FINANCIAL ASSISTANCE PLAN FOR UNINSURED AND UNDERINSURED PATIENTS

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Department: REGISTRATION, PATIENT ACCOUNTING, FISCAL SERVICES
Category: III
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Prepared By: CFO
Approved By: CEO

Origination Date: 02/25/2004
Department Manager’s Meeting: 03/26/2009
Changes Effective: 04/09/2009

1) STATEMENT OF POLICY:
   a) OGH recognizes that there are unfortunate occasions when a patient is not financially able to pay for their medical care. Since provision of emergency/urgent medical care at OGH is not dependent on a patient's ability to pay, OGH has established guidelines in which a patient may apply and qualify for charity care.
   b) Charity Care is provided to patients who have demonstrated an inability to pay for medical care provided by OGH. These patients may be uninsured or underinsured. Medical Care includes inpatient and outpatient medical treatment and diagnostic services. Charity care is provided by OGH without the expectation of payment. Charity care does not include bad debt or contractual shortfalls from government programs, but may include insurance copayments or deductibles, or both. Charity care may also be referred to as financial assistance.
   c) Bad Debt is defined as the expense resulting from medical care services provided to a patient and/or guarantor who has the ability to pay for the services provided, but has demonstrated by his/her actions an unwillingness to pay for these services.

2) DESIGNATED PERSONNEL: Registration, Patient Accounting and Fiscal Services

3) ADMINISTRATION OF POLICY: Vice President of Finance

4) PROCEDURE:
   a) Eligibility:
      i) Uninsured patients with incomes below 300% of the Federal Poverty Guidelines (FPG) are eligible for financial assistance. The FPG for 2008 are as follows:

      | Persons in Family or Household | 100% of the FPG |
      |--------------------------------|-----------------|
      | 1                              | $10,830         |
      | 2                              | 14,570          |
      | 3                              | 18,310          |
      | 4                              | 22,050          |
      | 5                              | 25,790          |
      | 6                              | 29,530          |
      | 7                              | 33,270          |
      | 8                              | 37,010          |
      | For each additional person, add | 3,740           |


      Thus, a single person at 300% of the FPG with income/resources less than $32,490 ($10,830 X 300%) per year, a family of four at 300% of the FPG with income/resources less than $86,150 ($22,050 X 300%) per year, and so on.

Presumptive eligibility: in certain situations where the documentation may not be available, Olean General Hospital reserves the right to extend financial assistance on a case by case basis (i.e. homeless, patient history of non-payment for services, etc).

**b) Service Coverage:**

i) For emergency and non-emergency services, OGH offers financial assistance as follows:

1. For emergency services, including emergency transfers under the Emergency Medical Treatment and Labor Act (EMTALA), OGH offers financial assistance to all uninsured residents under 300% of the FPG.

2. For medically necessary services that are non-emergent, OGH offers financial assistance to uninsured patients below 300% of the FPG who reside in our primary service area. OGH’s primary service area consists of the following counties: Cattaraugus, Allegany, Chautauqua, Erie, and Wyoming.

**c) Caps on Fees Charged:**

i) For eligible patients as described above, OGH caps the required payment at the higher of what Medicare, Medicaid, or Blue Cross will pay for the service. This is known as the applicable rate.

ii) For inpatient services, OGH will use a percentage of the current Medicare rate, so long as the rate remains below the cap.

iii) For outpatient services, OGH will use a percentage of the current Medicare rate, so long as the rate remains below the cap.

<table>
<thead>
<tr>
<th>Patient Income</th>
<th>Payment Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patients &lt;= 100% FPG</td>
<td>Nominal payment within State guidelines</td>
</tr>
<tr>
<td>Patients between 101% and 150% FPG</td>
<td>Up to 20% of the applicable rate</td>
</tr>
<tr>
<td>Patients between 151% and 250% FPG</td>
<td>Proportional fee scale up to the applicable rate</td>
</tr>
<tr>
<td>Patients between 251% and 300% FPG</td>
<td>Capped at applicable rate</td>
</tr>
</tbody>
</table>

**d) Nominal Payment Guidelines:**

- Inpatient Services - $150/Discharge
- Ambulatory Surgery - $150/Procedure
- MRI Testing - $150/Procedure
- Adult ER/Clinic Services - $15/Visit
- Prenatal and Pediatric ER/Clinic Services - No Charge

**e) Installment Plans:**

i) OGH offers installment plans for eligible patients. Monthly installments are capped at 10% of a patient's gross income.

ii) Interest is capped at the rate for a 90-day Treasury security plus 0.5%.

iii) Installments will be accelerated for a missed payment.

iv) OGH may ask for a deposit.

