



**BAPTIST**

**OPERATIONS POLICY, PROCEDURE, AND GUIDELINE MANUAL**

Effective Date: 8/17	<b>FINANCIAL ASSISTANCE POLICY FOR PROFESSIONAL SERVICES</b>
Last revision: 7/19; 2/20; 2/23, 12/23	
Reference #: S.FI.3075.04	

**PURPOSE**

To establish a framework for providing financial assistance to the uninsured and underinsured, consistent with our charitable mission, to qualify patients with an effective and consistent method of administration and allocation. Financial assistance may be provided in the form of free care or discounted care for qualifying patients (excluding cosmetic or other procedures which are not Medically Necessary).

**POLICY:**

Baptist Memorial Health Care Corporation and its affiliated entities (“Baptist”) is committed to treating all patients equitably, with dignity, respect, and compassion. Baptist facilities are open for medical care services to the general public, and it is our policy that no patient will be denied medical care services due to inability to pay. For those with ability to pay, Baptist provides services in anticipation of payment by the patient and/or guarantor for services rendered.

Good stewardship of resources in light of expenses make it necessary to establish procedures and guidelines. These procedures are not designed to turn away, impede or discourage those in need from seeking Medically Necessary treatment, but rather to assure that the resources of Baptist are devoted to ongoing quality medical care and the provision of financial assistance for those patients who are in need and least able to pay, rather than those who choose not to pay. Financial assistance under this policy is conditioned upon the patient meeting the income eligibility criteria based on the Federal Poverty Income Guidelines (FPG) as described herein. **Completion of the Baptist Financial Assistance Application is the initial necessary step in this process.** No patient will be denied financial assistance due to his or her race, religion, national origin, or any other basis prohibited by law.

## **SCOPE:**

The Baptist Financial Assistance Policy for Professional Services (“Pro-FAP”) applies to patient charges for professional services performed by employed Baptist Physicians and non-physician providers.

Professional services completed at hospital-based facilities (for example, a rural health clinic or a hospital-based cancer clinic) and billed on Form CMS-UB04 are not governed by this policy, as they are included in the Baptist Hospital Financial Assistance Policy (“Hosp-FAP”). Reference our Baptist website under “Financial Assistance” to view the current list of Hospital FAP and Pro-FAP participating entities, as well as the entities not participating in either program. [Financial Assistance Policy for Baptist Memorial Health Care \(baptistonline.org\)](http://baptistonline.org)

## **DEFINITIONS:**

***Application Period*** - Period of time a patient has to submit a completed application for financial assistance. The application period begins on the date medical care is provided (or earlier if the patient chooses to apply) and ends on the later of 240 days after the first post-Encounter billing statement or thirty days after written notice (final bill) to the patient outlining pending Extraordinary Collection Actions.

***Encounter*** - An interaction or visit with a care provider.

***Episode of Care*** - Consists of all clinically-related services for one patient for a discrete diagnostic condition from the onset of symptoms until treatment is complete.

***Extraordinary Collection Actions (ECA)*** - Collection activities that Baptist will undertake only after making reasonable efforts to determine if the patient is eligible for financial assistance. As defined by §1.501(r) regulations, ECA are certain actions taken against an individual related to obtaining payment for a hospital bill. No ECA will be taken sooner than 121 days from the date of the first post-discharge bill and at least thirty days after the patient was sent a written notice outlining pending ECA.

***Family Unit*** - A family is a group of two or more persons related by birth, marriage, or adoption who live together; all such related persons are considered to be members of one family. For instance, if an older married couple, their daughter, her husband and two children, plus the older couple's nephew lived in the same house or apartment, they would be considered members of a family unit of seven.

***Financial Assistance*** - A reduction in the amount of a patient's bill for medical services as determined by the provisions of this FAP. This reduction is generally determined as a percentage discount applied to the Gross Charges.

***Gross Charges*** - The full, undiscounted price of medical services consistently and uniformly charged to patients before applying any contractual allowances, discounts, or deductions.

***Insured*** - Patients with any type of health insurance coverage and/or third-party payor program, policy, or responsibility, including any governmental payor program or responsibility, (but excluding Limited Benefit Plans and Limited Benefit Policies), which discounts, or is obligated to reimburse or compensate for medical charges for the Encounter or Episode of Care. For the purpose of this policy, patients are considered to be insured even if they are out of network.

