Carolinas HealthCare System

PFS 1.01 Hospital Coverage Assistance and Financial Assistance Policy

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		Revised:	*1/23/2018*

Objective

The Hospital Coverage Assistance and Financial Assistance (CAFA) policy supports the Carolinas HealthCare System's (CHS) goal to provide appropriate levels of charity care, commensurate with CHS's resources and the community needs. CHS is committed to assisting patients obtain coverage from various programs as well as providing financial assistance (FA) to every person in need of medically necessary hospital inpatient, outpatient or emergency treatment. CHS will always provide emergency medically necessary care regardless of the patient's ability to pay.

This policy applies to hospital services received at the following CHS facilities:

Carolinas HealthCare System Anson
Carolinas HealthCare System Behavioral Health – Charlotte
Carolinas HealthCare System Behavioral Health - Davidson
Carolinas HealthCare System Cleveland
Carolinas HealthCare System Kings Mountain
Carolinas HealthCare System Lincoln
Carolinas HealthCare System NorthEast
Carolinas HealthCare System Pineville
Carolinas HealthCare System Stanly
Carolinas HealthCare System Union
Carolinas HealthCare System University
Carolinas Medical Center
Carolinas Medical Center – Mercy
Carolinas Rehabilitation
Levine Children's Hospital

CHS has the following five major objectives for providing Coverage Assistance and Financial Assistance to patients:

- **To model at all times CHS's core value of "Caring."**
- **To ensure the patient exhausts other appropriate coverage opportunities prior to qualifying for CHS financial assistance.**
- **To provide financial assistance based on the patient's ability to pay.**
- **To ensure CHS complies with applicable Federal or State regulations related to financial assistance.**
- **To establish a process that minimizes the burden on the patient and is cost efficient to administer.**

Definitions

The terms used within this policy are to be interpreted as follows:

1. Clinic Sliding Scale: A program allowing Mecklenburg County indigent patients to utilize outpatient clinic services for a co-pay based on income.
2. Elective: Those services that, in the opinion of a physician, are not needed or can be safely postponed.
3. Emergency Care: Immediate care that is necessary in the opinion of a physician to prevent putting the patient's health in serious jeopardy, serious impairment to bodily functions or serious dysfunction of any organs or body parts.
4. Financial Assistance Score (FAS Score): A score developed with the assistance of a third party vendor to provide a proactive, consistent and automated mechanism to substantiate a patient's financial profile.
    - FAS Score is not a credit score.
    - FAS Score relies on various databases with more than 9,000 sources and 2 billion records to determine the likelihood that a patient lives in poverty.
    - A component of FAS Score is a Household Income Index that is calibrated to Federal Poverty Guidelines.
    - Other components include, but are not limited to, a review of census data, consumer transaction history, asset ownership files and utility files.
5. Household Financial Income: Income including but is not limited to the following:
    - Annual household pre-tax job earnings
    - Unemployment compensation
    - Workers' Compensation
    - Social Security and Supplemental Security Income
    - Veteran's payments
    - Pension or retirement income
    - Other applicable income to including, rents, alimony, child support and any other miscellaneous source
6. Medically Necessary: Hospital services, provided to a patient in order to diagnose, alleviate, correct, cure or prevent the onset or worsening of conditions that endanger life, cause suffering or pain, cause physical deformity or malfunction, threaten to cause or aggravate a handicap, or result in overall illness or infirmity.
7. Other Coverage Options: Options that would yield a third party payment on account(s) under CAFA review including, but not limited to: Workers' Compensation, governmental plans such as Medicare and Medicaid, State/Federal Agency plans, Victim's Assistance, etc., or third-party liability resulting from automobile or other accidents.

Policy

Carolinas HealthCare System follows two different processes based on place of service when determining eligibility for financial assistance for uninsured patients. Place of service types are categorized into two different groups:

1. Category I – All Inpatient and observation services, as well as outpatient hospital services with balances greater than or equal to $10,000. Reference lab, clinic sliding scale and outpatient pharmacy accounts are excluded.

2. Category II – All other hospital outpatient or emergency services with balances less than $10,000. Reference lab, clinic sliding scale and outpatient pharmacy accounts are excluded.

