OUR LADY OF LOURDES MEMORIAL HOSPITAL
Binghamton, New York
ADMINISTRATIVE MANUAL

SUBJECT: Patient Financial Assistance Program (PFAP)
ORIGIN DATE: March 1990
REVIEWED: February 2008
REVISION DATE: February 2008
REGULATORY REFERENCES:
CROSS REFERENCE:
Administrative Policy Manual:
Care of People Who Are Poor/and
Community Benefit;
Business Office Manual:
Patient Financial Assistance Program;
Lourdes Code of Conduct and Service Excellence Agreement

POLICY:

It is the policy of Our Lady of Lourdes Memorial Hospital, Inc. to engage in a socially just practice for billing all patients receiving care at our Health Ministry and to treat eligible patients with dignity and respect according to the Lourdes Code of Conduct and Service Excellence Agreement. All billing and collection practices will reflect Lourdes commitment to, and reverence for, human dignity and our concern for poor and vulnerable persons.

The Patient Financial Assistance Program (PFAP) is specifically designed to address the billing and collection practices for uninsured or underinsured patients who receive medically necessary services provided by the following entities and programs:

a. Lourdes Hospital
b. Lourdes Physician Network
c. Lourdes Hospice
d. Lourdes At Home
e. Lourdes Center for Oral Health

This policy excludes:

a. Any services provided at Lourdes by private businesses or professional groups (i.e., Radiology, Pathology, Anesthesiology, etc.)
b. Elective non-medically necessary cosmetic surgical procedures which require pre-payment.

Definitions:
For the purposes of this policy, the following definitions apply:

- "Patient" shall mean those persons who receive care at Our Lady of Lourdes Memorial Hospital, Inc. and the person (guarantor) who is financially responsible for the care of the patient.
Eligibility Requirements:

1. PFAP eligibility criteria:
   a. Patient must be ineligible for any State or Federal Health Insurance program. If patient qualifies for a State or Federal Health Insurance program, they must apply for coverage and make a good faith effort to comply with all enrollment requirements. If we believe a patient is eligible for another health insurance program, the patient must provide a written notice of denial to confirm their eligibility for the PFAP. Failure by the patient to apply for State or Federal health insurance may result in a denial of eligibility based on a review of the circumstances in each case.

   b. Patient must qualify for PFAP based on Means Testing of family gross income and assets. If patient has excess income or assets, they may be denied or may receive a partial adjustment based on the PFAP adjustment scale as defined by this policy.

2. Financial Assistance - 100%
   a. Patients with a gross income less than or equal to 200% of Federal Poverty Level, and eligible assets less than 200% of New York Medicaid resource guidelines are eligible for a 100% financial assistance discount adjustment to write off charges for medically necessary services.

   b. Patient has been determined ineligible for any State or Federal Health Insurance program (i.e. Medicaid, Family Health Plus, CDPHP, etc.).

   c. Patient submits a signed PFAP application and all documentation required to provide proof of income and resources to the Lourdes designated Financial Counselor for review and determination.

3. Financial Assistance - 75%
   a. Patients with a gross income greater than 200% and up to 300% of Federal Poverty Level and with eligible assets less than 200% of the Medicaid resource guidelines for the patient’s state of primary residence level, are eligible for a 75% financial assistance discount adjustment to write off charges for medically necessary services.

   b. Patient has been determined ineligible for any State or Federal Health insurance program (i.e. Medicaid, Family Health Plus, CDPHP, etc.).

   c. Patient submits a signed PFAP application and all documentation required to provide proof of income and resources to the Lourdes designated Financial Counselor for review and determination.
4. **Financial Assistance - 50%**
   a. Patients with a gross income greater than 300% and up to 350% of Federal Poverty Level and with eligible assets less than 350% of the New York Medicaid resource guidelines for the patient’s state of primary residence level, are eligible for a 50% financial assistance discount adjustment to write off charges for medically necessary services.

   b. Patient has been determined ineligible for any State or Federal Health insurance program (i.e. Medicaid, Family Health Plus, CDPHP, etc.).

   c. Patient submits a signed PFAP application and all documentation required to provide proof of income and resources to the Lourdes designated Financial Counselor for review and determination.

