



<b>Financial Assistance Policy</b>	<b>PFS-053</b>
<b>Penn State Health Revenue Cycle</b>	<b>Effective Date</b> February 2024

**SCOPE AND PURPOSE** *The document is applicable to the people and processes of the following Penn State Health components specified below:*

<input type="checkbox"/>	Penn State Health Shared Services	<input type="checkbox"/>	Penn State College of Medicine
<input type="checkbox"/>	Milton S. Hershey Medical Center	<input type="checkbox"/>	Medical Group – Academic Practice Division
<input checked="" type="checkbox"/>	St. Joseph Medical Center	<input type="checkbox"/>	Medical Group - Community Practice Division
<input checked="" type="checkbox"/>	Holy Spirit Medical Center	<input type="checkbox"/>	Spirit Physician Services, Inc.
<input type="checkbox"/>	Hampden Medical Center	<input type="checkbox"/>	Penn State Health Life Lion, LLC
<input type="checkbox"/>	Lancaster Medical Center	<input type="checkbox"/>	Pennsylvania Psychiatric Institute – eff. 12/2023

**POLICY AND PROCEDURE STATEMENTS**

To define the criteria under which financial assistance is requested and approved for qualifying patients receiving medically necessary or emergent care provided by a covered health care provider or location in accordance with the mission of Penn State Health St. Joseph Medical Center (PSH SJMC) and Holy Spirit Health System. (PSH HSHS).

Provider List Appendix A is a list of health care providers/services who are covered or not covered under this financial assistance policy.

**SCOPE**

All staff who may have a contact with a patient who expresses financial concerns.

**DEFINITIONS**

**Amount Generally Billed (AGB) Definition:** The AGB or limitation on gross charges is calculated by PSH using lookback methodology in accordance with the IRS 501R final rule. PSH will utilize this methodology to calculate the average payment of all claims paid by private health insurers and Medicare. Eligible individuals will not be charged more than the amounts generally billed for emergency or medically necessary care only. PSH will make available a free written copy of the current AGB calculation to patients who request so. This shall not be confused with the charity care (financial assistance) discount which is applied at 100% if the individuals FAP is approved.

**Balance Billing – Surprise Bills:** In accordance with federal legislation, the No Surprises Act, Penn State Health is committed to protecting patients from receiving surprise bills, which patients would receive if the Penn State Health facility or provider they get care from is out-of-network for their health plan. When an out-of-network provider or facility bills patients for the difference between what their health plan agreed to pay and the full amount charged by an out-

of-network provider or facility for a service, this is known as “balance billing.” “Surprise bills” are unexpected balance bills. The No Surprises Act protects patients from receiving a higher bill when seen for emergency care from an out-of-network provider or facility, or when an out-of-network provider treats the patient at an in-network hospital. If a Penn State Health facility or provider is out-of-network, Penn State Health will not balance bill for covered emergency services or post-stabilization services.

**Countable Assets** are defined as assets that are considered available for payment of healthcare liabilities such as, cash/bank accounts, certificates of deposits, bonds, stocks, mutual funds or pension benefits. Defined in Department of Health Services (DHS) Medical Assistance Bulletin, Hospital Uncompensated Care Program and Charity Plans Countable Assets do not include non-liquid assets such as homes, vehicles, household goods. Retirement funds such as 401k, IRA accounts or deferred annuities are excluded from liquid assets.

**Emergent Care:** Care provided to a patient with an emergent medical condition, further defined as:

- A medical condition manifesting itself by acute symptoms of sufficient severity (e.g., severe pain, psychiatric disturbances and/or symptoms of substance abuse, etc.) such that the absence of immediate medical attention could reasonably be expected to result in one of the following:
  - Placing the health of the patient (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, or
  - Serious impairment to bodily functions, or
  - Serious dysfunction of any bodily organ or part.
  - With respect to a pregnant woman who is having contractions, that there is inadequate time to effect a safe transfer to another hospital before delivery, or that the transfer may pose a threat to the health or safety of the woman or her unborn child.

