

**CHATUGE REGIONAL HOSPITAL
AND NURSING HOME**

POLICY AND PROCEDURE

FINANCIAL ASSISTANCE POLICY

PURPOSE:

It shall be the policy of Chatuge Regional Hospital, Inc. to establish a standard to determine the financial status of its patients for the purposes of identifying those in need of indigent/charity care, based on the Federal Poverty Guidelines.

POLICY:

Chatuge Regional Hospital, Inc. is committed to providing financial assistance to persons who have healthcare needs and are uninsured or under-insured, ineligible for a government program, and otherwise unable to pay for medically necessary care based on their individual financial situation. Emergency care will be provided to all patients regardless of their or their family's ability to pay. Financial Assistance is not considered to be a substitute for personal responsibility, and patients are expected to cooperate with CRH, procedures for obtaining financial assistance, and to contribute to the cost of their care based on their individual ability to pay.

GOVERNANCE

The Financial Assistance Policy is administered by the Business Office of CRH, with authority and approval from the Senior Management and Chatuge Regional Hospital, Inc. Board of Directors.

DEFINITIONS

Federal Poverty Guidelines (FPG) -Financial guidelines issued by the federal government at the beginning of each calendar year are used to determine eligibility for poverty programs. The current FPG can be found on the U.S. Department of Health and Human Services website at hhs.gov.

Family Unit size - is defined as the applicant, spouse, and all legal dependents as allowed by the Federal Government. If the applicant is a minor, the family unit will include parent(s), legal guardian(s), and all household dependents as allowed by the federal government.

Family Unit income - is defined as gross income for all members of the family unit for the last three months or the last calendar year, whichever is the lesser. Examples of income are: salary and wages, social security benefits, retirement, pensions, veteran's administration, welfare, workers compensation, sick leave, disability compensation, alimony, child support, stock/certificate dividends, interest, or income from property. Non-cash benefits (such as food stamps and subsidies) do not count and income.

Disposable income - is defined as available income determined by subtracting the family unit income from the Federal Poverty Guidelines.

Assets- are defined as cash on hand or any tangible item that can be liquidated into cash, typically within 30 days. Cash and checking accounts, IRA's, 401K Savings accounts, stocks, short term bonds

will be considered liquid assets. Certificates of deposit, money market funds, bonds, mutual funds, and the cash value of a life insurance policy are examples of investments that could provide quick cash when necessary. Tangible assets may also include fixed assets, such as machinery, buildings, land and inventory. Jointly owned assets, may be considered liquid depending on the type of asset and ownership. For the purpose of financial assistance, an applicant's primary residence will not be considered as an asset for liquidation.

Self-Employment Income - is defined as the amount remaining after business operating expenses. A personal monthly income and expense form and a previous quarterly income statement are needed to assist with the determination of eligibility.

Uninsured patients -are defined as patients without third-party insurance coverage for health services.

Under-insured patients -are defined as patients who have some level of insurance or third-party assistance but still has out of pocket expenses that exceed his/her financial abilities.

Emergency Medical Conditions - is defined as condition manifesting itself by acute symptoms of sufficient severity(including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in placing the individual's health (or the health of an unborn child) in serious jeopardy, serious impairment to bodily functions or serious dysfunction of any bodily organ.

Medically necessary - as defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

Indigent Care - is defined as providing health care for people who do not have enough resources to pay for medical expenses and other related expenses. It is a form of charity wherein the caregiver does not expect payment in return for medical services rendered. Household incomes that are at or below 125% of the FPG are eligible to receive free care. It is not a health insurance.

Charity Care - is a reduction in fee for services provided, due to financial situation of a patient. Household incomes that exceed 125% of the FPG, but are at or below 400% of the FPG qualify for a discounted payment based on a sliding scale

Presumptive Charity - when a patient may appear eligible for charity care discounts (primarily based on lack of housing) but there is no financial assistance form on file due to a lack of supporting documentation.

ELIGIBILITY FOR FINANCIAL ASSISTANCE CONSIDERATION

A. To begin the process for financial assistance, the patient or responsible party must complete a "Financial Assistance Application" and provide the necessary documentation to support their financial situation.

B. The granting of financial assistance shall be based on the determination of financial need, and shall not take into account age, gender, race, or immigration status, sexual orientation, or religious affiliation.

C. Applicants must fully cooperate and comply with all verification of income and assets to be considered.

D. The applicant's medical care should be medically necessary to be considered for financial assistance. It is preferred but not required that the request for charity and determination of financial need occur prior to rendering non-emergent medically necessary services. Medical services solely for cosmetic purposes, and services or procedures that are elective will not be considered.

E. An applicant's accounts that have progressed to legal action will not be considered. However, prior to legal action, external collection agencies will notify the hospital of any accounts that may qualify for financial assistance or accounts where the patient/guarantor has requested financial assistance.

F. Financial assistance adjustments will be applied to qualifying accounts prior to referral to an external collection agency. Assistance may take the form of indigent or charity care.

G. Because the hospital makes many efforts to communicate to patients about the financial assistance program during the registration and billing processes, excessive collections (such as litigation as defined by the IRS) will not occur on an account where the patient has not been informed of the opportunity to applying for financial assistance.

