

Financial Assistance Policy

KEY TERMS: Financial Assistance, Charity, Discount

I. PURPOSE:

Carilion Clinic is committed to improving the health of the communities we serve and ensuring that a person's ability to pay does not prevent him from seeking or receiving care. Carilion provides Financial Assistance to persons who need Emergency or other Medically Necessary care, are Uninsured or Underinsured, and who meet the requirements for Financial Assistance under this Policy.

Carilion also provides, without discrimination, care for Emergency Medical Conditions (as defined below) to individuals without regard to the individual's eligibility for Financial Assistance, as more specifically set forth in Carilion's Emergency Medical Care Policy, a copy of which can be obtained free of charge from the locations listed in Section V of this Policy. The granting of Financial Assistance shall be based on an individualized determination of financial need, and shall not be made on the basis of age, race, color, national origin, disability, sex (includes pregnancy/childbirth or related conditions, gender identity or sex stereotyping), or source of payment.

Individuals who are deemed under this Policy to be unable to pay their balances in full shall be considered for Financial Assistance, which includes discounted or free care, based on established criteria. A patient eligible for Financial Assistance under this Policy will not be charged for Emergency or other Medically Necessary care more than the Amounts Generally Billed to patients insured by Medicare and commercial insurance companies.

Patients are expected to fully cooperate with Carilion's procedures for obtaining Financial Assistance, discounts or other forms of payment, applying for Medicaid or other government programs where appropriate, and contributing to the cost of their care based on their ability to pay, including Third Party Liability payments. Individuals with the financial capacity to purchase health insurance will be encouraged to do so, for the protection of their individual assets, and for the protection of the assets of the communities served by Carilion Clinic.

II. SCOPE:

Carilion Clinic Hospital Facilities and Providers operate under this policy. A list of the Providers following this policy is available from the locations listed in Section V of this Policy. The policy describes the following:

- a. The eligibility criteria for receiving Financial Assistance;

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- b. The circumstances and criteria under which each Hospital Facility and Provider will provide discounted or free care for Eligible Services to eligible patients who are Uninsured or Underinsured;
- c. The basis and methods of calculation for charging any discounted amounts to such patients; and
- d. The method by which patients may apply for Financial Assistance.

III. DEFINITIONS:

AGB - Amounts Generally Billed - Charges to patients eligible for Financial Assistance based on average allowed amounts from Medicare and private health insurers for Emergency and other Medically Necessary care, including both the amount the insurer will pay and the amount (if any) the individual is personally responsible for paying, calculated using the look back method per 26 CFR §1.501(r). Excluded from this calculation are services adjusted off accounts during pre-bill, services considered not medically necessary and certain non-payable charges. The AGB will be determined based upon the date of service which is either the date of admission or the first date of service for a billing encounter with multiple dates. Further information on the AGB discount is available from the locations listed in Section V of this Policy.

Application (for financial assistance) - The form, Financial Assistance Application (FAA), required to be completed by those seeking Financial Assistance in order to determine eligibility for assistance. Applications must be filled out completely and accurately, and include the required supporting documentation. Applications not completed within 30 days of initial submission will be deemed incomplete and considered withdrawn. Forms and supporting documents are returned to Carilion Clinic, CASB Suite 625, P.O. Box 40032, Roanoke, VA 24022-0032.

Application Period - the period ending on the 240th day after the first post-discharge billing statement is provided to a patient.

Collection Procedures - Refer to Carilion's separate Billing and Collection Policy for information on collection procedures. Patients may obtain the Billing and Collection Policy free of charge from the locations listed in Section V of this Policy.

Determination - The decision regarding an individual's eligibility for Financial Assistance based on predetermined criteria.

Discount - A reduction in the amount due. Certain discounts, including the Uninsured and Out-of-Network discounts are not considered Financial Assistance under this Policy.

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Eligibility for Financial Assistance - An individual's ability to qualify for Financial Assistance. Carilion may access external sources including but not limited to credit agencies, banks, or investment firms, for additional information to use in verifying application responses and in making a determination of the patient's eligibility for Financial Assistance. Please refer to the Eligibility Section for complete information.

