

Department: Business Office Operations

Category:

Policy/Procedure Title:
Financial Assistance Program

Original Date: November 1, 2003

Reviewed Date: October 1, 2019

Revision Date: October 1, 2019

Approval Responsibility:

CFO

Policy/Procedure Number:
904.103

Review Responsibility:

CFO

PURPOSE

To establish uniform procedures for reviewing and processing self-pay patient due balances that may be eligible for Lake Cumberland Regional Hospital Financial Assistance consideration.

POLICY

Lake Cumberland Regional Hospital supports a hospital-based program that may provide financial assistance to low-income self-pay patients with balances owed to the facility. Lake Cumberland Regional Hospital will provide patients with financial assistance review based on the procedure and guidelines identified in this policy.

Effective with all admission dates on or after 10/1/2019: All uninsured pure self-pay patients will automatically receive a 60% discount off billed charges at final billing. The LCRH Financial Assistance program will provide an additional 20% discount off the remaining balance for patients that qualify under the program criteria in this policy.

ELIGIBILITY GUIDELINES

1. Original policy is beginning effective date: September 1, 2004.
 - a. Approved eligibility covers all services within 90 days of approved application.
 - b. Patients must re-apply for LCRH Financial Assistance consideration if 90 days are exceeded from original approved application.
 - c. Only Self-pay patients will be considered for assistance.
2. All patients must be screened by R1 Financial Counseling for potential eligibility for Kentucky Medicaid or Kentucky DSH programs prior to LCRH Financial Assistance consideration.
3. Total account balance after the automatic 60% discount must be greater than or equal to \$2,000 for LCRH Financial Assistance consideration.
 - a. Multiple account balances within 90 days of application may be combined to meet the \$2,000 limitation.
 - b. If total charges are unknown when eligibility determination is performed (i.e. ER visits), patient will be screened for LCRH Financial Assistance consideration. Final patient balance after the automatic 60% discount must be greater than or equal to \$2,000 for consideration.
4. Patient requesting Financial Assistance must reside in a surrounding county that is considered the hospital's primary service area. These counties include:

- a. Pulaski, Lincoln, Rockcastle, Laurel, Whitley, McCreary, Russell, Casey, and Wayne counties.
5. US Citizenship is not required for qualification purposes.
6. Patient/Family must complete the LCRH Financial Assistance Application (attachment A) and provide proof of income for Financial Assistance consideration.
 - a. Acceptable proof of income will include IRS W-2, Paycheck Stubs, Tax Returns, Bank Statements, Telephone employer verification, Social Security payment stubs, Unemployment Insurance payment stubs, Unemployment compensation determination letters, or other appropriate indicators of yearly, monthly, weekly, or hourly income to determine LCRH Financial Assistance eligibility.
 - b. Yearly Income is considered as the sum of total yearly gross income of the household including all members of the household.
 - c. In the event proof of income is not available, patient may provide a written attestation to the accuracy of the income information provided. Patients may also verbally provide proof of income attestation to hospital personnel completing the Financial Assistance Application. (NOTE: Patients with no income should be eligible for the Kentucky DSH program.)
7. Hospital may conduct additional due diligence concerning a patient's ability to pay if information provided by the patient during the application process appears to be inconsistent or incomplete. For example, the hospital may choose to inquire why little or no assets were reported if a patient's income is high. Use of credit reporting information will be used to determine final eligibility for financial assistance.
8. Falsification of information may result in denial of the Financial Assistance Application. If, after a patient is granted financial assistance, Hospital finds material provisions of the Financial Assistance Application to be untrue, LCRH Financial Assistance status may be revoked and the financial assistance withdrawn.
9. Patients approved for LCRH Financial Assistance are not eligible for settlement discounts on remaining balance(s) after balance adjustment.
10. Completed Financial Assistance Applications with proof of income will be forwarded to the Patient Access Director for review and processing. The Patient Access Director (and CFO for balances >\$20,000) will make final LCRH Financial Assistance determinations based on the information provided.
 - a. LCRH Financial Assistance decisions are primarily based on income and assets as defined in Schedule A (Financially Indigent)
 - b. If LCRH Financial Assistance is approved, the patient will be notified in writing of the approval identifying the total discount approved.
 - c. If LCRH Financial Assistance is denied, the patient will be notified in writing of the denial and identifying the patient responsibility for the balance.
 - d. Patient Access Director is responsible for processing applications \$500-\$20,000
 - e. CFO is responsible for processing application (approvals only) for \$20,001 and above.
 - f. In reviewing the application, Patient Access Director and/or CFO at his/her discretion may make further inquiry into available information, such as assets, etc., to determine household's ability to pay. Patient Access Director and/or CFO

