St Luke's	POLICY	RC013 SLHS

POLICY TITLE:	**Financial Care**
POLICY:	St. Luke's Health System is committed to caring for the health and well-being of all patients regardless of their ability to pay for all or part of the care provided. No person(s) is refused St. Luke's services because of lack of financial means to satisfy obligations. St. Luke's offers financial care to patients who meet income and expense guidelines, as defined by 501(r) requirements, to help cover the cost of services deemed medically necessary and/or non-elective by the patient's treating physician. St. Luke's will help the patient to identify and apply for available public assistance programs when available and will support the patient through the application and/or acquisition of insurance through the exchange. The provision of financial care is the last resort after all other financial assistance options have been explored and exhausted. Pending the initial eligibility determination for financial care, St. Luke's does not request payment or initiate collection efforts, provided that the responsible party is cooperative with the system's financial care process
SCOPE:	This policy applies to St. Luke's workforce and all locations where St. Luke's Health System or its subsidiaries conduct business and/or care for patients. These locations include inpatient and outpatient locations that are part of St. Luke's Boise, St. Luke's Meridian, St. Luke's Magic Valley, St. Luke's Wood River, St. Luke's McCall, St. Luke's Jerome and St. Luke's Elmore.[1] A facility, business or contractor that is affiliated with St. Luke's Health System or one of its subsidiaries may also use this policy if its processes are consistent with this policy and a different policy has not been implemented.
DEFINITIONS:	**501(R):** Section 501(r) of IRS code, requires a Section 501(c)(3) hospital organization to conduct and implement a community health needs assessment ("CHNA") and establish financial assistance and emergency care policies. It also places limits on a hospital organization's patient charges and billing and collection practices for patients who are eligible for financial assistance. The requirements apply to organizations that operate one or more facilities that are licensed or registered as a hospital under state law. **Financial Assistance Program (FAP**): Known in this policy as Financial Care.

[1] The facilities listed are wholly owned by one of the following legal entities, the parent corporation of all of which is St. Luke's Health System, Ltd.: St. Luke's Regional Medical Center, Ltd. (St. Luke's Boise, St. Luke's Meridian and St. Luke's Elmore); St. Luke's Magic Valley Regional Medical Center, Ltd. (St. Luke's Magic Valley and St. Luke's Jerome); St. Luke's McCall, Ltd. (St. Luke's McCall); and St. Luke's Wood River Medical Center, Ltd. (St. Luke's Wood River)..

If this is a patient care policy, the information contained herein is used to provide guidance in the care of patients, but should not, and does not replace or preclude the use of clinical judgment.

DEFINITIONS continued…	**Financial Care:** Assistance provided to patients for whom it would be a financial hardship to fully pay the expected out-of-pocket expenses for medically necessary and/or non-elective by services provided by St. Luke's and who meet the eligibility criteria for such assistance. Under this policy, Financial Care is either a Full Financial Care or Partial Financial Care. **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. **Healthcare Services**: Medically necessary hospital and physician services. **Household Size:** A group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family. **Income**: Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' 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 towards any calculation. **Medically Necessary/Non-Elective Services:** Health care services or supplies needed to prevent, diagnose or treat an illness, injury, condition, disease, or its symptoms as defined by the state Medicaid program in which the hospital operates. **Out of Pocket Expenses:** The share of the expenses that a patient pays directly to St. Luke's based upon the information available at the time of patient interaction or service. Out-of-pocket expenses include patient co-payments, deductibles, co-insurance amounts and self-pay balances. **Presumptive Financial Care**: Presumptive Financial Care is a process of proactively reviewing and scoring accounts based on ability and/or propensity to pay.

Effective Date and Implementation Period:
This policy applies to accounts associated with care or services provided on or after October 1, 2016. For accounts associated with care or services provided prior to this policy's effective date, the eligibility criteria and assistance levels of the policy in place at the time of service will apply.

I. FINANCIAL CARE PRINCIPLES

A. Financial care is granted equally to all qualifying individuals, regardless of race, color, sex, religion, age, national origin, veteran's status, marital status, sexual orientation, and any other legally protected status.

B. In accordance with the Federal Emergency Treatment and Labor Act (EMTALA) regulation, no patient shall be screened for Financial Care or payment information prior to the rendering of services in emergent situations.

C. Patient must cooperate with the hospital to explore all coverage and financial assistance options (e.g., ACA, public assistance, county assistance) must be exhausted before completing and submitting a Financial Care Application.