***Limited Benefit Plans*** – Medical plans with significantly lower and more restrictive benefits than ordinary major medical insurance. This may include some critical illness plans, indemnity plans (policies that only pay a pre-determined amount, regardless of total charges), and “hospital cash” policies.

***Limited Benefit Policies*** - Insurance coverage that provides less than 5% of reimbursement for medical charges.

***Medically Necessary*** - Health care services or supplies needed to diagnose or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine as determined by a medical care provider. Services or supplies provided primarily for the convenience or personal preference of a patient are not included.

***Out of Network*** - A patient covered under a health insurance policy or plan with an insurance company that has not contracted with Baptist for reimbursement at a negotiated rate and the patient's policy or plan does not include Baptist as part of their provider network.

***Professional Charges*** - Billing for work performed by physicians, advanced practice providers, suppliers and other non-employed providers for both outpatient and inpatient services.

***Self-Pay Minimum Discount*** - The flat-rate discount applied to eligible gross charges for uninsured patients. For services covered under this policy, the self-pay minimum discount is 40% in the BMG service area and 30% in the Jackson service area.

***Third-Party Liability Claims*** - An obligation of any person or entity (other than the patient) for partial or complete financial responsibility for payment of a patient's charges for medical services provided.

***Uninsured*** - A patient for whom there is no third party, insurance company, or governmental entity responsible for all or any portion of the patient's medical expenses for the Encounter or Episode of Care, and who is not Insured as defined herein.

***Uninsured Discount*** - The flat-rate discount applied to eligible Gross Charges for Uninsured patients.

## **POLICY EXCLUSIONS:**

Patients are not eligible for Financial Assistance under this FAP if:

1. The patient is insured.
2. The patient is eligible for financial assistance under another city, county, state, federal or any other assistance program that supersedes this policy, for that portion of the charges covered by the superseding financial assistance.
3. The patient charges resulted from medical care arising from a work-related accident, unless the patient provides verification of no third-party coverage.
4. The patient charges resulted from an auto accident, unless the patient provides verification of no third-party coverage.

Additionally, this FAP does not discount the following charges:

1. Charges for medical services that may be provided but which are not Medically Necessary to the specific patient (including but not limited to cosmetic or appearance-enhancing procedures).
2. Services furnished by providers who are not obligated to participate in this FAP program, which include, but are not limited to the following: outside or specialty laboratory services, radiologists, pathologists, ambulance services, non-employed physicians, as well as services provided at select facilities that are not fully owned and operated by Baptist. Reference the Baptist website under "Financial Services" to view the current lists of entities that fall under the Hospital FAP and the Pro-FAP.

3. Charges for purchases of convenience retail items which are not Medically Necessary, including, but not limited to the following: eyeglasses, contacts, hearing aids, wigs, cosmetic goods, and any items to which sales tax is applied. NOTE: There are oftentimes other charitable programs available to assist with the cost of these non-Medically Necessary items, and available information will be provided upon request.

## **POLICY APPLICATIONS:**

### **I. Financial Assistance for the Medically Underinsured**

The Medically Underinsured patient discount applies under the following terms and conditions:

- A. The patient has insurance coverage for the applicable Encounter or Episode of Care.
- B. All available insurance has been billed and all applicable payments have been received.
- C. The patient meets the definition of Medically Underinsured after completion of A and B.
- D. Medically Underinsured patients will automatically receive a 25% discount off the patient liability greater than \$2,500. Patients should contact the Business Office at the facility where their services were provided if they qualify or if they have questions about this discount.

### **II. Financial Assistance for Uninsured Patients**

All Uninsured patients are evaluated for eligibility for Medicaid by First Source, a third-party Medicaid eligibility vendor, which will work with the patient and Baptist to determine if the patient is eligible for any federal, state, or local assistance programs. In the event that the Uninsured patient is not eligible for Medicaid or other federal, state or local assistance programs, the patient will receive the Uninsured Discount and may apply for additional Financial Assistance based upon financial need as provided by this policy.

#### **A. The Uninsured Discount**

The Uninsured Discount of 40% will only apply for the BMG service area and for the Baptist Anderson facility and a 30% discount for the Jackson service area. The discount will automatically be applied before the first post-discharge billing statement if the patient's status as Uninsured has been determined at that time. Completion of a Financial Assistance Application is not necessary for eligibility for the Uninsured Discount.

