

# BHS Financial Assistance Policy

## SCOPE:

As part of our commitment to the health care needs of our community, Butler Health System (BHS) and its related organizations (Butler Memorial Hospital, Butler Medical Providers, and Clarion Hospital) have instituted this program designed to provide financial assistance to our patients who may not otherwise be able to pay for part or all of their care ("Financial Assistance Program"). BHS will treat all patients equitably, with dignity, respect, and compassion, and will not discriminate based on sex, age, color, race, religious creed, ancestry, national origin, disability, veteran's status or lifestyle.

## POLICY:

BHS will extend financial assistance to patients within the scope of our service area who do not have the ability to meet their patient financial responsibility for medically necessary healthcare. The process for determining financial assistance eligibility will be consistent for all patients. Financial assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with BHS's procedures for obtaining charity or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay.

## PURPOSE:

This policy establishes the process and requirements for applying for Charity Care and the procedure used to calculate the Courtesy Discount. BHS will offer financial aid to patients that may consist of: Charity Care, Presumptive Eligibility for Charity Care, Courtesy Discount and/or extended-payment arrangements. BHS will ensure that all patients who are eligible for financial assistance will not be billed more than the Amount Generally Billed (AGB) to patients who have insurance.

## DEFINITIONS:

1. Charity Care - Healthcare services that have been or will be provided free or at a discount to individuals who meet the established criteria.
2. Family - A group of two or more people who reside together and who are related by birth, marriage, or adoption.

3. Family Income - Includes earnings, unemployment, worker's compensation, Social Security benefits, child support, etc.
4. Uninsured - The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.
5. Under insured - The patient has some level of insurance but still has out-of-pocket expenses that exceed his/her financial abilities.
6. Medically Necessary - As defined by Medicare - Services or items that are reasonable and necessary for the diagnosis or treatment of illness or injury.
7. Courtesy Discount - The adjustment given to the uninsured patient to decrease the patient's payment obligation from the charge amount.
8. Charity Care Discount - An adjustment to the patient's payment obligation granted based on the patient's income and financial need. The patient may be eligible for a 100%, 75%, or 50% Charity Care Discount.
9. Presumptive Eligibility - A determination that a patient is presumed eligible for Charity Care when adequate information is provided by the patient or through other sources which allows BHS to determine that the patient qualifies for Charity Care.
10. Collection Agency Referral - BHS may use the services of an external collection agency for the collection of patient debt for nonpayment. This will typically occur 120 days after the initial billing.
11. Amount Generally Billed (AGB) - The amount billed to other individuals who have insurance covering their service.

## **ESSENTIAL INFORMATION:**

- A. All patients selecting BHS as their health care provider may be eligible to receive financial assistance under this policy provided they do not have active insurance in another covered network of providers. This policy does not apply to any physicians providing emergency or other medically necessary care in the facility. BHS will bill all insurance coverage on behalf of the patient to obtain benefit payments. The patient has an obligation to provide all the required insurance information and assignment of benefits and other requested documentation. This policy does not relieve the patient from his/her obligation.

- B. Payment in advance may be required for services that are generally considered as non-covered (cosmetic surgery, reversals for sterilizations, dental procedures.) These non-covered services are excluded from the Financial Assistance Program.
- C. BHS will provide financial counseling services to all patients who owe a payment. The Patient Financial Services Representative and/or third party resource will assist the patient in applying for Medical Assistance. The financial assistance described in this policy will only be considered if other payment is not available.
- D. The method(s) for applying or inquiring about our Financial Assistance Policy for Butler Memorial Hospital:
- a. To request an application, email [PatientFinancialServices@butlerhealthsystem.org](mailto:PatientFinancialServices@butlerhealthsystem.org) or
  - b. Visit our website at [www.butlerhealthsystem.org](http://www.butlerhealthsystem.org) the application is listed under "Patients & Visitors" – "Financial Services" – "Charity Care/Financial Assistance" or
  - c. The application is listed on the reverse side of your patient statement or
  - d. Contact our office at 724-284-4460 Monday through Friday 8:00am to 4:00pm
- E. The method(s) for applying or inquiring about our Financial Assistance Policy for Clarion Hospital:
- a. To request an application, email [ClarionFinancialCounselor@butlerhealthsystem.org](mailto:ClarionFinancialCounselor@butlerhealthsystem.org) or
  - b. Visit our website at [www.butlerhealthsystem.org](http://www.butlerhealthsystem.org) the application is listed under "Patients & Visitors" – "Financial Services" – "Charity Care/Financial Assistance" or
  - c. The application is listed on the reverse side of your patient statement or
  - d. Contact our office at 814-393-6042 or 724-393-6048 Monday through Friday 8:00am to 4:00pm
- F. The method(s) for applying or inquiring about our Financial Assistance Policy for Butler Medical Providers:
- a. To request an application, email [BMPPatientAccounts@butlerhealthsystem.org](mailto:BMPPatientAccounts@butlerhealthsystem.org) or
  - b. Visit our website at [www.butlerhealthsystem.org](http://www.butlerhealthsystem.org) the application is listed under "Patients & Visitors" – "Financial Services" – "Charity Care/Financial Assistance" or

