



Swedish Covenant Hospital

Department 02 Financial Services
Cost Center 907 Patient Billing
Policy 07 Financial Assistance Policy

Submitted By: Thomas Garvey, Senior Vice President, Chief Financial Officer

Approved By: *Robert Newson* President/CEO 2-11-16
Signature Title Date

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Reviewed: every three years

PHILOSOPHY

- Swedish Covenant Hospital (SCH), in keeping with the mission of the Evangelical Covenant Church, serves the medical needs of the community, regardless of race, creed, color, sex, national origin, sexual orientation, handicap, residence, age, ability to pay, or any other classification or characteristic.
- SCH recognizes the need to render care to the sick that do not possess the ability to pay for their services.
- These health care services are provided with financial assistance to persons in need, based upon established criteria, recognizing the importance of maintaining the dignity of the individual during the consideration process.
- In recognizing the need to provide financial assistance to patients who lack the ability to pay for services in full, SCH expects all patients with the ability to pay to meet their financial obligations in a timely and efficient manner, in accordance with the institution's collection policies.

DEFINITIONS

- Emergent (service level) - Medical services needed for a condition that may be life threatening or the result of a serious injury and requiring immediate medical attention. This medical condition is generally governed by Emergency Medical Treatment and Active Labor Act (EMTALA).
- Family - As defined by the U.S. Census Bureau, a group of two or more people who reside together and who are related by birth, marriage, or adoption. If a patient claims someone as a dependent on their income tax return, according to the Internal Revenue Service rules, they may be considered a dependent for the purpose of determining eligibility under SCH's financial assistance policy.

- **Income** - Income includes wages, salaries, self-employment income, unemployment compensation, worker's compensation, payments from Social Security, public assistance, veteran's benefits, child support, alimony, educational assistance, survivor's benefits, pensions, retirement income, regular insurance and annuity payments, income from estates and trusts, rents received, interest/dividends, and income from other miscellaneous sources.
- **Family Income** - A person's family income includes the income of all adult family members in the household. For patients under 18 years of age, family income includes that of the parents and/or step-parents, or caretaker relatives.
- **Financial Support** - Support (financial assistance, discounts, etc.) provided to patients for whom it would be a hardship to pay for the full cost of medically necessary services provided and who meet Swedish Covenant Hospital's eligibility criteria for such assistance.
- **Uninsured Patient** - An individual who is uninsured, having no third-party coverage by a commercial third-party insurer, an ERISA plan, a Federal Health Care Program (including without limitation Medicare, Medicaid, SCHIP, and CHAMPUS), Worker's Compensation, or other third party assistance to cover all or part of the cost of care, including claims against third parties covered by insurance to which Swedish Covenant Hospital is subrogated, but only if payment is actually made by such insurance company.
- **Urgent (service level)** - Medical services for a condition not life threatening, but requiring timely medical services.

POLICY

1. Swedish Covenant Hospital (SCH) provides care to all patients in need of medically necessary services. Emergency care services will be provided to all patients, regardless of the patient's ability to pay.
 - a. SCH complies with the Illinois Uninsured Patient Discount Act by providing a discount on standard charges to all uninsured patients based on an annually adjusted formula as stated in the Act.
 - b. The discount amount is applied to the charges after the first \$300.00 for each inpatient stay or outpatient service.
 - c. Patient liability per the Act will be \$300.00 plus the remainder after the discount.
 - d. The maximum amount collectible in a 12-month period from a patient without insurance is 25% of the family's annual gross income.
2. Approval for financial assistance is limited to medically necessary health care services rendered during a single inpatient admission or outpatient encounter.
 - a. Medically necessary services are any inpatient or outpatient hospital service covered under Medicare for beneficiaries under the same circumstances.
 - b. Non-medical services and elective services, such as cosmetic surgery, are not considered medically necessary services.
 - c. Also, services not provided or billed by Swedish Covenant Hospital, such as but not limited to pathologist, radiologist, physicians or other professional billing services, are not covered by this policy.
3. Approval for financial assistance will only affect the patient's active liability as of the date the completed application is received.

