

Policy

Category:	REVENUE CYCLE	Effective Date:	See footer
Owner:	Executive Director, Revenue Cycle		
Title:	Financial Assistance Policy		

PURPOSE: This policy outlines Hoag Orthopedic Institute's operational guidelines on the Financial Assistance Program (FAP) in relation to the patient collections process.

SCOPE: Revenue Cycle

AUTHORIZED PERSONNEL: Charity Care Coordinator, Self-Pay Manager, Self-Pay Supervisor, Collectors, Financial Councilors, PAS Supervisors, Insured and Uninsured Patients

Description

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Financial Assistance Policy

Policy	<p>Hoag Orthopedic Institute seeks to address patient's health care and financial needs while remaining committed to the stewardship of Hoag Orthopedic Institute resources. To ensure that Hoag Orthopedic Institute obtains appropriate reimbursement for services provided, several payment options and programs are available to support the needs of uninsured and underinsured patients. When it is determined that a payment solution cannot be obtained through such payment options and programs, then the patient is provided with information about the Hoag Orthopedic Institute Financial Assistance Program (FAP).</p> <p>Patient collections processes shall remain in compliance with Hoag Orthopedic Institute policies relevant to patient financial assistance:</p>
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	<ul style="list-style-type: none"> ■ Any patient who requests financial assistance will be afforded the opportunity to apply and be considered. ■ Access to necessary care shall in no way be affected by whether financial assistance eligibility exists; medically necessary care will always be provided to the extent the Hospital can reasonably do so. ■ The need for financial assistance is a sensitive and deeply personal issue for patients. All Hoag Orthopedic Institute employees will maintain confidentiality of requests for assistance, the information obtained in the application process, and the funding or denial of assistance. ■ In an effort to ensure patients' post-acute and follow-up health care needs are met, patients who demonstrate lack of financial coverage by third-party insurance are offered information on how the patient may obtain applications for Medicare, Medicaid, Medi-Cal and the Healthy Families Program (CA), coverage offered through the Covered California (CA), or other state or county funded health coverage programs. Hoag Orthopedic Institute will assist patients with applying for government-sponsored programs and follow through to acceptance or denial.
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Patient Collections

Collections Process Overview	<p>It is the expectation that the patient's estimated cost or liability will be collected in full prior to or at the time of service. If a patient states they cannot pay in full, payment options and programs are offered during the collections process in a consistent sequential order as outlined below:</p> <table> <tr> <th>Stage</th><th>Description</th></tr> <tr> <td>1</td><td>Full payment is requested.</td></tr> <tr> <td>2</td><td>A reasonable payment plan based on the estimate is offered. A deposit payment is requested, if appropriate.</td></tr> <tr> <td>3</td><td> <p>Eligibility for Government-Funded Programs is explored in programs including , but not limited to:</p> <ul style="list-style-type: none"> ■ Medicare ■ Medi-Cal (CA) ■ Covered California ■ other state or county funded health coverage programs </td></tr> <tr> <td>4</td><td>When a payment solution cannot be found in Stages 1-3, then the patient is provided with information about the Hoag Orthopedic Institute Financial Assistance Program (FAP). Pending applications for coverage through FAP and from a</td></tr> </table>	Stage	Description	1	Full payment is requested.	2	A reasonable payment plan based on the estimate is offered. A deposit payment is requested, if appropriate.	3	<p>Eligibility for Government-Funded Programs is explored in programs including , but not limited to:</p> <ul style="list-style-type: none"> ■ Medicare ■ Medi-Cal (CA) ■ Covered California ■ other state or county funded health coverage programs 	4	When a payment solution cannot be found in Stages 1-3, then the patient is provided with information about the Hoag Orthopedic Institute Financial Assistance Program (FAP). Pending applications for coverage through FAP and from a
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	<p>government funded health program will not preclude the patient's eligibility for eligibility for the other program.</p> <p>Important: If at any time, patient requests information or an application for Hoag Orthopedic Institute Financial Assistance, it is promptly provided to the patient.</p>
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Financial Assistance Program

