NIAGARA FALLS MEMORIAL MEDICAL CENTER
DEPARTMENT OF FINANCE

POLICY

Approved By:

President/CEO

Date

Chief Financial Officer

Date

Policy No: C-23
Effective Date: 7/1/05
Review Dates: 1/1/07, 2/08, 2/09, 2/10
Revision Dates: 1/1/07, 2/08, 2/09, 2/10

DEPARTMENT: Department of Administration

SUBJECT: Financial Aid, Charity Care and Debt Collection Standards

POLICY STATEMENT

Niagara Falls Memorial Medical Center is a not-for-profit organization focused on its mission of caring for patients 24 hours a day, seven days a week, and 365 days a year regardless of ability to pay.

PURPOSE

The Board of Directors has established that the hospital is committed to serving patients whether or not they can pay for part or all of the essential medical care they receive. Further, in no circumstance, shall the hospital ever divert a patient seeking emergency health care based upon ability to pay or source of insurance.
PROVISIONS

The provisions of the policy are as follows:

I. HOSPITAL PRINCIPLES

A. The Hospital does not wish to have fear of a bill preclude a resident of its community from seeking or obtaining essential health care services. The Board of Directors has authorized the Administration to convey this message to prospective patients, the public in general and local community service agencies as applicable.

B. The Hospital’s financial aid policies shall be consistent with its mission and values. That shall not preclude Hospital efforts to take into account each individual’s ability to contribute to his or her care.

C. The Hospital must fulfill and balance its broader fiscal responsibilities in order to maintain service to the community as defined as Primary Service Area. For the purpose of this policy, Primary Service Area is defined as Niagara, Erie, Orleans and Genesee counties.

- The Hospital is committed to providing such financial aid as is consistent with its mission and the Hospital’s resources to provide uncompensated care.
- Should Hospital resources, from time to time, require prioritization of financial aid needs, then priority may be given to patients in Niagara, Erie, Orleans and Genesee counties.

D. The Hospital is a cost efficient provider of health care services. Its cost per discharge compares favorably with other Western New York hospitals as well as with its peer group hospitals in New York State. The Hospital strives to maintain this performance so as to facilitate access to affordable health care.

E. Financial aid policies shall be clear and communicated in a manner that is confidential and dignified. As requested, policies will be communicated in multiple languages (including assistance for the blind and deaf) appropriate to the patients served.

F. Debt collection policies -- internal and by external collection agencies -- shall be consistent with the mission of the Hospital as reflected in this policy.

G. Financial aid policies do not eliminate personal responsibility. Eligible patients are encouraged to access public or private insurance options. Patients are expected to contribute to their care based on their individual ability to pay.
H. Patients seeking services include those with insurance, patients of limited means and indigent patients. The Hospital shall treat individuals within those groups in a consistent and equitable manner.

I. All patient billing and financial information and communication thereof to patients or their designees shall be handled in accord with Hospital policies and in conformance with HIPAA requirements. No provisions or references in this policy are meant to obviate those requirements.

II. BILLING GUIDELINES

The Hospital strives to bill in an accurate and timely manner based on services rendered. The Hospital's approach encompasses prudent business practices consistent with the delivery of necessary health care services.

- Hospital charges are the same for all patients.
- The Hospital will make every effort to collect co-pays at the time of service.
- The Hospital will promptly respond to requests for information from the patient (and/or patient's designee). The response will be timely and courteous and include an explanation of the charges as applicable.
- As applicable and where possible, patients will be informed in advance, to the extent feasible, about financial impact of the care sought, non-covered services or co pays.
- Where possible, written communications will be standardized
- The Hospital bills third party payers and secondary payers as appropriate. To the extent feasible, the Hospital shall bill the patient after insurance has paid and the patient's portion is known to be accurate. The patient shall receive information when an insurer has been billed but has not responded.
- Patients shall receive written notice of any balance due on the account.
- Itemized charges shall be provided to patients upon their request.
- Hospital communications should be written in language and format for the average reader.
• Communication of financial information should not occur during treatments or procedures.

III. ELIGIBILITY FOR FINANCIAL AID

A. Premises

Financial aid is intended to assist low-income or uninsured individuals who cannot afford to pay in full for their care. It should take into account an individual's ability to contribute to the cost of his or her care.

B. Policies

The determination of whether a patient qualifies for financial aid shall be made by the Hospital. A simple declaration by the patient to that effect does not determine eligibility. Relevant documentation shall be maintained. With respect to individuals who are continuing patients, the Hospital shall re-assess the financial status of the patient every six months. If the patient's financial circumstances change, (example: loss of a job, death), the patient will be reevaluated. The Hospital will distinguish between indigent patients and others needing some type of financial assistance versus patients who refuse to honor their debts.

The Board of Directors authorizes the CEO to ensure the development of financial aid policies that shall:

1. Provide that when a patient contacts the Hospital for services, financial status should not be a barrier to treatment. A sliding fee schedule, as compensation for services rendered will be applied in accordance with this policy for patients with insufficient resources.