**f) Applications and Patient Notification:**

i) Patients have 90 days from date of discharge or service to apply for financial assistance and at least 20 days to submit a completed application.

ii) OGH will respond, in writing, approving or denying the application within 30 days after receipt of a complete application.

iii) A patient may appeal a denial. Instructions on how to appeal a denial are included on the financial assistance application.

iv) OGH may require that a patient first apply for Medicaid or another program, such as workers' compensation or no-fault, if we believe the patient may be eligible for these programs.

v) Financial assistance is contingent upon a patient’s cooperation in following OGH’s application requirements. This includes providing the necessary information to permit OGH to make a determination of eligibility for financial assistance.

**g) Collection Practices:**

i) OGH will not cause the forced sale or foreclosure on a patient's primary residence.
ii) OGH will not send account to collection if the patient has submitted a completed application for financial assistance, including the required documentation, while the application is pending.

iii) OGH will provide written notification to a patient at least 30-days before an account is sent to collection. This written notice may be included on a bill.

iv) OGH requires that a collection agency have its written consent prior to starting legal action for collection.

v) OGH will train all general hospital staff who interact with patients or have responsibility for billing and collection.

vi) OGH will measure our compliance with these policies.

vii) OGH requires any collection agency under contract to follow our financial assistance policy and provide information to patient's on how to apply, where appropriate.

viii) OGH does not allow collection activity if the patient is determined eligible for Medicaid for the services that were rendered and OGH is able to collect Medicaid payment.

h) Notice of OGH's Financial Assistance Policy:

i) OGH’s financial assistance policy is written and available in summary form to the public on request.

ii) OGH’s hospital bills and statements include a statement indicating that if a patient is unable to pay the bill, he or she may be eligible for financial assistance and how to obtain further information.

iii) OGH’s emergency room staff will notify patients of our financial assistance policies as part of the intake and registration process. In addition, financial assistance signage is posted in the waiting area.

i) Reporting Requirements:

i) OGH will report the following:

1. Costs incurred and uncollected amounts in providing services to the uninsured and underinsured, including uncollected coinsurance and deductible amounts.

2. The number of patients, by zip code, who applied for financial assistance. This report will also include the number of approved and denied applications by zip code.

3. The amount of distributions from the New York State Hospital Indigent Care Pool.

4. The amount spent from charitable funds or bequests established for the purpose of providing financial assistance to eligible patients as defined by such bequests.

5. If permitted to help patients complete Medicaid applications, the number of Medicaid applications OGH helped complete and the number approved and denied.

6. OGH’s gain/loss from providing services under the Medicaid program.

j) Compliance Certification:

i) OGH will certify its compliance with these requirements either through the certification of its outside auditor or through an attestation by its President/CEO or Vice President Finance/CFO.

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To be eligible for uncompensated services, your household income must be at (or below) the following levels:

<table>
<thead>
<tr>
<th>Family Size</th>
<th>FPL 100%</th>
<th>150%</th>
<th>200%</th>
<th>250%</th>
<th>300%</th>
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<tbody>
<tr>
<td>1</td>
<td>$10,936</td>
<td>$15,909</td>
<td>$20,882</td>
<td>$25,855</td>
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<tr>
<td>2</td>
<td>$14,570</td>
<td>$21,045</td>
<td>$27,521</td>
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<td>3</td>
<td>$18,210</td>
<td>$24,696</td>
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<td>6</td>
<td>$27,930</td>
<td>$35,548</td>
<td>$43,189</td>
<td>$49,780</td>
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<td>7</td>
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<td>$38,099</td>
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<td>$59,980</td>
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<td>8</td>
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<tr>
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<td>$45,749</td>
<td>$55,189</td>
<td>$63,780</td>
<td>$70,380</td>
</tr>
</tbody>
</table>

Nominal Fee:
- IP: 100
- Amb Stab: 150
- MRI: 150
- Adult ED/IC: 15
- Pediatric: 0
- PoD ED/IC: 0