Category I

All uninsured patients with Category I services will be reviewed by the CHS Financial Counseling team. Patients with Category I services will be required to complete a Coverage Assistance/Financial Assistance (CAFA) application prior to being considered for financial assistance. The CAFA application gathers information needed to determine if the patient is eligible for any other coverage options. If the CAFA process indicates a high likelihood of coverage, then the patient, with CHS assistance, will be required to pursue those opportunities before the patient will be considered for CHS financial assistance. CHS representatives are available to help those who are mentally and/or physically disabled in applying for assistance. CHS will keep financial information confidential and will treat patients seeking coverage assistance and financial assistance with dignity. The financial assistance application process will not officially start until the coverage assistance process is completed and the patient is found ineligible for other coverage options. If the patient fully cooperates when seeking other coverage options, but such coverage is unlikely or properly denied, CHS will determine the patient's eligibility for financial assistance. **A Patient who fails to fully cooperate with this process is deemed ineligible for financial assistance.**

Category I Eligibility Criteria

1. Services Eligible:

- All medically necessary (as determined by a physician) inpatient services.
- All medically necessary (as determined by a physician) outpatient services with balances greater than or equal to $10,000.
- All hospital emergency medical services provided in an emergency room setting with balances greater than or equal to $10,000.
- All non-elective, medically necessary (as determined by a physician) outpatient hospital services provided in response to life-threatening circumstances in a non-emergency room setting with balances greater than or equal to $10,000.

2. Services Ineligible:

- Elective and cosmetic services
- Reference lab services
- Outpatient pharmacy services
- Clinic Sliding Scale eligible services (Clinic visits, outpatient diagnostics, and emergency department services covered by the Clinic Sliding Scale co-pay)

3. Patients Eligible:

- Household income is between 0% and 400% of the Federal Poverty Guidelines (FPG)
- Uninsured and ineligible for other coverage options for the account(s) under CAFA review
- North Carolina and South Carolina residents
- Fully cooperate with the determination of other coverage options

4. Patients Ineligible:

- Household income is greater than 401% of the Federal Poverty Guidelines
- Eligible for assistance through the Clinic Sliding Scale Program
- Have current insurance coverage
- Have other coverage options available for the account(s) under review
- Do not reside in North Carolina or South Carolina
- Fail to fully cooperate with the determination of other coverage options

Determination of Category I FA Discount:

- Completion of the CAFA application to determine if other coverage options are available for medically necessary and non-elective services.
- Eligibility for a financial assistance discount is based on a patient's total Household Financial Income for the prior 90 days reported at the time of evaluation.
- Financial need will be determined by comparing total Household Financial Income to Federal Poverty Guidelines (FPG) in effect at the time of determination.
- Patients who can demonstrate that their total Household Financial Income is at or below 200% of FPG is eligible for a 100% discount for an eligibility period of 180 days.
- Patient with total Household Financial Income between 201% and 400% of FPG is eligible for partial discounts for an eligibility period of 180 days.
- For patients with Category I services whose third party vendor verification indicates that the patient has substantial financial resources, those resources may be considered when determining eligibility.
- Patient payments received prior to any financial assistance adjustment will not be refunded.

Category I Patient Financial Assistance Scale

*Max Income Range	0-200% FPG	201%-300% FPG	301-400% FPG	≥401% FPG
Adjustment %	100%	75%	50%	0%
# in Household	Plan 955605	Plan 955612	Plan 955613	
1	0-$24,280	$24,281-$36,420	$36,421-$48,560	≥$48,561
2	0-$32,920	$32,921-$49,380	$49,381-$65,840	≥$65,841
3	0-$41,560	$41,561-$62,340	$62,341-$83,120	≥$83,121
4	0-$50,200	$50,201-$75,300	$75,301-$100,400	≥$100,401
5	0-$58,840	$58,841-$88,260	$88,261-$117,680	≥$117,681
6	0-$67,480	$67,481-$101,220	$101,221-$134,960	≥$134,961
7	0-$76,120	$76,121-$114,180	$114,181-$152,240	≥$152,241
8	0-$84,760	$84,761-$127,140	$127,141-$169,520	≥$169,521

**** Max income ranges based on 2018 Federal Poverty Guidelines***

Category I Verification of Household Financial Resources and Eligibility Period:

Typically, CAFA applications are completed at or after the time that services are rendered. CHS registrars or financial counselors will attempt to interview all patients unable to pay for services. CHS will utilize, where appropriate, any external third party data to validate information provided by the patient on the CAFA application.

- Verification Period - Total Household Financial Income will be based on a look-back period of the prior 90 days from the application date and validated using third party vendors. If there is a discrepancy between what is reported by third party vendors and the patient, the patient may be asked to provide further documentation of income.
- Eligibility Period - Once approved, the eligibility period for Financial Assistance is 180 days from the date of approval for medically necessary and non-elective services. Any changes occurring within the eligibility period that would result in a high likelihood that the patient would be newly eligible for other coverage options must be pursued by the patient to retain financial assistance eligibility.
- Documentation - Patients may be asked to provide documentation from employers and banking institutions to further verify income. Financial statements and verification of income and third party vendor documentation will be retained by CHS for a period of 10 years or as required by law. Falsification of financial information including withholding information will be reason for denial of financial assistance.
- Fraud - CHS reserves the right to reverse financial assistance adjustments provided by this policy if the information provided by the patient during the information gathering process is determined to be false or if CHS obtains proof that the patient has received compensation for the medical services from other sources not disclosed to CHS.

