

COMPLIANCE POLICY & PROCEDURE

Blythedale Children's Hospital

Manual
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SUBJECT: FINANCIAL ASSISTANCE POLICY (FAP) PUBLIC POLICY		
EFFECTIVE DATE: January 2013	REVISED DATE: May 2017	SUPERCEDES: November 2013

PURPOSE

Blythedale Children's Hospital ("BCH", or the "Hospital") is committed to providing several forms of financial assistance to New York residents under the age of 19, who require medical necessary services offered by the Hospital. Financial assistance includes a range of benefits from free/charity care, stratified discounted care, to assistance with insurance obligations. Consistent with our mission and State and Federal requirements, BCH strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. **This policy helps to:**

1. Define how patients are determined to be eligible for charity funds and how financial assistance can be applied in accordance with BCH's Non-Discrimination of Patients policy and IRS regulations.
2. Standardize the process to assess a patient/family's eligibility for financial assistance.
3. Standardize collection and billing procedures based on eligibility qualifications consistent with Federal/State guidelines.

SCOPE/PERSONNEL

All BCH staff and BCH Patients and Families

DEFINITIONS

Accounts Receivables (A/R)	Reimbursements owed Blythedale Children's Hospital in exchange for care and services that have been delivered or used, but not yet paid.
Bad Debt	Is recognized as the amount contractually obligated and recognized as revenue for which all avenues of collection have been exhausted. Bad debt is recognized when the claim has (1) pervasive evidence of a payment agreement / authorization, rate sheet or contract (2) services have been rendered (3) price is fixed and determinable (4) collectability is reasonable assured.
Children's Charity Care	A BCH discount program for medically necessary services not eligible for any other coverage (e.g., Medicaid, CHP+ or New York's Hospital Indigent Care Program, commercial insurance).
New York residence qualification	Proof of residency is required.
Extraordinary Collection Actions (ECA)	ECAs are actions taken by a hospital facility against an individual related to obtaining payment of a bill for care covered under the

	hospital facility's FAP that require a legal or judicial process (except certain liens or bankruptcy claims), involve selling an individual's debt to another party unless certain contractual terms are in place, or involve reporting adverse information about an individual to consumer credit reporting agencies or credit bureaus (collectively, "credit agencies").
Financial Assistance Policy (FAP)	The hospital policy that describes the: <ul style="list-style-type: none"> • Eligibility rules for financial help and whether such help includes free or discounted care; • Financial assistance and discounts available to qualified individuals; • Basis for calculating the amounts charged to patients; • Method for asking for financial assistance; and • List of any providers delivering care in the hospital and which, if any, are covered by the facility's FAP and which are not.
Federal Poverty Level (FPL)	A measure of income level issued annually by the Department of Health and Human Services. Federal poverty levels are used to determine eligibility for certain programs and benefits. Federal Poverty Guidelines are published annually by the Federal Government.
Foreign National	Non- US citizens who are residing in or visiting the US and are in need of medical services.
Guarantor	The third party responsible for paying the patient's bill.
Guarantor Statement	A bill for care given. It is a summary of billing and payment information about patient accounts linked to one guarantor.
Income	Includes any earnings reported on the most recently filed Form 1040 federal income tax return
Liquid Assets	Assets that can be converted into cash in a relatively short period of time, generally within 30 days. This includes, but is not limited to, checking accounts, saving accounts, trust accounts (if funds are available immediately), the cash value of life insurance, short-term Certificates of Deposit (CDs) and partnership earnings kept in reserve. Retirement accounts and Tax Sheltered Annuities are liquid resources, if the applicant can draw funds out of the account without a penalty. This would also include funds raised through philanthropy or external fund raising sources in support of the patient's care. (ie..GoFundMe account).
Medical Emergency	An injury or illness that is acute and poses an immediate risk to a person's life or long term health.
Medical Necessity	A covered service will be deemed medically necessary if, in a manner consistent with accepted standards of medical practice provided at Blythedale, it is found to be an equally effective treatment among other less conservative or more costly options, and meets at least one of the following criteria: <ul style="list-style-type: none"> • The service will, or is reasonably expected to prevent or diagnose the onset of an illness, condition, primary disability or secondary disability;

	<ul style="list-style-type: none"> • The service will, or is reasonably expected to cure, correct, reduce or ameliorate the physical, mental, cognitive or developmental effects of an illness, injury or disability; • The service will, or is reasonably expected to reduce or ameliorate the pain or suffering caused by an illness, injury or disability; • The service will, or is reasonably expected to assist the individual to achieve or maintain maximum functional capacity in performing activities of daily living.
Non-covered charge	Incurred charges that are deemed not a covered benefit per the patient’s/guarantor’s insurer.
Self-Pay	Patient does not have any means of third party coverage for a service offered at Blythedale.

