SSMHealth POLICY

TITLE:

Hospital Financial Assistance (Charity Care) Policy

OUTCOME STATEMENT:

SSM Health's Financial Assistance Policy identifies opportunities for financial assistance to patients who are financially or medically indigent and demonstrate an inability to pay for the services provided to them or their dependents. The Financial Assistance Policy (FAP) provides and establishes system-wide guidelines for financial assistance that ensures compliance with all state, federal and regulatory guidelines.

SSM Health is committed to providing financial assistance to persons who have healthcare needs and are uninsured or underinsured. Consistent with its mission to deliver compassionate, high quality, affordable healthcare services and to advocate for those who are poor and disenfranchised, SSM Heath strives to ensure that the financial capacity of people who need healthcare services does not prevent them from seeking or receiving care. SSM Health will provide, without discrimination, emergency care for medical conditions to individuals regardless of their eligibility for financial assistance or for government assistance.

Accordingly, this policy:

- Includes eligibility criteria for financial assistance
- Describes the basis for calculating Amounts Generally Billed (AGB) to patients eligible for financial assistance under the policy
- Describes the method by which patients may apply for financial assistance
- Limits the amounts that the hospital will charge for emergency or other medically necessary care provided to individuals eligible for financial assistance to the AGB.
- Lists Financial Assistance and Other Discounts that may be provided to patients

Financial assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with SSM Health's procedures for obtaining insurance available or other forms of payment, and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets. SSM Health may at any time define and revise the criteria determining eligibility for financial assistance.

In order to manage its resources responsibly and to allow SSM Health to provide the appropriate level of assistance to the greatest number of persons in need, the Board of Trustees establishes the following guidelines for the provision of patient Financial Assistance.

* As required by CMS Regulation §482.12 A-0043 Conditions of Participation: Governing Body, the following hospitals are included as SSM entities: **Missouri**: (1) SSM Health St. Mary's Hospital – St. Louis and SSM Health Cardinal Glennon Children's Hospital, (2) SSM Health DePaul Hospital – St. Louis, (3) SSM Health St. Clare Hospital – Fenton, (4) SSM Health St. Joseph Hospital – Lake St. Louis, (5) SSM Health St. Joseph Hospital – St. Charles and SSM Health St. Joseph Hospital – Wentzville, (6) SSM Health Saint Louis University Hospital, (7) SSM Health St. Francis Hospital – Maryville, (8) SSM Health St. Mary's Hospital – Jefferson City, (9) SSM Health St. Mary's Hospital – Audrain, **Oklahoma**: (1) St. Anthony Hospital and Bone & Joint Hospital at St. Anthony, (2) St. Anthony Shawnee Hospital, **Wisconsin**: (1) SSM Health St. Mary's Hospital - Madison, (2) SSM Health St. Clare Hospital - Baraboo, (3) SSM Health St. Mary's Hospital - Janesville, **Illinois**: (1) SSM Health St. Mary's Hospital – Centralia and (2) SSM Health Good Samaritan Hospital – Mt. Vernon

SCOPE:

This policy is applicable to all SSM Health hospitals*.

FILE MAINTENANCE INFORMATION:

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Author(s):	Julie Underwood, Director, Patient Services Center
Reviewers:	Paul Sahney, System Vice President, Revenue Management Kris Zimmer, Chief Financial Officer
Body or Person Last Approved:	Laura Kaiser, President / CEO
Date Approved:	May 24, 2018

DEFINITIONS:

I. **Application Period**: Defined as the time provided to patients by the hospital to complete the Financial Assistance application. It begins on the first day care is provided and ends on the 240th day after the hospital provides the individual with the first post-discharge billing statement for the care provided.

II. **Eligible Service Area**: The geographic area, identified as a cluster of ZIP codes, from which 75% of a hospital's discharges originate for all hospitals.

III. **Family Size**: Family size is defined by the Internal Revenue Service and is equal to the number of individuals for whom the taxpayer is allowed a deduction on their federal tax return. If IRS tax documentation is not available, family size will be determined by the number of family members documented and verified on the financial assistance application.