2. Patients must reside within the hospital's Primary Service Area in order to qualify for Financial Assistance. Special consideration will be given to those patients who live outside the Primary Service Area and require Emergency Services at Niagara Falls Memorial Medical Center.

3. Plainly state the eligibility criteria to receive financial aid. Such policy shall include the following:

• That monthly family income and savings will be used in determining eligibility. Consideration will be given to exclude primary home but include other properties. Family income is determined using the Census Bureau definition, which uses the following income when computing
Federal Poverty Levels (FPL): Includes earnings, unemployment compensation, worker’s compensation, Social Security, Supplemental Security Income, public assistance, veteran’s payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources;

- Non cash benefits (such as food stamps and housing subsidies) do not count;
- Determined on a before-tax basis;
- Excludes capital gains or losses;
- Excludes college savings accounts and tax deferred savings accounts; and
- If a person lives with a family, includes the income of all family members (Non-relatives, such as housemates, do not count).

The following nonessential services are not eligible for financial aid: discretionary, non-reconstructive plastic surgery, convenience items, and non-medically necessary private room accommodations.

Financial aid to individuals is contingent on cooperation from the individual to establish to the Hospital’s reasonable satisfaction that a need exists. Patients or their legally responsible parties are required to cooperate with the Hospital’s need for accurate and detailed financial information. Therefore, any patient seeking financial aid shall provide the Hospital with financial and other information needed to determine eligibility for financial aid, or to assist in enrolling in a publicly sponsored insurance program (e.g., Medicaid, Family Health Plus, Child Health Plus), if eligible. Documentation requirements should be easy to follow (e.g., require easily obtainable documents such as pay stubs, tax returns, mortgage papers, rent receipts, etc.).

4. Provide appropriate financial assistance to those in need as evidenced by the following:

- Significant financial assistance will be provided to the lowest income individuals – those at or below 150% of the Federal Poverty Level (FPL) – with collection practices that recognize the limited financial capacity of those individuals.
• Some financial assistance will be provided to those who earn from 151% to 300% of the FPL but who for various reasons still face challenges in making full payment.

• Collection policies and practices that consider the patients’ ability to pay.

5. Discount Policies

A. The Hospital shall determine discounts in a reasonable manner based on what patients can afford to pay.

(i) For low-income uninsured, the Hospital will consistently apply discounts to the patient’s billed charges.
   a. For patients with incomes at or below 300% of the FPL, charges must not exceed the higher of the amount that would be paid to the hospital for the same services by Medicaid, Medicare or by the hospitals highest volume (designated) payer. This amount is the maximum payment amount (MPA) for any patient covered by the hospital’s financial aid policies and procedures.
   b. For patients with incomes between 251% and 300% of the FPL, the hospital must not charge more than 100% of the MPA.
   c. For patients with incomes between 151% and 250% of the FPL, the hospital must establish a sliding fee schedule ranging from 20% of the MPA amount to 100% of the MPA.
   d. For patients with incomes between 100% and 150% of the FPL, the hospital establishes a sliding fee schedule ranging from 0% of the MPA amount to 20% of the MPA.
   e. For patients with incomes at or below 100% of the FPL, the hospital will charge zero.

(ii) For individuals that do not meet the financial aid guidelines, the Hospital will take into consideration individual financial situations for payment arrangements.

(iii) If the patient is eligible for Medicaid, but the service is non-covered by Medicaid, Financial Assistance will automatically be applied to the patients account.

(iv) The Hospital’s approach shall:
   • Incorporate flexible payment plans (e.g., extended payment terms).
   • Clearly state if a minimum/nominal payment is required.
   • Not charge interest to self-pay patients
(v) Amounts of discounts provided will be based on the prevailing Federal Poverty Guidelines. (See attached example)

(vi) In order to qualify for Charity Care/Financial Assistance discounts, individuals must complete an application and provide the following documentation within 180 days from the date of service:
- 3 months most recent payroll check stubs
- Most recent tax return (only if 3 most recent payroll check stubs are unavailable).
- Unemployment records
- Documentation of government benefits- SSI, Social Security and other
- Any other financial documentation reasonably requested by the Hospital.

a. Patients must sign that all information provided in the Charity Care/Financial Assistance application is true. Any approval for charity care can be revoked if the application is found to be fraudulent.

(viii) Patients must return the completed Charity Care/Financial Assistance application within 21 days after receipt of the application.

B. Policies will be evaluated on a regular basis.

C. When applicable, the Hospital may apply different discounts to different categories of services. Additionally, the Hospital shall promote access to outpatient and preventative services.

D. Any discounts shall be applied to balances (including co pays) remaining after third party billing.

E. Financial status information submitted by patients shall be treated confidentially.

Patients who have exhausted their insurance benefits and/or who exceed financial eligibility criteria but face extraordinary medical costs should be considered on a case by case basis. The Hospital will also assist patients of limited means on a case by case basis.

In the event that the patient does not apply for Financial Assistance or does not return the required documents, presumptive Financial Assistance may be applied. Presumptive Financial Assistance will be applied based on estimated household income which is computed from a reliable, industry recognized web based tool, such as credit scoring software. The credit scoring does not negatively impact the patients FICO score.
IV. APPROVAL/DENIAL PROCESS

A. Patients will be notified in writing of the approval/denial of their application within 30 days of the hospitals receipt of the completed application.