5. **Uninsured Self-Pay Patient with the Ability to Pay**
   a. Patients must not be enrolled for health insurance coverage by a private insurance company or government health plan. Patient has a gross income greater than 350% of Federal Poverty Level, and is not eligible for PFAP.

   b. Patient is eligible for 25% uninsured discount from gross charges when their account is billed.

   c. Patient is eligible for an additional 20% prompt pay discount if the balance is paid within 30 days from bill date.

**PROCEDURE:**

**Registration:**
During the Registration process, if the patient indicates he/she does not have insurance or cannot pay the remaining co-payments, deductible, or non-covered services, the patient’s account should be documented and the patient referred to a Financial Counselor, or a PFAP application should be presented to the patient.

**Application:**
1. The PFAP application must be signed and all required documentation to provide proof of income and resources must be submitted before eligibility can be determined.

2. The income means test will review proof of income which may include a copy of the patient’s most recent federal income tax return, paycheck stubs with year-to-date totals, a letter from the employer, an unemployment letter, Social Security benefits, pensions, etc.

3. The resource means test will review eligible assets for comparison to resource limit guidelines. Eligible assets are defined as cash on hand, checking, savings, real estate
(not used as the patient’s primary residence) and any investments (stocks, bonds, mutual funds) which are not held in a tax-deferred or comparable retirement savings account. The patient’s primary residence, college savings accounts or cars used regularly by the patient or immediate family members are excluded, and shall not be considered as eligible assets for the means test.

4. The Patient Financial Counselor will verify the above documentation and forward it to the Central Financial Counselor’s office.

5. If the Financial Counselor determines that the applicant may be eligible for any other health insurance programs, the applicant will be informed that eligibility determination must be received by Lourdes before the patient is approved for these programs.

6. If the patient has insurance which covers only a portion of the gross charges, and the patient is eligible for PFAP, the patient financial assistance adjustment will apply to the remaining balance on the account due from the patient.

7. Patients will be required to complete the application process every 12 months from the original approval date, or sooner if their financial circumstances change.

Uninsured Self-Pay Patients:
1. During the Registration/Pre-registration process, if the account is documented with a 0000 Financial Class, it will be discounted by 25% during the final billing process.

2. Program guidelines will be communicated during the Registration/Pre-registration process to determine whether patient referral to the Financial Counselor is appropriate.

3. The Patient Financial Services Department will generate a final Billing statement to the patient normally 5 days after discharge date, indicating the appropriate discount levels available unless there is a delay due to coding, abstracting process and physician attestation, etc. Bills will commence upon completion of review.

4. Once payment is received within the required time limits, the additional discount will be applied to the account accordingly.

Collection Practices:
1. Patients eligible for PFAP will not be subject to liens or wage garnishments for any eligible remaining balances.

2. Garnishment of wages is permitted only if:
   a. The patient does not qualify for PFAP, and a court determines that the patient’s wages are sufficient for garnishment.
   b. The lien had prior review and approval by executive management of the hospital.
3. Liens on personal residences are permitted only if:
   a. The patient does not qualify for PFAP.
   b. The patient has not complied with payment arrangements
      agreed to by the hospital and patient.
   c. The lien will not result in a foreclosure on personal
      residence.
   d. The lien had prior review and approval by executive
      management of the hospital.

4. For uninsured self-pay patients if the remaining balance is
   not paid during the in-house collection cycle, the account
   will be referred to a collection agency for further
   collection activity. The account balance assigned to the
   collection agency will be net of the uninsured discount.
   The patient is no longer eligible for a prompt pay discount
   after the account is assigned to collections.

Appeal Process:
The Patient has the right to appeal or request a second review
of a determination.
1. The patient will need to submit a letter of appeal to the
   Financial Counselor, along with additional documentation or
   reason for reconsideration.

2. The Financial Counselor will present the appeal to the
   Healthcare Access Committee.

3. The Healthcare Access Committee will review the appeal and
   make a determination.

4. The Financial Counselor will notify the patient in writing
   of the final determination.

AUTHORIZATIONS:

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<tr>
<th>Signature on File</th>
<th>President/CEO</th>
<th>5-5-08</th>
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<td>John D. O’Neil</td>
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