D. Patient must show need via the completion of a Financial Care Application (FCA), and providing the required supporting documentation.

E. Patients whose family income is equal to or less than 400% of the current Federal Poverty Guideline and/or whose medical expenses have depleted the family's income and resources so that they are unable to pay for eligible services, may qualify for possible fee elimination or reduction on a sliding fee schedule (see sliding fee schedule below) as calculated by the Financial Care Eligibility Worksheet.

F. Patients whose family income is equal or less than 200% of the current Federal Poverty Guidelines are not required to provide details of assets as part of the application process and are not required to pay a nominal fee for services.

G. Details of the Financial Care Policy, application process, and sliding scale are made available either at service locations or the St. Luke's Health System web site. Upon request, Patient Financial Advocates are available to meet with patients to answer questions related to the financial care process and/or sliding fee schedule.

H. In the event that financial care cannot be approved and the patient has a financial obligation, St. Luke's reserves the right to attach to personal assets for patients who exhibit FPL more than 200% of FPL (e.g., checking/savings/money market account(s), property liens) after all other option have been exhausted.

I. An approved Financial Care Application remains active for twelve (12) months following the date of approval.

J. Updated supporting documentation is required 6 months after the initial approval for subsequent reviews.

K. Financial Care write-offs are ultimately approved based on this policy and at the discretion of the Patient Financial Services System Vice President or System Director.

L. St. Luke's Health System Financial Care Policy will be reviewed and revised each fiscal year to ensure alignment with all regulations.

II. DETERMINING FINANCIAL NEED

A. A prescreening process identifies patients who may be eligible for financial assistance, and any patients who indicates an inability to pay their St. Luke's bill for healthcare services will be referred to a Financial Care Advocate or other qualified individual, who will assist the patient in applying for all financial assistance options applicable.

B. St. Luke's may screen patients for other sources of coverage and eligibility, including government programs, documenting the results of each screening. If St. Luke's determines that a patient is potentially eligible for Medicaid or another governmental program, St. Luke's requires the patient to apply for such program. Any St. Luke's employee who identifies a patient to whom the employee believes does not have the ability to pay for healthcare services, shall inform the patient that financial assistance may be available and where the patient can access a Financial Care Application.

C. It is the patient's responsibility to provide St. Luke's with accurate information regarding health insurance, demographic information, and information on applicable financial resources in order to complete the Financial Care process. Failure to do so may result in a denial of financial assistance.

III. FINANCIAL ASSISTANCE OPTIONS

Affordable Care Act (ACA), Premium Assistance, Government or privately sponsored health coverage or assistance programs are available for eligible patient populations. St. Luke's may provide premium assistance in the event of COBRA eligibility in accordance with St. Luke's mission, legal and regulatory bodies. If COBRA coverage is possible, and the patient is not a Medicare or Medicaid beneficiary, the patient or patient's guarantor, shall provide the information necessary to determine the monthly COBRA premium. They will be expected to cooperate to determine whether they qualify for St. Luke's COBRA premium assistance, which may be offered for a limited time to assist in securing COBRA insurance coverage.

A. State and/or County Financial Assistance:

1. Patients may qualify for State and/or County specific funds to help residents pay for healthcare services. Patients may contact St. Luke's Patient Financial Services for additional details.
2. If a patient applies and does not qualify for State and/or County financial assistance, the balance is due to St. Luke's and will be notified as such.

B. Patient Eligibility for Financial Care

1. All patients who have received medically necessary and/or non-elective healthcare services at St. Luke's may apply for Financial Care.
2. Applicants for Financial Care must exhaust all financial assistance options before completing and submitting a Financial Care Application (e.g., ACA, public assistance, county assistance).
3. Financial Care will be offered to qualifying applicants with insurance providing it can be done in accordance with St Luke's contractual obligations to the insurer.
4. All individuals applying for Financial Care are required to follow the procedures in Section IV below.

C. Exclusions:

1. Patients denied State and/or County financial assistance due to lack of cooperation are not eligible for financial care.
2. Elective and/or non-medically necessary services as determined by the treating physician are not eligible for financial care.
3. If the patient has insurance but elects not to bill their insurance (see RC056 SLHS HIPAA Elective Self Pay), the balance is not eligible for financial care.
4. Financial Care is typically not available for patient balances after insurance that result from a patient's failure to reasonably comply with insurance requirements such as obtaining proper authorizations or referrals.

