

# Providence Hospital

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## Patient Financial Assistance

NUMBER:	9.09
DEPARTMENT:	Finance
EFFECTIVE DATE:	August 19, 2004
LAST REVISED:	June 27, 2016
NEXT DUE DATE:	June 30, 2017
APPLICABLE TO:	Providence Hospital and Providence Health System

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### POLICY/PRINCIPLES

It is the policy of Providence Hospital (the “Organization”) to ensure a socially just practice for providing emergency or other medically necessary care at the Organization’s facilities. This policy is specifically designed to address the financial assistance eligibility for patients who are in need of financial assistance and receive care from the Organization.

1. All financial assistance will reflect our commitment to and reverence for individual human dignity and the common good, our special concern for and solidarity with persons living in poverty and other vulnerable persons, and our commitment to distributive justice and stewardship.
2. This policy applies to all emergency and other medically necessary services provided by the Organization, including employed physician services and behavioral health. This policy does not apply to payment arrangements for elective procedures or other care that is not emergency care or otherwise medically necessary.
3. The List of Providers Covered by the Financial Assistance Policy, using a format similar to that attached in Exhibit A, provides a list of any providers delivering care within the Organization’s facilities that specifies which are covered by the financial assistance policy and which are not.

### DEFINITIONS

For the purposes of this Policy, the following definitions apply:

- “**501(r)**” means Section 501(r) of the Internal Revenue Code and the regulations promulgated thereunder.
- “**Amount Generally Billed**” or “**AGB**” means, with respect to emergency or other medically necessary care, the amount generally billed to individuals who have insurance covering such care.
- “**Community**” means the residents of Maryland, Virginia, and the city boundaries of Washington, DC.
- “**Emergency Care**” means the patient requires immediate medical intervention due to a severe, life-threatening, or potentially disabling condition. Generally the patient is seen and/or admitted through the emergency room.
- “**Medically Necessary Care**” means care that is determined to be medically necessary following a determination of clinical merit by a licensed provider. In the event that care requested by a Patient covered by this policy is determined not to be medically necessary

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by a reviewing physician, that determination also must be confirmed by the admitting or referring physician.

- “**Organization**” means Providence Hospital, Washington, DC.
- “**Patient**” means those persons who receive emergency or medically necessary care at the Organization and the person who is financially responsible for the care of the patient.

### Financial Assistance Provided

Financial assistance described in this section is limited to Patients that live in the Community:

1. Patients with household income less than or equal to 250% of the Federal Poverty Level (“FPL”), will be eligible for 100% charity care write off on that portion of the charges for services for which the Patient is responsible following payment by an insurer, if any.
2. At a minimum, Patients with household incomes above 250% of the FPL but not exceeding 400% of the FPL will receive a sliding scale discount on that portion of the charges for services provided for which the Patient is responsible following payment by an insurer, if any. A Patient eligible for the sliding scale discount will not be charged more than the calculated AGB charges. The sliding scale discount is as follows:

**Providence Hospital Financial Assistance and Uninsured Discount Matrix - 2016**

**\*Based on 2016 Federal Poverty Level Guidelines**

**Annual Guidelines**

	Discount	100%	90%	80%	70%
	FPL	<250%	300%	350%	400%
Family Size	1	\$29,700.00	\$35,640.00	\$41,580.00	\$47,520.00
	2	\$40,050.00	\$48,060.00	\$56,070.00	\$64,080.00
	3	\$50,400.00	\$60,480.00	\$70,560.00	\$80,640.00
	4	\$60,750.00	\$72,900.00	\$85,050.00	\$97,200.00
	5	\$71,100.00	\$85,320.00	\$99,540.00	\$113,760.00
	6	\$81,450.00	\$97,740.00	\$114,030.00	\$130,320.00
	7	\$91,825.00	\$110,190.00	\$128,555.00	\$146,920.00
	8	\$102,225.00	\$122,670.00	\$143,115.00	\$163,560.00

For families/households with more than 8 persons, add \$4,160 for each additional person.

3. Patients with demonstrated financial needs with household income greater than 400% of the FPL may be eligible for consideration under a “Means Test” for some discount of their charges for services from the Organization based on a substantive assessment of their ability to pay. Providence Hospital will consider Medical Indigence for applicants exceeding 400% of the FPL. When the total outstanding medical debt exceeds the gross household income for the past year, the patient will be eligible for financial assistance not to exceed a 95% write off. A Patient eligible for the “Means Test” discount will not be charged more than the calculated AGB charges.



