



POLICY AND PROCEDURE

POLICY #: 53.05

SUBJECT: FINANCIAL ASSISTANCE POLICY

POLICY:

It is a policy of The Valley Hospital to provide medically necessary healthcare services to all patients, while carefully taking into consideration the patient's financial ability to pay for such services. The Hospital offers financial assistance to eligible patients who are uninsured, underinsured, ineligible for a government health care program, or who are otherwise unable to pay for medically necessary care based on their individual financial situation.

In accordance with the Patient Protection and Affordable Care Act (PPACA), patients eligible for financial assistance under the Hospital's Policy will not be charged more for emergency or medically necessary care than the amount generally billed to insured patients.

PURPOSE:

To provide guidelines for the determination of eligibility for the Hospital's financial assistance program for patients who are uninsured, underinsured, ineligible for a government health care program, or who are otherwise unable to pay for medically necessary care based on their individual financial situation.

PROCEDURE:

I. PROGRAM DESCRIPTION

- A. Financial assistance may be provided for patients who are uninsured, underinsured, ineligible for any government health care benefits program, or who are otherwise unable to pay for their care, based upon a determination of financial need in accordance with this Policy.
- B. Services eligible for financial assistance include emergency services or urgent care, services deemed medically necessary by the Hospital, and in general, care that is non-elective in order to prevent death or adverse effect to the patient's health.
- C. When determining a patient's eligibility, the Hospital does not take into account race, creed, color, national origin, age, ancestry, nationality, marital status, religious affiliation, domestic partnership or civil union status, sex, gender identity or expression, military

service, affectional or sexual orientation, physical or mental disability, or any other protected characteristic under Federal and State law.

- D. Financial need will be determined in accordance with New Jersey State regulations N.J.A.C. 10:52, Subchapters 11, 12, 13 Charity Care, New Jersey Statute 26:2H-12.52 and the Hospital's financial assistance discount for eligible patients, as described in this Policy.
- E. Determination for financial assistance eligibility will require patients to submit a completed Financial Assistance application (including documentation required by the application) and may require appointments or discussion with Hospital patient financial services counselors. The Patient Financial Services Department shall be responsible for making reasonable efforts to determine the financial eligibility of patients.

II. PATIENT ELIGIBILITY CRITERIA

- A. Alternate Source of Assistance- Patients seeking assistance may first be asked to apply for other external programs (such as Medicaid or insurance through the public market place) as appropriate before eligibility under this Policy is determined. Additionally, any uninsured patients who are believed to have the ability to purchase health insurance may be encouraged to do so to help ensure healthcare accessibility and overall well-being.
- B. Federal Poverty Guidelines- Eligibility for financial assistance will be determined based upon a patient's household income and number of members in the household, also known as Federal Poverty Level (FPL). The Hospital will apply the FPL data to a patient's account based upon the calendar date the financial assistance application was received.

III. FINANCIAL ASSISTANCE PROGRAMS

- A. Charity Care- The New Jersey Hospital Care Assistance Program (Charity Care Assistance) is free or reduced charge care which is provided to patients who receive inpatient and outpatient services at acute care hospitals throughout the State of New Jersey. Hospital assistance and reduced charge care are available only for emergent or medically necessary care.
 - 1. New Jersey State Law requires that charity care/reduced-fee care be provided to any New Jersey resident who: has no health coverage or has coverage that pays only for part of the bill; and is ineligible for any private or governmental sponsored coverage (such as Medicaid); and meets both the income and assets eligibility criteria listed in [\(Exhibit A\)](#).
 - 2. Patients who are uninsured and have a household income and assets at or below 200% of the FPL are eligible to receive free care.

3. Patients with annual household incomes greater than 200% but not more than 300% of the FPL are eligible for discounts based on a sliding scale used to determine the percentage reduction of charges that will apply (**Exhibit A**).
4. Individual assets cannot exceed \$7,500 and family assets cannot exceed \$15,000. Should an applicant's assets exceed these amounts, her/she can "spend down" the assets to the eligible limits through payment of the excess towards the Hospital bill and other approved out of pocket medical expenses.
5. A determination of need and approval of financial assistance through this program will require the completion of the New Jersey Hospital Care Assistance Application (**Exhibit B**).

B. New Jersey Uninsured Patient Discount- In accordance with New Jersey Statute 26:2H-12.52, uninsured patients who do not qualify for Charity Care and whose income is less than or equal to 500% of the FPL may be eligible for a percentage discount off of gross Hospital charges for medically necessary or emergency care they receive. To be eligible for this program, the patient must be a New Jersey resident. Patients who qualify for the uninsured discount will be charged 115% of the Medicare rate or Amount Generally Billed, whichever is less.

