

# Financial Assistance Guidelines

## A Suggested Policy for Oregon Hospitals

### Introduction

The following guidelines provide a suggested policy on financial assistance for qualifying patients in Oregon hospitals. This policy was developed through a collaborative effort by Oregon Association of Hospitals and Health Systems (OAHHHS), Portland-area hospitals' chief financial officers, and Oregon Health Action Campaign (OHAC).

The Financial Assistance Guidelines are approved for distribution in Oregon hospitals by the OAHHHS Board of Trustees. The policy establishes consistent and standardized eligibility criteria that addresses income levels, cultural accessibility, employee education about financial assistance programs, consumer information about the guidelines, and collection and lien practices.

It is recommended that the policy be adopted by individual hospitals and localized to meet their community's needs.

By accepting and implementing the core level of financial assistance guidelines, hospitals acknowledge and agree, to the extent possible, to the following:

- Hospital financial assistance policies will be consistent with recommended guidelines.
- Minimum assistance levels and sliding fee scales will be based on current Federal Poverty Guidelines published by the Centers for Medicare and Medicaid Services.
- Sliding fee scales allow situational exceptions for families above 150 percent of current Federal Poverty Guidelines.
- A common application process will be available for all hospital services.
- Written materials explaining the financial assistance programs in appropriate languages for the community will be readily available at registration sites.
- Continuing education and communication of financial assistance guidelines to employees will be implemented and monitored by hospitals.
- Final determination and qualification for financial assistance may vary from hospital to hospital, based on each hospital's individual guidelines.

*To this end,*

Each Oregon hospital will proceed with the necessary steps to update, gain approval for, and implement a financial assistance policy that incorporates the core agreements.

Each Oregon hospital will identify the most effective method to provide annual financial assistance education to employees. That education may be provided during new employee orientation, at employee health and safety fairs, management forums, through system newsletters, as paycheck inserts, or as part of business office employees' annual reviews.

Each Oregon hospital will monitor the effectiveness of its education and communications programs regarding financial assistance guidelines. Examples of how hospitals may self-monitor include:

- Sending "test patients" through the intake process.
- Visiting patient care department meetings and asking how to access financial assistance.
- Making "blind" telephone calls to hospital departments asking for assistance.
- Monitoring volumes of assistance after collection agency assignment.
- Soliciting patient feedback on the ease of finding out about and applying for financial assistance.

## **Recommended Financial Assistance Guidelines**

The OAHHS Board of Trustees encourages all hospitals across the state to review their current financial assistance policies and to include the following OAHHS/OHAC recommended guidelines to the extent possible.

1. Financial assistance should be available to all families below 150 percent of current Federal Poverty Guidelines (FPG).
2. A sliding fee scale and situational consideration should be available when family income exceeds 150 percent of FPG.
3. The sliding fee scale will be updated annually in conjunction with the FPG updates published by the Centers for Medicare and Medicaid Services in February or March of each year.
4. A hospital's financial assistance application and approval process should be the same regardless of service provided or amount of the bill.
5. Before any collection agency assignment, a patient's history should be reviewed to confirm whether a financial assistance determination was previously made.
6. Patients may re-apply for financial assistance before, during, or after care or after collection agency assignment if their situations change.
7. A standard Safety Net Clinic Assistance Application was developed. Hospitals should make financial assistance determinations from the Safety Net Clinic Assistance Application Form when presented and complete.

Hospitals may have their own assistance application form; however, the Safety Net Clinic Application should be honored, as well as other hospitals' application forms, provided all needed information is present.

8. Business cards notifying patients of financial assistance programs and where to telephone for assistance should be located throughout the hospital. The cards should be printed in up to four languages, sensitive to the hospital's service area.

9. Interpreter services should be available to individuals completing the financial assistance application at the hospital.
10. Signage notifying people of financial assistance programs should be posted in public locations in the hospital. The sign will provide the telephone number and the location of information about available financial assistance.
11. Brochures outlining the financial assistance application process should be available at patient registration desks and in waiting areas. Brochures should be available in languages appropriate to the hospital service area.
12. Hospital employees should know how to refer a patient or family to the appropriate location in the hospital for financial assistance information. In-service education should be updated annually.
13. All employees in patient accounting and registration areas should understand the hospital financial assistance policy, have access to the application forms, and be able to direct questions to the proper hospital representative.
14. Hospitals should evaluate staff financial assistance education by monitoring the ability of the public to obtain information in a timely manner about available resources.

## Sample Common Practices for Financial Assistance Screening

(Hospital mission statement)

Request for financial assistance may be made at any point before, during, or after the provision of care. The hospital will use an application process for determining initial interest in and qualification for financial assistance.

A responsible party choosing not to apply for financial assistance will not automatically be considered for assistance.

