Phelps Memorial Hospital
Policy & Procedure Statement

Policy/Procedure Title: Charity Care

Effective Date: January 1, 2010

Revised:

Affected Departments: All

Purpose: To inform all Departments of the Availability of, and Conditions for, Charity Care. Policy defines guidelines for the uninsured rates offered by the hospital. Additionally, guidelines are provided for referring patients/guarantors for Charity Care consideration.

I. Policy Statement

Phelps Memorial Hospital Center offers discounted rates to uninsured patients/guarantors who reside within our service area. Phelps offers additional Charity Care to any patient meeting eligibility requirements who have completed the designated application. Eligibility is based on patients’ income as well as family size.

II. Policy/Procedures

UNINSURED RATES:

A. Qualified patients residing within Phelps’ primary service area are granted charity discounts if medically necessary services are rendered.

B. Phelps’ Primary Service Area (PSA) includes the following New York State Counties as defined by the Department of Health:
   - Westchester
   - Bronx
   - Orange
   - Putnam
   - Rockland

C. Patients residing outside Phelps’ Primary Service Area will not be granted the Uninsured Rate. This patient population, if eligible, will be entitled to charity discounts from total charges. This determination is contingent upon patients returning completed applications.

D. The Uninsured Rates are defined as follows:
   1) Inpatient – Uninsured Rate equal to Medicaid DRG reimbursement.
   2) Emergency Room Visits – Rate billed at the less of total charges or $900 per outpatient ED visit
   3) Outpatient – Uninsured Rate equal to 60% hospital charges.
   4) Recurring Outpatient – Self pay patients will be billed at 60% of charges unless they qualify for a sliding scale discount. Per visit fees are $50, $65, $75, & $100. These serviced include Physical Therapy, Occupational Therapy, Aquatic Therapy, Diabetes Center, Wound Healing, Cardiac Rehabilitation, and Speech Therapy.
   5) Hyperbaric Therapy – Patients will be billed at a rate of $300 per session.
6) Behavioral Health Outpatient – Behavioral Health recurring patients will be billed at 60% of charge unless they qualify for our sliding fee program. Per visit sliding scale fees are $0.00, $10, $25, $35, $50, & $65. Sliding scale fees assigned based on patients’ income relative to federal poverty guidelines.

E. The Uninsured Discount will be applied to a patient’s account at the time of billing.
F. The Uninsured Discount will be considered charity care.
G. The NYS HCRA Surcharge of 9.63% will be added to the Uninsured Rate.
H. Only patients receiving medically necessary services will be considered for the uninsured rate and/or charity care.

PATIENT NOTIFICATION:

A. Patients are notified of Charity Care through posted notices in Admitting, Patient Accounting, and the Cashier’s Office. Applications are also made available in outpatient departments where registration functions are performed.
B. Individual notices are provided at the time of registration, and contained in the Patient Registration & Billing pamphlets.
C. Notice of Charity Care and Financial Assistance availability will be made on our patient statements.
D. Patients are also notified by Financial Counselors if they call to inquire about payment options.
E. Charity Care availability will be posted on the hospital’s website.
F. Patient notifications and applications for charity care will be available in English and Spanish.

CHARITY CARE APPLICATIONS:

A. Applications for charity care will be available in patient registration areas and well as Patient Accounting.
B. Patients will have 90 days from the date of discharge, or service date, to apply for financial assistance.
C. Patients have an additional 30 days to submit completed applications with all necessary documents.
D. If a patient has submitted a completed application, they will be informed to disregard statements while awaiting determination.
E. Once approved, applications will cover services for up to three months. After three months from discharge or service date, patients will be required to re-apply. Patients may be required to provide proof of Medicaid enrollment denial at that time.
F. Applications for Charity Care will be updated annually with changes to the Federal Poverty Guidelines.
G. Requests for free care may be completed by the patient or representative. All inpatients as well as recurring patients will be required to apply for NYS Medicaid before determining eligibility for uncompensated services. Documentation indicating denial of Medicaid benefits must be provided by the patient or representative.

ELIGIBLE POPULATION:

A. Charity Care applications are available to all patients, not only the uninsured. This may include patients who:
   - Have no health insurance
   - Have exhausted their health insurance benefits
   - Are unable to pay full charges, or the Uninsured Rate
   - Are unable to pay for hospital copay, deductibles, or co-insurances
B. Only patients receiving medically necessary services are eligible for charity consideration.
CHARITY CARE DETERMINATIONS:

A. All completed applications will be responded to within two weeks of receipt. For applications filed prior to service, the Financial Counselors will issue a determination within 3 business days.

B. Patients must provide supporting documentation as evidence of their income levels, bank statement, etc. Hospital Financial Counselors reserve the right to deny applications for Charity Care if required information is not supplied.

C. Financial Counselors may not consider assets including: primary residence, retirement savings accounts, college savings accounts, or family cars.