**Federal Poverty Income Levels** are published by the Department of Health and Human Services (HHS) in the Federal Registry each year in January. <https://aspe.hhs.gov/poverty-guidelines>

**Financial Assistance** means the ability to receive free care or discounted care. Patients who are uninsured/insured and receiving medically necessary care, who are ineligible for governmental or other insurance coverage, and who have family income at or below 300% of the U.S. Federal Poverty Level will be eligible for free care under the auspice of this policy.

**Medically Necessary** shall mean health care services that a provider, exercising prudent clinical judgement, would provide to a patient for the purpose of preventing, evaluating, diagnosing or treating an illness, injury, disease or its symptoms, and that are.

- In accordance with generally accepted standards of medical practice.

- For these purposes, “generally accepted standards of medical practice” means standards that are based on credible scientific evidence published in peer-reviewed medical literature generally recognized by the relevant medical community or otherwise consistent with the standards set forth in policy issues involving clinical judgement.
- Clinically appropriate, in terms of type, frequency, extent, site and duration, and considered effective for the patient’s illness, injury or disease.
- Not primarily for the convenience of the patient, physician or other health care provider, and not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that patient’s illness, injury or disease.
- Services, items or procedures considered Investigational or experimental will be addressed on a case-by-case basis.
- Medical treatment necessary to an emergency medical condition.
- PSH-SJMC and PSH-HSHS adhere to the *Ethical and Religious Directives for Catholic Health Care Services*

**Presumptive Financial Assistance** refers to an individual that is presumed indigent and eligible for Financial Assistance when adequate information is provided by the patient or through technology sources that allows PSH to determine that the patient qualifies for Financial Assistance. Technology sources include secure Medical Assistance Eligibility and Verification web portals such as, but not limited to Compass and NaviNet. Factors that support Presumptive Charity include, but are not limited to homelessness, no income, eligibility for Women’s, Infants and Children’s programs (WIC), food stamp eligibility, low-income housing provided as a valid address, deceased patients with no known estate or eligibility in state-funded prescription programs.

**Uninsured Patient** means an individual who does not have health care coverage through any third-party insurer, an ERISA plan, Federal Health Care Program (including The Federal or State Health Insurance Marketplace, Medicare, Medicaid, SCHIP, and Tricare), Workers’ Compensation, Medical Savings Accounts or other coverage for all or any part of the bill. Patients who have exhausted their health insurance coverage or have non-covered services as outlined in the patient’s insurance policy will not be considered uninsured.

## **POLICY AND/OR PROCEDURE STATEMENTS**

### **NOTIFICATION:**

- This Financial Assistance Policy, Financial Assistance Application, and a plain language written summary will be made available to the public upon request.
- Patient billing statements will contain information regarding the availability of financial assistance.
- Notice of availability of this program will be posted at patient registration areas within the hospital, clinics, and on the PSH web site.

- Financial Assistance Policy and application will be available at all outpatient clinic location sites.
- If the primary language of any population constitutes the lesser of 1,000 or 5% of the community served, the FAP will be made available in that language.
- Financial Assistance Policy and application will be made available at community outreach events in which PSH participates.
- 120/240-day rule – A 120-day period during which a hospital facility is required to notify an individual about FAP and a 240-day period during which a hospital facility is required to process an application submitted by the individual. PSH will provide notices during a notification period ending a minimum of 120 days after the date of the first billing statement. Hospital facility may not initiate ECAs (extraordinary collection actions) against an individual whose FAP eligibility has not been determined before 120 days after the first post discharge statement.
- Penn State Health complies with 501R billing and collection requirements.
- PSH will when applicable comply with the No Surprises Act.

**ELIGIBILITY CRITERIA:**

- Financial Assistance is approved based on family income according to the guidelines below. Qualifying patients will be eligible for 100% free care for medically necessary services incurred. PSH shall not charge uninsured FAP eligible or non-FAP eligible individuals more than the amounts generally billed (AGB) for emergency or other medically necessary care.

Household Size	Gross Income	Discount
1	\$45,180.00	100%
2	\$61,320.00	100%
3	\$77,460.00	100%
4	\$93,600.00	100%
5	\$109,740.00	100%
6	\$125,880.00	100%
7	\$142,020.00	100%
8	\$158,160.00	100%

\*For Family Size of more than 8 (eight) people, add \$16,140.00 for each additional person.