Eligibility Period - The 180 day time period covered by the Financial Assistance Determination. Eligibility may change if, during the period, the patient's financial condition or insurance status changes. A new Application and documentation must be submitted at the end of the 180 day Eligibility Period if Financial Assistance is needed for services received after the Eligibility Period.

Eligible Services - The services (and any related products) provided by Carilion Hospital Facilities and Providers that are eligible for Financial Assistance under this Policy, which are: (1) emergency medical services provided in an emergency room setting, (2) non-elective medical services provided in response to life-threatening circumstances in a non-emergency room hospital setting, and (3) Medically Necessary services.

Emergency Medical Conditions - As defined in Section 1867 of the Social Security Act, as amended (42 U.S.C. 1395dd).

FAA - Financial Assistance Application

Family - A group of two or more people who reside together and who are related by birth, marriage, or adoption. According to the Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of Financial Assistance if the dependent is residing with the tax filer.

Family Income - Annual total cash or cash equivalents earned by or provided to an individual. The following are considered and must be included in the Application for each member of the family:

Earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, alimony, child support, assistance from outside the household, and other miscellaneous sources determined on a before-tax basis.

Items not considered as income are noncash benefits and public assistance, such as food and housing subsidies, educational assistance, and capital gains and losses.

Federal Poverty Guidelines (FPG) - The poverty guidelines updated annually in the Federal Register by the U.S. Department of Health and Human Services in effect at the time of such Determination.

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Financial Assistance – Reduction of patient’s account balance based on established criteria; discounted or free care granted pursuant to this policy.

Guarantor – a person or entity that agrees to be responsible for another's debt or performance under a contract, if the other fails to pay or perform.

Hospital Facility - A facility (whether operated directly or through a joint venture arrangement) that is required by the Commonwealth of Virginia to be licensed, registered, or similarly recognized as a hospital. “Hospital Facilities” means collectively, more than one Hospital Facility.

Incomplete Application - An application that is missing specifically requested information. This information is needed on the application form or as documentation requested to support application responses.

Liquid Assets – The Family’s cash or cash equivalent assets available for use in paying for medical care, such as bank accounts, investments, trust accounts, and amounts in retirement accounts that can be withdrawn, with or without penalty.

Medically Necessary - Shall have the same meaning as such term is defined for Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury). For patients with health insurance, if a payer authorization is required, and the payer’s determination is that the service does not meet medical necessity criteria, the service will be deemed not Medically Necessary unless overridden by the Carilion physician leader responsible for the revenue cycle.

Minimum Essential Coverage – Any insurance plan that meets the Affordable Care Act requirement for having health coverage.

Out-of-Network - Certain insurance carriers or third party administrators may reduce or eliminate the provision of benefits unless care is provided by designated facilities or providers. In cases where Carilion is not one of the designated facilities or providers or the plan does not have a provider network, any care provided is considered to be out-of-network. Governmental plans and plans that don’t meet Minimum Essential Coverage as defined by the Internal Revenue Service are not considered to be Out-of-Network, even if Carilion is not one of the designated facilities or providers in the plan or the plan does not have a provider network unless the plan denies the service as not authorized. A patient with Out-of-Network coverage is not eligible for Financial Assistance.

Pre-Collect Phase of the Billing Cycle – The 45 day period starting 15 days after the patient receives a second billing statement, ending when the patient receives a final billing letter.

Presumptive Eligibility - A Determination that a patient is presumed eligible for Financial Assistance based on information other than that provided by the individual in a FAA.

Propensity to Pay – A third party scoring methodology that projects the likelihood to pay.

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Provider - Carilion Clinic employed physicians and advanced clinical practitioners (ACP).

Real Estate Equity - The equity in any real estate owned by the patient's Family, which is the fair market value of the real estate less any debt secured by that real estate (through a mortgage or deed of trust). Real estate does not include the real estate that contains the patient's principal place of residence, including contiguous real property.

Reoccurring Bad Debt Flag – An indicator that the Guarantor has fifteen (15) or more accounts in bad debt status during the prior twelve month period and the financial information from third party sources used to determine Presumptive Eligibility is incomplete though the data available meets the requirements for Presumptive Eligibility.