IV. **Family Income**: Family Income is determined using the Census Bureau definition, which uses the following income when computing Federal Poverty Level (FPL):
   A. Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, assistance from outside the household, and other miscellaneous sources;
   B. Noncash benefits (such as food stamps and housing subsidies) do not count;
   C. Determined on a before-tax basis;
   D. Excludes capital gains or losses; and
   E. Includes the income of all family members who are included in the family size. (Non-relatives, such as housemates, do not count).

V. **Federal Poverty Level (FPL)**: The set minimum amount of gross income that a family needs for food, clothing, transportation, shelter and other necessities. It is determined by the Department of Health and Human Services and is adjusted for inflation and reported annually in the form of poverty guidelines.

VI. **Financial Assistance**: Defined as free or discounted health care services provided to persons who cannot afford to pay all or a portion of their financial liability for services and who meet SSM Health's financial assistance policy criteria.

VII. **Financial Indigence**: Financially indigent persons include uninsured and underinsured persons who meet an institution's eligibility for discounted care up to and including a 100% discount.

VIII. **Medical Indigence**: Medically indigent patients include persons with catastrophic medical costs for whom payment of medical bills would threaten the household financial viability. Qualifying as a medically indigent patient does not require qualification as financially indigent. Generally, medically indigent persons qualify for reductions in their obligations to pay for medical services rendered. The Medical Indigence program considers the patient's ability to pay without liquidating assets critical to living or earning a living, such as home, car, personal belongings, etc. All patients are eligible to be considered for medically indigent status with the exception of patients with income below 200% of the FPL, as these patients are considered eligible for 100% financial assistance under the financially indigent definition.

IX. **Medically Necessary Services**: Defined by Medicare as services or items reasonable and necessary for the diagnosis, prevention or treatment of an illness, injury or disease.

X. **Patient Liability**: The amount a patient is personally responsible for paying after all available discounts, including uninsured discount, financial assistance discount and discount due to limitation on charges to patients per 501 (r) regulations.

XI. **Plain Community**: A faith based group connected by business, shared culture, and simple living (e.g. Amish, Mennonite)

XII. **Presumptive Charity Eligibility**: SSM Health will utilize predictive analytical software or other criteria to assist in making a determination of financial assistance eligibility in situations where the patient qualifies for financial assistance but has not provided the necessary documentation to make a determination.

XIII. **Underinsured**: The patient has some level of insurance or third-party assistance but still has out-of- pocket expenses that exceed his/her financial abilities.

XIV. **Uninsured**: The patient has no insurance coverage for the Medically Necessary care provided.

PROCESS:

I. **Services Eligible**: For purposes of this policy, all emergency and Medically Necessary services provided by the hospital are eligible.

The following health care services are not considered Medically Necessary and are not eligible under this policy:

A. Cosmetic treatment and/or procedures unrelated to severe congenital malformations or physical disfigurations caused by injury or illness determined not medically necessary by a licensed physician
B. Bariatric procedures determined not medically necessary by a licensed physician
C. Any other service or procedure determined by a licensed physician to be not medically necessary

II. **Eligibility for Financial Assistance**: Eligibility for financial assistance will be considered for those individuals who:

A. Have limited or no health insurance;
B. Cooperate with SSM Health's policies and procedures;

C. Demonstrate financial need;
D. Supply all required information to process the application; and
E. Reimburses the Hospital for any monies paid directly to patient by insurance.

The granting of financial assistance shall be based on an individualized determination of financial need, and shall not take into account race, color national origin, religion, sex, gender identity, sexual orientation, disability, age, marital status, socioeconomic status, or source of payment. A determination of financial assistance will be effective for a period of up to 60 days. This eligibility starts at the approval date and will encompass all outstanding receivables including those at bad debt agencies.