## **B. The Financial Need Discount**

All applying Uninsured patients are eligible for an additional discount based upon financial need. The eligibility for this discount is determined as follows:

1. The size of the patient's family unit is determined using documentation provided including, but not limited to, the application and supporting financial documents.
  - (a) A family unit is a group of two or more persons related by birth, marriage, or adoption who live together. Generally, all related persons living in one physical location are considered members of one family unit. A child who is a full-time student living away from home at an accredited college can be counted in the family size.
  - (b) Unrelated individuals are excluded from the household size determination. An unrelated individual is one not related to the patient by birth, marriage, or adoption. Examples include friends, roommates, lodgers, foster children, employees or others living in group quarters such as a rooming house.
  - (c) If needed, the primary address/residence of individuals claimed in a family unit will be verified using tax returns and/or federal, state or governmental court documents establishing residency.
  
2. The total gross income for the patient's family unit is determined by consideration of the following:
  - (a) Money income including: earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, disability payments, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates and/or trusts, educational assistance, alimony, child support, assistance from outside the household and other miscellaneous sources.
    1. Minor children's earned wages are not included in the income calculation.
    2. Court-ordered and state or federally issued assistance related to a minor is included in the income calculation.
  - (b) The value of non-cash benefits (such as food stamps and housing subsidies) is not counted as income; however, these documents may be used to substantiate the family size and/or corresponding income totals.

(c) The patient must provide supporting financial documentation to verify the total gross income of all family members in the household. In order to accurately substantiate the family income, any of the following documents may be utilized. Gross income is always used for determining the patient’s financial status. Most recent income information is given priority in assessing financial status. The following available information should be provided:

1. Pay stubs for the last three months
2. Income tax return for the previous year
3. W2 forms for the previous year
4. State/Federal assistance documents
5. Bank statements for the last three months
6. Pension/retirement statements
7. Legal documents including divorce decree and/or child support and alimony

3. The Baptist FAP financial need discount percentages are determined by the family unit size and the total family income in the appropriate Baptist FAP Discount Table. A copy of the Discount Table is available from the Business Office where services were received or at [www.baptistonline.org](http://www.baptistonline.org).

a) The following table summarizes the Baptist FAP discounts:

<b>Baptist Pro-FAP Discount Summary</b>	
<b>FPG Income Range</b>	<b>Discount</b>
≤ 100%	100%
101 - 200%	75%
201 - 300%	50%
>300%	40%

- b) The income levels for the Discount Table are established by the United States Federal Poverty Guidelines (“FPG”). These levels are published annually by the U.S. Department of Health and Human Services and the current FPG income thresholds can be found online at <https://aspe.hhs.gov/poverty/index.cfm>.
- c) Once the financial need discount determination has been made, qualifying patients will be sent a letter indicating the applicable discount percentage

and how much, if any, the patient owes after the discount has been applied. This letter will also include contact information if the patient has questions regarding the discounts, the approval process or payment arrangements.

Baptist reserves the right to request additional information and/or to decline or rescind Financial Assistance provided under this FAP in the event of incorrect information, misrepresentation, or fraud. Financial Assistance provided pursuant to this FAP is principally intended to benefit the Uninsured and Medically Underinsured patients in the communities served by each of the Baptist affiliated entities. In the event a particular affiliated entity determines that its continued viability and ability to continue to provide charitable care within the served community is impaired due to patients from outside of those communities obtaining Financial Assistance from that entity, that entity reserves the right to amend or modify this FAP as needed to remain viable and to maintain its charitable mission. Notwithstanding, emergency and Medically Necessary care will never be delayed or withheld based upon any patient's ability to pay.

### **III. Financial Assistance Application Process for Financial Need Discount.**

#### **A. General Information.**

1. Uninsured patients applying for Financial Assistance based upon financial need under the Baptist FAP must complete the Financial Assistance Application, so that reasonable efforts can be made to determine whether a patient is eligible for Financial Assistance. Free copies of the application and/or a plain language statement explaining the FAP are readily available from several sources.
  - (a) A copy is given to the patient during the admissions and/or
  - (b) Copies are posted and available upon request at all Admissions, Emergency and Business Office department areas at all Baptist facilities.
  - (c) Copies are also available for download and printing online on the Baptist website ([baptistonline.org](http://baptistonline.org)) under "Financial Assistance" or by contacting the facility where services were received and requesting a copy by mail or email at [FAP@BMHCC.org](mailto:FAP@BMHCC.org).
  - (d) In addition, Baptist will provide all FAP-related documents electronically to any individual who indicates that is their preference.
  - (e) A copy is also sent in the "final bill notice" with the patient's billing statement.