Self Pay – The portion of a claim not covered by insurance.

Third party liability - Claims such as accident, auto, or personal injury claims that are generally negotiated for payment through the legal process or mediation.

Uninsured - The patient has no level of insurance, third party assistance, Medical Savings Account, or claims against third parties covered by insurance to assist with meeting his payment obligations. A patient with Out-of-Network coverage is not Uninsured for purposes of this Policy and is not eligible for Financial Assistance.

Underinsured - The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his financial ability to pay as determined in this Policy. A patient with Out-of-Network coverage is not Underinsured for purposes of this Policy and is not eligible for Financial Assistance.

IV. PROCEDURE:

Eligibility for Financial Assistance

A. Eligibility Criteria, all of which must be met to be deemed eligible for Financial Assistance:

1. Medical Necessity - The care provided must meet Medical Necessity criteria. In cases where there are questions, a Carilion medical director will make the final determination of medical necessity.
2. Insurance Status – The patient is either Uninsured or Underinsured. A patient with health insurance coverage must agree to use that coverage prior to applying for Financial Assistance.
3. Financial Ability – Patients with (i) total gross Family Income less than 400% of the FPG and (ii) Available Assets of less than \$100,000 shall be eligible for Financial Assistance, with the amount of such Financial Assistance being determined as set forth in this Policy. To receive Financial Assistance, a patient must either complete an FAA, including required documentation, and

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be determined to meet the eligibility criteria for Financial Assistance; or be identified under the Presumptive Eligibility program.

4. Failure to Apply for Medicaid - Patients who may be eligible for Medicaid and refuse to cooperate with Carilion in completing the Medicaid application will not be eligible for Financial Assistance.

B. Timing:

Eligibility may be determined at any point before, during or after the provision of Emergency or Medically Necessary services while still in the Application Period.

Eligibility shall be based on the patient's insured status at the time services are rendered, and shall give consideration to any retroactive denial or granting of insurance.

C. Any patient payments for services covered under Financial Assistance that exceed the amount determined to be due from the patient after the application of Financial Assistance will be refunded in accordance to Carilion Clinic credit balance and refund policies. These policies may be found at the locations listed in Section V of this policy. Presumptive Eligibility:

Uninsured patients will be screened for Presumptive Eligibility. This screening may occur prior to or after the service is provided while still in the Application Period. If according to pre-service financial counseling policy, it is determined the patient is eligible for Financial Assistance, the patient's accounts will be set to receive Financial Assistance for a 180 day period. Carilion Hospital Facilities and Providers may use outside resources to determine the patient's qualification for presumptive Financial Assistance. Presumptive Eligibility may be determined on the basis of individual life circumstances that may include qualification through:

1. Free clinic or indigent health access programs, including Project Access, Bradley Free Clinic, the Community Health Center of the New River Valley, the Giles Community Health Center, Franklin/Bernard Free Health Clinic, and the Rockbridge Area Community Health Center, and other regional free clinics and Federally Qualified Health Centers (FQHCs).
2. Eligibility for other state or local assistance programs that are unfunded (Medicaid spend-down; other Medicaid non-covered services).
3. Third party evaluation to determine ability to pay prior to transfer to bad debt, based on a patient's presumptive financial information which may include but is not limited to income, assets, or credit score. The patient may still be responsible for partial payment given the absence of a Financial Assistance Application (FAA).
 - a. Accounts in Self Pay status will initially be reviewed for Presumptive Eligibility qualification during the Pre-Collect Phase of the Billing Cycle. Criteria for initial Presumptive Eligibility may include: a Propensity to

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Pay indicator; a Self Pay balance greater than \$300.00; Federal Poverty Guideline (FPG) equal to or less than 133%; a credit score equal to or less than 625 and the absence of any mortgage balance, past or present. If upon screening, the account meets the above criteria, the account will be processed as meeting Financial Assistance criteria.

