

**Title:** Financial Assistance Policy (#111)

**Scope:** Warren Campus

**Manual:** Administrative Policy

**Origination Date:** 2/1/2012

**Revision Dates:** 10/2012, 04/1/2014, 5/11/2016, 8/15/2016, 8/1/2017, 1/29/2019, 3/19/2020, 4/16/2021, 7/27/2022, 1/26/2023

**Review Dates:** 8/1/2017, 1/29/2019, 3/19/2020, 4/16/2021, 7/27/2022, 1/26/2023

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**I. Purpose:**

St. Luke's University Health Network - Warren Campus is committed to providing the highest quality healthcare services to our community. St. Luke's University Health Network - Warren Campus is committed to a service excellence philosophy that strives to meet or exceed patient expectations. All patients will receive a uniform standard of care throughout all of our facilities, regardless of social, cultural, financial, religious, racial, gender or sexual orientation factors. St. Luke's University Health Network - Warren Campus strives to ensure that all patients receive essential emergency and other medically necessary healthcare services regardless of their ability to pay.

**Policy:**

In accordance with this Financial Assistance Policy ("FAP"), St. Luke's University Health Network - Warren Campus is committed to providing financial assistance to persons who have healthcare needs and are uninsured, ineligible for government assistance, or otherwise unable to pay, for medically necessary care based on their individual financial situation. All persons who present themselves for emergency or other medically necessary healthcare services shall be admitted and treated; they shall be registered as patients of the hospital and shall receive those necessary services as prescribed by the patient's physician. In no case shall any prospective patient of St. Luke's University Health Network - Warren Campus be denied necessary health care services on the basis of his/her ability to pay.

St. Luke's University Health Network – Warren Campus, and any other substantially related entities (as defined under the Internal Revenue

Code ("IRC") §501(r) final regulations), will comply with the Internal Revenue Service requirements for IRC §501(c)(3) hospitals under the Affordable Care Act (Internal Revenue Code §501(r)), New Jersey Hospital Care Payment Assistance Program (N.J.A.C. 10:52) and New Jersey Uninsured Discount (Public Law 2008, Chapter 60).

St. Luke's University Health Network - Warren Campus will provide, without discrimination, care for all emergency medical conditions to individuals regardless of their financial assistance eligibility or ability to pay. It is the policy of St. Luke's University Health Network - Warren Campus to comply with the standards of the Federal Emergency Medical Treatment and Active Labor Transport Act of 1986 ("EMTALA") and the EMTALA regulations in providing a medical screening examination and such further treatment as may be necessary to stabilize an emergency medical condition for any individual coming to the emergency department seeking treatment.

Financial assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with the St. Luke's University Health Network - Warren Campus procedures for obtaining financial assistance applications (Appendix C), other forms of payment or contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so as means of assuring access to health care services, for their overall personal health and for the protection of their individual assets.

Financial assistance is only available for emergency or other medically necessary healthcare services. Not all services provided within St. Luke's University Health Network - Warren Campus's hospital facility are covered under this FAP. Please refer to Appendix A for a list of providers that provide emergency or other medically necessary healthcare services within the St. Luke's University Health Network - Warren Campus hospital facility. This appendix specifies which providers are covered under this FAP and which are not. The provider listing will be reviewed quarterly and updated, if necessary.

If ineligible for the public assistance programs mentioned above, St. Luke's University Health Network - Warren Campus will screen the patient for income and asset eligibility under the New Jersey Hospital Care Payment Assistance Program ("Financial Assistance"). The patient will be advised, as indicated on the New Jersey Hospital Assistance Program Application for Participation ("Application"), that it is his/her responsibility to provide the documentation of residency, identification, income, assets, etc. required (described below). If the patient is uninsured, St. Luke's University Health Network - Warren Campus will

bill patients the lesser of 115% of Medicare rates or 10% of gross charges, in accordance with the New Jersey Uninsured Discount.

## **II. Definitions:**

For the purpose of this FAP, the terms below are defined as follows:

**Amounts Generally Billed ("AGB")** - Pursuant to Internal Revenue Code Section 501(r)(5), in the case of emergency or other medically necessary care, FAP-eligible patients will not be charged more than an individual who has insurance covering such care.

**AGB Percentage** - A percentage of gross charges that a hospital facility uses to determine the AGB for any emergency or other medically necessary care it provides to an individual who is eligible for assistance under the FAP.

