1. **Purpose**

1.1. This Uninsured and Financial Need Discount Policy and Procedures (the “Charity Care Policy”) is applicable to patients of (i) Health Quest Systems, Inc. and its affiliates (“Health Quest”) and (ii) any third-party provider who contracts with Health Quest, who are without health insurance, or who have exhausted their health insurance benefits, or who can demonstrate an inability to pay for all or part of the care they receive from Health Quest.

1.2. In accordance with this Charity Care Policy, Health Quest will provide an Uninsured Discount and/or Financial Need Discount (each a “Discount”) to certain patients as described more fully below and in the “Notice to Patients and Families” annexed hereto as Attachment A (the “Notice”).

1.3. The purpose of this Policy is to implement an appropriate and fair system to provide Discounts to applicable patients by taking into account each patient’s ability to pay, to properly and consistently execute this system throughout Health Quest and to provide a benefit which is proportional to the community’s needs and the institution’s resources, as well as which complies with applicable state and federal laws.

2. **Policy Statement**

2.1. Health Quest endeavors to adhere to principles set forth by the American Hospital Association regarding “Hospital Billing and Collection Practices”, a copy of which is annexed hereto as Attachment B.

2.2. In particular, Health Quest is committed to the following standards in providing care to all patients:

2.2.1. Treat all patients equitably and with dignity, respect and compassion;

2.2.2. Serve the emergency health care needs of everyone, regardless of a patient’s ability to pay for care;
2.2.3. Assist patients who cannot pay for all or part of the care they receive; and

2.2.4. Balance needed financial assistance for some patients with broader fiscal responsibilities in order to keep Health Quest's doors open for all who may need care in the community.

3. **Scope**

3.1. For purposes of this Charity Care Policy and its implementation, "insurance" shall constitute:

   3.1.1. A Health Reimbursement Arrangement ("HRA"). HRA accounts allow one to allocate a portion of his/her health care premium to an account from which tax-free withdrawals can be made in order to pay for qualified medical expenses;

   3.1.2. A Health Savings Account ("HSA"). Non-Medicare individuals may establish an HSA into which they may make tax-free contributions up to a certain limit set by law. Those funds may then be used for qualified medical expenses;

   3.1.3. Self-Insured Employer Payments;

   3.1.4. Worker's Compensation Payments; and

   3.1.5. Personal Injury Awards.

3.2. In each of the following circumstances, patients who accrue charges for inpatient and outpatient care services, regardless of their medical condition, are eligible for a Discount:

   3.2.1. when such charges are for emergency hospital services, including emergency transfers pursuant to EMTALA;

   3.2.2. if the patient resides in New York State or Connecticut; and

   3.2.3. if the charges are for medically necessary hospital services for patients who reside in Health Quest's primary service area, as determined according to criteria established by the Commissioner of Health.

3.3. For patients who are not residents of the State of New York or Connecticut, eligibility for a Discount will be made by Health Quest on a case-by-case basis.

3.4. Charges related to purely elective procedures are not eligible for a Discount. Examples of purely elective procedures include

   3.4.1. cosmetic surgery; and

   3.4.2. procedures not covered by Health Quest's highest volume commercial payer.

3.5. Charges related to professional service fees, including physician service fees, (unless the physician is an employee of Health Quest), as well as discretionary charges, such as private room, television and telephone are also not eligible for a Discount.

4. **Uninsured (Self-Pay) Discount Rates**
4.1. Self-Pay Discounts may be offered to patients who are uninsured, and therefore responsible for the entirety of their charges (the “Full Charges”). The Self-Pay Discount rate shall be based upon the highest volume commercial payor rate, which shall be determined by Health Quest Finance.

4.2. Eligibility for a Self-Pay Discount will be made once a patient has demonstrated a lack or insufficiency of insurance, and once the patient has received a Government Payor Denial or it has been otherwise determined that the patient is not eligible for government payor benefits. (see paragraph 6.3.3 below)

4.3. If/when a Self-Pay Discount is applied to a patient’s Full Charges, that patient shall then become responsible for the remaining charges in his/her account (the “Adjusted Charges”).