B. Notices of denials will include a reason for the denial and information on the appeals process.

V. APPEALS PROCESS

A. In the event financial aid is denied, the patient or designee has the right and opportunity to appeal the financial aid denial.

B. The patient or designee must produce a credit report from a recognized credit reporting agency documenting particular circumstance within 30 days of the denial from the Hospital.

C. The Hospital must respond within 30 days of receipt of the credit report as to the approval or continued denial of financial assistance.

VI. COLLECTION POLICIES

A. The Hospital’s collection policies shall be consistent with the mission of the Hospital. It will undertake reasonable collection efforts and pursue debts fairly. Collection efforts can include telephone calls, personal contacts, letters, data mailers, collection agencies and legal recourse.

B. The Hospital will not send an account to collection if the patient has submitted a completed financial assistance application and the hospital’s eligibility determination is pending.

C. The Hospital will work with its patients to establish reasonable payment plans that take into account available income and assets, the amount of the bill and any prior payments. Monthly payments may not exceed 10% of the eligible individual’s gross monthly income.

D. The Board of Directors authorizes the CEO to ensure the development of collection policies that shall include the following:

- Legal action, including the garnishment of wages, may be taken by the Hospital when there is evidence that the patient or responsible party has sufficient income and/or assets to meet his or her obligation.
- The Hospital will not foreclose a lien forcing the sale or foreclosure of a patient’s primary residence to pay for an outstanding medical bill.

- For accounts over $10,000, the Hospital will use its best effort to review the patient’s record to determine whether financial assistance is appropriate before any collection agency assignment.

- Collection agencies shall only initiate legal action upon express authorization by the Hospital CEO, CFO or Director Patient Financial Services.

E. The Hospital will direct its external collection agencies to follow the guidelines contained in this policy as applicable. Collection agencies shall be provided applicable guidelines in writing. Collection agencies shall provide patients with information on how to apply for financial assistance.

VII. PROGRAMMATIC FACTORS

A. Communication

1. Policies should be written in easily understandable language.

2. The Hospital will take affirmative efforts to assist patients who have language barriers.

3. The availability of financial aid will be communicated as follows:
   - During admissions processes when possible.
   - Information sheet available in admissions for patients with no insurance coverage
   - Information on the Hospital’s program will be publicly communicated.

4. Patients will, as appropriate, be educated about their responsibilities, the potential financial obligation they may incur, their obligations for completing eligibility documentation and the Hospital’s bill collection policies.

5. Information about the availability of Hospital financial aid/charity care shall be conveyed to appropriate community health and human service agencies and other organizations that assist people in need.

B. Hospital Assistance to Identify Sources of Payment

Financial assistance provided by this Hospital is neither infinite nor a substitute for the responsibility of government, employers and individuals. Financial aid
policies do not eliminate personal responsibility. Eligible patients are encouraged to access public or private insurance options. Patients are expected to contribute to their care based on their individual ability to pay.

The Hospital will refer patients to a facilitated enroller and/or provide preliminary assistance regarding applying for Medicaid, Family Health Plus, and/or Child Health Plus for future health care needs. In addition, Hospital may educate patients about their responsibility to obtain available insurance.

C. Staff Education and Training

1. The Hospital shall provide periodic information / training to staff about financial aid availability, as follows:

   a. General staff – including caregivers, switchboard operators and receptionists – should be aware that there is a financial aid policy and how to direct a patient to the appropriate staff, who can provide the patient with detailed information.

   b. Key public access staff – such as admitting staff, billing staff and cashiers - should have more detailed knowledge of eligibility requirements and the application process.

   c. Staff who directly assists individuals in applying for financial aid, often with the authority to make eligibility determinations, shall be fully trained on the policies and how to communicate with patients.

2. Translation services will be available as needed and appropriate.

D. Program Implementation and Monitoring

1. The Hospital Administration shall periodically review and monitor the patient notification and eligibility process and other implementation related issues.

2. The Hospital will monitor the effectiveness of the staff training program.

3. Policies should be reasonable, simple, and respectful and promote appropriate access to care and responsible utilization of services.

VIII. PROGRAM OVERSIGHT

A. The Hospital Board shall be provided with information on the extent of the charity care and financial aid provided, as well as the administration of the financial aid policy at least once annually. Generally, such information shall be provided
simultaneously with the presentation of the Community Service plan submitted to the NYSDOH each year.

B. The Hospital will include information about its financial aid and charity care as an additional means of publicly communicating the community, patient benefits and services it provides.

IX. REVISION

This Policy on Financial Aid, Charity Care and Debt Collection Standards may only be revised by action of the Board of Directors.

______________________________  ________________
Director of Revenue Management  Date

Approved by Finance Committee 4/10
Approved by Board of Directors 4/10
### Uninsured Financial Aid Table

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Each additional person: $3,740

Additional discount: 100%  80%  60%  40%  20%  0%  50%  40%  30%  20%  10%  0%

For 2009 the designated insurance plan is Independent Health (commercial)

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