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| Policy Title: | Financial Assistance Program |
| Policy Owner Job Title: | Director of Patient Revenue |

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| <i>This section to be completed by Compliance</i> | |
| Current Effective Date | <u>1/2023</u> |
| Last Review Date | <u>10/2022</u> |
| Committee Approved By: | Policy Approval Committee |
| Additional Committee Approvals: | N/A |

Scope:

Renown Health and its affiliated entities, including Renown Regional Medical Center, Renown South Meadows Medical Center, and Rehabilitation Hospital, adopt the following policy and procedure.

Definitions:

1. FAP - Financial Assistance Program
2. FPG - Federal Poverty Guidelines
3. FPL - Federal Poverty Level
4. Household or Family Income - Includes the patient, the patient's spouse or legal partner, and all the patient's children, natural or adopted, under the age of 18. If the patient is under the age of 18 (defined as a "minor"), the family shall include the patient, the patient's natural or adoptive parent(s) and the patient's children, natural or adopted under the age of 18. Under age 18 patient's living parents must be counted as part of the patient's "family" regardless of whether they live in that patient's home. Any patient 18 years or over is considered the basis for his/her own "family".
5. Asset – Assets are everything you own that has any monetary value; plus any money you are owed.
6. Guarantor – Individual financially responsible for a patient's account
7. Hospital-Specific Amounts Generally Billed (AGB) - For each Hospital, a percentage derived by dividing the sum all claims for Medically Necessary services provided at such Hospital paid during the Relevant Period by Medicare fee-for-service and all private insurances as primary payers, together with any associated portions of these claims paid by Medicare beneficiaries or

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insured individuals in the form of co-payments, co-insurance, or deductibles, by Usual and Customary Charges for Medically Necessary Services. (Total Reimbursement ÷ Total Charges = Hospital Specific AGB Percentage) See Treasury Regulation 1-501r5(b)(1)9B

8. Medically Indigent:

Are persons who do not have health insurance and who are not eligible for other health care coverage, such as Medicaid, Medicare, or private health insurance.

9. Medically Necessary:

Means those services required to identify or treat an illness or injury that is either diagnosed or reasonable suspected to be Medically Necessary considering the most appropriate level of care.

To be Medically Necessary, a service must:

- a. Be required to treat an illness or injury;
- b. Be consistent with the diagnosis and treatment of the patient's condition;
- c. Be in accordance with the standards of good medical practice;
- d. Not be for convenience of the patient or patient's physician; and
- e. Be the level of care most appropriate for the patient as determined by the patient's medical condition and not Guarantor's financial or family situation

10. Gross Charges – Charges that have not been discounted.

11. Actions in the event of nonpayment of an individual self-pay account are described in the Billing and Collection Self-Pay Policy (Renown.SPC.005)

Policy:

1. Notification of Program

- a. Guarantors can request a FAP application or plain language summary at any Renown admitting location, patient financial assistance office, or the business office.
- b. Guarantors can find a plain language summary and FAP application at <https://www.renown.org/patients-and-visitors/billing/financial-assistance> Guarantors will be offered a FAP brochure and/or application.

2. Referral

- a. Uninsured and underinsured guarantors will be identified as early as possible when no other payment source is available and referred to the FAP.
- b. Referrals can be made anytime a guarantor expresses a financial hardship and wishes assistance up to 12 months after first statement date. Exceptions may be requested and require approval from the VP of Revenue Cycle or above.
- c. Information pertinent to FAP referrals should be made prior to any planned procedure and at time of service.

3. Application

These Policies and Procedures are guidance for the Organization. The Organization recognizes there may be specific facts and/or circumstances that warrant a departure from a specific policy provision. Nothing herein is intended to override an employee's ability to use good judgment in such circumstances.

- a. Applications may be completed and submitted by a patient, guarantor, designee indicated by the patient as eligible to discuss their billing, legal guardian or a person having Power of Attorney for the patient.
- b. Referred guarantors will be provided a FAP letter and application. (Appendix A & B)
- c. Multiple accounts may be submitted for review on a single FAP application.
- d. Assets exempt from financial consideration include the residence where a guarantor and/or guarantor's family resides, automobiles needed to transport all working parties to and from work, any prepaid burial contract or burial plot, any life insurance policy with a value of \$10,000 or less, bank accounts with less than two months of income, and retirement accounts.
- e. The application and the financial documentation requested in the FAP letter to the guarantor must be returned Renown Financial Assistance for an application to be considered complete.
- f. If a guarantor needs assistance in completing the FAP application, they can contact a Financial Assistance Specialist at 775-982-5747 or toll free at 855-951-6871 or at the Business Office at 775-982-4130 or toll free at 866-691-0284 or on-line at Renown.org.
- g. Applications not completed within 60 calendar days of issuance will be denied. Extensions can be approved by the Supervisor.