5. **Financial Need (Charity Care) Discount Rates**

5.1. Patients who demonstrate an inability to pay for Adjusted Charges may be further eligible for a Charity Care Discount. Upon receiving a Charity Care Discount, the patient shall then be responsible for whatever charges remain in his/her account (the “Fully Adjusted Charges”).

5.2. Charity Care Discounts will be awarded based on a determination of a patient’s ability to pay, which shall take into consideration a patient’s asset and income level. To determine the applicable Charity Care Discount rate, patients will be required to provide Health Quest with certain asset and income information for verification of their financial status.

5.3. An asset cap of $25,000 (plus $5,000 for each dependent in the patient’s household) will be applied to each patient to help determine that patient’s ability to pay, and therefore, his/her eligibility for the Charity Care Discount, meaning that if a patient owns more than $25,000 in liquid assets (i.e. cash or cash equivalents) that patient will be expected to first utilize such assets above the $25,000 asset cap to pay the Adjusted Charges. Certain forms (i.e. tax forms) and other information must be provided by the patient in order to determine his/her asset level.

5.4. Assuming a patient meets the asset cap requirements set forth above, the following Charity Care Discount rates will apply:

5.4.1. A 100% discount off the Adjusted Charges will be provided to any patient whose total combined annual household income is at or below 200% of the Federal Poverty Guidelines;

5.4.2. A 50% discount off the Adjusted Charges will be provided to any patient whose total combined annual household income is between 201% and 300% of the Federal Poverty Guidelines;

5.5. The following shall not be considered assets for the purpose of determining a patient’s Charity Care Discount eligibility or rate:

5.5.1. the patient’s primary residence;

5.5.2. assets held in a tax-deferred or comparable retirement savings account;

5.5.3. assets held in a college savings account; or

5.5.4. cars used regularly by a patient or his/her immediate family members
6. Procedures

6.1. Notice and Availability of the Charity Care Policy

6.1.1. Verbal and written notification of the availability of financial aid to qualified patients, as well as instructions about how to obtain further information, shall be provided during the intake and registration process.

6.1.2. Any patient who requests a copy of this Charity Care Policy and/or any financial aid application shall be provided with such in a timely manner.

6.1.3. The Notice shall be posted in both English and Spanish in conspicuous locations around the hospitals, including the inpatient and outpatient registration areas, the lobby areas and on every Health Quest website.

6.1.4. Applications for a Discount will be available in the Registration Departments, at Health Quest’s SBO and at other locations throughout the individual hospitals.

6.1.5. Application materials shall include a notice to patients that upon submission of a completed application, including any information or documentation needed to determine the patient's eligibility pursuant to this Policy, the patient may disregard any bills until Health Quest has rendered a decision on the application.

6.2. Staff Education

6.2.1. Health Quest SBO and registration staff shall receive training on this Charity Care Policy.

6.3. Application Process

6.3.1. Administrative Responsibility: Specific individuals in the SBO will be trained and dedicated to assisting patients through the application process and following up with patients for asset and income information. In adherence to its general corporate policy on non-discrimination, no patient shall be approved or denied a request for a Discount based on his/her race, age, sex, religion, creed, marital status or the like.

6.3.2. Required Information: Patients must provide sufficient information to verify their ownership of assets and annual household income. Discretion shall lie with the SBO to determine what information is needed with regard to each patient, but in no instance shall the application process be unduly burdensome or complex.

6.3.2.1. Such information may include, but not be limited to, W-2 forms, recent pay stubs, a written salary verification from an employer (if pay stubs or W-2 forms are not available), bank statements and tax returns.

6.3.2.2. Health Quest also reserves the right to request additional information if necessary, including but not limited to, SSI benefits, bank statements, and information regarding household liabilities and size.

6.3.3. Government Payor Denial
6.3.3.1. **Screening:** In order to be eligible for a Discount under this Charity Care Policy, every patient must first be screened for government payor (i.e. Medicaid) eligibility. This screening shall be performed by the respective hospital and/or the SBO staff and will be required of all self-pay patients and outpatients who receive surgery, medical procedures (including: chemotherapy, infusions, cardiac catheterizations, transfusions, wound care, and scope procedures) and radiation therapy. If it is determined, based on the screening, that such patients may be eligible for government payor benefits, then such patients must apply for and be denied such government payor benefits in order to be eligible for a Discount under this Charity Care Policy.

