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Owner: *Jacque Howard: Controller*
Area: *Corporate Compliance*
References: *External Website - notify Waldron of updates*

CC 06 - Charity Policy for Medical Services

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References: *External Website – notify Mike Sheehan/Media of updates*

CC 06 – Financial Assistance Policy

Forms:

CC 06 F1 – Financial Assistance Application ("**FAA**")

Rationale:

To provide guidelines for determining potential eligibility for financial relief to patients who do not qualify for state or federal assistance and are unable to pay their balance or establish partial payment arrangements.

Scope:

Clinical Care Managers ("**CCM**"), Patient Account Representative ("**PAR**"), Accounts Receivable ("**A/R Manager**"), Controller, Vice President of Finance ("**VPP**").

Statement of Policy:

It is the policy of Craig Hospital ("**Hospital**") to provide quality medical health care to all persons regardless of race, creed, gender, national origin, handicap, age, ability to pay or other protected status. Hospital recognizes that not all individuals possess the ability or means to purchase essential medical services. Further, Hospital's mission is to serve its community with respect to providing health care services and health care education. Therefore, in keeping with Hospital's commitment to serve all members of the community, free and/or discounted care ("**Financial Assistance**") will be considered where the need and/or inability to pay are identified as set forth in this Financial Assistance Policy ("**Policy**"). This Policy standardizes the method by which Hospital will determine whether a Hospital patient ("**Patient**") or any Responsible Party (as hereinafter defined) qualifies for Financial Assistance. Any Patient who does not have health insurance or who has health insurance but does not have the ability to pay all or part of their financial responsibility to Hospital may apply for Financial Assistance. Financial Assistance will only be approved for those Patients with a proven inability to pay. Hospital does not provide Emergency Treatment. This Policy applies to all Medically Necessary Care

that Hospital provides at 3425 South Clarkson Street, Englewood, Colorado, 80113 (the "**Hospital Facility**") as well as the Medically Necessary Care provided by hospital department personnel listed in **Attachment C** at the Hospital Facility whose services are billed by the hospital. Those physicians and providers who may provide Medically Necessary Care at the Hospital Facility but who are not covered by this Policy are also listed in **Attachment C**. Financial Assistance offered under this Policy does not apply to physician or other professional fees billed separately from Hospital fees.

Hospital will interpret and apply this Policy in accordance with applicable federal and state laws, including, without limitation, the requirements of Section 501(r). (All "Section" references herein are to the Internal Revenue Code of 1986, as amended.) To the extent that this Policy conflicts with any applicable federal or state law, such federal or state law shall control.

Definitions:

Amounts Generally Billed ("AGB") – The amounts generally billed by Hospital for Medically Necessary Care to Patients who have health insurance is referred to in this Policy as AGB. AGB is calculated using the look-back method by multiplying the Gross Charges for Medically Necessary Care by one or more percentages. For purposes of calculating AGB, these percentages are based on the claims allowed during a prior twelve (12)-month period by Medicare fee-for-service and all private health insurers that pay claims for such Medically Necessary Care. Copies of the current percentages, together with an explanation of how these percentages were calculated, may be obtained for free by writing to 3425 South Clarkson Street, Englewood, Colorado, 80113, ATTN: Accounts Receivable Manager.

Application Period – The Application Period is the period during which Hospital will accept and process an application for Financial Assistance under this Policy. The Application Period begins on the date that care is provided to the individual in question, and it ends on the 240th day after Hospital provides the individual with the first Post-Discharge billing statement for the Medically Necessary Care provided.

Federal Poverty Guidelines ("FPG") or Federal Poverty Level ("FPL") – Federal Poverty Guidelines mean those guidelines addressing the Federal Poverty Level that the U.S. Department of Health and Human Services issues each year in the Federal Register. The effective date of the annual update to FPG for purposes of this Policy will be the first day of the month following the publication of FPG in the Federal Register.

Gross Charges – The full, established price for Medically Necessary Care, as the case may be, that Hospital uniformly charges all Patients before applying any contractual allowances, discounts or deductions.

Household Gross Income – All wages, salaries, compensation and other pay, including, without limitation, Social Security benefits, pension payments, unemployment compensation, workers' compensation payments, veterans benefits, rents, alimony, child support, survivors' benefits and income from estates or trusts, earned by or attributable to the members of the Immediate Family on an annual basis. Household Gross Income will be rounded to the nearest dollar when applied to the scale for determining whether an individual is an eligible Patient under this Policy.