**Emergency medical conditions** - Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).

**Excess Resources** - Income that is not reported on income tax documents, Social Security benefit statement or employer reported payroll statements. Excess Income documents do not include investments/retirement accounts but do include those amounts if they have been cashed in and are being held in a checking/savings account.

**Extraordinary Collection Actions ("ECAs")** - All legal or judicial processes, including, but not limited to, garnishing wages, placing liens on property and reporting to credit agencies. ECAs include sale of an individual's debt to another party, lawsuits, liens on residences, arrests, body attachments, or other similar collection processes.

**Financial Assistance** - Healthcare services that have or will be provided but are never expected to result in cash inflows. Financial assistance provides a patient with free or discounted emergency or other medically necessary healthcare if they meet the established criteria and are determined to be eligible.

**Family** - Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to the Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes for the provision of financial assistance.

**Family Gross Income** - Family Income is determined using the Census Bureau definition, which uses the following income when computing poverty guidelines:

- Income earnings, unemployment compensation, worker's compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous resources.
- Noncash benefits such as food stamps and housing subsidies do not count;
- Determined on before-tax basis;
- Excludes capital gains or losses; and
- If a person lives with a family, includes the income of all family members (Non-relatives, such as housemates, do not count).
- Excess Resources are considered when there are amounts that may facilitate the patient's ability to pay a nominal amount towards their healthcare costs.

**Federal Poverty Level** - A measure of income level issued annually by the Department of Health and Human Services. Federal poverty levels are used to determine eligibility for financial assistance.

**Gross Charges** - The hospital facility's full, established price for medical care that is consistently and uniformly charged to patients before applying any contractual allowances, discounts or deductions.

**Medically necessary services** - Healthcare services that a physician, exercising prudent clinical judgment, would provide to a patient for the purpose of evaluating, diagnosing or treating an illness, injury, disease or its symptoms, and that are: (a) in accordance with the generally accepted standards of medical practice; (b) clinically appropriate; and (c) not primarily for the convenience of the patient.

**Out of State Medicaid:** Patients without of state coverage or qualify for their state of residence Medicaid program, but SLUHN and subsidiaries are considered not in network for scheduled services.

**Plain Language Summary ("PLS")** - A written statement which notifies an individual that St. Luke's University Health Network - Warren Campus offers financial assistance under this FAP and provides additional information in a clear, concise and easy to understand manner.

**Underinsured** - The patient has some level of insurance or third party assistance but still has out- of-pocket expenses that exceed their financial abilities.

**Uninsured** - The patient has no level of insurance or third party assistance to assist with meeting their payment obligations.

### **III. Procedure**

#### **A. Financial Assistance Eligibility Criteria:**

1. Financial Assistance (Financial Assistance) is available to New Jersey residents who:
2. Have no health coverage or have coverage that pays only part of the bill;
3. Are ineligible for any private or governmental sponsored coverage (such as Medicaid); and
4. Meet the income and assets criteria described below.

Financial Assistance may be available to non-New Jersey residents, subject to specific provisions (such as emergency medical conditions).

Income Criteria - Patients with family gross income less than or equal to 200% of the Federal Poverty Limits ("FPL") are eligible for 100% Financial Assistance coverage. Patients with family gross income greater than 200% but less than or equal to 300% of FPG are eligible for discounted care under the Financial Assistance program. Free or discounted charges are determined by the following fee schedule (also see Appendix B):

<b>Income as a percentage of Federal Poverty Limits</b>	<b>Percentage of Medicaid Rate Paid by Patient</b>
Less than or equal to 200%	0%
Greater than 200% but less than or equal to 225%	20%
Greater than 225% but less than or equal to 250%	40%
Greater than 250% but less than or equal to 275%	60%
Greater than 275% but less than or equal to 300%	80%
Greater than 300%	Self-pay Discount Available

Assets Criteria – A patient's individual assets cannot exceed \$7,500 and family assets cannot exceed \$15,000 as of the date of service in order to be eligible. Spend down of assets, through partial payment of the hospital bill is allowed to enable the patient to qualify for Financial Assistance. The amount for which the patient is responsible after partial Financial Assistance shall be limited to 30% of income.

Eligibility for financial assistance will be considered for those individuals who are uninsured, ineligible for any government healthcare benefit program, and who are unable to pay for their care, based upon determination of financial need in accordance with this FAP. The granting of financial assistance shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.

In order to manage its resources responsibly and to allow St. Luke's University Health Network - Warren Campus to provide the appropriate level of financial assistance to the greatest number of persons in need, St. Luke's University Health Network - Warren Campus establishes the following guidelines for the provision of financial assistance.

