

One Truth: Financial Assistance

February 2015

The *Charlotte Observer* will soon print a story on the legal actions taken by hospitals to collect unpaid balances and the impact of financial assistance policies to help patients afford their healthcare. Carolinas HealthCare System is proud to be the region's safety-net provider that cares for a disproportionate share of underinsured and uninsured patients. We also have a positive story to tell about the significant efforts we make to offer financial assistance to every patient who wants to work with us to find a payment solution.

Sharing Our Truth.

Despite our efforts to be transparent and open with the *Charlotte Observer*, we are not sure the coverage will reflect the story we know to be true, so want to make sure you have the facts about our practices and our generous financial assistance programs.

We are committed to honesty and transparency in our responses to the media, and most importantly to our teammates. You are our voice to friends, family and neighbors. We ask that you help to tell our story and our **One Truth**.

Clink on the links below to find:

- [What's the true story?](#) Read information and context the *Charlotte Observer* may leave out. Watch videos featuring teammates who demonstrate the efforts we make as an organization to put our patients first, always.
- [How are we helping our patients?](#) The media and others question our commitment to our patients, but we know nothing is further from the truth. Carolinas HealthCare System continues to take care of the most vulnerable and needy members of our community. That includes removing financial anxiety as a barrier to quality healthcare. Teammates can feel great pride in the innovative financial assistance programs we offer.
- [Q&A:](#) Read a transcript of our responses to questions from the *Charlotte Observer*.

What's the true story?

Carolinas HealthCare System understands that concerns about paying for healthcare can cause great anxiety for patients and their families. The true story is that we will work with every patient who wants to work with us to find a payment solution. The *Observer's* story may not include the following details about our coverage assistance and financial assistance program:

- We assist patients in determining eligibility for insurance coverage, including Medicaid or Medicare, and help patients through the entire coverage application process. More than 40 teammates meet patients at the bedside, in person and on the phone to walk them through this process, including applications and follow up. Our patients are not left alone to navigate this process.
- We assist patients in applying for any of our applicable financial assistance programs, including:
 - Full and partial forgiveness of balances for patients who qualify for charity care;
 - Discounts of at least 50 percent for uninsured patients; and
 - Forgiveness of balances for patients who qualify for hardship or catastrophic benefits.
- Eligible patients can set up a multi-year interest free payment plan. All patients – insured or uninsured – can opt for a multi-year low-interest payment plan. Our innovative payment plans have been recognized nationally and are helping thousands of patients manage medical expenses.

Here are some facts from 2013:

We provided \$383 million in financial assistance to 150,000 patients and \$10 million in interest-free loans to 8,000 patients.

We wrote off \$231 million in bad debt as a result of patients who did not pay for services.

We took legal action against 995 individuals. The number of lawsuits is not insignificant, but no legal action is pursued unless all reasonable collection efforts have failed. Lawsuits have also been on the decline since 2010, as our financial assistance numbers have increased.

A decision to take legal action is made only after great consideration. Carolinas HealthCare System has never executed a lien (taken property) or prevented a patient from refinancing his or her home.

We have a special relationship with every patient we care for, and for many that bond extends beyond clinical care. Teammates across the organization are helping patients and their loved ones who struggle to understand and plan for the financial side of healthcare. We have a dedicated team of compassionate individuals who partner with patients and families to navigate the potentially overwhelming process of coverage and financial assistance.

Meet Gladys from Patient Financial Services and learn more about the efforts this team makes every day to help our patients.



Carolinas HealthCare System supports patients financially in a variety of ways, including working with their insurance companies and sometimes even being their advocates to ensure they get the type of treatments and care they need. Last year, when a patient's heart was failing and he needed a new and cutting-edge treatment to help save his life, it wasn't just his doctors, nurses and surgeons that sprang into action. It was also one of the System's financial coordinators.

Learn how a financial coordinator worked with the patients' insurance company to navigate the approval process and helped to make sure that the patient got the care he needed.



How Do We Help Our Patients?

Carolinas Healthcare System is proud to be the region's safety-net provider that cares for a disproportionate share of underinsured and uninsured patients. We share information with the *Charlotte Observer* about our coverage assistance and financial assistance programs because we want our communities to better understand our unique commitment to our patients. This is a point of pride for us.