- may also, at his/her discretion, make further inquiry regarding qualifying the patient for governmental or other funding.
11. All approved and denied LCRH Financial Assistance applications processed will be maintained by the Business Office and will include the following:
 - a. Completed Financial Assistance Application.
 - b. Proof of Income.
 - c. Signed LCRH Financial Assistance determination worksheet.
 - d. All written statements or correspondence from the patient relating to the Financial Assistance Application.
 - e. Credit report of the applicant.
 - f. Signed and dated copy of patient notification letter for LCRH Financial Assistance approval or denial.
 12. For approved Financial Assistance Applications, the Patient Access Director will promptly submit the approved adjustment to the patient account using a Payment-Adjustment-Allowance Line (P-Line).
 - a. Procedure codes used for LCRH Financial Assistance discounts are identified on Schedule A (Financially Indigent).
 13. Lake Cumberland Regional Hospital reserves the right to limit or deny financial assistance at its sole discretion.
 14. Hospital reserves the right to designate certain services, which are not subject to this policy.
 15. This LCRH Financial Assistance policy shall not alter or modify other Hospital policies regarding efforts to obtain payments from third-party payers, patient transfers, or emergency care.

PROCEDURE – PATIENT ACCESS

The Patient Access department is responsible for correctly identifying self-pay status upon registration and notifying the Financial Counseling team of the self-pay registration for eligibility screening.

1. Patient Access personnel are responsible for identifying Self-pay status for Inpatient Admissions, Outpatients, and Emergency Room Visits.
2. Patient Access personnel must verify if the patient has current Kentucky Medicaid eligibility via contracted eligibility verification systems (R1 Hub).
 - a. If patient is currently eligible for Medicaid, register patient as Medicaid. No further action needed relating to this policy.
 - b. If patient does not have current Medicaid eligibility, register patient as self-pay. Estimated deposits will be collected.
3. Notify Financial Counseling team of the Self-pay registration for immediate eligibility screening for Medicaid, DSH, and LCRH Financial Assistance programs.
 - a. If visit is after R1 Financial Counseling hours, collect estimated deposit and inform the patient to contact R1 Financial Counseling for eligibility determination for Medicaid, DSH, or LCRH Financial Assistance programs.

PROCEDURE – R1 Financial Counseling

R1 Financial Counseling is responsible for reviewing all self-pay registrations for Medicaid, DSH, and LCRH Financial Assistance based on current eligibility guidelines. R1 Financial Counseling performs all processing for Medicaid and DSH programs and forwards the appropriate documentation to the Business Office for Financial Assistance eligibility determination.

1. R1 Financial Counseling will review all Self-pay registrations for Medicaid, DSH, and LCRH Financial Assistance consideration.
 - a. Eligibility screenings will take place in person during normal operational hours by R1 Financial Counselors on-site in the hospital.
 - b. After-hours service registrations will be placed in a queue for eligibility screenings via phone or mail by R1 Financial Counseling.
2. R1 Financial Counseling will review patient eligibility for Medicaid, DSH, or LCRH Financial Assistance in the following order.
 - a. Kentucky Medicaid, if patient has no potential eligibility;
 - b. Kentucky DSH Program, if patient has no potential eligibility;
 - c. Lake Cumberland Regional Hospital Financial Assistance Program; if patient has no potential eligibility, the patient is responsible for the services received and is informed to contact the Business Office for payment arrangements.
3. R1 Financial Counseling will provide all Medicaid and DSH eligibility screenings prior to LCRH Financial Assistance consideration.
 - a. Patients who are deemed potentially eligible for Medicaid or DSH by R1 Financial Counseling must complete the application process and receive a formal approval or denial determination by the Division of Social Services.
 - b. Patients who are deemed potentially eligible for Medicaid or DSH by R1 Financial Counseling that fail to complete the application process for a formal approval or denial by the Division of Social Services are not eligible for LCRH Financial Assistance consideration.
 - c. Patients who have been denied potential eligibility for Medicaid or DSH by R1 Financial Counseling or by the Division of Social Services can be reviewed for LCRH Financial Assistance consideration.
4. Patient/Family must complete the Financial Assistance Application (attachment A) and provide proof of income for LCRH Financial Assistance consideration to the Business Office within 10 days of application date.
 - a. Acceptable proof of income will include IRS W-2, Paycheck Stubs, Tax Returns, Bank Statements, Telephone employer verification, Social Security payment stubs, Unemployment Insurance payment stubs, Unemployment compensation determination letters, or other appropriate indicators of yearly, monthly, weekly, or hourly income to determine LCRH Financial Assistance eligibility.
 - b. Yearly Income is considered as the sum of total yearly gross income of the household including all members of the household.
5. A copy of the Financial Assistance Application must be sent to the Business Office for placement in the Pending Financial Assistance file. Original sent to/with patient to be returned with proof of income.