FINANCIAL ASSISTANCE POLICY

1. Blythedale offers financial assistance for medically necessary medical services.

2. Charity Eligibility

A. The applicant(s) income must be below 400% of federal poverty guidelines. Information provided here was updated in May 2017.

B. Charity care funding for non-emergency care is available to U.S. residents:

- 1) Age 18 and younger who are New York residents; or
- 2) Age 21 years and older, Non-New York residents, and undocumented New York residents may be eligible but require administrative approval

C. The applicant(s) must be ineligible for Medicaid, Child Health Plan+ (CHP+), New York Hospital Indigent Care Program, or other health insurance.

D. Charity may act as a secondary payer if the patient has commercial coverage. The secondary coverage may provide for a reduction in the amount of co-payments, deductibles, and co-insurance. In addition, charity care may also be used in cases when insurance benefits have been exhausted and services are deemed medically necessary.

E. In determining eligibility, submission of the required information is required:

- 1) The information that may be required to determine charity care eligibility is listed in the application.
- 2) If charity care will be used to cover past dates of service, the patient/family must indicate the request for assistance on the application.

F. Application Period

1) The application must be completed within 240 days from the date that the first post-discharge billing statement for the care is provided. Any services prior to 240 days from the application date will not be eligible for charity care coverage.

2) If an incomplete application is submitted within the application period, the individual will have 60 days to complete the application before ECAs will occur. If ECAs have already started, BCH will stop ECAs during the 60 day period. At this time the individual will be informed about missing information and how to get assistance.

3) If a complete application is received, ECAs will be suspended until a determination is made and, if the individual is found eligible, ECAs will be reversed, refunds made, and if amounts are still owed a statement will be provided showing how that amount was determined.

3. Expectations for patients eligible for charity care assistance. The applicant must:

A. Notify BCH if there is a change in financial and/or coverage status; failure to do so may result in termination from the program;

B. Pay the charity co-payment(s) at the time of service; and

C. Bring the Charity identification card to every visit.

4. Charity Care Ineligibility Criteria – Patients are not eligible for charity care when the following scenarios arise:

A. BCH determines or identifies that the patient/family provided false information.

B. The patient is not a New York resident and/or foreign national and/or is receiving emergent Medicaid services.

C. The patient/family fails to comply with application requirements for other programs (e.g., Medicaid, CICP, exchange plans, etc.).

D. The patient/family fails to provide the required information within one (1) year of the date of service.

E. Certain specialty services and specialties are normally not covered

1) Transplants, which require a clinical assessment for non-emergency care to ensure the patient can adhere to the post-transplant medical requirements.

2) Services denied by payers for non-compliance by the member (e.g., coordination of benefits not submitted).

3) Services under research.

5. The CFO is the final authority for determining that the hospital facility has made reasonable efforts to determine whether an individual is FAP-eligible.

Note: BCH can make changes to the Financial Assistance Program at any time without notice.

BILLING AND COLLECTIONS POLICY

1. BCH will seek payment on accounts with balances in self-pay (i.e., patient liability). BCH does not take part in extraordinary collection actions (ECA) before making reasonable efforts to decide whether financial assistance is available and/or collection efforts have been pursued. Any itemized statement requested by a guarantor will be given within ten (10) days of such request, in compliance with New York law.

2. BCH will make reasonable efforts to notify patients and families about the FAP through the following methods:

A. Orally notify individuals about the FAP and how to obtain assistance with the application process.

B. BCH will refrain from initiating ECAs unless authorized by the CFO.

C. BCH will send at least three monthly billing notices in a thirty (30) day period, for at least 3 months or cycles, to the guarantor of an account informing of a balance due.