The bigger story is that we put patients first, always, and we work hard to remove financial barriers to accessing quality medical care and services. We successfully have developed innovative assistance solutions, including coverage assistance; charity care forgiveness; uninsured discounts; long-term interest-free payment terms; and catastrophic or hardship options, to help patients afford medical care.

We do all of this, despite the healthcare environment becoming more and more challenging for us as providers. Going forward, more patients will need financial assistance because of high deductible health plans. Some of our most vulnerable patients will continue to lack access to the range of services they need because, despite the Affordable Care Act, they remain uninsured. And, more patients will look to Carolinas HealthCare System as a trusted resource to help them find coverage and financial solutions.

We will assist every patient who reaches out to us and asks for help. We are caregivers, this is what we do.

Share These Resources

Patients who wish to discuss options for financial assistance or payment can call Carolinas HealthCare System Customer Service at 704-512-7000 for the following care locations:

- Carolinas Medical Center
- Carolinas Behavioral Health
- Carolinas Medical Center-Mercy
- Carolinas Medical Center-Pineville
- Carolinas HealthCare System Lincoln
- Carolinas Medical Center-University
- Carolinas Medical Center-NorthEast
- Levine Children's Hospital
- Jeff Gordon Children's Hospital
- Carolinas Rehabilitation

For patients of Carolinas Medical Center-Union and Carolinas HealthCare System Anson, please call 980-993-3290.

Stanly Regional Medical Center patients can call 704-983-8215.

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Patients of Carolinas HealthCare System Cleveland and Carolinas HealthCare System Kings Mountain, please call 980-487-7436.

[Read more about Carolinas HealthCare System's financial assistance policies.](#)

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Carolinas HealthCare System

Q&A: Carolinas Healthcare System Responds to the Charlotte Observer

Below, we provide a transcript of our responses to questions from the *Charlotte Observer*. We also learned that the story will likely profile several of our patients who claim they did not receive financial assistance. We were asked to investigate these situations. However, we chose not to publically discuss their claims.

Patient relationships are at the core of every decision we make, including the decision not to talk publically about any specific patient situation.

September 19, 2014

Observer: *We're taking an updated look at bill collection lawsuits filed by N.C. hospitals. We see that CHS hospitals - like most statewide - appear to be filing far fewer of those suits than they have in the past. We expect to do a story about that in the next week or two, and would like to talk with a CHS official who would have thoughts about why those numbers have declined.*

Would you be able to help set up an interview for next week?

Carolinas HealthCare System: *Carolinas HealthCare System works to remove financial anxiety as a barrier to accessing medical care and services. As the healthcare provider to a disproportionate share of underinsured or uninsured patients, we have successfully developed innovative payment options and financial assistance programs, such as long-term interest-free payment terms and catastrophic or hardship options, to help patients afford their medical care.*

CHS currently has 8,000 patients participating in interest-free payment plans, financing over \$10 million in balances. Over the past decade, more than 140,000 CHS patients have financed over \$212 million in balances. Simply said, we want to work with our patients to find payment solutions that are right for them.

Some delinquent balances are evaluated for legal action, and our lawsuits have been on the decline since 2009. We attribute this decline to the efforts of our financial assistance programs that are nationally recognized as "best in class" and a model for others across the country. In addition, this is due to more patients choosing no-interest or low-interest payment plans.

We make multiple attempts to contact those patients who do not qualify for charity care and who have outstanding payments and offer to work with them to fulfill their financial obligations if they respond. If someone is uncooperative and if we are unsuccessful in establishing their eligibility for insurance coverage or financial assistance, Carolinas HealthCare System seeks judgments in accordance with applicable law.

When the decision is made to take legal action, it is done so with great consideration. Carolinas HealthCare System has never executed a lien or prevented patients from refinancing their homes.