D. After evaluation of the completed Charity Care Application, patients may be entitled to the following discounts from either total charges, or the Uninsured Rate:
   - 100% Discount if income is below 2x the Federal Poverty Guidelines.
   - 75% Discount if income is below 3x the Federal Poverty Guidelines.
   - 50% Discount if income is below 4x the Federal Poverty Guidelines.
   - 25% Discount if income is below 5x the Federal Poverty Guidelines.
   - For Behavioral Health Services per visit fees of $0.00, $10, $25, $35, $50, & $65 will be charged.
   - For other Outpatient Recurring Services per visit fees of $50, $65, $75, & $100 will be charged.

E. Charity Discounts will be determined based on patients’ income, family size, available cash, & other indicators of ability to pay. Hospital will utilize current Federal Poverty Guidelines for determination. The income/family size guidelines are listed below:

<table>
<thead>
<tr>
<th>Option</th>
<th>Discount</th>
<th>A 100% Income Limit (0x)</th>
<th>B 100% Income Limit (1x)</th>
<th>C 100% Income Limit (2x)</th>
<th>D 75% Income Limit (3x)</th>
<th>E 50% Income Limit (4x)</th>
<th>F 25% Income Limit (5x)</th>
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<td>Family Size</td>
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<td>$10,830.00</td>
<td>$10,830.00</td>
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<td>$14,570.00</td>
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<td>$18,310.00</td>
<td>$36,620.00</td>
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<td>$25,790.00</td>
<td>$51,580.00</td>
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Each additional person, add $4,300


Sliding Scale Fees:

<table>
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<tr>
<th>Service Type</th>
<th>FEE</th>
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<tr>
<td>BEH Health</td>
<td>$0.00/Visit</td>
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<tr>
<td>RECURRING Outpatient</td>
<td>$10.00/Visit</td>
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<tr>
<td></td>
<td>$25.00/Visit</td>
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<td></td>
<td>$35.00/Visit</td>
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<td></td>
<td>$75.00/Visit</td>
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<tr>
<td></td>
<td>$100.00/Visit</td>
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</table>

F. Phelps may deny eligibility on the following grounds:
   - Patients’ unwillingness to provide appropriate financial documentation.
   - Patient refuses to apply for Medicaid or other assistance programs (ie Crime Victims).
   - Patient fails to meet designated guidelines for submission of application and supporting documentation.
   - Patient’s income or assets exceed federal poverty guidelines and sliding scale.

G. Financial Counselors will respond to the applicant, in writing, within two weeks to provide determination.

H. Patients or Applicants have the right to appeal charity care determinations. Appeals must be sent, in writing, within 30 days of Financial Counselors’ determination.

I. Hospital will respond to appeals within 30 days of receipt.

J. Financial Counselors will maintain all applications and supporting documentation for audit.
CHARITY DISCOUNT ALLOWANCES:

A. Once an approval is made for charity, Financial Counselors are responsible to adjust a patient’s account balance in accordance with the designated discount levels.
B. Financial Counselors must utilize the appropriate Charity Care Adjustment procedure codes.
C. The adjustments are mapped to the General Ledger and assigned to Charity.
D. Financial Counseling Supervisor will reconcile allowance activity to approved applications each month.

COLLECTION PRACTICES/STANDARDS:

A. Hospital maintains a separate Bad Debt Policy that state the following:
   - Prohibits assignment of claims to a collection agency if patients completed a charity care application and are awaiting determination.
   - Prohibits foreclosure or forced sale of primary residence. Placement of liens is permitted.
   - Patients will be notified in advance prior to their account being assigned to a collection agency.
   - Phelps must provide written consent to collection agencies before any legal action is taken.
   - Collection agencies are required to follow the hospital’s financial aid policies and procedures.

INSTALLMENT/PAYMENT PLANS:

A. Hospital maintains a separate Payment Plan policy & procedure. The policy provides the following guidelines:
   - Monthly installment payments are capped at 10% of a patient’s gross income.
   - Hospital requires a minimum payment of $25 per month, but must not exceed the 10% cap.
   - Interest fees are not charged to the patient’s account during a payment plan period.
   - A patient or guarantor’s failure to comply with payment plan agreement will result in referral to bad debt.

REPORTING:

A. Hospital will maintain reports related to Charity Care and Financial Counseling activities. Reports include the following:
   - Hospital costs incurred for uncollected amounts for services to the uninsured and underinsured.
   - The amount of distribution from the indigent care pool.
   - The Hospital’s gain or loss from services provided under Medicaid.
   - The volume of applicants and recipients of charity by zip code.
   - Listing of patients that applied, were approved, or were denied for charity care by zip code.
   - The number of patients that received Medicaid benefits as a result of our assistance.
   - The volume of liens placed on patients’ primary residence.
Financial Counseling Supervisor

Patient Accounting Manager

Director of Patient Accounting

Chief Financial Officer