### **1. Services Eligible for Financial Assistance**

The following services are eligible for financial assistance:

- i. Emergency medical services provided in an emergency room setting;
- ii. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
- iii. Non-elective healthcare services provided in response to life threatening circumstances in a non-emergency room setting; and
- iv. Medically necessary healthcare services, evaluated on a case-by-case basis by the patient's physician and/or at St. Luke's University Health Network - Warren Campus's discretion.

### **2. Services Not Eligible for Financial Assistance**

Services normally not covered by the "original" or "traditional" Medicare plan, even if the patient is not covered by Medicare, are considered not medically necessary and are not eligible for financial assistance. Examples of services not covered by Medicare and not eligible for financial assistance includes, but is not limited to:

- i. Alternative Medicine: including experimental procedures and treatments, acupuncture, and chiropractic services (other than normal subluxation of the spine)
- ii. Cosmetic Surgery: (unless it is needed to improve the function of a malformed part of the body)
- iii. Dental Care

- iv. Hearing Aids: or the examinations for prescribing of fitting hearing aids (except for implants to treat severe hearing loss in some cases)
- v. Non-Medical Services: including hospital television and telephone, a private room, cancelled or missed appointments and copies of x-rays.
- vi. Most non-emergency transportation,
- vii. Some Preventive care: including most routine physical examinations and test, immunizations, and routine foot care and eye care.
- viii. Transportation: except for medically necessary ambulance services.
- ix. Vision Care: including eyeglasses (except when following cataract surgery) and examination for prescribing or fitting glasses.

#### **B. Basis for Calculating Amounts Charged to Patients:**

Uninsured patients who qualify for full or partial Financial Assistance will have their bills reduced from 20% -100% based upon based upon the Financial Assistance criteria (discussed above).

Uninsured patients with family gross income over 301% of FPL will be provided a significant discount, in accordance with the New Jersey Uninsured Discount, and will be billed at the lesser of 115% of the Medicare rate for Inpatient and Outpatient services or any other discount available under this FAP.

Insured patients who qualify for Financial Assistance will have deductibles, copays, coinsurance or other out of pocket expenses discounted at the appropriate percentage.

Pursuant to Internal Revenue Code §501(r)(5), in the case of emergency or other medically necessary care, patients eligible for financial assistance under this FAP will not be charged more than an individual who has insurance covering such care.

St. Luke's University Health Network - Warren Campus uses the Look-Back Method to calculate its AGB percentage of 10 %. The AGB percentage is calculated annually and is based on all claims allowed by Medicare Fee-for-Service plus all Private Health Insures over a 12-month period, divided by the gross charges associated with these claims. Any individual determined to be FAP-eligible will be charged the lesser of the AGB for emergency or other medically necessary healthcare services pursuant to Internal Revenue Code §501(r)(5) or 90% self-pay discount on charges, which is the discount rate for any

uninsured patient who does not meet FAP eligibility. The applicable discount will be applied to the gross charge.

Any individual will always be charged the lesser of AGB or any discount available under this FAP.

**C. Procedure:**

It is preferred but not required that a request for financial assistance and a determination of financial need occur prior to rendering of services. However, the determination may be done at any point in the collection cycle. The need for payment assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient becomes known. St. Luke's University Health Network - Warren Campus will also make reasonable efforts to explore appropriate alternative sources of payment and coverage from public and private payment programs and assist patients in applying for such programs.

**D. Method for Applying:**

Patients who meet the eligibility criteria for Financial Assistance must submit a completed Application. A completed Application must include certain required documents. The following documentation is required:

- Proof of Identification;
- Proof of Income;
- Proof of Assets; and
- Proof of New Jersey residency

In order to be considered for financial assistance an individual must submit a financial assistance Application. The patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need if requested. Patients who meet the eligibility criteria and wish to apply for the financial assistance offered under this FAP can obtain an Application as follows:

1. At the hospital's main Registration desk or Emergency Room desk located at:

St. Luke's Hospital-Warren  
185 Roseberry Street  
Phillipsburg, NJ 08865



2. By calling Patient Revenue Services Department at 484-526-3150
3. By calling St. Luke's Warren Campus Financial Counselors at 908-847-6024
4. Download the documents from the hospital's website:  
[www.slhn.org](http://www.slhn.org).

Please reference your FAP Application for the required documentation to be submitted with your completed Application. Required documents include, but are not limited to, documentation of family size, most current Tax Return, paycheck stubs and proof of total household income.