Category II

CHS will use a presumptive process to determine financial assistance eligibility for Category II services. All uninsured patients with Category II services will be evaluated automatically for a financial assistance discount based on a financial assistance score (FAS.) The patient is not required to complete a CAFA application for assistance. The FAS score is assigned prior to the first billing statement. The FAS will be assigned based on proprietary scoring algorithms from experienced third party experts selected by CHS. CHS will periodically test the algorithms to ensure they are consistently applied and will adjust the FAS thresholds as needed.

Patients found eligible will receive a 100% financial assistance discount on eligible services and will not receive a bill. Each Emergency Department patient will be required to pay a co-pay of $75.00 for service in the Emergency Department. Patients with Category II services found ineligible for a presumptive financial assistance discount will receive a bill and will be notified of their ineligibility via a letter.

1. **Services Eligible:**
   - All medically necessary (as determined by a physician) outpatient services determined by a physician with balances less than $10,000

- All hospital emergency medical services provided in an emergency room setting with balances less than $10,000

2. **Services Ineligible:**
   - Elective and cosmetic services
   - Reference lab services
   - Outpatient pharmacy services
   - Clinic Sliding Scale eligible services (Clinic visits, outpatient diagnostics, and emergency department services covered by the Clinic Sliding Scale co-pay)

3. **Patients Eligible:**
   - FAS Score calibrated to Federal Poverty Guidelines
   - Do not have current health insurance coverage
   - North Carolina and South Carolina residents

4. **Patient Ineligible:**
   - Have current insurance coverage
   - Eligible for other coverage options
   - Eligible for assistance through the Clinic Sliding Scale Program
   - Do not reside in North Carolina or South Carolina

Determination of Category II FA Discount

- Eligibility for FA for Category II services is based on the CHS FAS Score that is obtained from a third party vendor prior to the first billing statement.
- Each patient with Category II services that has an eligible FAS Score will receive a 100% discount.
- Ineligibility for a FA discount will be communicated via a letter.
- Patient payments received prior to any financial assistance adjustment will not be refunded.
- Each billable encounter of care for Category II services as determined by Medicare billing rules will be evaluated separately for FA eligibility.

Applying for Coverage Assistance and Financial Assistance:

CAFA applications are for patients who have received Category I services. As stated above, CHS teammates will strive to interview all uninsured Category I patients and assist them in the completion of a CAFA application. CHS will determine eligibility for financial assistance once the coverage assistance process is completed. In those situations, where the patient cooperates with the CAFA application, CHS will automatically determine financial assistance eligibility at the completion of the coverage assistance process. If CHS teammates are unable to interview a patient with Category I services, the patient may download a paper Coverage Assistance/Financial Assistance Application online and mail the application to CHS. A patient may also request a paper application via phone by calling 704/512-7000 and an application will be sent to the patient via mail. Patients with Category I services can also apply in person at the time of service.

Patients who have received Category II services are not required to complete an application for coverage assistance or financial assistance. Patients with Category II services will be automatically screened for financial assistance eligibility at final billing. A patient found eligible will receive a 100% discount. A patient found ineligible through this process will receive written

notification via mail. If the patient believes that she should be eligible for financial assistance, even though the FAS Score deemed the patient ineligible, she can apply for CAFA by downloading a CAFA application online and mailing it to CHS. A Patient may also request a paper CAFA application via phone by calling 704/512-7000 and a CAFA application will be sent to the patient via mail. Only fully completed CAFA applications will be reviewed. Patients who choose to apply for CAFA will be required to pursue other coverage options before being considered for a financial assistance discount.

All paper applications should be mailed to:

CHS System Business Office
ATTN: Financial Counseling Department
PO Box 32861
Charlotte, NC 28232
Once an application is received, a CHS Financial Counselor will contact the patient if necessary.

Communication of Policy:

CHS communicates the availability of its CAFA process to all patients through the following:

- CHS's website
- On all hospital billing statements
- Information posted in the Emergency Department and at Admissions
- Onsite Financial Counselor interviews with patient and families
- Patient Accounting Customer Service Department

Actions In the Event of Non-Payment

The actions CHS hospitals may take in the event of non-payment for services are described in a separate billing and collections policy which can be obtained by asking for a free copy from the Patient Accounting Service Department at 704-512-7000.

Quality Assurance and Other Provisions:

CHS teammates are prohibited from making recommendations and/or process CAFA applications for family members, friends, acquaintances and co-workers. The PFS Quality Assurance Department will conduct periodic audits of accounts processed for FA discounts for Category I patients to ensure the appropriate documentation is on file. The PFS Quality Assurance Department will also test the Category II process to ensure appropriate adjustments are being made (PFS Policy 3.01).