THE WILLIAM W. BACKUS HOSPITAL
Patient Business Services Policy
Subject: Traditional Financial Assistance and Catastrophic Financial Assistance for the Medically Indigent
Origination Date: 10-01-2003
Revision Date: 04-11-2013

Policy: It is the policy of The William W. Backus Hospital that medically necessary health care services should be available to all individuals, regardless of their ability to pay.

Eligibility Criteria for Traditional Financial Assistance for the Financially Indigent

a) 100% financial assistance will usually be provided to a responsible party with gross family income at or below 250% of Federal Poverty Guidelines (FPG).

b) Statute 19a-673 states:

- *i)* *"No hospital that has provided health care services to an uninsured patient may collect from the uninsured patient more than the cost of provided services."*
- *ii)* *"Cost of providing services means a hospital's published charges multiplied by the hospital's most recent relationship of cost to charges as taken from most recent audited financials that have been filed with OCHA."*
- *iii)* *"'Uninsured patient' means any person who is liable for one or more hospital charges whose income is at or below two hundred fifty per cent of the poverty income guidelines who (A) has applied and been denied eligibility for any medical or health care coverage provided under the state-administered general assistance program or the Medicaid program due to failure to satisfy income or other eligibility requirements, and (B) is not eligible for coverage for hospital services under the Medicare or CHAMPUS programs, or under any Medicaid or health insurance program of any other nation, state, territory or commonwealth, or under any other governmental or privately sponsored health or accident insurance or benefit program including, but not limited to, workers' compensation and awards, settlements or judgments arising from claims, suits or proceedings involving motor vehicle accidents or alleged negligence."*

c) A sliding-fee scale will be used to determine financial assistance discounts when gross family income is above 250% of FPG up to 400% FPG, as defined in the attached discount schedule.

- *i)* In no case will the outstanding balance, after financial assistance has been applied, exceed 10% of the patient's annual gross family income.

d) Determination of Eligibility for Traditional Financial Assistance for the Financially Indigent

- i) All patients identified as potential financial assistance recipients should be offered the opportunity to apply. If this evaluation is not conducted until

after the patient leaves the facility, or in the case of outpatients or emergency patients, a Patient Financial Services representative will mail a financial assistance application upon request to the patient for completion. When no representative of the patient is available, the facility should take the required action to have a legal guardian/trustee appointed.

b) Notification of financial assistance determinations will be mailed to the responsible party. Reasonable payment arrangements consistent with the responsible party's ability to pay will be extended for amounts owed.

2) *Eligibility Criteria for Catastrophic Financial Assistance for the Medically Indigent*

a) Medically Indigent is defined as:
Persons whom the organization has determined are unable to pay some or all of their medical bills because their medical bills exceed a certain percentage of their family or household income or assets (for example, due to catastrophic costs or conditions), even though they have income or assets that otherwise exceed the generally applicable qualifications for free or discounted care under the organization's eligibility criteria for traditional financial assistance.

b) The William W. Backus Hospital identifies catastrophically medically indigent patients as those whose outstanding balances, after payment by all third parties, exceed 50% of the patient's annual gross family income, and whose annual gross family income is greater than 400% FPG, and the patient is unable to pay the outstanding balance.

c) These patients are eligible for a discount separate from traditional financial assistance, as defined in the attached financial discount schedule.

d) Patients who may qualify for catastrophic financial assistance should fill out the traditional charity care form, and supply all necessary documentation. See section 5, Eligibility Determinations.

e) Determination of Eligibility for Catastrophic Financial Assistance for the Medically Indigent

i) All patients identified as potential recipients of financial assistance through the Medically Indigent program should be offered the opportunity to apply. If this evaluation is not conducted until after the patient leaves the facility, or in the case of outpatients or emergency patients, a Patient Financial Services representative will mail an application upon request to the patient for completion. When no representative of the patient is available, the facility should take the required action to have a legal guardian/trustee appointed.

ii) Financial counselors will investigate accounts that have balances over $22,000 to determine if presumptive financial assistance is warranted.

f) Notification of Catastrophic Financial Assistance for the Medically Indigent determinations will be mailed to the responsible party. Reasonable payment arrangements consistent with the responsible party's ability to pay will be extended for amounts owed.