4. Eligibility Criteria

- a. Renown Health hospital-based services, and the related Renown Health professional-based services associated with the hospital-based visit, are eligible for the FAP.
 - i. Open accounts and accounts in Bad Debt or collections for less than 90 days are eligible.
- b. The FAP does not apply to charges deemed not medically necessary.
- c. The FAP may not be used for cosmetic or bariatric procedures, fertilizations, same day or package price procedures.
- d. All screenings will be based on the guarantor's financial status at the time of application.
- e. Guarantors must meet the following criteria:
 - i. Guarantors are required to apply for government assistance/insurance.
 - 1. Guarantors who have an income that disqualifies them for government assistance/Insurance are not required to apply for government assistance/Insurance.
 - 2. If a patient is non-cooperative for government assistance, the patient may be denied Financial Assistance.
 - ii. Applicants will be assigned an FPL using the national FPG matrix documented in current use at the time of application.
 - 1. Guarantors with a household FPL $\leq 400\%$ will be considered for the FAP program.
- f. Special Circumstances:
 - i. Guarantors who have become totally disabled due to medical condition and will no longer have their past level of income used to determine FPL.

- ii. Catastrophic: Catastrophic costs occur when a patient's medical expenses for an episode of care exceeds 25% of their annual pre-tax income OR if medical expenses for them or their immediate family members incurred at Renown or paid to Renown providers in the past twelve (12) months exceeds 25% of the patient's family income. Guarantors who are above 400% FPL but have large medical bills due to catastrophic illness, may be considered for the FAP. To calculate the adjustment for qualifying cases, 25% of the income will be subtracted from the total open medical expenses and the remaining balance will be adjusted. The 25% can be paid on a payment plan if needed.
- iii. In rare cases where the patient is unable to comply with the eligibility requirements, the hospital CFO will have the authority to review special circumstances and make determinations on eligibility.

5. Presumptive Eligibility (no application is required):

Guarantors may be deemed indigent under the following circumstances, and a FAP application is not needed for FAP approval.

- a. Patients covered by Out-of-State Medicaid where the hospital is not an authorized provider and where the out of state Medicaid enrollment or reimbursement makes it prohibitive for the hospital to become a provider (Medicaid coverage verification required).
 - i. The hospital may submit verification of Medicaid coverage as proof of qualification.
- b. Medicaid patients whose services deny or exhaust their benefits
- c. Deceased guarantors with no known estate
- d. Guarantors who are determined to be homeless, identified by 2 sources (qualified generic or shelter address, medical record diagnosis, clinical provider notation, public records, credit bureau records, patient attestation and other related sources) or with the approval of or acknowledgement from a homeless shelter.
 - i. Accounts occurring in the same month of a service that has been qualified as homeless will also be considered homeless and eligible for adjustment (under adjustment code 5045).
 - ii. State and local data sources representing indigence or credit evaluation tools may be used as sources to approve a guarantor for FAP.
 - iii. In no case will these sources be solely used to disqualify an applicant.
- e. Guarantors eligible for assistance programs (i.e., food stamps, welfare, etc.), or who are deemed medically indigent may not be required to complete a FAP application to be considered for the program.
 - i. State and local data sources representing indigence or credit evaluation tools may be used as sources to approve a guarantor for FAP.
 - ii. In no case will these sources be solely used to disqualify an applicant. However, if a patient is non-cooperative for government assistance, the patient may be denied Financial Assistance as well.

- f. Medicare patients covered by the Qualified Medicare Beneficiary (QMB) program or the Specified Low-Income Medicare Beneficiary (SLMB) program.
- g. Undocumented: Guarantors residing in the United States without legal immigration status
- h. Total or partial disability per Social Security, VA or other government agency documentation