Presumptive Eligibility will be determined a second time, prior to the final letter in the billing process being sent to the patient. Criteria for final Presumptive Eligibility may include: a Propensity to Pay indicator; a Self Pay balance greater than \$300.00; FPG equal to or less than 200%; Credit Score equal to or less than 625 and the absence of any mortgage balance past or present. In addition, in cases where there is a Reoccurring Bad Debt Flag and, where data is available, the patient meets the Presumptive Eligibility criteria listed above, the account will be coded for presumptive eligibility if payment is not received within 30 days of the second billing statement.

D. Patient Discounts:

Patients who are determined not eligible for Financial Assistance may still receive a Discount for Emergency or Medically Necessary Care which discount is not considered to be Financial Assistance under this Policy. Any patient payments for services covered under a Discount program that are collected in advance of the Determination of Eligibility will not be refunded.

- Uninsured patients are eligible for a Discount of 30% of Charges for Hospital Facility and 10% of Charges for Provider care.
- For care provided that is Out-Of-Network, the patient may be eligible for an Out-Of-Network Discount of 20% of the patient payment. A lesser discount will be applied if the payer payment results in a patient payment of less than 20%.
- Certain exclusions from Discount may apply, as noted in this Policy under Services.
- Pediatric Therapy services

Application Process

A request for Financial Assistance may be made by the patient or a person designated by the patient, subject to applicable privacy laws. A Financial Assistance Application (FAA) may be submitted prior to, upon receipt of Eligible Services, or during the billing and collection process. The determination of financial need may occur at any point in the collection cycle up to 240 days from the first billing statement. The need for payment assistance shall be re-evaluated at each subsequent time of service if the last financial

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evaluation was completed more than 180 days prior, or at any time additional information relevant to the eligibility of the patient becomes known. If such information does change, it is the patient's responsibility to notify Carilion of the updated information.

Applications can be obtained from the locations listed in Section V of this Policy.

If additional information relevant to the eligibility of the patient becomes known, it is the patient's responsibility to immediately notify Billing Customer Service of the updated information at 540-224-5900 or 1-866-720-3742.

Assistance in completing an FAA can be obtained by contacting Billing Customer Service at 540-224-5900, or 1-866-720-3742. A completed application will be processed promptly by Carilion's Financial Assistance Department. Initial Determinations are made by the financial assistance staff. Except in the case of Presumptive Eligibility, granting of Financial Assistance is contingent upon satisfactory completion of an FAA, including full supporting documentation and validation with external agencies.

Notice of Financial Assistance Determination

Requests for Financial Assistance shall be processed promptly and Carilion shall notify the patient or applicant in writing of its decision on a completed application. Carilion will make all reasonable efforts to provide written notification to the patient or applicant of its Determination within 30 days of receipt of a completed application. Such notice may be in the form of a billing statement which shows the amount of Financial Assistance applied to the patient's account(s). If a patient is granted 100% Financial Assistance, written notice will be sent via a billing statement to the guarantor.

Calculations of Financial Assistance and Discounts

A. Uninsured Patients

1. Uninsured Discount.

All persons who are Uninsured shall have their bills reduced by no less than an Uninsured discount, without regard to their discretionary assets. The Uninsured Discount does not apply to the Services outlined below that are also excluded from Financial Assistance. Carilion shall establish its Uninsured Discount at the beginning of every fiscal year. This Uninsured Discount is reversed and replaced with Financial Assistance for patients receiving Financial Assistance.

2. Financial Assistance

The basis for the amount Carilion Hospital Facilities and Providers charge to Uninsured patients who demonstrate eligibility for Financial Assistance is as follows:

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Basis of Calculation

- a. Hospital Facility and Provider charges are reduced by either 100% or the Amount Generally Billed (AGB) percentage for each Hospital Facility and Provider, subject to the adjustment described below.
- b. The determination of which rate applies is based on a review of the Family's Available Assets and Family Income
- c. Level of Financial Assistance
 - i. 100% Financial Assistance will be provided to patients with Available Assets of less than \$15,000 and Family Income less than 200% of FPG
 - ii. All other patients eligible for Financial Assistance will receive a discount equal to the AGB percentage for each Hospital Facility or Provider.