IV. FINANCIAL CARE ELIGIBILITY

A. Financial Care assistance to be provided based on a combination of family income, assets, and medical bill obligations. The federal poverty level will be used to determine an applicant's eligibility for assistance for applicants with income of less than 200% of the federal poverty level. Income and assets will be used to determine an applicant's eligibility for assistance for applicants with incomes between 200-400% of the federal poverty level.

B. Eligible applicants will receive the following assistance.

1. **Free Care**: The full amount for eligible services will be covered under the Financial Cares program for any uninsured or underinsured patient or guarantor, whose family income is at or below 200% of the federal poverty level.

2. **Partial Discount**: A sliding scale fee will be used to determine the amount eligible for Financial Care assistance for any uninsured or underinsured patient or guarantor, with family income exceeding 200% of the federal poverty level. For such applicants, assistance will be provided based on a combination of family income and certain assets. Partial discounts will be provided if the combination of income and assets is greater than 200% but equal to or less than 400% of the federal poverty level. Assistance is granted only after all third party payment possibilities available to the applicant have been exhausted. Assets may be considered will be 50% of the unprotected assets over $10,000, providing the amount of assets exceeds 50% of the total patient's responsibility on outstanding accounts.

3. Discounts will be provided based on the combination of assets and income described above, according to the following schedule.

   a. Family income and assets above 200% FPL but equal to or less than 300% FPL are eligible to receive 80% discount on the patient balance due.

   b. Family income and assets above 300% FPL but equal to or less than 400% FPL are eligible to receive 60% discount on the patient balance due, or a discount equal to the amount generally billed as described in this policy if this amounts to a greater discount.

V. ELIGIBLE SERVICES

A. Services eligible for assistance under the Financial Care policy must be within accepted standards or medical practice.

B. Eligible service include the following.

1. Emergency medical services provided in an emergency setting. (See St Luke's Health System EMTALA Policy RI018 TV for more details on the emergency medical care policy.)

2. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting.

3. Services for a condition that, if not treated promptly, would lead to an adverse change in the health status of a patient.

4. Other medically necessary services, for example, inpatient or outpatient health care services defined by Medicare or other health insurance coverage as "covered items or services." (OR defined in some other manner).

5. Services of healthcare providers employed by St Luke's Health System and delivered in St Luke's hospital facilities.

C. Service not eligible for assistance include the following:

1. Elective procedures not medically necessary.

2. Cosmetic surgery, bariatric procedures not covered by insurance, experimental care.

3. Those services received from healthcare providers in a St Luke's hospital but not employed by St Luke's Health System. Such services may include: anesthesiology and radiology.
4. Patients must contact these healthcare providers directly to inquire into any available assistance they may provide.

D. For a list of providers or lines of service that are covered, or not covered, under this policy (see Provider List below). This list will be updated annually on July 1st.

VI. FINANCIAL CARE APPLICATION PROCEDURE

A. The patient completes a Financial Care Application and provides required supporting documentation. Once all documentation has been received:

1. St. Luke's verifies reported family income and compares to the current Federal Poverty Guideline published by the U.S. Department of Health and Human Services.
2. St. Luke's verifies household size as supported by US Census Bureau definitions and/or designations. See http://www.census.gov/ for more details.
3. St. Luke's verifies reported assets for patients >200% of Federal Poverty Guidelines. Patients who are <200% of Federal Poverty Guidelines do not need to report or validate assets.
4. Assets excluded from consideration in determining Financial Care eligibility (see Protected Assets below).
5. Depending on the patient's circumstances, St. Luke's may request a credit report on patients applying for financial care services and/or post Financial Care obligations, for the purpose of verifying identifiable assets.

B. Financial Care applications and required documentation are to be submitted to the following office: St. Luke's Revenue Cycle 1500 West Shoreline Drive Boise, Idaho 83702

C. If an applicant submits a Financial Care Application that is not complete, St Luke's will notify the applicant of the information or documentation required to complete the application. The applicant will be given up to 240 days after the first post-discharge billing statement, or thirty days, whichever is later, to complete the application. If the applicant has not responded within this timeframe, the application will not be approved.

If an applicant submits 3 incomplete financial care application the patient will be sent a denial letter when a 3rd incomplete financial care application has been submitted.

D. Approval/Processing Guidelines:

1. If a patient is deemed eligible for financial care (full or partial), the appropriate adjustment is calculated according to the 501(r) compliant Financial Care Eligibility Worksheet.
2. Approval thresholds for financial care adjustments are determined by the St. Luke's Financial Care Application Underwriting Matrix based on Federal Poverty Guidelines.
3. If a patient elects to waive the financial care determination and wants to make payments associated with their care, SLHS Management retains the right to make such adjustments.