6.3.3.2. **Application:** Health Quest hospitals shall make patients aware of, or assist eligible patients in applying for payment from, governmental programs.

6.3.3.2.1. The denial must be for a “legitimate” reason, such as excess income.

6.3.3.2.2. Denials due to a patient’s failure to complete the application process shall not be considered legitimate.

6.3.3.3. Outpatients receiving clinic, emergency room or referred ambulatory services shall not be required to first obtain a government payor denial.

6.3.3.4. Health Quest may, as permissible under the law and as consistent with the purpose of this Charity Care Policy, waive Medicare/Medicaid deductibles or co-payments for Medicare/Medicaid patients in light of such patient’s financial hardship. Such waivers will not, however, be granted routinely, but will only be granted occasionally to address the special financial needs of a particular patient.

6.3.4. **Patient Cooperation:** Patients are obligated to cooperate with the application process and provide the financial information requested. Patients shall not receive Discounts under this Charity Care Policy unless the application process is completed.

6.3.5. **Denial for Improper Conduct:** Health Quest reserves the right to deny Discounts to any patient who has been, in Health Quest’s sole judgment, involved in fraudulent activity, such as the improper transferring of assets or the refusal to purchase available health insurance coverage.

6.3.6. **Review by Supervisor:** To the extent that that a patient is uncooperative in resolving his/her account balance after available Discounts have been provided and/or a payment plan has been instituted, a supervisor at Health Quest’s SBO will be consulted before further action, if any, is taken by Health Quest with regard to such account.

6.3.7. **Pre-Admission Deposits:** Nothing in this Charity Care Policy shall prevent Health Quest from requesting a pre-admission deposit from any patient prior to rendering services to that patient. However, all pre-admission deposits shall be included as part of any financial aid consideration.

6.3.8. **Timing:** Patients may apply for the Discounts described in this Charity Care Policy at any time before, during or after services are rendered. Health Quest shall issue an approval or denial for every request for a Discount within 30 days after all necessary information is provided by the patient. Approvals or denials of any patient’s request for a Discount shall be
sent to the patient in writing. Any denial notice shall also include information concerning the appeal process available to the patient.

6.3.9. **Length of Approval:** Any approval by Health Quest for a Discount shall apply to all charges incurred by a patient for past services, as well as to all charges for any services rendered by Health Quest for six (6) months after the approval date. If additional services are rendered to the patient by Health Quest after the sixth month period has elapsed, that patient must file a new application for a Discount.

6.3.10. **Appeal Process:** Any patient who provides all requested information and is denied a Discount under this Charity Care Policy shall be entitled to appeal such decision by writing to the SBO and arguing his/her case. Every such appeal will be assigned to a designated, senior-level management person at Health Quest. In every such instance, the patient shall have the ability to provide Health Quest with any additional information not previously provided.

7. **Health Quest’s Rights**

7.1. Health Quest reserves the right to grant financial assistance to patients who do not meet the guidelines above in extraordinary circumstances, such as a catastrophic illness or significant financial obligations, on a case-by-case basis.

7.2. Health Quest also reserves the right to reduce the Discount to any patient under this Charity Care Policy if Health Quest becomes aware of circumstances which would indicate the patient or the patient’s household has sufficient assets to afford the non-discounted charges.

8. **Responsibility and Accountability**

8.1. The SBO, as overseen by the Finance Committee of the Board, shall be responsible for proper and consistent implementation and execution of this Policy throughout the Health Quest system. It is expected that each applicable employee, provider and department within Health Quest will cooperate with the SBO in these efforts.

8.2. Accountability for the proper and consistent implementation and execution of this Policy shall ultimately be with the Finance Committee, who shall present an annual report to the Board concerning the Charity Care Policy.

9. **Coordination with Other Health Quest Policies**

9.1. This Charity Care Policy shall also be implemented and executed in conjunction with Health Quest’s Billing, Collection and Litigation Policy (the “Billing Policy”).