- An evaluation for Financial Assistance begins with the completion of the Financial Assistance Application. It must be complete, signed by the guarantor and currently dated. (See Attached)
- The patient must be a United States citizen, permanent legal resident or PA resident who can provide proof of residency (excludes non-US Citizens living out the US).

- The patient must apply for Medical Assistance, the Federal or State Insurance Marketplace (unless proof of exemption is provided) or any other applicable third-party payment source before being approved for Financial Assistance.
  - Partial Financial Assistance may be offered to self-pay children who are exempt from applying for Medical Assistance.
- All other options for payment of medical bills have been exhausted including, but not limited to; church or private fund raising, charitable programs or grants. Non-cooperation on the part of the patient or guarantor to pursue alternative payment options may disqualify them from consideration of Financial Assistance.
  - Financial Assistance may not be offered if the patient has sufficient Countable Assets to pay their bill and liquidation of those Countable Assets would not cause undue hardship to the patient.
  - Financial Assistance will be granted to any deceased patient based on criteria established in the **RC-12 Deceased Patient/Guarantor Account Resolution Policy**.
  - As a result of programs with free care clinics (i.e., Hope Within, Centre Volunteers in Medicine, etc.) financial assistance may be granted based on the financial information collected or determined by the free-care clinic.
  - Elective services, such as, but not limited to cosmetic, In vitro/Infertility, glasses, hearing aids, penile implants, or some gastric by-pass procedures and any restrictions adhering to the *Ethical and Religious Directives for Catholic Health Care Services* are not covered by this FAP.
  - Income based insurance plans with co-payment or deductible patient balances may be considered eligible for Financial Assistance.
  - The eligibility period for Financial Assistance is one year. PSH has the right to request a new application and evaluation of the patient's ability to pay at its discretion.

#### **PROCEDURE TO APPLY:**

- Financial Assistance applications will be available online via the PSH website, in person at any Clinic location, or via the mail.
- The following completed, appropriate supporting household documentation must be provided in order to ensure the patient meets the income and family size criteria.
  - Most recently filed Federal Income Tax Return
  - Most recent four (4) paystubs
  - Most recent four (4) bank statements
  - Social Security Income determination
  - Unemployment income
  - Pension income
  - Distribution confirmation from estates or liability settlements (Financial Assistance will not be considered until the final settlement of the estate or litigation).
  - Medical Assistance or Health Insurance Marketplace Determination.
  - Proof of citizenship or lawful permanent residence status (green card).
  - If household has no income, letter from person(s) who are assisting with living expenses.
  - Any other information deemed necessary by PSH to adequately review the financial assistance application to determine qualification for Financial Assistance.

- If the information provided within the application is insufficient to make an appropriate determination the guarantor will be contacted to supply additional information.

## EVALUATION METHOD AND PROCESS

- PSH will suspend any ECAs against a patient once the patient has submitted a FAP application, regardless if the application is complete or not.

Approval levels for Financial Assistance are as follows:

<b>Staff Level:</b>	<b>Financial Application Associates/ Financial Counselors</b>	<b>Senior Associate</b>	<b>Team Manager</b>	<b>Manager/ Senior Director Revenue Cycle</b>	<b>Vice President Revenue Cycle Operations or Chief Financial Officer</b>
<b>Amount:</b>	< \$500	<\$5,000	<\$25,000	<\$100,000	>\$100,000

- Once the application is reviewed, a telephone call and letter will be sent to the patient or guarantor to communicate the determination.
- The individual making the financial assistance determination will document the patient's account in the billing system accordingly and sign the "Request for Review" form. The account will be referred to the appropriate staff member for further handling.
- If a patient qualifies for Financial Assistance and is eligible for cobra benefits, as an institution, PSH may choose to pay the monthly insurance premium.
- Upon charity approval, debt reported to any Credit reporting agency will be retracted within 30 days.
- Once the financial assistance adjustments have been placed on the patient accounts receivable, any previous or subsequent payments received will be refunded to the patient.
- Patients whose accounts have already been referred to a collection agency may still apply and be approved for financial assistance.
- If financial assistance is approved, the appropriate staff member will enter the system adjustment and identify and review all open encounters under the patients' medical record number and apply the financial assistance discount.
  - Nonpayment and/or failure to contact financial counseling and/or to submit or fully complete the application may lead to actions which are outlined in the **RC-002 Patient Credit and Collections Policy**.
  - A copy of the financial application and/or financial information is retained for seven years in accordance with PSH retention policies.
  - Additional requests for Financial Assistance within the same calendar year may not need supporting documentation unless there are changes to the information already on file.
  - Management may use their discretion for extenuating circumstances, such as, but not limited to: (examples as follows):