H. If there is adequate information provided by the patient or through other sources, which provides sufficient evidence the patient will be deemed presumptive charity. In the event there is no evidence to support a patient's eligibility for charity care, CRH could use outside agencies in determining estimated income amounts for the basis of determining charity care eligibility or potential discount amounts. Presumptive Financial Assistance will be determined prior to any outside collection activity. The following types of accounts may be considered eligible for financial assistance without documentation under the Presumptive Charity Program (1)

Accounts referred to collection agencies that are returned as uncollectible; (2) Bankruptcies; (3) Referrals from approved community agencies; (4) No estate (deceased); (5) Eligibility for Medicaid in states other than Georgia; Eligibility for State/Federal Programs where program funding has been exhausted.

I. Requests for financial assistance from other than Union or Towns County residents will be considered on a case-by-case basis.

DETERMINATION OF FINANCIAL NEED

A. Financial needs will be determined through an individual assessment that may include:

1. A completed financial assessment application in which the applicant is required to cooperate and provide documentation necessary to make a financial need determination.

2. The use of external sources to help determine an applicant's ability to pay, and the value of assets. Non-physical assets such as bank accounts, bonds, etc., will be used to help determine ability to pay, while the physical assets such as real estate, automobiles, etc., will be used to help determine debt ratios.

3. A reasonable effort by the CRH facilities to explore and assist patients in applying for alternative sources of payment and coverage from public and private payment programs.

4. Use of a data analytics model to identify patients who may be used to qualify for financial assistance but have not requested this assistance.

B. Financial assistance determinations will be made timely, no longer than 15 business days after receipt of **all** required documentation. If all necessary documentation is provided during an interview with a financial counselor, the applicant may be informed of the determination at that time. **A written determination will be mailed to the applicant within 15 business days.**

C. Non-emergent surgical services and other non-emergent scheduled procedures will not be considered as a financial need.

D. The need for financial assistance may be re-evaluated at any time additional information relevant to the eligibility of the patient becomes known. Applications are valid for 90 days only.

E. Financial assistance account adjustments posted before payments are received from insurance companies, Medicare, Medicaid, third party liability carriers, or court settlements, will be reversed. This situation would occur when the hospital is not aware of other payers or when coverage is retroactively applied.

F. A credit check may be processed for applicants and household members to assist in determining the overall financial status and value of the assets. A credit report may be used solely in the determination of charity when a financial application cannot be obtained. If the applicant's credit report indicates the family unit income provided by the applicant is unrealistic, financial assistance may be denied.

G. The value of assets and household income will be added together to total the gross income. The gross income will be compared to the Federal Poverty Guideline Sliding Scale and discounts will be applied accordingly.

AMOUNTS CHARGED TO PATIENTS

Once a patient has been determined by CRH, Inc. to be eligible for financial assistance, that patient shall not receive and future bills based on undiscounted gross charges, CRH, Inc. uses the Federal Poverty Guidelines (FPG) in effect at the time an application is completed and submitted to determine eligibility for financial assistance. Criteria are set as follows:

- Household incomes that are at or below 125% of the FPG are eligible to receive free care. This is classified as indigent care.
- Household incomes that exceed 126% of the FPG, but are at or below 400% of

the FPG qualify for a discounted payment based on a sliding scale. This is classified as charity care. The patient may be approved for a payment plan.

- Household incomes that exceed 125% of the FPG, but are at or below 400% of the FPG, may receive a larger discounted payment based on an ability to pay. This is determined using a calculated methodology including gross income, debt, and an ability to pay.
- Household incomes that exceed 400% of the FPG, where the patient is medically indigent or has unusual financial circumstances, such as catastrophic illness or accident, are evaluated based on their financial situation. This is classified as medically indigent or charity hardship care. The patient may be approved for a payment plan. Some examples include: (1) The size of the patient's medical bills based on a catastrophic illness or otherwise have resulted in patient liabilities for which payment is impossible based on current financial status of a household; or (2) The patient's subsistence is threatened resulting in an ability to meet patient liabilities.

NON-PAYMENT PROCESS (related to a partial account adjustment)

In the event of non-payment by a patient for their portion of their account, the hospital or its representative will send two notices before sending the account to a collection agency. The collection agency will continue collection activities which may include reporting to the credit bureau and the use of collection attorneys when appropriate. As allowed by the State of Georgia, when a patient presents for services following an accident or injury, CRH, Inc. may place a hospital lien against the third party settlement.

APPEAL PROCESS FOR FINANCIAL ASSISTANCE DENIALS

An applicant may appeal a financial assistance determination within 15 days of a denial notice. An appeal must be submitted in writing, either by letter or email, and sent to the Business Office.

Written appeals should be sent to:

Chatuge Regional Hospital, Inc
Attention: Business Office Manager
110 S. Main Street, P.O. Box 509
Hiawassee, GA 30546

Email appeals should be sent to: CBO-CRH@uniongeneral.org

The Business Office Manager will respond to the appeal within 10 business days.

COMMUNICATION OF THE FINANCIAL ASSISTANCE PROGRAM

CRH, Inc. makes information readily available to patients about its financial assistance program by posting and distributing information in the patient registration areas, other public places throughout the hospitals, on patient bills, and on its website. The

postings are provided in English and are available on the website or upon request as follows:

- By asking at a hospital admission area or financial counselor office
- By telephone at 706-896-2222
- By emailing CBO-CRH@uniongeneral.org

The Financial Counselor is available Monday through Friday from 8:30 am to 4:30 pm on a scheduled or walk-in basis to interview applicants and accept financial assistance applications.

ATTACHMENTS

Financial Assistance Application (English)
Sliding Scale

FOR MORE INFORMATION CONTACT

CFO
Business Office Manager

APPROVAL BODIES

Chatuge Regional Administration
Compliance Department
Union General Board of Directors