4. If the outcome of the Financial Care Application process is a partial reduction in patient obligation, the patient is required to either (a) pay the obligation in one payment or (b) establish a payment plan to satisfy the balance.

    a. The patient's financial responsibility after approved eligible adjustments follows regular statement and collection procedures until obligation is satisfied.

    b. The amounts St. Luke's will charge patients eligible for Partial Financial Care shall not exceed the amount generally billed based on the method outlined in this policy. No patients found eligible will be expected to pay Gross Charges for emergency or medically necessary services.

E. St. Luke's provides a written notice of determination of eligibility (full, partial, or denied financial care) to the guarantor.

F. See Financial Care Application below for .Financial Care Instructions/Applications.

VII. AMOUNT GENERALLY BILLED

St Luke's determines the amount generally billed (AGB) using the look-back method. The AGB is calculated for each St Luke's hospital facility. The most generous AGB discount is then applied system-wide. The discount is available in policy addendum (see Amounts Generally Billed Calculations below). The AGB will be calculated annually on Jul 1st and implemented within 120 days of that date. No patient or guarantor eligible for Financial Care assistance will be expected to pay in excess of AGB for emergency or medically necessary care.

VIII. ELIGIBILITY PERIOD

A. The determination that an individual is approved for financial care is effective for the episode of care, unless during that time the patient's family income or insurance status changes to such an extent that the patient becomes ineligible.

B. Financial Care, once approved, is granted prospectively for twelve (12 months following the date of approval. A review of supporting documentation will be conducted 6 months after the date for approval, and eligibility may change.

C. Financial Care will apply to all accounts within a 240 day period from the first post-discharge billing statement, as well as all open accounts

D. An applicant found ineligible for Financial Care assistance may resubmit an application if there has been a change in financial circumstances. No payments made on accounts up to the time of resubmitting an application will be refunded if eligibility is granted based on a re-determination that is due to a change in income or financial circumstances.

IX. ACCOUNTING AND REPORTING FOR FINANCIAL CARE

A. In accordance with the Generally Accepted Accounting Principles, Financial Care provided by St. Luke's Health System is recorded systematically and accurately in the financial statements as a deduction from revenue in the category "Charity Care".

B. The following Guidelines are provided for the financial statement recording of Financial Care:

C. Financial Support provided to patients under the provisions of "Financial Care", including the adjustment for amounts generally accepted as payment for patients with insurance, will be recorded under "Charity Care"

D. Write-off of charges for patients who have not qualified for Financial Care under this Procedure and who do not pay for the services received will be recorded as “Bad Debt.”

E. Accounts initially written-off to bad debt and subsequently returned from collection agencies where the patient was determined to have met the Financial Care criteria based on information obtained by the collection agency will be reclassified from “Bad Debt” to “Charity Care”.

X. PRESUMPTIVE FINANCIAL CARE

A. Certain patients will be deemed presumptively eligible for Financial Care on the basis of individual life circumstances. Patients will be eligible for the full free Financial Care discount if they demonstrate the following conditions or eligibility in the following means-tested programs:

1. Homelessness;
2. Deceased with no estate;
3. Supplemental Nutrition Assistance Program (SNAP).
4. Patients qualifying for Emergency Medicaid will be eligible for assistance associated with emergency or medically necessary services not covered by the Medicaid program.
5. Patients qualifying for the Idaho County Indigent Programs will be eligible for assistance associated with emergency or medically necessary services not covered by such program.

B. St Luke’s may utilize a third-party to review a patient’s, or the patient’s Guarantor’s, information to assess likelihood of financial need and to estimate eligibility for financial assistance. This review utilizes a predictive model that includes information from third-party databases. The model incorporates third-party data to assess the likelihood a patient’s actual characteristics may align with the eligibility requirements of the St. Luke’s Financial Care Policy. Information from the predictive model may be used by St. Luke’s to grant presumptive eligibility without further validation on the part of the patient or patient’s guarantor to determine verified eligibility attributes. Accordingly, the predictive model provides a systematic method to grant presumptive eligibility to patients in financial need based on the patient’s or patient’s Guarantor’s estimated ability and propensity to pay.