6. Determination

- a. Determination of eligibility of FAP and the charitable adjustments to be applied once approved are based on the guarantor's Federal Poverty Level (FPL), as defined by the Health and Human Services Department.
- b. If a FAP copay is due, guarantors are required to pay the assigned copay values listed in Copay Table in Item 7.a.i of this policy.
- c. Inpatient stays qualifying for FAP will be made effective for FAP from admit date through discharge date except for portions of the stay that may be covered by insurance.
- d. Approval or denial notification is sent to the guarantor.
 - a. If FAP application is denied, Financial Assistance Specialist will contact the guarantor with information regarding payment arrangement options.
- e. Patients determined eligible for financial assistance with visits during the following 6 months, and who indicate that their financial circumstances have not changed, may be granted financial assistance for a current admission without the full financial evaluation process.
 - a. If the guarantor has another hospital-based service at a Renown location within the approval dates, the guarantor is to notify Renown Financial Assistance at 775-982-5747 to apply the FAP approval to additional accounts.
 - b. Renown Patient Financial Assistance must be notified of any changes in income or household size during the 6-month approval period to maintain eligibility.
 - c. If a patient indicates his/her financial circumstances have changed, then the changing factors should be evaluated to assess the impact on the previous determination of eligibility. A complete application and determination must be made after six months.
- f. A payment, denial, or benefit summary from any payer source must be secured prior to applying the finalized FAP adjustment.
- g. Guarantors denied for FAP may qualify for a Prompt Pay discount of 20% off the remaining guarantor balance if the patient pays the remaining balance in full within 30 days of FAP decision notification.
- h. Medicare beneficiaries that are ineligible for FAP may qualify for a Medicare Bad Debt under Renown Medicare Bad Debt Policy.
- i. The basis for calculating amounts charged to patients is initiated by clinical documentation based on healthcare services rendered. Based upon that

documentation, charges are applied automatically, or by clinical chart review staff. In most instances, Health Information Management coding specialists also review the account for coding purposes as well. Once all charges are captured, validated, and a claim is generated with final balance due for the account, the Financial Assistance application can then be finalized.

7. Copayment

- a. Guarantors are subject to a co-pay amount based on their specific Federal Poverty Level and assets. Federal Poverty Levels are determined by HHS.
 - i. Co-Pay Table

| FPL% | Co-Pay |
|-----------|----------|
| 0%- 200% | \$0.00 |
| 201%-250% | \$50.00 |
| 251%-300% | \$100.00 |
| 301%-350% | \$150.00 |
| 351%-400% | \$200.00 |
| 401%-450% | \$250.00 |
| 451%-500% | \$300.00 |

- b. Guarantor co-pay amounts are to be paid in full at time of FAP application approval based on stated income.
 - i. Payments can be delayed to a maximum of 90 days after submission, with approval by the Supervisor or above.
 - ii. Application approval will be applied to all open and active accounts at time of application submission that meet FAP criteria.
 - iii. All future guarantor financial responsibility that meets FAP criteria for 6 months from the date of the approval is also covered under the application.
 1. The guarantor is to notify Renown Financial Assistance at 775-982-5747 to apply the FAP approval to additional accounts.
 2. No additional copay is due for accounts that meet FAP criteria for 6 months from the date of approval.
- c. Guarantors approved for the FAP will not be responsible for more than the hospital specific AGB. Eligible patients will be responsible for the lesser of the co-pay based on the specific Federal Poverty Level or the hospital specific AGB.
 - i. The AGB will be calculated after each calendar year.
 - ii. The final regulations of Section 501(r)(5) allow a hospital facility to take up to 120 days after the end of the 12-month period used to calculate the AGB percentage(s) to begin applying its new AGB percentage(s).
 - iii. For questions regarding the AGB calculation, patients may contact our Self Pay Contact Center at:

- a. Phone: 775-982-4130
- b. In Person: 850 Harvard Way, Reno, NV 89502
- d. Guarantors will be billed for the remaining balance based on determination according to Renown's Self-Pay Billing and Collection Guidelines.
 - i. A copy of these guidelines may be requested by contacting a Financial Assistance Specialist at 775-982-5747 or toll free at 855-951-6871 or Business office at 775-982-4130 or toll free at 866-691-0284 or online at Renown.org
- e. If the guarantor made payments toward outstanding balances within 30 days of submitting a FAP application, and the payments made exceed the adjustment amounts approved for FAP, the payments will be processed according to the Renown Health Refunds and Credit Balances Policy, RENOWN.PRB.005.

References/Regulations:

Treasury Regulation 1-501r5(b)(1)9B

Annual Update of the HHS Poverty Guidelines: 85 FR 3060 Doc. 2020-00858

Federal Poverty Level <https://www.federalregister.gov/documents/2020/01/17/2020-00858/annual-update-of-the-hhs-povertyguidelines>

BILLING CODE 4150-05-P

Nevada Medicaid Manual – Medical Necessity Section 103.1

<https://dhcfp.nv.gov/Resources/AdminSupport/Manuals/MSM/MSMHome/>

Medicare Bad Debt Renown Policy 15952 (REOWN.CBO.109)

Refunds and Credit Balances Renown Policy 15958 (REOWN.PRB.005)

Adjustments to Accounts Receivable Renown Policy 15943 (REOWN.CBO.024)

Patient Billing and Collection Guidelines Renown Policy 1249 (REOWN.SPC.005)

Financial Assistance Program Application Instructions

Guarantor Account: _____

Date: _____

Renown Health
850 Harvard Way
Mail Stop T6
Reno, NV 89502

P 775.982.5747
F 775.982.3220
www.renown.org

Dear Applicant:

Thank you for allowing us to be of assistance to you. Attached is an application for the Financial Assistance Program offered by Renown Health.