3) *Notification of Availability of Financial Assistance to Patients*
   a) Signage indicating the availability of financial assistance will be posted in English and Spanish in Patient Accounts, Admitting, Social Services and the Emergency Department, as well as on The William W. Backus Hospital website. Summaries of the programs will also be available in those areas.
   b) Financial Counselors will attempt to visit all inpatients registered as self pay patients. A summary explaining all financial assistance programs will be given to the patient when this visit occurs.
   c) Patients with no insurance will receive an initial letter post discharge informing them that the hospital considers them "insured" per the Connecticut General Statutes Section 19a-673. It is the responsibility of the patient to advise the hospital if they believe they qualify as "uninsured" (at or under 250% of the FPG).
   d) A collection cycle with a minimum of four statements will then be sent. Each statement will remind the patient of the availability of financial assistance.

4) *Gross Family Income*
   a) For the purposes of determining gross family income and qualifying accounts for financial assistance, the following rules apply:
      i) Family members are only immediate family members, which includes applicant, spouse, and children and stepchildren. Other individuals meeting the IRS guidelines as a legal dependent will also be considered.
      ii) Unmarried couples do not qualify as a family. Only the applicant's income will be looked at for qualification for funds and only the applicant's accounts will be awarded financial assistance if qualified.

5) *Eligibility Determinations & Method of Applying*
   a) The provision of emergency health care will never be delayed pending an assistance determination.
   b) Requests for financial assistance may be made at any point, during or after the provision of care.
   c) Financial assistance requests may be proposed by sources other than the patient, groups, social services or hospital personnel.
      i) Request for financial assistance may be received from:
         (1) The patient or guarantor
         (2) Church sponsored programs
         (3) Physicians or other care givers
         (4) Various intake departments of the hospital
         (5) Administration
         (6) Other approved programs that provide for primary care of indigent patients
   d) Applications for financial assistance can be obtained via the Hospital's webpage (www.backushospital.org), by requesting one from a financial counselor, or by calling the Patient Accounts Department. Completed applications should be

mailed to the Patient Accounts Department, or brought to the Hospital, with all necessary documentation.

e) Consideration for both traditional and catastrophic financial assistance will occur once the applicant supplies a completed Financial Assistance Application with supporting documents to the Financial Counseling Unit.

f) The William W. Backus Hospital will make every attempt to make financial assistance determinations within 20 days of receiving a completed Financial Assistance Application.

g) Acceptable verification of income includes the following

- *i)* Most recent federal tax return or W-2
- *ii)* Recent payroll check stub or any verification of income
- *iii)* Copies of any pension, alimony or other sources of income
  - *(1)* Includes current information regarding liquid assets, such as a trust fund
- *iv)* Copies of Social Security earnings if applicable
- *v)* Most current bank account statement
- *vi)* Any other information that may be pertinent, e.g., evidence of personal bankruptcy

h) Financial assistance may be denied if the application is not completed and returned to The William W. Backus Hospital Patient Accounts Department within 20 days of receipt by the responsible party.

i) Financial assistance will not be considered without a completed Financial Assistance Application unless sufficient like information can be obtained that allows for a final determination without an application. In extenuating circumstances, where it can support a financial hardship exists, The William W. Backus Hospital may offer financial assistance at its own determination.