6. The patient's account must be updated with the applicable LCRH Financial Assistance Pending Iplan.
 - a. Iplan 096-21 Mnemonic Y.CHARPEND = Patients with income in the 101-150% of Federal Poverty Guidelines.
 - b. Iplan 096-22 Mnemonic Y.CHARPEN2 = Patients with income in the 151-200% of Federal Poverty Guidelines.
 - c. Update in Meditech if potential LCRH Financial Assistance eligibility determined BEFORE final bill date with the applicable mnemonic (101-150% FPG = Y.CHARPEND and 151-200% FPG = Y.CHARPEN2)
 - d. Update in Collection system if potential LCRH Financial Assistance eligibility determined AFTER final bill date with applicable Iplan in Insurance Maintenance. (101-150% FPG = 096-21 and 151-200% FPG = 096-22)
7. R1 Financial Counseling will make a note on the patients account containing:
 - a. Eligibility denial determination for Medicaid and DSH to include reason for denial (income, assets, etc.)
 - b. Eligibility status for LCRH Financial Assistance and reason behind potential approval or denial.
 - c. Date Financial Assistance Application completed and given to patient to provide proof of income for potentially eligible patients.
 - d. Type and Level of potential LCRH Financial Assistance approval. (101-150% or 151-200%)
8. R1 Financial Counseling's involvement in the LCRH Financial Assistance process is complete. No further follow-up is necessary by R1 Financial Counseling.

PROCEDURE – BUSINESS OFFICE

The Business Office is responsible for receiving and processing LCRH Financial Assistance Applications generated from R1 Financial Counseling or by competing and processing new applications based on communications with patients in person, by phone, or mail. The Business Office is responsible for final approval or denial of LCRH Financial Assistance applications and processes all approval discounts. The Business Office is responsible for maintaining all applications completed including the final determination status.

1. Financial Assistance Applications will be completed by R1 Financial Counseling on all patients who are determined to be not eligible for Medicaid or DSH but appear to be eligible for hospital based LCRH Financial Assistance.
2. Applications may be completed by the Business Office as needed or by patient request for converted self-pay patients (patients originally identified with Insurance) .
 - a. Patients must be screened for potential eligibility for Medicaid and DSH before proceeding with an application for LCRH Financial Assistance consideration.
3. Patient Account Representatives are responsible for maintaining all Financial Assistance Applications received from R1 Financial Counseling and applications completed by the Business Office personnel.
 - a. Initial applications will be placed in alphabetical order in a Pending LCRH Financial Assistance file waiting for proof of income verification from the patient.