2. All patients are eligible to apply for Financial Assistance at any time during their continuum of care or billing cycle. Patients are given the opportunity to apply for Financial Assistance for the later of 240 days from the date of the first post-Encounter billing statement or thirty days after written notice to the patient outlining pending ECA.
3. If a patient's Financial Assistance eligibility status has been determined in the previous ninety days, the patient does not need to reapply.
4. The approved discount will remain in place for a period of ninety (90) days from the date of approval, and will also be applied to the Gross Charges for all other open, qualified accounts (not older than 240 days) related to this Episode of Care or for other Medically Necessary services. Eligibility under the FAP will be reassessed every ninety (90) days. The process to reapply is the same as the initial process; an application and the updated financial information shall be submitted to the Business Office at the facility where services were received.
5. The approved discount will apply under the same terms for open accounts or other Medically Necessary care at Baptist facilities participating in the Pro-FAP. Patients do not need to apply at each facility. In these situations:
  - a. Patients may need to submit a copy of their approval letter as proof of a previous approval.
  - b. The Uninsured Discount is different at each facility.
  - c. The discount percentage applied is determined by the facility where the medical care was received.
6. Under certain circumstances, Baptist reserves the right to use external scoring systems to predict patient eligibility for Financial Assistance in the event there are issues with the Financial Assistance application process.

B. Financial Assistance Application Processing.

1. The review for FAP eligibility will be completed within thirty days.
2. ECA efforts will be suspended after the application has been received and during review. Baptist will resume, or take all reasonably available measures to reverse, the ECA, as appropriate, after the eligibility determination. Once the eligibility determination has been made, a letter will be sent to the patient advising them of the decision.
3. For patients who are eligible for a financial need discount, the notification letter will indicate the qualifying discount percentage and how much the patient owes after the discount has been applied. This letter will also include contact information for assistance with patient questions regarding the discount, the approval process or payment arrangements.

4. If the application is incomplete or lacks the necessary supporting documentation, a letter will be sent notifying the patient and requesting the missing information. All supporting information must be received before the end of the patient's application period. This letter will include contact information for assistance with patient questions regarding the discount, the approval process or payment arrangements. If the patient is unable or unwilling to provide the necessary financial documentation, the patient will not be eligible for a financial need discount.
5. For patients who are deemed ineligible for a financial need discount above the Uninsured Discount, their notification letter will include contact information for assistance with patient questions or concerns regarding the discount, the approval process, or payment arrangements. Patients are eligible to reapply for a financial need discount after ninety days or if they have experienced a material change in family unit or income status.
6. Baptist reserves the right to reverse financial assistance and pursue appropriate reimbursement in the event of newly discovered information regarding insurance coverage, or payment to the applicant pursuant to a personal injury claim related to the services in question, and/or verification that requested information was falsified or inaccurate.

## **VI. Provision for Non-Credentialed Medicaid Providers**

When a Baptist entity is not credentialed with a patient's out-of-state Medicaid program and therefore ineligible to receive Medicaid reimbursement for services provided, account balances will be classified as charity as the Medicaid patients are classified as indigent.

## **VII. Billing and Collections**

- A. Actions that may be taken in the event of non-payment are described in the Baptist Billing and Collections Guidelines. A free copy of this policy may be obtained on the Baptist webpage ([www.baptistonline.org](http://www.baptistonline.org)) or by contacting the Business Office at the facility where services were received.
- B. Baptist will not engage in ECA before it makes a reasonable effort to determine whether a patient is eligible for Financial Assistance under this policy. No ECA will be taken sooner than 121 days from the date of the first post-Encounter bill and at least thirty days after written notice outlining pending ECA.
- C. The following are ECA alternatives that Baptist might engage against an individual related to collecting payments owed include: reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus and actions that require a legal or judicial process.