5. All completed Applications (with required documentation) should be mailed to:

St. Luke's Hospital-Warren  
Attn: Financial Counselor  
185 Roseberry Street  
Phillipsburg, NJ 08865

The hours of operation are Monday – Friday 8:00 am to 4:30 pm.

#### **E. Determining Eligibility:**

St. Luke's University Health Network - Warren Campus values of human dignity and stewardship shall be reflected in the Application process, financial need determination and granting financial assistance. Requests for financial assistance shall be processed promptly and St. Luke's University Health Network shall notify the patient or applicant in writing within 30 days of receipt of completed Application (including supporting documentation).

#### **1. Process for Incomplete Applications**

Financial assistance determinations shall be made as soon as possible, but no later than thirty (30) working days from the date of the request. If sufficient paperwork is not provided, the request will be deemed to be an incomplete Application. If an incomplete Application is received, St. Luke's University Health Network - Warren Campus will provide the applicant with written notice which describes the additional information/documentation needed to make a FAP-eligibility determination and provide the

patient with a reasonable amount of time (30 days) to provide the requested documentation. Additionally, St. Luke's University Health Network - Warren Campus, and any third parties acting on their behalf, will suspend any ECA's to obtain payment until a FAP-eligibility determination is made.

## **2. Process for Completed Applications**

Once a completed Application is received, St. Luke's University Health Network - Warren Campus will:

- Suspend any ECAs against the individual (any third parties acting on their behalf will also suspend ECAs undertaken);
- Make and document a FAP-eligibility determination in a timely manner; and
- Notify the responsible party or individual in writing of the determination and basis for determination.

An individual deemed eligible for financial assistance will be notified in writing of a favorable determination. The notice will include the following:

- Date on which services were requested;
- Date on which determination was made;
- Income of applicant; and
- Dollar amount or percentage thereof to be allocated for financial assistance.

In accordance with Internal Revenue Code Section 501(r) St. Luke's University Health Network - Warren Campus will also:

- Provide a billing statement indicating the amount the FAP-eligible individual owes, how that amount was determined and how information pertaining to AGB may be obtained, if applicable;
- Refund any excess payments made by the individual; and
- Work with third parties acting on their behalf to take all reasonable available measures to reverse any ECAs previously taken against the patient to collect the debt.

When a request for financial assistance is denied, the applicant shall be notified in writing. If the patient cannot pay the total bill, St. Luke's University Health Network - Warren Campus will discuss alternative payment arrangements.

## **F. Presumptive Eligibility:**

There are instances when a patient appears to be eligible for financial assistance, but there is no financial assistance form on file due to lack of supporting documentation. Often there is adequate information provided by the patient or obtained through other sources, which could provide sufficient evidence to provide the patient with financial assistance. In the event there is no evidence to support a patient's eligibility for financial assistance, St. Luke's University Health Network - Warren Campus may use outside agencies in determining estimated income amounts for the basis of determining financial assistance eligibility and potential discount amounts. Presumptive eligibility may be determined on the basis of individual life circumstance that may include:

- State-funded prescription programs;
- Homeless or received care from a homeless clinic;
- Participation in Women, Infants and Children Programs (WIC);
- Food Stamp eligibility;
- Subsidized school lunch program eligibility;
- Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend down);
- Confirmed eligibility with out-of-state Medicaid programs to include patient dates of service and the state refuses payment due to lack of enrollment of facility/physician or other reasons determined by the payer. Reasonable efforts will be made by SLUHN and/or SLPG to enroll facilities and/or physicians with out-of-state Medicaid programs prior to the eligible accounts being written off as charity.
- Low income/subsidized housing is provided as a valid address;
- Patient is deceased with no known estate;
- Declared Chapter 7 Bankruptcy and care was incurred prior to bankruptcy; and
- Declared Chapter 13 Bankruptcy and patient will have unpaid balance after the payment schedule is received.

Additionally, presumptive eligibility might include the use of external publically available data sources that provide information on a patient's or a patient's guarantor's ability to pay (such as credit scoring). Once determined, due to the inherent nature of the presumptive circumstances, the patient may be eligible for up to 100% write off of the account balance. If the patient is presumptively determined to be eligible for less than the most generous assistance available, St. Luke's University Health Network - Warren Campus will provide the individual with a PLS which will assist in notifying the individual regarding the basis for the presumptive eligibility determination. St. Luke's University Health Network - Warren Campus will also give the individual a reasonable period of time to apply for

more generous assistance before initiating any ECAs to obtain the discounted amount owed for the care.