- b. All processed applications with will be maintained in alphabetical order in two separate files for Final Approved and Final Denial claims.
4. Upon receiving or completing initial Financial Assistance Applications that appear to be eligible for LCRH Financial Assistance, the Patient Account Representative will perform the following:
 - a. Review application to make sure stated income and assets reported are within the established LCRH Financial Assistance guidelines.
 - If application does not appear to be within LCRH Financial Assistance guidelines, the application will be held for proof of income to verify the application information.
 - b. The applicable Pending LCRH Financial Assistance Iplan (096-21 = 101-150% FPG and 096-22 = 151-200% FPG) must be listed on the patient account.
 - If Iplan is not present on the account, add Iplan using the Maintenance function in the Collection System.
4. Patient Account Representatives will work File Track daily in the Collection System for Collection Series 004 (Patient LCRH Financial Assistance Pending), 044 (Insurance LCRH Financial Assistance Pending), 144 (Insurance LCRH Financial Assistance Approved), and 244 (Patient LCRH Financial Assistance Approved).
 - a. Refer to Attachment D for procedure to follow when working File Track.
5. Once the patient has returned the proof of income, the Patient Account Representative will compare the information contained in the Financial Assistance Application with the proof of income.
 - a. If there are differences, Patient Account Representative will correct the application to match the proof of income provided.
6. Patient Account Representative will review the completed and final Financial Assistance Application and complete the Financial Assistance Worksheet to determine if eligibility for LCRH Financial Assistance has been met.
7. Patient Account Representative will pull credit file of the applicant and forward all documentation to the Patient Access Director and/or CFO for final LCRH Financial Assistance determination. (Change CS 044 step to 4)
 - a. Documentation to be provided in order (top to bottom): Approval/Denial Letters for signature, Completed Approval/Denial Worksheet, Original completed application by patient, all proof of income documents, CHRG screen printout, MEDI screen printout, Detail charge printout, and Credit Report.
8. Patient Access Director and/or CFO will review all Financial Assistance Applications and return formal signed determination back to referring Patient Account Representative for processing.
 - a. 30 days will be allowed for final eligibility determination to be made.
9. LCRH Financial Assistance Approvals: The Patient Account Representative will perform the following:
 - a. Document the approval in the Collection System identifying the type of approval, percentage of discount approved, and remaining patient liability.
 - b. Change the Pending Iplan from 096-21 or 096-22 LCRH Financial Assistance pending to the applicable LCRH Financial Assistance Approved I-plans.
 - i. 101-150% FPG Approved = Iplan 096-02.

- ii. 151-200% FPG Approved = Iplan 096-06.
 - c. Mail the signed Financial Assistance Approval letter to the patient, staple copy of letter to Financial Assistance Application packet.
 - d. Complete the Payment-Adjustment-Allowance (P) Line for the approved LCRH Financial Assistance discount amount and submit to Supervisor for approval and forwarding to IS to be keyed.
 - e. File approved Financial Assistance Application packet with all related documentation in LCRH Financial Assistance Approved alphabetical file.
10. LCRH Financial Assistance Denials: The Patient Account Representative will perform the following:
- a. Document the denial in the Collection System identifying the reason for denial.
 - b. Delete the Iplan 096-21 or 096-22 Pending LCRH Financial Assistance from the account.
 - c. Mail the signed Financial Assistance Denial letter to the patient, staple copy of letter to Financial Assistance Application packet.
 - d. Re-prorate balance to the patient.
 - e. APLAC account to early out vendor (771-NPAS).
 - f. Complete the Payment-Adjustment-Allowance (P) Line using procedure code 507799 DENIAL-LCRH FIN ASSIST and a \$0 dollar amount and submit to Supervisor for approval and forwarding to IS to be keyed.
 - i. **No Iplan should be indicated on denial P-line submissions.**
 - g. File denied Financial Assistance Application packet with all related documentation in LCRH Financial Assistance Denied alphabetical file.

Financial Assistance Eligibility – Schedule A

2019 (04/01/2019) Federal Poverty Guidelines

Family Size	100% Poverty Reference Limits	101-150% Max Income Limit/Year	151-200% Max Income Limit/Year
1	\$12,490	\$18,735	\$24,980
2	\$16,910	\$25,365	\$33,820
3	\$21,330	\$31,995	\$42,660
4	\$25,750	\$38,625	\$51,500
5	\$30,170	\$45,255	\$60,340
6	\$34,590	\$51,885	\$69,180
7	\$39,010	\$58,515	\$78,020
8	\$43,430	\$65,145	\$86,860
Each Additional	+\$4,420	+\$6,630	+\$8,840

LCRH Financial Assistance Program

Additional Discount Percentage Off Balance Effective 10/1/2019

Income Threshold	Account Balance \$500 - \$999	Account Balance \$1,000 - \$1,499	Account Balance \$1,500 - \$1,999	Account Balance > \$2,000
101% - 150%	0%	0%	0%	20%
151% - 200%	0%	0%	0%	20%