B. Underinsured Patients

The basis for the amount Carilion Hospital Facilities and Providers charge to Underinsured patients who demonstrate eligibility for Financial Assistance is as follows:

Basis of Calculation

1. For Hospital Facility and Provider charges, all insurance payments are first applied and the remaining balance that is the patient's responsibility is reduced by either a 100% or will receive a discount equal to the AGB percentage for each Hospital Facility or Provider.
2. The determination of which discount rate applies is based on a review of the Family's Available Assets and Family Income.
3. Level of Financial Assistance
 - a. 100% Financial Assistance is provided to patients with Available Assets of less than \$15,000 and Family Income less than 200% of FPG.
 - b. All other patients eligible for Financial Assistance will receive a discount equal to the AGB percentage for each Hospital Facility or Provider applied to the amount of the patient's responsibility after all insurance payments are applied. In no event will the patient be responsible for paying more than the AGB.

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Services

The following healthcare services are not eligible for Financial Assistance under this Policy:

- Purchases from Carilion retail operations, such as gift shops, retail pharmacy, aesthetics, cosmetic surgery, and durable medical equipment or cafeteria purchases.
- Any products or services that are:
 - Inconsistent with the symptom(s) or diagnosis and treatment of the condition, disease or injury.
 - Primarily for the convenience of the patient, the patient's family, the physician or other provider.
 - Not the most appropriate level of services that can safely be provided to the patient.
- Services provided by non-Carilion entities or physicians (for example, certain non-Carilion lab studies, non-Carilion home health and medical equipment or non-Carilion transportation services).
- Optional private room or suite accommodations.
- Elective, not medically necessary, procedures such as cosmetic surgery, gastric bypass (bariatric), reproductive sterilization, and reversal of sterilization.
- Services (facility and physician) provided at Velocity Care.
- Occupational Medicine
- Orthodontia

Actions In the Event of Non-Payment

The actions Carilion may take in the event of non-payment for services are described in a separate Billing and Collections policy, a copy of which can be obtained free of charge from the locations listed in Section V of this Policy.

Communication of Information about the Policy to Patients and the Public

Carilion will take reasonable efforts to ensure that information about this Policy and its availability is clearly communicated and made widely available including posting in public locations within the Hospital Facility and Provider locations, providing paper copies at no charge to the patient, inclusion with the final billing notice, posting on the Carilion website, and placement of a notice on each billing statement. A list of the Providers, other than the Hospital Facilities, delivering Emergency or Medically

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Necessary care who are covered (and who are not covered) under this Policy is available free of charge from the locations listed in Section V of this Policy.

Federal Poverty Guidelines

Carilion will follow the Federal Poverty Guidelines as referenced in the attached addendum which may be revised from time to time.

Misrepresentation

Carilion may deny an application for Financial Assistance and/or may reverse previously applied discounts if it learns of information which it believes supports a conclusion that information previously provided was inaccurate. In addition, Carilion may elect to pursue legal actions, including criminal charges, against persons who it believes knowingly misrepresented their financial condition, including those who accept financial assistance after an improvement in their financial circumstances which was not made known to Carilion.

Monitoring

The Revenue Cycle Vice President shall be responsible for monitoring compliance with this policy, and any necessary enforcement.

V. OTHER ISSUES / CONCERNS:

- Locations for obtaining copies of the Financial Assistance policy, Billing and Collections policy, applications or calculation of the AGB discount:
 - Patient Access/Patient Registration areas at our Hospital Facilities
 - Billing Customer Service, Suite 101, Carilion Administrative Services Building, 213 S. Jefferson Street, Roanoke, Virginia 24011
 - Patient Payment Services, 1502 Williamson Rd., Suite 200, Roanoke VA 24012
 - By calling Billing Customer Service at 540-224-5900 or 1-866-720-3742
 - Carilion's website, carilionclinic.org.