4. Financial assistance is contingent upon each uninsured patient first applying for programs that may pay for their healthcare services, such as Medicare, Medicaid, All-Kids, the State Children's Health Insurance Program or any other program for which there is a reasonable basis to believe that the uninsured patient may be eligible including the purchase of commercial insurance on the Health Insurance Exchange under the Affordable Care Act.
 - a. SCH may deny financial assistance to those individuals who unreasonably fail to cooperate in applying for these programs.
 - b. SCH will make affirmative efforts to assist patients in applying for public and private programs.
 - c. Insured patients, including patients who are out of network or are covered by an insurance program at another provider or facility, are not automatically eligible for financial assistance under this policy.
 - d. For those patients who are insured, but nevertheless lack the financial resources to pay for their health care services, SCH may, at its sole discretion, provide financial assistance to those who meet eligibility criteria under this policy.
5. SCH requires patients requesting financial assistance to fully complete the application and provide documentation of family income within 60 days from the date the application is sent. SCH will not pursue collection activity during this time.
6. Patients who are approved for financial assistance and earn a family income less than 300% of the federal poverty income guidelines will receive care at no cost for their patient balance after \$300.00 per inpatient stay or outpatient services. Example of eligibility criteria: Patient balance: \$1000.00 and qualifies for the hospital financial assistance program. Patient will be responsible for \$300.00 and the hospital will waive \$700.00. Patient balances less than \$300.00 will not qualify to apply for financial assistance.
7. SCH may enter into written agreements with entities which (i) are Federally Qualified Health Centers which are recipients of federal funding under Section 330 of the Public Health Service Act, (ii) are dedicated to maintaining or increasing the availability, or enhancing the quality, of services provided to a medically underserved population served both by the health center and by SCH, and (iii) participate in medical education programs supported by both the health center and by SCH. Such a written agreement may provide that SCH will make financial assistance available to patients referred by the health center who earn a family income less than 200% of the federal poverty income guidelines, and in such case the minimum \$300 payment described in Section 6 above will not be required.

PRESUMPTIVE CHARITY

1. Patients shall be deemed presumptive eligible under the hospital's financial assistance program if the patient demonstrates one or more of the following criteria's:
 - a. Homelessness
 - b. Deceased with no estate
 - c. Mental incapacitation with no one to act on patient's behalf
 - d. Medicaid eligibility, but not on date of service or for non-covered services
 - e. Enrollment in the following assistance programs for low income individuals having eligibility criteria at or below 200% of the federal poverty income guidelines:

- 1) Women, Infants and Children Nutritional Program (WIC)
 - 2) Supplemental Nutritional Assistance Program (SNAP)
 - 3) Illinois Free Lunch and Breakfast Program;
 - 4) Low Income Home Energy Assistance Program (LIHEAP)
 - 5) Enrollment in an organized community-based program providing access to medical care that assesses and documents limited low income financial status as a criterion for membership;
 - 6) Receipt of grant assistance for medical services
2. SCH will use best efforts to determine a patient's eligibility for financial assistance prior to or at the time of admission or service. However, determination for financial assistance can be made at any time during the patient's stay after stabilization or during the collection cycle. Determination for financial assistance will be made after all efforts to qualify the patient for government financial assistance or other programs have been exhausted.

COLLECTION PRACTICES

1. SCH maintains billing and collection practices for patient payment obligations that are fair, consistent and compliant with state and federal regulations.
2. SCH makes available to patients who are unable to pay the account in full a reasonable payment plan.
3. SCH will not pursue collection action against an uninsured patient until the patient has had the opportunity to assess the accuracy of the bill, apply for financial assistance under the Hospital's financial assistance policy, and avail themselves of a reasonable payment plan.
4. SCH will not engage in extraordinary collection actions (ECAs, as defined in federal regulations) until the Hospital has made reasonable efforts to determine whether the patient is eligible for financial assistance. ECAs include:
 - a. Selling the debt (unless the debt purchaser is prohibited from engaging in any ECAs or charging interest in excess of legally permitted rates, and the debt is recallable by SCH if the patient is determined to be eligible for financial assistance);
 - b. Making adverse reports to consumer credit reporting agencies or credit bureaus;
 - c. Deferring or denying, or requiring a deposit before providing, medically necessary care because of the patient's nonpayment for previously provided care, except as permitted by law; and
 - d. Actions requiring legal or judicial process, including but not limited to placing a lien on the individual's property (other than a health care service lien on proceeds of a personal injury action); foreclosing on real estate; attaching the individual's bank account or other personal property; commencing a civil action; causing an individual's arrest; causing an individual to be subject to a writ of body attachment; and garnishing an individual's wages).

REFERENCES

Fair Patient Billing Act, 210 ILCS 88/

Hospital Uninsured Patient Discount Act, 210 ILCS 89/77 Ill. Admin. Code Part 4500,

Hospital Financial Assistance under the Fair Patient Billing Act

Regulations Implementing Section 501 (r) of the Internal Revenue Code, 26 C.F.R. § 1.501(r)

Approved by Finance Committee: 5/18/2015

Approved by the Board of Directors: 6/20/2015, 2/10/2016

**PROVIDERS NOT COVERED UNDER SWEDISH COVENANT HOSPITAL
FINANCIAL ASSISTANCE POLICY**

- SCH Pathology
- Diagnostic Radiology Specialist
- AMC Anesthesia
- Swedish Emergency Associates
- Physicians who are a member of SCH medical staff