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4. For a Patient that participates in certain insurance plans that deem the Organization to be “out-of-network,” the Organization may reduce or deny the financial assistance that would otherwise be available to Patient based upon a review of Patient’s insurance information and other pertinent facts and circumstances.
5. Patients that are eligible for 100% charity care may be charged a nominal flat fee of up to \$20.00 per service received from Providence Hospital and/or Providence Health Services.
6. Eligibility for financial assistance may be determined at any point in the revenue cycle and may include the use of presumptive scoring to determine eligibility notwithstanding an applicant’s failure to complete a financial assistance application (“FAP Application”).
7. For the purposes of helping patients that need financial assistance, Providence Hospital may utilize a third-party to review patient’s information to assess financial need. This review utilizes a healthcare industry recognized predictive model. The model’s rule set is designed to assess each patient to the same standards.
8. After efforts to confirm coverage availability, the predictive model provides a systematic method to grant presumptive financial assistance to patients with appropriate financial needs. When predictive modeling is the basis for presumptive eligibility, an appropriate discount based upon the score will be granted for eligible services for retrospective dates only. For those patients not awarded 100% charity care, a letter will be generated notifying the patient of the level of financial assistance awarded and giving instructions on how to appeal the decision or apply for additional assistance.
9. In the event a patient does not qualify under the presumptive eligibility rule set, the patient may still be considered for financial assistance pursuant to a FAP application.
10. In addition to the use of the predictive model outlined above, presumptive financial assistance will also be provided at the 100% charity care level in the following situations:
  - a. Deceased patients where Providence Hospital has verified there is no estate and no surviving spouse.
  - b. Patients who are eligible for Medicaid from another state in which Providence Hospital is not a participating provider and does not intend to become a participating provider.
  - c. Patients who qualify for other government assistance programs, such as food stamps, subsidized housing, and Women’s Infants and Children’s Program (WIC).
11. Eligibility for financial assistance must be determined for any balance for which the patient with financial need is responsible.
12. The process for Patients and families to appeal an Organization’s decisions regarding eligibility for financial assistance is as follows:
  - a. Patients/Guarantors may appeal a financial assistance determination by providing additional information such as household income verification or an explanation of extenuating circumstances to the Financial Counseling Department.
  - b. All appeals will be considered by Providence Hospital’s 100% charity care and financial assistance appeals committee, and decisions of the committee will be sent

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in writing to the Patient or family that filed the appeal.

### **Other Assistance for Patients Not Eligible for Financial Assistance**

Patients who are not eligible for financial assistance, as described above, still may qualify for other types of assistance offered by the Organization. In the interest of completeness, these other types of assistance are listed here, although they are not need-based and are not intended to be subject to 501(r) but are included here for the convenience of the community served by Providence Hospital:

1. Uninsured Patients who are not eligible for financial assistance will be provided a discount based on the discount provided to the highest-paying payer for that Organization. The highest paying payer must account for at least 3% of the Organization's population as measured by volume or gross patient revenues. If a single payer does not account for this minimum level of volume, more than one payer contract should be averaged such that the payment terms that are used for averaging account for at least 3% of the volume of the Organization's business for that given year.
2. Uninsured Patient Discount: The amount of discount applied to Retail (gross) Charges incurred by Uninsured Patients or 65% for services rendered.

### **Limitations on Charges for Patients Eligible for Financial Assistance**

Patients eligible for Financial Assistance will not be charged individually more than AGB for emergency and other medically necessary care and not more than gross charges for all other medical care. The Organization calculates one or more AGB percentage using the "look-back" method and including Medicare fee-for-service and all private health insurers that pay claims to the Organization, all in accordance with 501(r). A free copy of the AGB calculation description and percentage(s) may be obtained by request to the Financial Counseling Department (Exhibit B).

### **Applying for Financial Assistance and Other Assistance**

A Patient may qualify for financial assistance through presumptive scoring eligibility or by applying for financial assistance by submitting a completed FAP Application. A Patient may be denied financial assistance if the Patient provides false information on a FAP Application or in connection with the presumptive scoring eligibility process. The FAP Application and FAP Application Instructions are available. Please see below for specific instructions:

Providence Hospital:

FAP Application and FAP Application Instructions can be found:

- By visiting <http://www.provhosp.org/patients-guests>
- By writing to Providence Hospital, ATTN: Financial Counseling & Eligibility Services (Ground Flr), 1150 Varnum St., NE, Washington, DC 20017
- Direct contact to the Financial Counseling Office at (202) 854-4081.
- Visiting the Financial Counseling Office at Providence Hospital.

Completed applications must be submitted to the Financial Counseling Office.

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Providence Health Services:

- Requesting from your physician's office
- By writing to NRSC Financial Assistance Representative, 10330 N. Meridian Street, 2N PFS, Indianapolis, Indiana 46290
- Direct contact to a NRSC Financial Assistance Representative at 800-566-5050

### **Billing and Collections**

The actions that the Organization may take in the event of nonpayment are described in a separate billing and collections policy. A free copy of the billing and collections policy may be obtained through the Financial Counseling Office.

### **Interpretation**

This policy is intended to comply with 501(r), except where specifically indicated. This policy, together with all applicable procedures, shall be interpreted and applied in accordance with 501(r) except where specifically indicated.

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### Exhibit A

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#### LIST OF PROVIDERS COVERED BY THE FINANCIAL ASSISTANCE POLICY

Per Reg. Sec. 1.504(r)-4(b)(1)(iii)(F) and Notice 2015-46, this list specifies which providers of emergency and medically necessary care delivered in the hospital facility are covered by the Financial Assistance Policy (FAP). Elective procedures and other care that is not emergency care or otherwise medically necessary are not covered by the FAP for any providers.

<u>Providers covered by FAP</u>	<u>Providers not covered by FAP</u>