1. All accounts that have a patient balance remaining after the accounts receivable cycle has completed are assessed for Presumptive Financial Care before the account is assigned to bad debt.
2. Exclusion: Patients denied State and/or County financial assistance due to lack of cooperation are not eligible for Presumptive Financial Care. Eligible accounts are scored using third-party data to determine ability to pay.
3. All potential Presumptive Financial Care accounts meet St. Luke’s Financial Care policy standards.
4. Patient accounts granted presumptive eligibility status will be adjusted accordingly. The predictive model assesses accounts on a case by case basis and presumptive eligibility will only be granted to patients on an account basis.
5. Once eligible accounts are identified through the Presumptive Financial Care process, the account will receive 100% adjustment for patients who are at or below 300% FPL.

6. In the event a patient does not qualify under the presumptive rule set, the patient may still provide requisite information and be considered under the traditional Financial Care application process.
7. A Patient's accounts that were not granted presumptive eligibility and within the application period, are welcome to apply for financial care. Accounts granted presumptive financial assistance will be reclassified under the Financial Assistance Policy. The discount provided will not be sent to collection and will not be included in St. Luke's bad debt expense.
8. Presumptive screening provides a community benefit by enabling St. Luke's to systematically identify patients in financial need, reduce administrative burdens and provide financial assistance to patients and the Guarantors.

XI. NOTIFICATION ABOUT FINANCIAL CARE

To make information readily available about its Financial Care Policy and program, St. Luke's will do the following:

A. Conspicuously post notices on the availability of Financial Care in emergency departments, urgent care centers, admitting and registration departments, Patient Financial Services, and at other locations that St. Luke's deems appropriate.

B. Make paper copies of the Financial Care Policy and application form and the plain language summary of the Financial Care Policy available upon request and without charge both by mail and in public locations.

C. Notifying patients by offering a paper copy of the summary as part of intake or discharge process.

D. Including conspicuous written notice on billing statements about the availability of financial assistance including the phone number of the hospital office that can provide information about the Financial Care Policy and application process and the website address where the Financial Care Policy is posted.

E. Provide notices and other information on Financial Care to all patients in the primary language of 5 percent or more of the hospital's patients.

F. Make available its Financial Care Policy or program summary to appropriate community health and human services agencies and other organizations that assist people in financial need.

G. Include information on financial assistance, including a contact number, in patient bills and through oral communication with uninsured and potentially underinsured patients.

H. Provide financial counseling to patients about their St. Luke's bills and make the availability of such counseling known. (Note: it is the responsibility of the guarantor and/or patient to schedule assistance with a financial counselor.)

I. Make information and education on its Financial Care and collection policies and practices available to appropriate administrative and clinical staff.

J. Support referral of patients for Financial Care by St. Luke's representative or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains and religious sponsors.

K. Support requests for financial assistance by a patient, a patient's Guarantor, a family member, close friend or associate of the patient, subject to applicable privacy laws.

L. Respond to any oral or written requests for more information on the Financial Care Policy made by a patient or any interested party.

M. Information on the St Luke's billing and Collection Policy may be obtained by contacting: St. Luke's Patient Financial Services 1500 West Shoreline Drive Boise, Idaho 83702

XII. POLICY APPROVAL

This Financial Care policy is subject to periodic review. This policy was approved by St Luke's System Operations.

RELATED DOCUMENTS:	The following documents are located on our website under Resources for Patients and Visitors\Financial Care https://www.stlukesonline.org/resources/before-your-visit/financial-care Sliding Fee Schedule (English/Spanish) Provider List Protected Assets(English/Spanish) Financial Care Application/instructions (English/Spanish) Amounts Generally Billed Calculation (English/Spanish) Financial Care Underwriting Matrix (English/Spanish) Plain Language Summary (English/Spanish)

AUTHORIZED BY: Original signed by Chris Roth — 03/22/16

Senior Vice President, Chief Operating Officer — Date

Date	Summary of Interim Change(s) / Annual Review	Author / Title
09/02/16	**Interim Change**: Policy updated to align with 501r requirements. Changes consists of: minor revision to verbiage, additional presumptive process details, addition of sections to address: eligibility, eligible services, and amounts generally billed, and accounting - reporting for financial care.	Brenden Warwick Project Manager, SBO Customer Service
09/16/16	**Interim Change**: Removed bullet about partial presumptive and replaced with bullet that details eligible accounts will receive 100% presumptive up to 300% FPL.	Brenden Warwick Project Manager, SBO Customer Service

The following list of supporting references is attached to the foregoing policy for the convenience of staff. This list is not part of the foregoing policy and may not include all resources that were used to research the subject of the policy or prepare the content of the policy.

REFERENCES

KEYWORDS:	financial care, charity, charity care, fap, financial assistance, financial assistance program, financial need, financial need