**G. Widely Publicizing:**

St. Luke's University Health Network - Warren Campus's FAP application and PLS are available in English and in the primary language of populations with limited proficiency in English ("LEP") that constitutes the lesser of 1,000 individuals or 5% of the community served by St. Luke's primary service area. For the benefit of our patients the FAP, Application and PLS are all available on-line at the following website: <https://www.sluhn.org>. Paper copies of the FAP, Application and the PLS are available upon request without charge by mail and are available the hospital facility registration areas which include emergency rooms, admitting and registration departments, hospital based clinics, and patient financial services.

All patients will be offered a copy of the PLS as part of the intake/discharge process. Signs or displays will be conspicuously posted in public hospital locations including the emergency department and admissions/registration departments that notify and inform patients about the availability of financial assistance.

Through its communication department, St. Luke's University Health Network - Warren Campus will also make reasonable efforts to inform members of the community about the availability of financial assistance.

Referral of patients' financial assistance can be made by a member of the hospital staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains and religious sponsors.

**H. Billing & Collection:**

St. Luke's University Health Network - Warren Campus management shall develop policies and procedures for internal and external collection practices that take into account the extent to which the patient qualifies for financial assistance, a patient's good faith effort to apply for a governmental program or financial assistance from St. Luke's University Health Network - Warren Campus, and a patient's good faith effort to comply with his or her payment agreements with St. Luke's.

St. Luke's University Health Network - Warren Campus may offer extended payment plans to patients who are cooperating in good faith to resolve their hospital bills.

St. Luke's University Health Network - Warren Campus will not engage in any actions that discourage individuals from seeking emergency medical care, such as by demanding the emergency department patients pay before receiving treatment for emergency medical conditions or by permitting debt collection activities in the emergency department or other areas where such activities could interfere with the provision of emergency care on a nondiscriminatory basis.

**I. Internal Revenue Service Code Section 501(r)(6):**

St. Luke's University Health Network - Warren Campus does not engage in any ECAs as defined by Internal Revenue Code Section 501(r)(6) prior to the expiration of the "Notification Period". The Notification Period is defined as a 120-day period or greater, which begins on the date of the 1st post-discharge billing statement, in which no ECAs may be initiated against the patient.

Subsequent to the Notification Period St. Luke's University Health Network - Warren Campus, or any third parties acting on its behalf, may initiate the following ECAs against a patient for an unpaid balance if a FAP-eligibility determination has not been made or if an individual is ineligible for financial assistance. St. Luke's University Health Network - Warren Campus may authorize third parties to report adverse information about the individual to consumer credit reporting agencies or credit bureaus on delinquent patient accounts after the Notification Period. They will ensure reasonable efforts have been taken to determine whether an individual is eligible for financial assistance under this FAP and will take the following actions at least 30 days prior to initiating any ECA:

1. The patient will be provided with written notice which:
  - a) Indicates that financial assistance is available for eligible patients;
  - b) Identifies the ECA(s) that St. Luke's University Health Network - Warren Campus intends to initiate to obtain payment for the care; and
  - c) States a deadline after which such ECAs may be initiated.
2. The patient has received a copy of the PLS with this written; and
3. Reasonable efforts have been made to orally notify the individual about the FAP and how the individual may obtain assistance with the financial assistance Application process.

St. Luke's University Health Network - Warren Campus will accept and process all Applications for financial assistance available under this FAP submitted during the "Application Period". The Application Period begins on the date the care is provided and ends on the 240th day after the date of the first post-discharge billing statement.

**J. Regulatory Requirements:**

In implementing this FAP, St. Luke's University Health Network - Warren Campus management shall comply with all other federal, state and local laws, rules and regulations that may apply to activities conducted.

**IV. Attachments:**

Appendix A - Provider Listing  
Appendix B - Federal Poverty Level  
Appendix C - Application  
Appendix D - Notification

**V. References:**

N/A

**VI. Policy Responsibility:**

Warren	VP Corporate Revenue Cycle	Lead Preparer
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**VII. Disclaimer Statement:**

This policy and procedure is intended to provide a description of a course of action to comply with legal requirements and/or operational standards. There may be specific circumstances not contemplated by this policy and procedure that may make compliance either unclear or inappropriate. For advice in these circumstances, consult with your Chain of Command, Administrator on Call, Clinical Risk Management, Legal Services, Accreditation and Standards, or Compliance Officer, as appropriate.

**VIII. Approval:**

VP Corporate Revenue Cycle annually.