1. A determination of need and approval of financial assistance through this program will require the completion of the Hospital's Financial Assistance Application (**Exhibit C**).

C. Financial Assistance Discount- In accordance with IRS Section 501(r) Regulations, uninsured or underinsured patients who do not qualify for Charity Care Assistance or the New Jersey Uninsured Patient Discount Programs and whose income is less than or equal to 500% of the FPL may be eligible for the Hospital's financial assistance discount. Patients do not have to be a resident of New Jersey to be eligible for this program. Patients who qualify for the financial assistance discount program will receive the amount generally billed percentage, which is a discount of 33% on gross charges for medically necessary and emergency care they receive as outlined under "Determining Discount Amount" on page 4.

1. A determination of need and approval of financial assistance through this program will require the completion of the Hospital's Financial Assistance Application (**Exhibit C**).

IV. PRESUMPTIVE ELIGIBILITY

A. If patients fail to supply sufficient information to support financial assistance eligibility, The Hospital may refer to or rely on external sources and/or other program enrollment resources to determine eligibility when:

- Patient is homeless

- Patient is eligible for other unfunded state or local assistance programs
 - Patient is eligible for food stamps or subsidized school lunch program
 - Patient is eligible for state-funded prescription medication program
 - Patient's valid address is considered low-income or subsidized housing
 - Patient received free care from a community clinic and is referred to the Hospital for further treatment
1. The Hospital may also use previous financial assistance eligibility determination as a basis for determining eligibility in the event that the patient does not provide sufficient documentation to support eligibility determination. Financial assistance applications on file at the Hospital may be used for a time period of up to 12 months after the date of submission. The Hospital reserves the right to change benefit determination if the patient's financial circumstances have changed.

V. ELIGIBILITY DETERMINATION

- A. The Patient Financial Services Department shall be responsible for making reasonable efforts to determine the financial eligibility of patients.
- B. The Hospital will inform patients or guarantors of their eligibility for financial assistance by notifying the applicant in writing as soon as possible, but no later than 30 days after receiving a completed application and the requested documentation.
- C. If a patient or guarantor is not eligible for financial assistance under this policy, the patient or guarantor shall be informed in writing as soon as possible but no later than 30 days after receiving the application. The letter will include a brief explanation of the reason for the denial and/or a request for additional information.
- D. If patient or guarantor seeks to appeal the financial assistance determination further, a written request may be submitted along with documentation to the Patient Financial Services Department for additional review and consideration.

VI. DETERMINING DISCOUNT AMOUNT

- A. Once eligibility for financial assistance has been established, The Hospital will not charge patients who are eligible for financial assistance more than the amounts generally billed (AGB) to insured patients for emergency or medically necessary care.
- B. To calculate the AGB, The Hospital uses the "look-back" method, described in section 4(b)(2) of the IRS Treasury's 501(r) final rule. In this method the Hospital uses data which is based on actual past claims paid by 1) Medicare fee-for-service and 2) private health insurers (including any associated portions of these claims paid by Medicare beneficiaries or insured individuals) over the past year to determine the percentage of gross charges that is generally allowed by these insurers.

- C. The ABG percentage is then multiplied by gross charges for emergency and medically necessary services to determine the AGB. The Hospital recalculates this percentage each year. In 2015, the AGB percentage for inpatient and outpatient services is 33%.

Example- If the gross charges for a medically necessary procedure is \$1,000, and the AGB percentage is 33%, any patient eligible for financial assistance under this policy will not be charged more than \$330 for the procedure.

VII. HOW TO APPLY FOR FINANCIAL ASSISTANCE

- A. Patients or guarantors can obtain an application as follows:

1. In person at the Hospital's Patient Financial Services Department located at The Dorothy B. Kraft Center, 15 Essex Road, Paramus, NJ 07652.
2. Request to have an application mailed to you by calling (201) 291-6080.
3. Request an application by mail at: Attn: Patient Financial Services, 223 North Van Dien Avenue, Ridgewood, NJ 07450.
4. Download an application through the Hospital's website: <http://www.valleyhealth.com/PatientFinancialServices.aspx>

- B. To be considered eligible for financial assistance, patients must cooperate with the Hospital to explore alternative means of assistance if necessary, including Medicare and Medicaid. Patients will be required to provide necessary information and documentation when applying for Hospital financial assistance or other private or public payment programs.

- C. For patients speaking languages other than those which the Policy is printed, interpreters will be made available to clearly communicate the Policy and provide assistance in completing the necessary forms.