Immediate Family – Immediate Family consists of the Patient, his or her spouse and his or her children (natural or adoptive) who are under the age of eighteen (18) and living at home or who are claimed by the Patient as a dependent for federal tax purposes. If the Patient is under the age of eighteen (18), the Immediate Family shall include the Patient, his or her natural or adoptive parents (regardless of whether they live in the home with the Patient) and the parents' children (natural or adoptive) who are under the age of eighteen (18) and living in the home with the Patient or who are claimed by the parent(s) as dependents for federal tax purposes. In the event of a divorce in the Immediate Family, appropriate documentation will be required to determine which parent is the Responsible Party for a child who requires Medically Necessary Care. If no legal document is present,

the parent accompanying the child at the time of service will be presumed to be the Responsible Party until appropriate documentation is provided. If a Patient is at least eighteen (18) years old but is claimed by another as a dependent for federal tax purposes, the Immediate Family shall include the individual claiming the Patient as a dependent, his or her spouse and all of his or her children (natural or adoptive) who are under the age of eighteen (18) and living at home or who are claimed by the individual as a dependent for federal tax purposes.

Medically Necessary Care – Medically Necessary Care means those health care services that satisfy the definition of "medically necessary services" for purposes of the Colorado Medicaid program.

Notification Period – The Notification Period refers to the period during which Hospital will notify individuals about the availability of Financial Assistance under this Policy. The Notification Period begins on the first date care is provided and ends on the 120th day after Hospital provides the individual with the first Post-Discharge billing statement for such care.

Plain Language Summary– Plain Language Summary means a written statement that notifies an individual that Hospital offers Financial Assistance for inpatient and outpatient hospital services and contains the information required to be included in such statement under the FAP.

Post-Discharge – Post-Discharge means the period of time after medical care (whether inpatient or outpatient) has been provided and the individual has left Hospital.

Reasonable Efforts – Reasonable Efforts are the actions that the Hospital will take to determine whether an individual is eligible for Financial Assistance under the FAP. The Hospital will (i) offer a paper copy of the Plain Language Summary to Patients as part of the intake or discharge process; (ii) include a conspicuous written notice on billing statements that identifies the FAP and informs Patients about the availability of Financial Assistance, including, without limitation, the website address where a Patient may obtain copies of the FAP, an application form and a Plain Language Summary as well as the phone number of the Hospital department that can provide information about the FAP and the application process; (iii) make reasonable efforts to notify the Patient about the FAP and how to obtain assistance with the application process in oral communications regarding the bill that occur during the Notification Period; (iv) provide the Patient with at least one written notice that contains a Plain Language Summary and describes the ECAs that the Hospital may take if the Patient does not submit a complete application for Financial Assistance or pay the amount due by a deadline specified in the notice that is no earlier than thirty (30) days after the date of the notice or the expiration of the Notification Period (whichever is later); and (v) take such other actions as are required by the Internal Revenue Service with respect to Section 501(r).

Responsible Party – A Responsible Party as used in this Policy is the Patient if the Patient is at least eighteen (18) years old and is not claimed by another person as a dependent for federal tax purposes. If the Patient is under the age of eighteen (18), the Responsible Party shall be the Patient's parents (natural or adoptive) or legal guardians, unless someone else claims the Patient as a dependent for Federal tax purposes. If the Patient is claimed as a dependent by another person for Federal tax purposes, the Responsible Party shall be the person claiming the Patient as a dependent.

Applications for Financial Assistance:

Financial Assistance Available for Medically Necessary Care. Financial Assistance shall be provided to Patients who meet the eligibility requirements as described herein. A Patient who qualifies for Financial Assistance will never be responsible for more than AGB for Medically Necessary Care.

Presumptive Eligibility.

In accordance with C.R.S.A. § 25-3-112, satisfaction of the following three criteria will automatically qualify a Patient to be eligible for Financial Assistance at Hospital:

The Patient is uninsured;

The Patient's Household Gross Income is not more than 250 percent of the FPL; and,

The services provided by Hospital are not eligible for discount under the Colorado Indigent Care Program ("CICP").

Statement of Cooperation and Recordkeeping.

Each Patient's eligibility for Financial Assistance will be contingent upon approval of the appropriate Hospital representatives as indicated in this Policy and on the cooperation of the Patient during the Financial Assistance process. Hospital reserves the right to extend Financial Assistance on a case-by-case basis where the Patient may not be able to comply with the Financial Assistance process.

Hospital shall maintain copies in accordance with its recordkeeping policies of all information used to determine whether an individual qualifies for Financial Assistance, including, without limitation, information provided by the Patient through external sources.

Procedures for Applying for Financial Assistance (Application Process).

General Application Process.

A Patient with an outstanding account balance is eligible for consideration for Financial Assistance. An individual who believes that he or she may qualify for Financial Assistance or has requested that Financial Assistance be provided must submit an application for Financial Assistance during the Application Period. An award of Financial Assistance pursuant to this Policy shall be valid for 1 year. Thereafter, individuals will be required to submit a new application for Financial Assistance.

Patients may obtain a copy of the Financial Assistance application, this Policy, and a Plain Language Summary, all free of charge, at the following:

- Online at <https://craighospital.org/charity-care-policy>
- Over the phone at (303) 789-8000
- In Hospital's Clinical Care Management (CCM) Department
- By mailing a request to Craig Hospital, 3425 South Clarkson Street, Englewood, Colorado, 80113, ATTN: Accounts Receivable Manager.