Overview	<p>Hoag Orthopedic Institute Financial Assistance Program (FAP) ensures that medically necessary health care is provided at discounted or no cost to qualified uninsured and underinsured patients. Any uninsured or underinsured patient who is unable to pay his or her Hospital bill and whose income meets the approved federal poverty level (FPL) qualifications will be considered eligible for Hoag Orthopedic Institute Financial Assistance (FA). Additionally, patients who incur qualified High Medical Costs may be deemed eligible for financial assistance.</p> <p>Hoag Orthopedic Institute Hospitals serve all persons in the communities where we are located. We aspire to provide health services with the upmost dignity and compassion for each patient and family in our care. In a confidential and caring environment patients in need are provided financial assistance to pay their Hoag Orthopedic Institute Hospital bills and, in turn, to ensure access to needed healthcare as an essential element of fulfilling their human dignity and ability to live more healed, more whole, and more able to contribute to the common good.</p>
Completion of FAP Application	<p>Upon a patient's request, a Financial Assistance Program (FAP) application shall be provided. Designated personnel will assist patients in completing the Financial Assistance Application and determining eligibility for financial assistance, charity care, or government-funded programs, if applicable. Financial Assistance notices printed in English and Spanish are also placed in the public admission areas at Hoag Orthopedic Institute hospitals. Interpretation services are available to address any questions or concerns and to assist in the completion of Financial Assistance Applications.</p> <p>A patient, or patient's legal representative, who requests a discounted payment, charity care, or other assistance in meeting his or her financial obligation to the hospital shall make every reasonable effort to provide the hospital with documentation of income and health benefits coverage. If the person requests charity care or a discounted payment and fails to provide information that is reasonable and necessary for the hospital to make a determination, the hospital may consider that failure in making its determination.</p>

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	<p>Upon establishing full or partial eligibility under the financial assistance program the coverage will be valid for six (6) months from the date of the eligibility letter. Additionally, other pre-existing patient account outstanding balances at the time of eligibility determination will be included as eligible, excluding exceptions set forth in this policy.</p>
Patient Billing	<p>Patients applying for Hoag Orthopedic Institute Financial Assistance will continue to receive monthly statements as an awareness of the open balance and to encourage patient engagement if needed. Statements mailed to the patient will include a clear and conspicuous notice advising the patient of Hoag Orthopedic Institute Financial Assistance Program and the appropriate contact information.</p> <p>The notice shall also:</p> <ol style="list-style-type: none"> advise the patient that he or she may be eligible for programs such as Medicare, Medi-Cal(CA), Covered California or other state or county funded health coverage programs how the patient may apply for any of these programs and that the Hospital will provide the patient with an application.(CA) that the Hospital will refer the patient to a local consumer assistance center housed at legal services offices.(CA) <p>Disputes:</p> <p>Efforts to collect healthcare debts by an affiliate, subsidiary or external collection agency of Hoag Orthopedic Institute must adhere to the standards set forth in this policy including the definition and application of a reasonable payment plan.</p> <p>In dealing with patients eligible for Hoag Orthopedic Institute Financial Assistance or a reasonable payment plan, the Hospital shall not use wage garnishments or place liens on homes as a means of collecting unpaid Hospital bills. This requirement does not preclude Hospitals from pursuing reimbursement from third party liability settlements.</p> <p>Accounts without an existing FAP or payment arrangement will transfer to an external collection agency at 150 days from first patient billing cycle.</p> <p>Accounts with a defaulted payment plan with three consecutive missed payments will transfer to an external collection agency upon review and approval of the department supervisor to ensure reasonable attempts to reach the patient/guarantor were made.</p>

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Proof of Income	<p>The patient will submit all necessary income documentation, including copies of IRS forms, W-2 Wages & Earnings, disability payment statements, etc. An application for a government program (i.e., prescription drug assistance programs, DHS, SSI, or any other signed federal program document), may be used to qualify for financial assistance. Financial information obtained will not be used to determine collection activities.</p> <p>In cases where documentation is unavailable, the patient's income may be verified by having the patient sign the assistance application attesting to the veracity to the income information provide. If the proof of income is questionable, validation of the income should be immediately requested.</p>
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Income Qualifications – CA Hospitals

Any uninsured or underinsured patient whose family income is less than 500% of the current federal poverty level (FPL) and is unable to pay his or her Hospital bill shall be considered eligible for financial assistance. Full or partial assistance is based on the criteria outlined below:

If the income % of FLP is:	And the patient is:	Then:																						
200% or less,	Uninsured or insured	The entire (100%) patient liability portion of the bill for services will be written off.																						
201% - 350%,	Uninsured,	The patients' payment obligation will be a percentage of the gross amount the Medicare program would have paid for the service based on the sliding scale below:																						
		<table><tr><th>If the income % of FPL is:</th><th>Then the % of Medicare Rate Payable is:</th></tr><tr><td>201 – 215%</td><td>10%</td></tr><tr><td>216 – 230%</td><td>20%</td></tr><tr><td>231 – 245%</td><td>30%</td></tr><tr><td>246 - 260%</td><td>40%</td></tr><tr><td>261 – 275%</td><td>50%</td></tr><tr><td>276 – 290%</td><td>60%</td></tr><tr><td>291 – 305%</td><td>70%</td></tr><tr><td>306 – 320%</td><td>80%</td></tr><tr><td>321 – 335%</td><td>90%</td></tr><tr><td>336 – 350%</td><td>100%</td></tr></table>	If the income % of FPL is:	Then the % of Medicare Rate Payable is:	201 – 215%	10%	216 – 230%	20%	231 – 245%	30%	246 - 260%	40%	261 – 275%	50%	276 – 290%	60%	291 – 305%	70%	306 – 320%	80%	321 – 335%	90%	336 – 350%	100%
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	Insured,	The patient's obligation will be reduced by insurance payments:	
		If:	Then:
		The amount paid by insurance exceeds what Medicare would have paid,	The entire (100%) patient liability portion of the bill will be written off.
		The Medicare Payment LIKE Rate is greater than the HMO/PPO Payment Rate for services rendered,	The patient's payment obligation will be based on the HMO/PPO Payment Rate.
351% - 500%,	Insured, yet services are not covered by the payer,	The following will apply:	
		If...	Then ...
		The patient ordinarily would be responsible for the full billed charges,	The total patient payment obligation will be the HMO/PPO Payment Rate.
351% - 500%,	Insured, and services are covered by the payer,	The following will apply:	
		If:	Then:
		The patient is responsible for only a portion of the billed charges (deductible, copay, etc.),	There is no discount.

Automatic Classification for Charity Care

Under the following special circumstances, a patient may be deemed eligible for Charity Care without absolute requirement for submission of a financial assistance application:

Circumstance	CALIFORNIA
Eligible for other FPL-qualified programs	(Addressed in Other Special Circumstances section below)
Disabled	n/a
Deceased	Is deceased and without third-party insurance coverage or identifiable estate, no living spouse
Incarcerated	n/a
Homeless	Is determined to be homeless and is not currently enrolled in Medicare, Medicaid or any government sponsored program, without third-party insurance coverage

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Seen in ER, unable to bill	Is treated in the Emergency Department but the Hospital is unable to issue a billing statement
Access to Care	Is treated through an Access to Care Program

Other Special Circumstances	<p>Patients who are eligible for FPL-qualified programs such as Medi-Cal, Medicaid , and other government-sponsored low-income assistance programs, are deemed to be indigent. Therefore, such patients are eligible for Charity Care when payment for services is not made by the programs. Patient account balances resulting from non-reimbursed charges are eligible for full charity write-off. Medi-Cal Share of Cost obligations are not eligible for charity write off or the discount program. Specifically included as eligible are charges related to the following:</p> <ul style="list-style-type: none"> ■ Denied inpatient stays ■ Denied inpatient days of care ■ Non-covered services ■ Treatment Authorization Request (TAR) denials ■ Denials due to restricted coverage
Presumptive Charity	<p>Hoag Orthopedic Institute recognizes that a portion of the uninsured or underinsured patient population may not engage in the traditional financial assistance application process. If the required information is not provided by the patient, Hoag Orthopedic Institute utilizes an automated, predictive scoring tool to qualify patients for Charity Care. The PARO™ tool predicts the likelihood of a patient to qualify for Charity Care based on publicly available data sources. PARO provides estimates of the patient's likely socio-economic standing, as well as, the patient's household income and size.</p>
Approval Levels	<p>Financial assistance determination will be made only by approved Hospital personnel according to the local Hospital levels of authority.</p> <p>Notification of Determination</p> <p>Patients will receive notification of Hospital determination within 30 days of submitting the completed application and supporting documentation.</p> <p>Patient Disputes</p> <p>FAP qualifications are determined after the application is reviewed for eligibility based on criteria contained in this policy. Financial assistance shall not be provided on a discriminatory or arbitrary basis, however the hospital retains full discretion to establish eligibility criteria based on sufficient evidence and information provided by the patient or guarantor.</p> <p>In the event of a dispute, a patient or guarantor may seek review from management or the executive director of revenue cycle via email at PFS@Hoag Orthopedic Institute.org or in writing by providing additional information to support the dispute at:</p>