The hospital's decision to provide financial assistance in no way affects the responsible party's financial obligations to their physician or other healthcare provider. Requests for financial consideration may be proposed by sources such as physicians, community or religious groups, social services, hospital personnel, the patient, responsible party, or family member.

Financial assistance is specific to each admission of the patient. New or re-admission will be screened for changes in eligibility for financial assistance.

Financial assistance is granted for medically necessary procedures only. A business office representative should be consulted in special situations.

Financial assistance is secondary to all other financial resources available to the patient including insurance, government programs, third-party liability, and assets. *(Hospital name)* assists persons with financial need by waiving all or part of the charges for services provided by *(hospital name)*.

These are generally accepted guidelines; however, each individual situation will be reviewed independently. Allowances may be made for extenuating circumstances.

# Sample Financial Assistance General Operating Policy

Subject: Financial Assistance/Services

## I. OBJECTIVE

To ensure that (Hospital name) meets its community obligations to provide financial assistance in a fair, consistent and objective manner.

## II. POLICY STATEMENT

- A. It is both the philosophy and practice of (Hospital name) that medically necessary healthcare services should be available to all individuals, regardless of their ability to pay.
- B. (Hospital name) assists persons with financial need by waiving all or part of the charges for services provided by (Hospital name).

## III. PROCEDURE

### A. Eligibility Criteria

- 1. Financial counselors and Business Office personnel are available to help patients identify financial options or assistance programs.
- 2. Financial assistance is generally secondary to all other financial resources available to the patient, including insurance, government programs, third-party liability and assets.
- 3. Full financial assistance usually will be provided to a responsible party with gross family income at or below 150 percent of Federal Poverty Guidelines.
- 4. A sliding-fee scale will be used to determine financial assistance discounts when gross family income is above 150 percent of Federal Poverty Guidelines.
- 5. Notification of financial assistance determinations will be mailed to the responsible party. Reasonable payment arrangements consistent with the responsible party's ability to pay will be extended for amounts owed.

### B. Eligibility Determinations

- 1. The provision of healthcare should never be delayed pending an assistance determination.
- 2. Requests for financial assistance may be made at any point before, during or after the provision of care.
- 3. Financial assistance requests may be proposed by sources other than the patient, such as the patient's physician, family members, community or religious groups, social services, or hospital personnel.

4. Anyone wishing to make application for financial assistance with (Hospital name) will be given a Financial Assistance Application, which includes instructions on how to apply.
5. Consideration for financial assistance will occur once the applicant supplies a completed Financial Assistance Application with supporting documents to the (Hospital name) Business Office.
6. (Hospital name) will make every attempt to make assistance determinations within 20 days of receiving a completed Financial Assistance Application.
7. Consideration for assistance includes a review of the responsible party's annual household income, number of people in the home, assets, credit history, existing debt and other indicators of the party's ability to pay. These are merely guidelines; each individual situation should be reviewed independently. Allowances may be made for extenuating circumstances.
8. Acceptable verification of income includes the following: the most current 90 days' worth of payroll stubs; a copy of the most current year's IRS tax return; verification of Social Security or unemployment benefits. In the absence of income, a letter of support from individuals providing for the patient's basic living needs will be accepted.
9. (Hospital name) will keep all applications and supporting documentation confidential. (Hospital name) may, at its own expense, request a credit report to further verify the information on the application. Incomplete applications may be denied and returned with a statement of what information is needed and how to re-apply.
10. Financial assistance may be denied if application is not completed and returned to (Hospital name) within 20 days of receipt by the responsible party.
11. Financial assistance will not be considered without a completed Financial Assistance Application unless sufficient like information can be obtained that allows for a final determination without an application. In extenuating circumstances, where it can support a financial hardship exists, (Hospital name) may offer financial assistance at its own determination.
12. Financial assistance is not granted for some procedures, such as elective cosmetic surgery or some special situations, such as that of an individual who is eligible for insurance but has refused to apply. A Business Office financial counselor should be consulted in these special situations.

#### C. Appeals

The responsible party may appeal a financial assistance determination by providing additional information, such as income verification or an explanation of extenuating circumstances, to the Business Office director within 30 days of receiving notification. The Business Office director will review all appeals. The

responsible party will be notified of the appeals outcome. Collection follow-up on accounts will be pended during the appeal process.