6) *Traditional Financial Assistance and Catastrophic Medically Indigent Financial Assistance Guidelines*

a) To be eligible for 100% reduction from self pay financial responsibility, a financially indigent patient's family income must be at or below 250% of the current Federal Poverty Guidelines.

b) To be eligible for 15% to 75% reduction of the patient portion of billed charges, a financially indigent patient's family income must be above 250% and up to 400% of the Federal Poverty Guidelines.

c) Individuals whose outstanding self pay balances exceed 50% of their gross house hold income, and whose gross house hold income is greater than 400% Federal Poverty Guideline may be eligible for the organization's Catastrophic Medically Indigent Program.

d) The William W. Backus Hospital will consider applications for financial assistance on a case-by-case basis.

e) Individuals who are deemed eligible by the State of Connecticut to receive assistance under the Medicaid Program, Violent Crime Victim's Compensation Act or the Sexual Assault Victims Compensation Act shall be deemed eligible for

charity care at a level to be determined on a case-by-case basis by the William W. Backus Hospital.

f) Financial Assistance Applications will be considered for I year or until a change in patient financial status is determined.

g) Once the level of appropriate financial assistance has been determined, the award will be applied to all current and existing patient balances.

h) After the financial assistance adjustment has been computed the remaining balance will be treated in accordance with Patient Financial Services policies regarding self-pay balances. Payment terms will be established on the basis of disposable income. No interest charges will accrue to the account balance while established payments are being made.

i) Financial assistance may not be granted for some procedures, such as elective procedures or some special situations, such as that of an individual who is eligible for insurance but has refused to apply or funds are available through another source for payment (i.e. settlements, State Funded programs).

j) Falsification of application or refusal to cooperate will result in the denial of financial assistance benefits. The patient will be deemed "insured" and will be transferred to the self-pay collection process.

k) The William W. Backus Hospital reserves the right to change benefit determination if financial circumstances change.

7) Appeals

a) Responsible parties may appeal a financial assistance determination by providing additional information, such as insurance verification or an explanation of extenuating circumstances to Patient Accounts within 30 days of receiving notification of the eligibility outcome. Collection follow-up on account balances will be pended during the appeal process.

8) Non-Payment on remaining balances

a) Please refer to the Bad Debt Write Offs policy and the Payment Contracts Policy to understand the course of action taken by the William W. Backus Hospital in the event of non-payment after financial assistance has been applied to appropriate accounts, and payment terms have been agreed upon.

9) Financial Discount Schedule

Traditional Financial Assistance (Financially Indigent)*
Federal Poverty Guidelines Effective January 22, 2014

		250%** FPG	275%** FPG	300%** FPG	325%** FPG	400%** FPG
Size of Family	Poverty Guideline	100% Awarded	75% Awarded	50% Awarded	25% Awarded	15% Awarded
1	$11,670	$29,175	$32,093	$35,010	$37,928	$46,680
2	$15,730	$39,325	$43,258	$47,190	$51,123	$62,920
3	$19,790	$49,475	$54,423	$59,370	$64,318	$79,160
4	$23,850	$59,625	$65,588	$71,550	$77,513	$95,400
5	$27,910	$69,775	$76,753	$83,730	$90,708	$111,640
6	$31,970	$79,925	$87,918	$95,910	$103,903	$127,880
7	$36,030	$90,075	$99,083	$108,090	$117,098	$144,120
8	$40,090	$100,225	$110,248	$120,270	$130,293	$160,360

*In no case will the Patient's Balance Due after Discount is applied be more than 10% of annual gross family income

For families with more than 8 members, add $4,060 (multiplying factor) for each additional member

Medically Indigent/Catastrophic Financial Assistance*

Medically Indigent/Catastrophic Eligibility: if patient's annual gross family income exceeds 400% FPG	
Balance Due	Discount
Balance due is ≥ **100%** of patient's annual gross family income	90% of balance due
Balance due is ≥ **90%** of patient's annual gross family income	85% of balance due
Balance due is ≥ **80%** of patient's annual gross family income	80% of balance due
Balance due is ≥ **70%** of patient's annual gross family income	75% of balance due
Balance due is ≥ **60%** of patient's annual gross family income	70% of balance due
Balance due is ≥ **50%** of patient's annual gross family income	65% of balance due

*In no case will the Patient's Balance Due after Discount is applied be more than 10% of annual gross family income