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	<p>Hoag Orthopedic Institute Attn: Executive Director of Revenue Cycle 500 Superior, Suite 250 Newport Beach, CA 92663</p>
Proof of insurance	<p>If a hospital bills a patient who has not provided proof of coverage by a third party at the time the care is provided or upon discharge Hoag Orthopedic Institute will provide the patient with a Notice Of Availability Financial Assistance (NAFA)</p>

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Definitions

This publication contains the following terms:

Term	Definition
Affordable Care Act (ACA)	A federal mandate that aims to increase the quality and affordability of health insurance.
Charity Care	Medically necessary Hospital services provided at no cost to a patient who lacks or has inadequate insurance and meets defined low-income requirements.
Covered California	California's Health Insurance Marketplace program that provides assistance in shopping for affordable health care and possibly financial assistance. Covered California will also assist in determining qualification for Medi-Cal.
Deposit	When payment arrangements are made, the first installment payment is considered the deposit. The deposit is negotiated, starting at 50% of total estimated patient liability.
Government-Funded Insurance Programs	The following are included in "government-funded insurance programs" (but is not limited to): <ul style="list-style-type: none"> ■ Medicare ■ Presumptive Eligibility (Medi-Cal) ■ Medi-Cal (CA) ■ Covered California (CA) ■ Out Of State Medicaid
Health Insurance Marketplace	A component of the Affordable Care Act (ACA) is the Health Insurance Marketplace (formerly known as Exchange). Each state is mandated to have this on-line venue for consumers and small businesses to compare and purchase insurance coverage options and to learn if they are eligible for federal insurance subsidies.
High Medical Costs	California: A patient is considered to have High Medical Costs if he or she has either of the following: <ul style="list-style-type: none"> ■ Annual out-of-pocket costs incurred by the individual at the Hospital that exceed 10 percent of the patient's family income in the prior 12 months. ■ Annual out-of-pocket expenses that exceed 10 percent of the patient's family income, if the patient provides documentation of the patient's medical expenses paid by the patient or the patient's family in the prior 12 months.
HMO/PPO Payment Rate	The average amount of payment the Hospital would receive from all contracted HMOs/PPOs for providing services. This rate, represented as a percent of total billed charges, is Hospital-specific and updated periodically.
Out of State Medicaid	Hoag Orthopedic Institute will bill for Out of State Medicaid provided a contract is approved by the state and/or obtained through an outsourced vendor.