- The patient’s income is over the charity guideline; however, their medical debt exceeds yearly income due to a catastrophic medical event.
- The patient receives a settlement from a lawsuit that is less than the account balance and does not have sufficient personal Countable Assets/income to pay the difference.
- The patient is willing to borrow money to pay but does not qualify for the entire amount due on the account (verification from the lending institution is required).
- The patient is willing to liquidate other assets that cover part of the balance.
- The patient does not complete a financial application, but sufficient income/financial information is obtained to make a decision.

**All policies referenced in this document are available for review at the PSH web site and are available to be printed upon request.**

**This policy sets forth a voluntary, charitable goal of Penn State Health. Accordingly, neither this policy nor any breach thereof shall be construed to create any legal obligation on the part of the hospital or any right in any patient or third party.**

**RELATED POLICIES AND REFERENCES**

**The appendix to this policy includes:**

- Appendix A - Providers/Services Covered by the Financial Assistance Program – St. Joseph Regional Medical Center
- Appendix B - Providers/Services Covered by the Financial Assistance Program – Holy Spirit Health System.
- Plain Language Summary and Financial Assistance Application

**Note: Generally, all Penn State Health St. Joseph Medical Center and Holy Spirit Health System will honor this Financial Assistance Program except as noted in the Appendix.**

**APPROVALS**

Authorized:	Paula Tinch, Senior Vice President and Chief Financial Officer
Approved:	Nicholas Haas, Vice President Revenue Cycle

**DATE OF ORIGIN AND REVIEWS**

Date of origin: 10/1/2020

Review Date(s): 10/10, 02/16, 6/17, 2/18,10/22,1/23,10/23,2/24

Revised: 10/10; 1/12, 12/14, 02/16 – Replaced 10/10 Policy; 6/17, 2/18, 10/18, 11/18, 2/19, 1/20; 3/21 – combined Holy Spirit Medical Center and St. Joseph Medical Center policies. Retire SJMC policy #ADM-CRP-008, 11/21, 10/22,1/23,10/23, 2/24

**CONTENT REVIEWERS AND CONTRIBUTORS**

Senior Directors of Revenue Cycle; Manager Patient Access Financial Counseling

## Appendix A

### Penn State Health St. Joseph Medical Center

#### Providers/Services Covered by the Financial Assistance Program

**\*See Providers/Services Not Covered by the Financial Assistance Program**

- Anesthesia
- Cardiology Cardio Thoracic Surgery
- Clinical Pathology
- Emergency Medicine
- Female Pelvic Medicine
- General Surgery\*
- Hospitalists
- Infectious Disease
- Internal Medicine
- Neonatology
- Neurology
- Neurology Stroke
- Neurosurgery
- Obstetrics Gynecology
- Oncology
- Orthopedic Surgery
- Pain Management
- Palliative Medicine
- Pediatric Hospitalists
- Pharmacy
- Plastic Surgery\*
- Radiology
- Residency Faculty
- Residents Family Practice
- Robotics
- Sports Medicine
- Surgery Thoracic
- Urgent Care
- Urogynecology And Minimally Invasive Surgery
- Vascular Surgery
- Wound Care



**Providers/Services Not Covered by the Financial Assistance Program**

- Cosmetic Surgery
- Some Gastric Bypass Procedures
- Any restrictions adhering to the *Ethical and Religious Directives for Catholic Health Care Service*.

For physicians, not employed by Penn State Health, this policy does not apply to their charges. Payment for professional fees billed by these health care providers is the patient's responsibility and does not qualify for a discount or financial assistance under this policy. This policy only applies to the facility fees for emergency and other medically necessary care provided at Penn State Health St. Joseph Medical Center.

**Appendix B**

PSH Holy Spirit Health System