- D. Financial assistance applications are to be completed and returned in person to the Patient Financial Services Department located at The Dorothy B. Kraft Center, 15 Essex Road, Paramus, NJ 07652, or by mail Attn: Patient Financial Services, 223 North Van Dien Avenue, Ridgewood NJ 07450, with the requested supporting documentation, including but not limited to:

1. Copy of identification (i.e., driver's license, social security card, birth certificate);
2. Bank statements;
3. Proof of income for applicant (and spouse if applicable) such as recent pay stubs, unemployment insurance payment stubs, or sufficient information on how the patients are financially supporting themselves;

4. Most recent federal tax return;
 5. Health insurance cards, if available;
 6. Payment history of any outstanding accounts of prior hospital services;
 7. Third party workman's compensation information;
 8. In some cases, information on available assets or other financial resources.
- E. External, public sources such as credit scores may also be used to verify eligibility.
- F. Individuals who do not have any documentation listed above; have questions about the Hospital's financial assistance application; or would like assistance with completing the application may contact the Hospital's Patient Financial Services Counselors either in person at The Dorothy B. Kraft Center, 15 Essex Road, Paramus, NJ 07652, or by telephone.
- G. Patient Financial Services Counselors can be reached at (201) 291-6080 and are available Monday through Friday, 8:30 a.m. to 5:00 p.m.

VIII. COMMUNICATION OF THE FINANCIAL ASSISTANCE PROGRAM TO THE COMMUNITY

- A. The Hospital will publicize the availability of its Financial Assistance Program which may include, but is not limited to the following:
1. The Hospital shall make its current Policy, plain language summary and financial assistance applications available on its website at: <http://www.valleyhealth.com/PatientFinancialServices.aspx>
 2. Signage will be posted in appropriate locations such as the Emergency Department, registration areas and the Patient Financial Services Department.
 3. The Hospital shall include a notification regarding how to request information on the Policy on all post discharge patient bills.
 4. Patient Financial Services Counselors are available Monday through Friday, 8:30 a.m. to 5:00 p.m. via telephone (201) 291-6080 to address questions related to financial assistance and explain the program the Hospital offers.
 5. Patient Financial Services Counselors will also mail additional information and paper applications to patients upon their request.

IX. ACTION IN THE EVENT OF NON-PAYMENT

- A. The Hospital will make certain efforts to provide patients with information about its financial assistance policy before it or its agency representatives take certain actions to collect a patient's bill. The Hospital will not impose extraordinary collections actions for any patient without first making reasonable efforts to determine whether the patient is eligible for financial assistance under this Policy. Reasonable efforts shall include:
1. Notifying the patient of the Financial Assistance Policy and plain language summary upon the intake and admission, in written and oral communications;
 2. Providing information on the Financial Assistance Policy on billing statements;
 3. Written documentation that the Hospital has attempted to offer the patient the opportunity to apply for financial assistance pursuant to this Policy and that the patient has not complied with the hospital application requirements;
 4. Validating that the patient owes the unpaid bills and that all sources of third-party payments have been identified and billed by the Hospital;
 5. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.
- B. If eligibility is undetermined after the notification period, ending 120 days after the first billing statement is sent, the Hospital can initiate extraordinary collections actions, but the Hospital shall still accept and process financial assistance applications through the application period. Extraordinary Collection Actions may include:
1. Placing a lien on an individual's property;
 2. Foreclosing on an individual's real property;
 3. Reporting adverse information to credit bureaus;
 4. Causing an individual to be arrested;
 5. Obtaining a judgement and filing a lawsuit;
 6. Selling an individual's debt to a third party;
 7. Attaching or seizing an individual's bank account or any other personal property;
 8. Causing an individual to be subject to a writ of body attachment; and
 9. Garnishing an individual's wages.

X. ELIGIBLE PROVIDERS

A. In addition to the care delivered by the Hospital, emergency and medically necessary care delivered by the providers listed below is also covered under this Policy.

- Valley Medical Group
- Valley Emergency Associates

B. Care provided by the following providers will NOT be eligible for the discounts described in this Policy.

- Bergen Anesthesia
- Ridgewood Pathology
- Radiology Associates
- Ridgewood Cardiology/EKG/Stress Test
- Radiation Therapy
- Maternal Fetal Medicine
- Neurology Group of Bergen Country

C. Patients concerned about their ability to pay for services or who would like to learn more about financial assistance should contact the Patient Financial Services Department at (201) 291-6080.

RESPONSIBILITY: Senior Vice President – Finance/Chief Financial Officer



Audrey Meyers
President and Chief Executive Officer

EFFECTIVE: December 22, 2015

Attachments: **Exhibit A**- New Jersey Hospital Care Payment Assistance Fact Sheet
Exhibit B- New Jersey Hospital Care Assistance Program Determination of Application for Participation
Exhibit C- Financial Assistance Policy Application