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Term	Definition
Medi-Cal (CA)	Medi-Cal is California's federally funded health insurance programs that pays for a variety of medical services for children and adults who have limited resources and low-income. Under ACA, Medi-Cal has expanded who may be eligible.
Medically Necessary Services	Services or supplies determined to be proper and needed for the diagnosis, direct care or treatment of the medical condition and meet the standards of good medical practice in the medical community.
Excluded services	If services not deemed a medical necessity, CDU, Cosmetic, gastric bypass for weight loss.
Presumptive Charity (PARO, SOS and La Amistad programs)	Share ourselves program (SOS) and La Amistad have been pre-determined to meet the program guidelines as these individuals were determined to be at or below 200% FPL. SOS and La Amistad complete their own screening and approval. Payment Assistance Rank ordering (PARO) Score: PARO is a patient account scoring mechanism. PARO score is evaluated bi-annually and calibrated to reflect the charity care policy of Hoag Orthopedic Institute for evaluation and eligibility criteria.
Medicare	Medicare is a federally funded health insurance program for qualified people age 65 or older. Certain people younger than 65 also qualify based on disabilities or renal disease. This program helps with the cost of health care, but it does not cover all medical expenses or the cost of long-term care. It is not based on low-income. It is not part of the Health Insurance Marketplace, but there are some coverage changes as a result.
Medicare Payment Rate	The average amount of payment the Hospital would receive from Medicare for providing services. This rate is Hospital-specific and updated periodically.
Payment Arrangements / Installment Plans	A plan negotiated and agreed to by the Hospital and the patient that sets the terms of extended payment for services provided by the Hospital. Any pre-service payment plan is based on an estimate and the financial counselors and/or schedulers coordinate payment plans through the self-pay supervisor as Final terms are set up after final billing.
Reasonable Payment Plan (CA)	If Hoag Orthopedic Institute and the patient/guarantor, cannot agree, the Hospital shall create a reasonable payment plan Monthly payments pursuant to a reasonable payment plan cannot exceed more than 10 percent of a patient's family's monthly income, excluding deductions for essential living expenses.
Essential Living Expenses (CA)	Expenses for any of the following: rent or house payment and maintenance; food and household supplies; utilities and telephone; clothing; medical and dental payments; insurance; school or child care; child or spousal support; transportation and auto expenses, including insurance, gas and repairs, installment payments; laundry and cleaning; and, other extraordinary expenses.

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Attachment A: Notice of Availability of Financial Assistance

Mission

Our missions as a non-profit, faith-based hospital is to provide the highest quality health care services to the communities we serve.

What is the Patient Financial Assistance Program?

Hoag Orthopedic Institute Hospital's Financial Counseling Department offers free financial screenings for people who do not have health insurance and cannot pay their hospital bill, as well as patients who do have insurance, but are unable to pay their portion of the bill that insurance does not cover.

Our Financial Counselors will review your eligibility for Medicare, Healthy Families Program, Medi-Cal, or other coverage offered through the California Health Benefit Exchange, California Children's Services program, other state- or county-funded health coverage, or charity care. If you already have coverage through one of these programs please notify our Financial Counselors immediately. Patients ineligible for government assistance may still qualify for discount or charity programs available through Hoag Orthopedic Institute Hospital.

How and When to Apply

Please contact our Financial Counselors immediately after discharge or completion of services by calling 949-764-5564 or by e-mail at FC@Hoag Orthopedic Institute.org. We can assist with your application and provide the applications for Medicare, Healthy Families Program, Medi-Cal, or other coverage offered through the California Health Benefit Exchange, California Children's Services program, other state- or county-funded health coverage. You may also be referred to www.OCGOV.com for local assistance.

If you lack, or have inadequate, insurance, and you meet low- and moderate-income requirements, you may qualify for discounted payment or charity care. Please remember that access to necessary health care is not affected by eligibility for financial assistance. Hoag Orthopedic Institute is committed to treating all those who come to us for care.

You may also apply directly for the above programs by accessing their website directly:

Medi-Cal: <http://www.dhcs.ca.gov/services/medi-cal/pages/applyformedi-cal.aspx>

Affordable Care Act: www.HealthCare.gov to apply by phone Call 1-800-318-2596

Medicare: www.ssa.gov/medicare/apply.html

Hoag Orthopedic Institute Charity care program: www.Hoag Orthopedic Institute.org (Patient & Visitors tab, Billing, Charity Care Application)

Confidentiality

We understand that the need for financial assistance can be a sensitive and deeply personal issue. We are committed to maintaining the confidentiality of requests, information and funding.

For more information please contact one of our Financial Counselors at 949-764-5564, we are available Monday through Friday from 8:30 AM to 4:30 PM, or by e-mail at FC@Hoag Orthopedic Institute.org.

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References	These publications are relevant to this document:	
	Document Type	Title
	Process	Collection Process for Patient Financial Services
	Policy	Financial Counseling – Government-Funded Insurance (RCS.13)
	DLP	Offering Payment Arrangements
	Policy	Patient Discounts (RCS.26)
	Policy	Payment Arrangements (Installment Plans) (RCS.18)

Review and/or input for this procedure was given by the following:

Revision Designation: