SUBJECT: METHODS OF DEDUCTION FROM REVENUE, INSURANCE RECEIVABLES AND RECORDING CHARITY CARE

PURPOSE: To outline and define patient accounts adjustments and discounts.

POLICY: Medical Center will use guidelines to determine various discounts amounts and eligibility.

PROCEDURE:

1. PROMPT PAY DISCOUNTS
   Patients will receive a 10% discount on the balance due (excluding any “copays”) if they pay their bill within 30 days of the date of the first statement. The discount will not be applied to the NYS surcharge.

2. CHARITY CARE:
   Applicants will need to meet various criteria as set forth in this policy, including residency within Alice Hyde Medical Center's Primary Service Area (residency restrictions apply to non-emergent services only), as defined by New York State Department of Health. Applicants will be required to provide documentation as proof of residency.

   Individuals or families below 200% of the federal poverty level (FPL) are eligible for 100% Charity Care. Individuals or families between 201% and 300% of the FPL are eligible for a discount from charges. Those that meet the income test for 201% - 300% FPL will receive the same discount given to Blue Cross/Blue Shield, the Medical Centers highest volume third party payer. Patients must meet a means test based on income. Charity Care is appropriate for both inpatients and outpatients for any service delivered by Alice Hyde Medical Center.

   Patients have up to ninety (90) days to apply for aid and thirty (30) days beyond that to complete documentation requirements set forth in the charity care application. Determination of charity status must be made within thirty (30) days of receipt of the COMPLETE application, including all supporting documentation required, by the Medical Center. Means tests include marital status, number of dependents, and financial ability.

   The “Notice of Availability” which outlines the Federal Poverty Levels and instructions on how to apply for charity care are available from the Credit & Collections office at 481-2241.
They are also posted in the Emergency Room, each Admitting desk, the Cashiers office and the Credit & Collections department. A statement pertaining to the existence of charity care availability is also presented on each patient statement.

A report will be supplied to the board of directors as to the content and AHMC compliance to this policy in accordance with the requirements of New York State. Audits of charity care applications and general policy compliance will be performed on an annual basis and will be performed more frequently if such audit findings determine the need. Patients who are not approved for charity care, but would like to file an appeal, may do so by contacting the Credit & Collections office at 481-2241. Any filed appeals will be forwarded to the President/CEO for review.

Authorized personnel to approve charity care:
1) Vice President of Finance
3) Director of Patient Accounting
4) Credit/Collections Coordinator
5) Administration must approve any amount in excess of $5,000

5. BAD DEBTS:
Bad debts are services rendered for which payment is anticipated and credit is extended to the patient. Through the collection process, these accounts become self-pay and will be written off as recommended by the credit office to administration for approval on a monthly basis.

6. REPORTING REQUIREMENTS FOR BAD DEBT/CHARITY CARE:
In accordance with New York State regulations, Alice Hyde Medical Center will report the following items to the State as requested:
• Medical Center costs incurred and uncollected amounts for services to eligible patients without insurance, including nominal payments received;
• Medical Center costs incurred and uncollectible amounts for deductibles or co-insurance;
• The number of patients who applied for aid, approvals and denials by Zip Code;
• The amount of bad debt/charity care received;
• The amount spent from bequests or trusts established to provide financial aid;
• Where applicable, the number of patients receiving assistance in applying for Medicaid;
• Medical Center losses resulting from services provided under Medicaid; and
• The number of liens placed on a primary residence.