The purpose of the Financial Assistance Program is to provide financial relief to guarantors who do not qualify for Federal, State, or County assistance, and have no reasonable means to meet their financial obligations for necessary medical services. The documents requested are used solely to determine eligibility for the Financial Assistance Program.

If you have not already applied directly for Federal, State or County assistance we can help you with a simple screening to determine your potential eligibility. Please contact our Financial Assistance Specialist for help in applying by calling 775-982-4110.

Financial Assistance Requirements:

- ✓ All items on the application must be completed in full.
- ✓ A co-payment of \$ _____ to be determined based on prescreen is required at the time you submit your application. Payment will be applied to any outstanding balances regardless of application approval
- ✓ Proof of Income (attach copies):
 - Recent month of Pay Stubs and/or other **Source of Income** (social security, unemployment, child support, alimony, etc.)
 - Last month's **Bank Statements** (include linked accounts, all pages)
 - Last month's/quarter's statement from any **Other Asset Accounts** (i.e., Retirement funds (401k, 403b, 503b, IRA, etc.) insurance policies, investments, life insurance distribution, legal settlement funds, etc.)
 - Prior Year Filed **Tax Forms** (1040 forms and corresponding schedules)
- ✓ You must have proof of application and denial for assistance through your county's Social Services and State Welfare programs or of being excess income to apply
- ✓ A Trans Union Credit Report will be run to verify all information as presented on the application for Financial Assistance funds

After all supporting documentation has been submitted, you will be notified in writing or by phone of the final determination of your eligibility. Please update us if your address or phone numbers change.

If you have any questions regarding the Financial Assistance Program or need help completing the application form, please contact a Financial Assistance Specialist at Renown Health by calling 775-982-5747.

Renown Health
850 Harvard Way T-6
Attn: Medical Financial Hardship
Reno NV 89502

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Financial Assistance Program Application

PATIENT INFORMATION

IMPORTANT: Please read and complete the entire form before signing. The information you provide must be accurate for proper processing.

Pt. Account No:**Date of Birth:****Date of Application:**

| | | | |
|--|-------------------------|--------------------|-------------------------------------|
| NAME OF PATIENT | DATE OF ADMISSION | | |
| NAME OF RESPONSIBLE PARTY (Guarantor) | SOCIAL SECURITY NUMBER | | HOME PHONE NUMBER |
| ADDRESS | RELATIONSHIP TO PATIENT | | HOW MANY PEOPLE RESIDE IN HOUSEHOLD |
| EMPLOYER | EMPLOYER ADDRESS | | EMPLOYER PHONE |
| YEARS/MONTHS EMPLOYED | OCCUPATION | | |
| SPOUSE'S NAME | SOCIAL SECURITY NUMBER | OCCUPATION | YEARS/MONTHS EMPLOYED |
| SPOUSE'S EMPLOYER | EMPLOYER'S ADDRESS | | EMPLOYER'S PHONE NUMBER |
| GUARANTOR INFORMATION: | | | |
| 1. REAL PROPERTY: | | ADDRESS: | |
| 2. CASH ON HAND: | | | |
| 3. BANK/CREDIT UNIONS/TRUST REFERENCES AND ACCOUNTS: | | | |
| NAME | ADDRESS | TYPE & ACCT NUMBER | BALANCE |
| 4. INSURANCE POLICIES: | | | |
| NAME | TYPE & POLICY NUMBER | | VALUE |
| 5. STOCKS/BONDS: | | | |
| DESCRIPTION | | | VALUE |
| 6. BUSINESS OWNERSHIP: | | | |
| NAME & ADDRESS | TYPE OF INTEREST HELD | | VALUE |
| 7. VEHICLES: | | | |
| DESCRIPTION | | | VALUE |
| 8. DEEDS OF TRUST, NOTES: | | | |
| 9. MISCELLANEOUS: | | | |
| 10. ARE YOU ELIGIBLE FOR COUNTY OR STATE WELFARE? IF SO, DESCRIBE BASIS OF ELIGIBILITY <input type="checkbox"/> YES <input type="checkbox"/> No | | | |

I CERTIFY THAT THE ABOVE INFORMATION IS TRUE AND CORRECT. I ALSO AUTHORIZE RENOWN HEALTH TO OBTAIN INFORMATION NECESSARY FOR VERIFICATION OF MY FINANCIAL POSITION.

 SIGNATURE OF RESPONSIBLE PARTY

 Date