- c. The application is listed on the reverse side of your patient statement or
  - d. Apply in person at our Physician office locations, or
  - e. Contact our office at 724-284-4022 or 724-284-7458, Monday through Friday 8:30am to 4:30pm.
- G. Any uninsured patient seeking financial assistance must comply with all medical assistance application requirements, including providing all requested documentation within (30) days of the receipt of application. To apply for Pennsylvania Medical Assistance visit [www.compass.state.pa.us](http://www.compass.state.pa.us). BHS will treat such information confidentially and will only use the information for the purposes of determining the patient's eligibility for financial assistance.
- H. The Chief Financial Officer will provide the Board of Trustees with information or changes to the Financial Assistance Program on an annual basis. The Board of Trustees may request information about the Program at any time.
- I. For purposes of this policy, the service area includes the following counties; Butler, Lawrence, Armstrong, Mercer, Venango, Clarion, Indiana, Jefferson, and Allegheny.

## **DISCOUNTS OFFERED:**

- a. Charity Care Discount will be determined based on income, assets and size of the family. BHS will follow the federal poverty guidelines when determining the patient eligibility. Patients will receive charity care in a range of 100% with income less than 200% of the Federal Poverty Guidelines, 75% with income less than 250% of the Federal Poverty Guidelines, or 50% with income less than 300% of the Federal Poverty Guideline (see Appendix A for grid). To be considered for a Charity Care Discount, the patient or their representative must complete the Financial Assistance Application. Following a determination of financial assistance eligibility a patient will not be charged more than the AGB for emergency or other medically necessary care.
- b. The Courtesy Discount will be offered to patients with no insurance coverage, who do not qualify or choose not to apply for a Charity Care Discount. Patients who are responsible for the entire balance will have their charges reduced. The percentage will be calculated at the beginning of each fiscal year (July 1) based on the Amounts Generally Billed (AGB)

to patients who have insurance coverage. The calculation will be based on the look back method where paid claims from the previous year will be examined to determine the AGB discount and can be different for each facility. The discount is based on inpatient and outpatient discounts applied to gross charges for Medicare payments and the average discount negotiated with the commercial insurance plans. This discount is based on the Internal Revenue Service (IRS) Section 501(r) Final Regulations under the guidelines and methodologies for Limitation of Charges.

- c. Presumptive Eligibility for Charity Care will be considered in instances when a patient may appear eligible for Charity Care Discounts. In the event there is no specific evidence to support a patient's eligibility for charity care, BHS may base their determination on the below criteria.
  - a. Homeless or received care from a homeless clinic
  - b. Food Stamp eligibility
  - c. Patient is deceased with no known estate
  - d. Family or friends of a patient that can provide information establishing the patient's inability to pay if the patient is unable to complete the charity care application
  - e. Patients who qualify for Section 8 housing
  - f. Patients returned as uncollectable from bad debt collection that have a presumptive charity score matching the established score criteria. A presumptive charity score may be used as an indicator to pursue and encourage the completion of a full application for financial assistance.

Upon completion of the presumptive Charity Care process, approvals will be on a case by case basis. Presumptive Charity Care application approvals will be determined by a Patient Financial Representative, Business Office Manager, or at the discretion of the Director, Revenue Cycle.

## **PROCEDURES:**

Financial need will be determined in accordance with procedures that involve an individual assessment of financial need determined by this Policy and include the following:

1. An application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and

documentation to make a determination of financial need and eligibility for alternative sources of coverage from public assistance programs.