III. **Financial need and eligibility will be determined in accordance with the following procedures:**

A. **Application** - In order to be eligible for financial assistance consideration, the patient or guarantor must complete the Patient Financial Assistance Application form and submit the documentation requested to support reported income and expenses. One application will cover the unpaid patient liabilities for all open accounts for the same guarantor or additional patients listed on the application that reside at the same residence. Applications for financial assistance should be complete and accurate and include verifiable proof of income and/or assets as well as unusual expenses.

Patients can also submit an application verbally, either over the phone to a Financial Assistance Representative or face to face with a Financial Counselor. The Financial Assistance Representative or the Financial Counselor will document the patient responses onto the application form and the patient will verify and attest to all the information. All supporting documentation must be supplied for the application to be considered complete.

SSM Health's values of respect and stewardship shall be reflected in the application process, financial need determination and granting of financial assistance. Requests for financial assistance shall be processed promptly and SSM Health shall notify the patient or applicant in writing within a reasonable time limit of receipt of a completed application. Each patient has the opportunity to apply for financial assistance prior to treatment, and throughout the Application Period.

Applications will not be considered complete unless the required documentation is received and evaluated by a financial assistance analyst. Applicants will receive written notice regarding the decision of their application. The applicant will receive an updated statement(s) reflecting any financial assistance discounts during their next regular billing cycle.

Applications for Financial Assistance require the following documents (Please note that the documents will not be accepted if they are altered):

1. Completed written/verbal application
2. Bank/Savings Statements for most recent three months
   a) An explanation of any unusual deposits/expenses on the bank/savings statements
   b) Documents must reflect all deposits.
3. Income verification for applicant.
   a) Verification of income can include (not an inclusive listing): pay stubs, unemployment checks, social security award letters/checks, disability award letters, child support documentation, and pension verification.
   b) If guarantor filed married, filing joint on most recent taxes, the guarantor must send income verification for spouse as well.
4. Tax Return Documentation
   a) Most recently filed tax return or Non-Filing Letter from the IRS. Taxes must be accompanied by all supporting schedules (A-F) and documents (W2s, 1099s) to be considered complete.

5. Medicaid Approval/Denial Letter
    a) This is only a requirement if the hospital financial counselor has pre-screened the patient for Medicaid eligibility.
    b) If patient is pre-screened as potentially eligible, they must cooperate with Medicaid application process to be eligible for financial assistance with SSM Health.
6. Additional documents that may be requested (to qualify patient for medical indigence) include:
    a) Verification of monthly expenses
    b) All medical bills, housing bill, and any other bill essential to the basic needs of living.
    c) A declaration of income/supporter statement

B. **Consideration for Patient Assets**: Available assets in excess of $5,000, with the exception of Protected Assets listed below, will be added to current year's income in establishing the level of financial assistance to be offered to the patient.

Protected Assets include:

1. 50% of the equity in primary residence up to $50,000;
2. Business use vehicles;
3. Tools or equipment used for business; reasonable equipment required to remain in business;
4. Personal use property (clothing, household items, furniture);
5. IRAs, 401K, cash value retirement plans;
6. Financial awards received from non-medical catastrophic emergencies;
7. Irrevocable trusts for burial purposes, prepaid funeral plans; and/or;
8. Federal/State administered college savings plans.

C. Presumptive Financial Assistance Eligibility: SSM Health understands that certain patients may be unable to complete a financial assistance application. As a result, the patients' eligibility for financial assistance will be established using externally available third-party data sources such as credit agencies. (See Exhibit C for income and credit score criteria). In addition Presumptive Financial Assistance will be granted to patients who are homeless or received care from a homeless clinic, deceased patients with no known estate, or patients granted relief by the courts for bankruptcy.

D. **Incomplete Applications**: All incomplete applications will receive a letter of notification that will detail the information that is needed to satisfy the documentation requirements for eligibility. If the applicant sends in incomplete documentation a second time, the applicant will receive a letter and a phone call attempt to notify the patient that their application is not complete.

Applications for financial assistance can be returned to a Financial Counselor at the hospital in which care was provided or mailed to:

SSM Health
Attention: Financial Assistance
PO Box 28205
St. Louis, MO 63132
Fax: (314) 989-6734
Email: financialaid@ssmhealth.com

Questions about the Financial Assistance Policy may be directed to SSM Health Customer Service, 855-989-6789.