September 25, 2014

Observer: *In cases where CHS does not put a lien on a residence but gets a judgment, what is the judgment used for?*

Carolinas HealthCare System: *To be clear as to the legal process, CHS does not "put a lien" directly on anyone's property. If attempts at collection are unsuccessful, CHS may file a lawsuit that results in a judgment being entered. The judgment will constitute a record lien established by operation of law as to any real property the judgment debtor may own and an equitable lien on any personal property the judgment debtor may own. The purpose of the judgment is to establish public notice of the debt and put anyone dealing with property of the debtor on notice that the judgment lien would be on any real property the debtor might own, unless some other provision of law would render it inapplicable to that property for some reason. The judgment will attach automatically by operation of law to after acquired property of the debtor and will follow the property through estate and insolvency proceedings. The judgment provides general coverage that will afford the greatest chance of the judgment creditor being paid or at least notified that some transaction as to the property is taking place.*

Suits and judgments are pursued for reasons other than establishing liens that will affect real property. In some cases, judgments are used to establish a claim's legitimacy in an estate proceeding, increase a claims priority in an insolvency or bankruptcy proceeding or assert a claim against another party who may have some interest to protect the judgment debtor. In addition, a judgment may be necessary to force a party responsible to benefit the judgment debtor to pay an amount owed for the benefit of the judgment debtor (patient). The pursuit of civil actions and judgments provide the only way to assert pressure legally where it belongs in order to have any party (patient or otherwise) legally responsible for the debt brought before a court for appropriate remedy.

After all other efforts have been exhausted, a judgment provides the greatest chance of CHS being paid for our services. Suits and judgments are the only legal mechanism to provide legal access to any property or cause of action belonging to the debtor (patient). To be clear as to the legal process, CHS does not "put a lien" directly on anyone's property. CHS works in accordance with the law through the civil courts. Such action may result in a judgment that constitutes a lien on property owned by the debtor. The purpose of the judgment is to establish public notice of the debt and put anyone dealing with property of the debtor on notice.

The pursuit of civil actions and judgments is much more than simply establishing liens; they provide the only way to assert pressure legally where it belongs in order to have any party (patient or otherwise) legally responsible for the debt.

Suits and judgments are pursued also for reasons completely aside from establishing liens. In some cases, they are used to establish a claim's legitimacy in an estate proceeding or increase a claims priority in an insolvency or bankruptcy proceeding. In addition, they may be necessary to force a third party (title insurance company, attorney, lender, liability carrier, personal representative, trustee, etc.) who may not pay the just debt voluntarily.

Observer: *For example, can you put a lien on some other asset?*

Carolinas HealthCare System: *Yes, suits and judgments are the only legal mechanism to provide legal access to any property or cause of action belonging to the judgment debtor. Such property may be funds held by another person for the benefit of the judgment debtor, proceeds of an insurance policy to which the judgment debtor may be entitled, or a legal cause of action belonging to the judgment debtor against some other party.*

Observer: *Any other ways that the new state law has affected CHS?*

Carolinas HealthCare System: *The new state law has not affected many of the reasons for bringing civil actions, as it applies to only a small portion of the cases where suits are used. The suits and judgments established have many other purposes besides the potential lien on property.*

Observer: *Another thing that this new law does is that it prohibits hospitals from going into collections when an application for charity care is pending. Has that changed previous process?*

Carolinas HealthCare System: *No, this has not changed from the previous process. Again, if patients are working with us to pursue all avenues of coverage, we work with them to pursue those first. All known avenues of financial aid are always pursued and exhausted prior to suits being instituted, including an attempt by our legal counsel to work with the patients prior to legal action. Suit is a last resort when all other options have failed.*

October 3, 2014

Observer: *Has the new law regarding spouses co-owning property had any effect on CHS's practices regarding liens?*

Carolinas HealthCare System: *The law that went into effect last October 1 prevents creditors from seizing property that is co-owned. Since Carolinas HealthCare System has never seized property, this restriction has had no effect on us.*

Observer: *Has that played a role in the decline of lawsuits?*

Carolinas HealthCare System: *We've experienced a steady decline in lawsuits starting in 2010 due to generous financial assistance policies that include discounts, long-term no/low interest payments plans and assistance in qualifying patients for government programs such as Medicaid.*

Observer: *Does CHS seek liens on properties co-owned by spouses?*

Carolinas HealthCare System: *CHS only seeks judgments against responsible parties in accordance with applicable law when the following two circumstances exist:*

- 1. After multiple unsuccessful attempts to get the patient and/or family to cooperate with our coverage assistance (primarily Medicaid) or financial assistance process;*

- 2. Patient does not qualify for coverage or financial assistance and does not make any arrangements for extended payments for the services rendered.*

Observer: *What role has the ACA played in the decline of liens?*

Carolinas HealthCare System: *The ACA has not played a role in the decline of lawsuits that, as stated previously, began in 2010.*