistance Services Application – English
 Financial Assistance Services Application – Spanish
 Financial Assistance Services Application – Burmese
 Financial Assistance Services Application – Karan

Letter regarding Notice of Approval – English Version
 Letter regarding Notice of Approval – Spanish Version
 Letter regarding Notice of Approval – Burmese Version
 Letter regarding Notice of Approval – Karan Version

Letter regarding Notice of Denial – English Version
Letter regarding Notice of Denial – Spanish Version
Letter regarding Notice of Denial – Burmese Version
Letter regarding Notice of Denial – Karan Version

Letter regarding Notice of Approval under Presumptive Application – English Version
Letter regarding Notice of Approval under Presumptive Application – Spanish Version
Letter regarding Notice of Approval under Presumptive Application – Burmese Version
Letter regarding Notice of Approval under Presumptive Application – Karan Version

Version History:

| Effective Date: | Reviewed/ Revised |
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| 2/5/18 | Revised |
| 10/11 | Revised |
| 5/11 | Revised |
| 7/10 | Revised |
| 10/09 | Revised |

Kaleida Health developed these Policies, Standards of Practice, and Process Maps in conjunction with administrative and clinical departments. These documents were designed to aid the qualified health care team, hospital administration and staff in making clinical and non-clinical decisions about our patients' care and the environment and services we provide for our patients. These documents should not be construed as dictating exclusive courses of treatment and/or procedures. No one should view these documents and their bibliographic references as a final authority on patient care. Variations of these documents in practice may be warranted based on individual patient characteristics and unique clinical and non-clinical circumstances. Upon printing, this document will be valid for 8/7/2019 only. Please contact Taylor Healthcare regarding any associated forms.