LCRH Financial Assistance Program

04/01/2019 Asset Limitations for Eligibility

Family Size	Asset/Resource Maximum
1	\$4,000
2	\$8,000
3	\$8,100
4	\$8,200
5	\$8,300
6	\$8,400
7	\$8,500
8	\$8,600
Each Add'l	+\$100

Procedure Codes/I-plans for Financial Assistance Adjustments (P-lines)

Income Threshold	Inpatient	Outpatient	Pending Iplan	Approved Iplan
101% - 150%	507806	507906	096-21	096-02
151% - 200%	507800	507900	096-22	096-06

Financial Counselor Responsibility

ATTACHMENT D

Collection Series 004/044 – Collection System File Track

File Track Account Alpha Split: Stephanie Dykes A-Z

CS 004/044 LCRH FINANCIAL ASSISTANCE ACCOUNTS Type P/I Init Step Day 0
 Early-Out Hold N
 Early-Out Agency

##	Letter	EA Act#	R	Desk	Days	Stp	CS ##	Description
01			N		12	17	4 2	ASSIST AP/POI RCVD? CALL/LTR
02			N		6	0 7	4 2	MANAGER REVIEW FINAN ASSIST
03			N		15	20	4 3	AP/POI NOT RCVD-APLAC TO NPAS
04			N		87	0 30	4 4	PENDING FINAL PAD REVIEW

Patients will be informed that they must provide Proof of Income to the Business Office within 10 days for processing and consideration. Normal processing time is 30 days.

Step 1:

1. Once final billed, the account will step into the file track at day 12. This will allow the patient at least 10 days to provide the Proof of Income needed to process the application for LCRH Financial Assistance.
2. Accounts will remain in this step for Financial Counselors to work for 5 days (Day 12 to 17).
3. When working file track for accounts in Step 1, Financial Counselor should:
 - a. Verify that a pending Financial Assistance Application is on file.
 - b. Verify if the Proof of Income has been received.
 - i. If application/POI received, process for LCRH Financial Assistance.
4. If the Proof of income has not been received, contact the patient by phone to advise the information is needed as soon as possible.
 - a. Explain to the patient if Proof of Income is not received, they will be billed for the services.
 - b. If unable to reach the patient by phone after 2 attempts, send the patient LCRH FINANCIAL ASSISTANCE PROOF OF INCOME NEEDED letter.
5. Change Collection series 004/044 to step 3.

Step 2:

1. Accounts will only progress to step 2 if the Financial Counselor does not process the account while in Step 1
2. PAD will review accounts in Step 2 daily and immediately take account to responsible Financial Counselor to work according to Step 1 guidelines.

Step 3:

1. Once account has been worked and moved from Step 1 to Step 3, this will allow the patient an additional 15 days to provide the Proof of Income required to process the LCRH Financial Assistance application.
2. Verify if the Proof of Income has been received.
 - a. If the Proof of income has been received, process for LCRH Financial Assistance.
 - b. Once preliminary Approved or Denial eligibility determination has been made, forward all application information to PAD and/or CFO for Final determination.
 - c. Financial Counselor will prepare all paperwork and forward to PAD and/or CFO.
 - d. Change Collection series 004/044 to Step 4.
3. If the Proof of income has not been received:
 - a. Do not contact patient.
 - b. Remove the Pending 096-21 or 096-22 Iplan and prorate balance to the patient.
 - c. Document in the Collection System the Proof of Income was not received and that balance has been prorated to patient as self-pay.
 - d. Send the patient LCRH FINANCIAL ASSISTANCE PROOF OF INCOME NOT RECEIVED-DENIAL letter.
 - e. APLAC the account to Early Out agency (771 NPAS).

Step 4:

1. Step 4 is only to be used for accounts that have been processed by Financial Counselors and preliminary Approved or Denied status has been made.
2. Account will remain in Step 4 until Patient Access Director and/or CFO has made a Final determination of eligibility status for the program.
3. Patients will be informed to allow at least 30 days for Final eligibility determination to be made.
4. Once Application has been processed, Final determination will be forwarded to Financial Counselors to complete final steps.
 - a. Approved patients Iplan will be changed to 096-02 or 096-06 and processed accordingly.
 - b. Denied patients Iplan will be deleted and processed accordingly.