Financial counseling or screening for Financial Assistance eligibility is available from Hospital's CCM Department located at Hospital.

If the Patient expresses an inability to pay and the Hospital cannot otherwise identify resources to sufficiently address the issue (e.g., federal or state assistance programs, other third-party payer eligibility), Hospital will begin the process of determining financial need. Hospital CCM staff may initiate the application on behalf of the Patient in cases where the Patient may be unable to complete the application. It is ultimately the Patient's responsibility to provide the necessary information for the determination.

Scope of Information Requested. Hospital cannot deny Financial Assistance based on the failure to provide information or documentation unless that information or documentation is described in this Policy or the Financial Assistance application. In cases where a Patient has made a reasonable effort to provide Hospital with documentation and none is available, or if the Patient is not otherwise able to provide information, the Chief Financial Officer (CFO) can override any missing documents in order to approve Financial Assistance.

Hospital will limit the amounts charged for any Medically Necessary Care it provides to a FAP-eligible individual to not more than AGB.

Criteria to be considered in determining eligibility include, but are not limited to, the following: Household Gross Income post injury, including wages, payments from unemployment, and pension plans

Family size

Net worth and liquidity

Current care needs

Employment status and capacity for future earnings

Other living expenses and financial obligations including expectations of future care needs

Exhaustion of all other available resources, including Medicaid, CICP, Victims Assistance, Third Party Liability, and Liquid Assets

In order to process the Financial Assistance application, the following documentation may be required:

Household information

Family size

Dependents

Physical address

Income documentation (one or more of the following):

Income tax return

IRS form W-2

Paycheck stub

Bank statements

Signed attestation to income

Liquid Assets

Investments

Trust funds

Money market and savings accounts

(iv) Health savings accounts

(v) Retirement accounts

9. If the Responsible Party submits an incomplete application, Hospital must provide a written notice describing what additional information is required to complete the application, and include contact information for assistance with the application process.

Hospital Review.

Applications are reviewed by the Accounts Receivable Manager.

Hospital will utilize the attached Financial Assistance Eligibility Discount Guidelines ("**FAEDG**") (**Attachment B**) in order to determine what, if any, percentage of the Patient's bill will be discounted. In certain situations when a Patient's circumstances do not satisfy the requirements under the FAEDG, a Patient can still obtain Financial Assistance. These situations will be reviewed on a case-by-case basis for evidence of financial or medical indigence. Copies of the FAEDG are attached to this Policy and are available for review in Hospital's CCM Department.

If Financial Assistance is approved:

If it is determined that Financial Assistance is appropriate, the A/R Manager or Patient Account Representatives will notify the Patient and apply the appropriate adjustments to the Patient's outstanding accounts. The Financial Assistance application and supporting documents, as well as evidence of attempts to secure supporting documents, will be scanned into the relevant accounts.

If Financial Assistance is denied:

- i. **The application is annotated with the pertinent data utilized to make the final determination and is signed by the Accounts Receivable Manager.**

The denied application is returned to the Patient Account Representative who will contact the Patient to explain the outcome of the financial assistance review and to arrange for a mutually agreeable payment plan. All payment plans are interest free.

Annual Review.

Hospital shall review this Policy at least annually, and Hospital shall make such adjustments to this Policy as necessary to comply with applicable federal and state law, including, without limitation, Section 501(r). It is the responsibility of the Business Office to interpret all aspects of this policy subject to the ultimate authority of the VPF.

Attachments:

- A: Financial Assistance Application
- B. Financial Assistance Eligibility Discount Guidelines (FAEDG)
- C. List of Providers Included in the Hospital Financial Assistance Policy
- [CC 06 Spanish – Politica de Caridad Para Servicios Medicos 05-14.doc
- Aplicación para Ayuda Financiera (FAA)
- Lista de Proveedores]

Attachments:

- [Aplicacion para Ayuda Financiera \(FAA\)](#)
- [B: Financial Assistance Eligibility Discount Guidelines \(FAEDG\)](#)
- [C: List of Providers Included in the Craig Hospital Financial Assistance \(Charity\) Policy](#)
- [C: List of Providers Included in the Craig Hospital Financial Assistance \(Charity\) Policy](#)
- [CC 06 Plain Language summary FAP Revised 10-31-19.doc](#)
- [CC 06 Spanish - Politica de Caridad Para Servicios Medicos 05-14.doc](#)
- [Politica De Caridad Para Servicios Medicos](#)

Approval Signatures

Step Description	Approver	Date
MCAC & BOD	Chloe Smiley: Quality Support Specialist	12/2019
Corporate Compliance	Tim Saunders: Corporate Compliance Officer	12/2019
Document Owner	Jacque Howard: Controller	12/2019