IV. **Eligible Service Areas**: Eligibility for financial assistance may be restricted to residents in eligible service areas of SSM Health's Operating Entities. SSM Health operating entities may limit financial assistance to the Eligible Service Areas only if prior year:

A. Operating margin is negative; or
B. Cost of charity care as a percentage of total expenses is greater than three (3) percent.

SSM Health operating entities that meet these criteria must submit a written request to the Chief Mission Integration Officer with supporting data and receive formal approval before implementing restrictions of financial assistance to residents in Eligible Service Area

V. **Cooperation to Establish Coverage**: SSM Health supported by some specialist vendors, will proactively help patients apply for public and private programs to establish coverage for health care services. SSM Health may deny financial support to those individuals who do not cooperate in applying for those programs (e.g. Medicaid, COBRA, Ticket to Work) that may pay for their health care services.

VI. **Out-of-Network Services**: SSM Health hospitals are not in-network for certain insurance plans. As an out-of-network provider, SSM Health may not receive any reimbursement from the insurance carrier. Patients that seek services at SSM Health hospitals, out of network of their insurance plan, are not eligible for financial assistance if other providers within SSM hospital Eligible Service Area has in-network providers capable of providing the service.

VII. **International/Traveling Patients**: The Financial Assistance will not be available to International/Travelling patients.

VIII. **Plain Community Patients**: Due to these patient's inability to cooperate with applying for insurance coverage and ability to provide necessary supporting documentation, these patients will not be eligible for Financial Assistance. A discount (see section IX) will be provided to the Plain Community patients.

IX. **Discounts to Patients**:

A. **Uninsured Discounts**: SSM Health provides a discount on gross charges for all Uninsured patients (See Exhibit A).

B. **Charity Discounts**: SSM Health provides a charity discount for eligible patients based on Federal Poverty Level Guidelines. The charity care discount is applied to the patient's remaining liability after insurance for insured patients and after the uninsured discount is applied for uninsured patients (See Exhibit B).

C. **Plain Community Discounts**: Members of an established Plain Community will receive a discount in the range of average of Medicare Fee-for-service and private health insurance to 10 percentage point below the average.

D. **Catastrophic Discounts**: Patients may be eligible to receive a discount on a case-by-case basis based on their specific circumstances, such as catastrophic illness or Medical Indigence, at the discretion of SSM Health. In such cases, other factors may be considered in determining their eligibility for discounted or free services, including:

1. Bank accounts, investments and other assets
2. Employment status and earning capacity
3. Amount and frequency of bills for health care services
4. Other financial obligations and expenses
5. Generally, financial responsibility will be no more than 25% of gross family income.

6. Attestation(s) for income/support to assist in determining FPL, in the case of missing documents ("Declaration of Income/Supporter Statement")
7. Credit report(s)

X. **Amount Generally Billed (AGB)/Limitation of Charges**: SSM Health limits the amount charged for emergency and medically necessary care provided to patients who are eligible for financial assistance under this policy to not more than gross charges for the care multiplied by the AGB percentage. The AGB percentage is determined using the look-back method. (See Exhibit D).

The AGB percentage is calculated at a hospital level, at a minimum annually, with implementation not more than 120 days after the end of the 12 month period utilized above.

XI. **Relationship to Collection Policies**: Patients/guarantors are expected to pay the amount of their account that is not eligible for assistance under this policy. Patients/guarantors who fail to pay their balance after the associated discounts have been applied will be subject to normal collection procedures. Please see SSM Billing and Collection Policy for a comprehensive schedule of collection activities to which an account will be subjected. A copy of the SSM Billing and Collection Policy may be obtained at no charge by either calling the Customer Service Center (855-989-6789) or from a Financial Counselor at any local SSM Health hospital.

XII. **Providers Covered**: A list of providers that are covered under this policy and, those that are not, is maintained at https://www.ssmhealth.com/SSMHealth/media/Documents/SSM-Health-Provider-Listing-all-facilities-FAP.pdf.