2. The following documents are required to verify income:
  - a. Most recently filed 1040 Tax return
  - b. Social Security Benefits for the current year
  - c. Unemployment Benefits
  - d. Child Support Payments
  - e. Paystub(s) last 30 days
  - f. Pension (copy of bank statement if directly deposited)
  - g. Disability/Workers compensation
  - h. Alimony
  - i. Rental income
  - j. Proof of any other sources of income
  - k. Most recent checking and/or savings account statement
  - l. Proof of any Certificate of Deposits (CD)
  - m. Medical Assistance determination letter
  - n. Number of dependents claimed for tax purposes
3. If it is determined by a Patient Financial Services representative that an applicant may be eligible, alternative sources of payment and coverage from public and private payment programs will be explored and assistance provided to patients to apply for such programs.
4. A Patient Financial Service Representative will review the patient's outstanding accounts for prior services. Once the application has been approved it will be in effect for six months before and twelve months after the approval date, absent a significant change in the patient's financial circumstances.

## **COMMUNICATION:**

1. Notification of the Financial Assistance Program is available from BHS as follows:
  - a. A contact telephone number will be provided to all patients at the time of Registration.
  - b. Posting on all patient bills
  - c. Posting in all Patient Registration Areas and Physician Offices

- d. Posting on Butler Health System website
  - e. Posting in the Emergency Room areas
  - f. Posting in all outreach locations
  - g. Posting in the hospital's patient handbook
2. Patients who have applied for Financial Assistance will be notified by telephone or in writing within (30) days of their application as to whether they have been approved or denied.
  3. BHS maintains a separate Collections of Patient Balances policy. A copy of that policy may be obtained by contacting our office at 724-284-4460, Monday to Friday 8:00 am to 4:00 pm.

## **COLLECTION AGENCY REFERRAL:**

BHS may use the services of an external collection agency for the collection of patient debt. This will typically occur (120) days after the initial billing. For patients who qualify for financial assistance and who are cooperating in good faith to resolve their hospital bills, BHS will not send unpaid bills to outside collection agencies. BHS will not refer to a collection agency or take additional collection actions before it makes a reasonable effort to determine whether or not a patient is eligible for financial assistance under this policy.

## **REGULATORY REQUIREMENTS:**

In implementing this policy, BHS management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this policy.

APPENDIX A

BUTLER HEALTH SYSTEM

CHARITY CARE GUIDELINES

Dependents	100% Charity Annual Income Less Than 200% of Federal Poverty Guidelines	75% Charity Annual Income Less Than 250% of Federal Poverty Guidelines	50% Charity Annual Income Less Than 300% of Federal Poverty Guidelines
	Annual Income	Annual Income	Annual Income
1	\$27,180	\$33,975	\$40,770
2	\$36,620	\$45,775	\$54,930
3	\$46,060	\$57,575	\$69,090
4	\$55,500	\$69,375	\$83,250
5	\$64,940	\$81,175	\$97,410
6	\$74,380	\$92,975	\$111,570
7	\$83,820	\$104,775	\$125,730
8	\$93,260	\$116,575	\$139,890

75% Charity Care . . . . MINIMUM PAYMENT . . . . \$24.00 PER MONTH

50% Charity Care . . . . MINIMUM PAYMENT . . . . \$39.00 PER MONTH

2022 PUBLISHED FEDERAL POVERTY GUIDELINES

For families/households with more than 8 persons, add \$4,720 for each additional person.

PERSONS IN FAMILY	POVERTY GUIDELINE
1	\$13,590
2	\$18,310
3	\$23,030
4	\$27,750
5	\$32,470
6	\$37,190
7	\$41,910
8	\$46,630



## APPENDIX B

### List of Physician Departments Not Covered Under Butler Health System Financial Assistance Policy

Emergency Room Physicians

Radiology

Anesthesiology

Cardiology Surgeons

Neurology

Obstetrics/Gynecology

Ophthalmology

Pediatrics

Psychiatry

Surgery

# Approval Signatures

<b>Step Description</b>	<b>Approver</b>	<b>Date</b>
	Eric Huss, Chief Financial Officer	04/2022
	Randy Tewksbury, Executive Director	04/2022
	Deborah West: Director	04/2022