Approvals

Name	Title	Dept./Committee	Date
Don Halliwill Carilion Clinic Finance Committee	Chief Financial Officer	Finance	



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Facility: | All |
Origin Date: | 10/1997 |
Last Updated: | Effective Feb. 1, 2017 |
Sponsor: | Revenue Cycle |

ADDENDUM
Federal Poverty Guidelines – February 2017

% of Federal Poverty Level 200% 400%

FAMILY SIZE

1	\$24,120	\$48,240
2	\$32,480	\$64,960
3	\$40,840	\$81,680
4	\$49,200	\$98,400
5	\$57,560	\$115,120
6	\$65,920	\$131,840
7	\$74,280	\$148,560
8	\$82,640	\$165,280

**EACH ADDITIONAL
MEMBER**

\$8,360	\$16,720
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Financial Assistance Application

Complete this form entirely to help us determine your eligibility for financial assistance. Return the completed form with copies of supporting documents to CASB, Suite 625, P.O. Box 40032, Roanoke, VA 24022-0032, or fax to 540-224-5444 or email to billingservice@carilionclinic.org.

Internal use only	
MRN	STATUS
HH	COUNTABLE RP EQUITY
GROSS ANNUAL INCOME	TOTAL LIQUID ASSETS

Your application for Financial Assistance is not complete without the information listed below. Please do not send original documents as we are unable to return these documents to you.

- Proof of Income.** (Copies of last month's pay stubs, letter from employer, SSA Award letter, unemployment award letter, pension letter, etc. If you are self-employed, attach a copy of your previous year's federal tax form.)
- Copies of last month's checking, saving, CD, IRA statements and proof of any other asset listed.**
- Proof of value of real property and loan pay-off amount.**
- Copy of both front and back of your health insurance card.**

About the Patient		
Patient's Full Name	Date of Birth	Marital Status
Physical Address	City, State, Zip	
Mailing Address (if different)	City, State, Zip (if different)	
Home Phone #	Mobile Phone #	
Employer's Name	Employer's Phone #	
Health Insurance Name	Subscriber ID/Subscriber Name	

Family Members include the patient, spouse and legal dependents under age 18 living in the home. If the patient is a minor, then the parents and siblings under age 18 living in the home are family members.

Please List All Family Members			
Name	Date of Birth	Relation to Patient	Income Gross income from wages, Social Security, retirement, pensions, VA, unemployment or any other source.
1			
2			
3			
4			
5			
6			

Statement of Support

If you reported \$0 income for your family, provide a brief explanation of how you meet your basic living needs. _____

DO NOT LEAVE BLANK.

Property	Address	Ownership	Tax Value	Loan Balance	Mortgage Company
Primary Residence		<input type="checkbox"/> Own <input type="checkbox"/> Rent			
Other Property		<input type="checkbox"/> Own <input type="checkbox"/> Rent			
Other Property		<input type="checkbox"/> Own <input type="checkbox"/> Rent			

DO NOT LEAVE BLANK. List all accounts.

Banking/ Investments	Institution	Balance	Account Holders
Checking <input type="checkbox"/> YES <input type="checkbox"/> NO	1		
	2		
Savings <input type="checkbox"/> YES <input type="checkbox"/> NO	1		
	2		
CDs <input type="checkbox"/> YES <input type="checkbox"/> NO			
401k/403b/IRA <input type="checkbox"/> YES <input type="checkbox"/> NO			
Stocks/Bonds <input type="checkbox"/> YES <input type="checkbox"/> NO			
Other (trust fund, etc.)			

Acknowledgment and Signatures

I understand that the information provided in this application will be used to evaluate my ability to pay my medical bills.

I agree to cooperate with Carilion Clinic in pursuing reimbursement from any available insurance or medical payment programs. I understand that all or part of my indebtedness to Carilion may be reduced if I qualify under the current Financial Assistance Guidelines. I hereby certify that the information contained in this form is accurate, and I authorize any and all parties to release any information necessary to confirm this information.

I further authorize and agree that Carilion may obtain credit reports with respect to me. In exchange for Carilion's consideration of this application, I reaffirm that I am financially responsible for the accounts upon which I have applied for assistance.

Signature:	Printed Name:
Relationship to Patient:	Date:

If you need help completing this application, call Billing Customer Service at 540-224-5900 or 1-866-720-3742 (toll-free). Or stop by Billing Customer Service, Carilion Administrative Services Building, 213 S. Jefferson St., Lobby, Roanoke, VA 24011, Monday-Friday, 9 a.m. - 6 p.m.

For more information, visit CarilionClinic.org/billing/financial-assistance.