APPROVED BY:

Chief Executive Officer Date

## **Sample Common Account Follow-up and Collection Practice**

1. Patient care service is provided. A charge is made by the hospital.
2. Within five to 30 days, a statement is sent to the patient or guarantor listing patient care services provided and the charges for the services.
3. If there is no response in 30 days, a follow-up request for payment is sent to the patient or guarantor.
4. If no effort to resolve the account is made with a hospital patient account representative in 30 days, a "past due notice" is mailed to the patient or the patient guarantor.
5. If no effort to contact a hospital representative to resolve the account is made for 30-45 days after the past due notice, a letter is sent to the patient or guarantor stating that the account may be assigned to a collection agency.
6. Most hospitals attempt at least one telephone contact during the billing process. The number of telephone contacts is dependent upon the amount owed, or identified extenuating circumstances with the patient or guarantor.
7. It is generally agreed that if the patient or the patient guarantor contacts hospital at any point in the billing process, steps would be taken to change timing of the billing cycle to allow time for the patient or guarantor to resolve their account. Resolution may include, but is not limited to, establishing a payment plan, providing a financial assistance application, and billing an insurance plan that had not been billed to date.
8. Once a patient account is sent to a collection agency, the hospital's expectation is that the collection agency will make every attempt to collect the debt. If the collection agency is made aware of patient or guarantor financial hardship, the collection agency may inform the debtor of the availability of hospital financial assistance and the appropriate hospital person to contact.

## **Legal Issues/Liens**

Hospital Lien Clarification. The vice president, general counsel for Oregon Association of Hospitals and Health Systems provided the following information on the two types of liens filed by hospitals.

## **Liens pursuant to ORS 87.555**

These liens result from medical care provided as a direct result of accident or injury that may result in sums or proceed settlements. These liens are NOT against a person's personal property or assets, and involve NO court action.

The lien under ORS 87,555 establishes a hospital or physician lien that attaches to any sum awarded as damages, in the form of judgement, settlement or compromise, to an injured person or to his or her personal representative. That statute also allows a hospital to have a lien against amounts payable to an injured person under an insurance policy providing personal injury protection (not a health insurance policy).

The amount of the lien is limited to the amounts due the hospital for the reasonable value of the hospitalization or treatment in the hospital. There is no provision for a lien in favor of a hospital providing care to a person for reasons other than injury.

It is often and incorrectly assumed that a lien filed under the statute is a lien against personal assets. This occurs because most people are unfamiliar of ORS 87.555.

## **Liens pursuant to Court Judgement**

Typically these liens result from legal action from a collection agency in pursuit of debt repayment. These liens may be against a person's assets.

By statute, a hospital may not file a lien against a patient who comes under the Workers' Compensation Act.

There has been expressed concern that the letter informing a patient or guarantor that a lien has been filed is worded in "legalese" and that the actual intent of the lien is unclear. Efforts are underway to develop a legal and understandable letter to provide to the patient or guarantor regarding the filing of a lien.

## Sample Wall Sign

*The sign could be located on the wall of an ER admitting desk area. We recommend the sign be issued in English and Spanish, or the appropriate second language for your service area.*

Hospital Name is committed to providing service to all people in its service area. If you have questions about your bill or charity care policy please call 503/XXX-XXX.

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Hospital Name se compromete a prestar servicios a toda la gente de esta area. Si usted tiene una pregunta acerca de su cuenta o de nuestro sistema de trabajar con las cuentas de personas de bajos recursos favor de llamar at 503/XXX-XXX.

## Sample Business Cards

*Business Cards notifying the public of the availability of Financial Assistance could be located in ER, Admitting, Business Office, and Day Care. The cards should be printed in multiple languages according to those spoken most frequently in the local area.*

Hospital Name is committed to providing service to all people in its service area regardless of a person's ability to pay. If you have questions or are in need of financial assistance with your medical bill, please call XXX/XXX-XXX.



# Suggested Payment Option Explanations for Reverse Side of Hospital Statement

Balances after insurance are due in full within 30 days of billing. Please select your payment option by completing and returning this form in the enclosed envelope. Choices include:  
If you have questions or would like information about assistance programs, contact our office at XXX/XXX-XXXX or Toll Free X/XXX/XXX-XXXX.

Si usted tiene alguna pregunta, necesita hacer pagos mensuales o desea informacion acerca de los programas de asistencia financieros, por favor llame a nuestra oficina XXX/XXX-XXXX o si esta fuera de la ciudad llame al X/XXX/XXX-XXXX (gratis).

- ☐ Check enclosed. Balances are to be paid in full within 30 days.
- ☐ VISA
- ☐ MASTERCARD
- ☐ AMERICAN EXPRESS
- ☐ DISCOVER

Name on card \_\_\_\_\_

Card # \_\_\_\_\_

Expiration date \_\_\_\_\_

Amount \_\_\_\_\_

- ☐ Short-term financing: Interest free for three (3) equal monthly payments.  
Please designate your preferred monthly due date.  
\_\_\_\_\_

- ☐ Long-term financing: Balances over \$500 can be financed through bank financing with a non-qualifying, guaranteed loan. Depending on the amount owed, payments are often extended up to 60 months at a low annual interest rate. There is no application fee or origination fee.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Account Number