1) First Notice informs the guarantor that there is an unpaid balance due on an account;

2) Second Notice reminds the guarantor of continued unpaid balance;

3) Final Notice of the past due account notifies the guarantor that he/she has thirty (30) days to resolve the debt, or ECAs may be taken on the debt and will specify the ECAs that BCH intends to take and include a copy of the plain language summary.

Note: The account can either be paid in full, set up on a payment plan, referred to financial counseling, or more insurance information obtained during this timeline. A plain language notice of BCH's FAP is provided in both English and Spanish on every billing statement.

D. After three (3) billing notices have been sent and no payment has been received within sixty (60) days of the Final Notice, the account may be considered to Bad Debt and ECAs may be taken.

1) Accounts qualify for Bad Debt when patient balances (i.e., self-pay) have not been paid and the hospital has made reasonable efforts, that include but are not limited to phone calls, statements or letters, to decide whether the individual is eligible for Financial Assistance.

2) The bad debt agency will report to the credit bureau sixty (60) days after an account is placed with such bad debt agency if no action is taken by the guarantor to resolve the balance either by making a payment or by submitting additional dispute information.

3) If all other options to collect payment have been taken and an account in bad debt has aged more than sixty (60) days without contact from the guarantor or the guarantor refuses to resolve the balance, legal action may be taken.

E. Initiation of a Financial Assistance Application

1) The application period for financial assistance will end no earlier than 240 days from the first post-visit bill.

F. All parties engaged in collection actions for BCH will follow to this policy.

GENERAL INFORMATION

1. In order to preserve BCH's ability to serve the pediatric health care needs of the community, uninsured or underinsured persons seeking scheduled, medically necessary services will be financially evaluated prior to physician evaluation. Blythedale does not offer emergency medical services.
2. BCH will not participate in nor support any activities (including media access) related to fundraising efforts intended to pay for a specific patient's care.
3. BCH's Charity Program is not responsible for housing, food, transportation, immigration status, or continuity of care.
4. BCH is available to help identify community based resources, facilitate services, and provide appropriate referral assistance. A Social Worker may be contacted at (914) 831-2439.
5. BCH is not obligated to provide Charity Care for medical services outside of its scope of clinical services.
6. BCH acts in accordance with 26 CFR 1.501(r)-0 through 26 CFR 1.501(r)-7.
7. Copies are available in multiple languages, including English and Spanish.

AMOUNTS GENERALLY BILLED (AGB)

BCH limits the amount charged for care it provides to any individual who is eligible for assistance under its Financial Assistance Policy (FAP). The amounts billed for emergency and medically necessary medical services to patients eligible for Financial Assistance are calculated based on the prospective method and will not be more than the AGB to individuals with insurance covering such care. BCH will use the latest posted Medicaid rate in effect at the time the services were delivered related to the service period.

PROVIDER INFORMATION

1. Completed financial assessments will apply to the professional charges, providers covered under BCH FAP include all inclusive of Part A (Hospital) and Part B (Physician) services. BCH does not contract or bill with any outside physician groups.

ASSISTANCE AND METHODS FOR APPLYING

1. Applications and assistance in completing applications are available for free:
 - A. Online (<https://www.blythedale.org/information-about-hospital-charges>);
 - B. At the BCH Campus located at 95 Bradhurst Ave, Valhalla, NY 10595, or
 - C. By calling the Patient Financial Services/Patient Accounts at (914) 831-2481.
2. Completed applications cannot be mailed in; they must be submitted in person.

POLICY AND PLAIN LANGUAGE SUMMARY ACCESS

1. A copy of this policy and the plain language summary are available for free:
 - A. Online (<https://www.blythedale.org/information-about-hospital-charges>);
 - B. At our BCH Campus located at 95 Bradhurst Ave, Valhalla, NY 10595; or
 - C. Patient Financial Services/Patient Accounts at (914) 831-2481.
 - D. Emailing lcoppolino@blythedale.org

RELATED DOCUMENTS/REFERENCE

1. 26 CFR 1.501(r)-0 through 26 CFR 1.501(r)-7
2. <https://www.irs.gov/pub/irs-irbs/irb15-05.pdf>

REVIEWED BY

Finance

Administrative Policy and Procedure Committee

Executive Team

Patient Accounts