Any questions about inclusion or exclusion of providers that are covered under this policy can be directed to SSM Health Customer Service at (855) 989-6789.

XIII. **Regulatory Requirements**: In implementing this policy, SSM Health 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.

XIV. **Documentation**: Patient Business Services will maintain records of its financial assistance applications, determinations of financial assistance and notices to patients to adequately document its fair and consistent application of this policy in accordance with our policy on record retention and destruction

XV. **Annual Reporting**: Each hospital will be required to report information related to financial assistance and non-covered services for Medicaid and other public aid programs for the indigent in the annual disclosure packet and in the Community Benefit Inventory for Social Accountability (CBISA) software program.

Information to be collected shall include:

1. Total number of persons served;
2. Total charges forgiven;
3. Total cost of financial assistance as defined in this policy and;
4. Expenses incurred by the provision of financial assistance

Provider taxes, assessments or fees or Medicaid DSH funds in the appropriate state, are used in whole or in part to offset the cost of financial assistance.

XVI. **Policy Questions**: If operational questions arise as to the application of certain guidelines contained within this policy, they should be referred to Director, Patient Service Center or System Vice President, Revenue Management. Any additional guidelines for implementation should be reviewed by the Chief Mission Integration Officer and referred to System Management for consideration and approval.

Exhibit A: Uninsured Discounts

Region	Uninsured Discount(s) from gross charges
Oklahoma	45%
Wisconsin	23%
Southern Illinois	20%
Maryville	15%
Mid-Missouri	35%
Saint Louis (Except St. Louis University Hospital)	40%
Saint Louis University Hospital	60%

Uninsured discounts have been established within a range of 55% to 65% of the average commercial discount for each region.

Exhibit B: Charity Discounts

Sliding Eligibility Scale based on Federal Poverty Level For All Regions.

Federal Poverty Level	Financial Assistance Discount
0% – 200%	100%
201% - 250%	80%
251% - 300%	60%
301% - 350%	50% of amount over $2,000
351% - 400%	20% of amount over $2,000
Over 400%	0%

Exhibit C: Presumptive Financial Assistance Guidelines

Uninsured Patients

Federal Poverty Level	Health Credit Score	Financial Assistance Discount
0% – 200%	< 620	100%
201% - 250%	< 620	80%
251% - 300%	<620	60%
301% - 350%	< 620	50% of the amount over $2,000
351% - 400%	< 620	20% of the amount over $2,000

Insured Patients

Federal Poverty Level	Health Credit Score	Financial Assistance Discount
0% – 200%	< 620	100% of the amount over $2,000

Exhibit D: Limitation of Charges/AGB

Hospital	Method
St. Mary's Health Center, St. Louis, MO	1
Cardinal Glennon Children's Hospital	1
DePaul Health Center	1
St. Clare Health Center	1
St. Joseph Hospital West	1
St. Joseph Health Center	1
St. Joseph Health Center-Wentzville	1
St. Francis Hospital & Health Services	1
St. Mary's Hospital – Jefferson City	1
St. Mary's Hospital – Audrain	1
Saint Louis University Hospital	3
St. Anthony Hospital	1
St. Anthony Shawnee Hospital	1
Bone & Joint Hospital at St. Anthony	1
St. Mary's Hospital Madison, WI	1
St. Clare Hospital Baraboo, WI	1
St. Mary's Janesville, WI	1
Good Samaritan Regional Health Center	1
St. Mary's Hospital Centralia, Illinois	1

Methods:

a) Under this method all claims paid by Medicare fee-for-service and private health insurers over the last 12 months are used. For these claims the sum of all allowable reimbursement amounts is divided by the sum of the associated gross charges.
b) Under this method, the hospital sets the amount generally billed (AGB) to the amount the hospital determines would be the total amount Medicare or Medicaid would allow for the care (including both the amount that would be reimbursed by Medicare or Medicaid and the amount the beneficiary would be personally for paying in the form of co-payments, co-insurance, and deductible.