

Policy: Financial Assistance Policy

Purpose:

The purpose of this policy is to provide guidelines for; UNCOMPENSATED AND UNDERCOMPENSATED PATIENTS including emergency and other medically necessary care.

Definitions:

FPL: Federal Poverty Limit

Underinsured-the level of insurance coverage for medical treatment

Uninsured-individuals who are not covered by insurance

Family Income-the gross family income for a household

Financial Assistance: when a patient is approved for Charity based on the inability to pay.

Contribution to Care - Discount offered by U of U Health intended to ease the financial burden for uninsured patients.

AGB - Amounts Generally Billed. Calculated by dividing the total Insurance Allowable divided by Charges billed to insurance, using a 12-month look back method.

Scope:

Ensure that University of Utah Health, hereafter referred to as U of U Health uniformly fulfills its mission and commitment to unfunded or under-funded patients/guarantors on an ongoing basis. Financial assistance is provided for those patients/guarantors who are unable to fulfill their financial obligation. Medical necessity and department financial admission policies apply. Non-covered charges and non-allowed charges may be considered for financial assistance on claims for services to Medicaid and Indigent care programs.

Description:

- I. Financial Assistance is defined as care for which patients/guarantors demonstrate inability to pay for services rendered or can only partially pay for services rendered. Any payment made prior to the application for Financial Assistance would not be included since the ability to pay has previously been demonstrated. U of U Health uses a sliding scale for assistance based upon FPL income* that will

not exceed 300% of FPL income to determine if assistance is partial or full (see table below).

FPL %	Assistance Discount
≤ 150%	Full Charity (100%)
151% to 200%	99% - 67%
201% to 250%	67% - 33%
251% to 299%	33% - 1%

- a.
 - b. Financial assistance approval is based upon verification of household income, household size and established due diligence process. Household size is determined by following guidelines similar to the IRS guidelines for determining dependents.
 - c. U of U Health may require the following documents to determine eligibility for financial assistance:
 - i. Completed financial application form
 - ii. Letter explaining current financial status
 - iii. Copy of current bank statement(s)
 - iv. Copy of previous year's tax returns
 - v. Copy of paycheck stubs and/or other income from the past two (2) months
- II. U of U Health understands that certain patients may be unable to complete a financial assistance application, comply with requests for documentation, or are otherwise non-responsive to the application process. As a result, there may be circumstances under which a patient's qualification for financial assistance is established without completing the formal assistance application. Under these circumstances, U of U Health may utilize other sources of information to make an individual assessment of financial need. A credit bureau report may also be utilized in the determination of eligibility. This information will enable U of U Health to make an informed decision on the financial need of non-responsive patients utilizing the best estimates available in the absence of information provided directly by the patient.
 - III. If required information is not received, the balance is patient/guarantor responsibility as documented in University of Utah Health Self Pay Collection Policy.
 - IV. The cost of uncompensated health care provided to the indigent shall be planned for, budgeted and reported in the U of U Health Hospital's & UUMG's internal and external financial statements in accordance with generally accepted accounting principles. The Amount Generally Billed (AGB) for charges to the patient for visits is determined by the Look Back methodology – University of Utah Health facility

current AGB is 47%. Following an eligibility determination amounts billed will not be more than the Amount Generally Billed.

- V. The Hospital CFO or Medical Director has the authority to approve or deny financial assistance that does not meet the required criteria.
- VI. Financial Assistance periods will not exceed six months. If ongoing assistance following six months is requested, the patient/ guarantor must reapply and meet qualification requirements every six months. The hospital will not consider previous financial applications in its subsequent review.
- VII. A copy of the Financial Assistance Application, Self-Pay Billing and Collection Policy or a plain language summary of this policy may be obtained by the following:
 - a. Phone at (801) 587-6303
 - b. Web <http://healthcare.utah.edu/bill/#hardship>
 - c. Financial Counseling Office
 - d. Business Service Building Office
 - e. The applications must be submitted by mail to PO Box 841482, Los Angeles, CA 90084-1482, fax at (801)213-3385 or by email billing@healthcare.utah.edu
- VIII. Services not eligible to receive financial assistance:
 - a. Cash-based services
 - b. Non-emergent dental services
 - c. Misuse of hospital resources
 - d. Misuse of pharmaceutical services
 - e. Refusal to apply or follow through for available funding
 - f. Services provided at South Main Clinic
- IX. Actions that may be taken in the event of non-payment
 - a. U of U Health or its authorized agents may take the following actions to obtain payment of a bill for medical care: demand letters to account guarantors, assert a lien on a responsible individual's Utah state income tax refund, make a negative credit report, file a lawsuit, and garnish an individual's wages or bank account, or other supplemental court proceedings.
- X. Processes and time frame for taking the actions in paragraph I:
 - a. There will be 28 days between each statement. The first statement is sent within 5 days of the balance becoming patient responsibility.
 - b. If the account remains unpaid, it will be sent to our internal extended handling team at approximately 90 days from the first statement. U of U

Health will begin to send letters from the Attorney General's Office (AG) and a tax lien notice, which will be sent as follows:

- i. 1st AG Letter is sent as soon as the account is placed in extended handling at approximately 90 days.
- ii. 2nd AG Letter is sent 30 days after the first AG letter.
- iii. Tax Lien Notice is sent no sooner than 90 days after the first statement.
- iv. Exception: If an account qualifies at 90 days for extended handling, any account, under the same guarantor, that has received at least one statement will be sent to extended handling, even if it has not aged to 90 days or has received 3 statements.

c. Contacting the guarantor

- i. Phone and text messages
- ii. If we do not receive payment after the second statement has been sent (approximately 35 days after the first statement was sent), we will begin making attempts by phone or by text to collect the past due amount.
- iii. MyChart sends automated reminders when a new statement is available and when a payment is due (approximately 7 days before the due date).

d. Early Out Vendor

- i. If no payments are made after sending the statements, AG letters, and Tax Lien Notice, we will refer the account to an early out vendor to continue to soft collection attempts to collect on the past due amount at approximately 175 days after the first statement. No extraordinary collection actions (ECAs) are made at this time.

e. Collection Agency Vendor

- i. If no payments or arrangements have been made at 240 days after the first statement, the account is referred to a collection agency vendor who may begin ECAs.

XI. Reasonable efforts U of U Health will make to determine if an individual is eligible for financial assistance before engaging in extraordinary collection actions (ECAs):

- a. Process and accept applications for financial assistance for up to 240 days from the date of the first post-discharge billing statement (Application Period).
- b. Provide a written warning at day 90 to guarantors/individuals to notify them about the ECAs U of U Health or its authorized agents may undertake to obtain payment for unpaid balances. The warning will provide for a 30-day window to make payment or apply for financial assistance so that no ECAs

will be taken for 120 days after the first post-discharge billing statement. The warning also includes a copy of U of U Health's Financial Assistance Policy Plain Language Summary and notifies the individual that financial assistance is available. This written warning will be contained in the Final Demand Letter.

- c. Orally notify individuals about the existence of financial assistance and how they can apply (and obtain assistance in applying) in all telephone conversations related to outstanding balance.
- d. Maintain an agreement with its agents or assignees that complies with 26 CFR 501-(r)(6)(c)(10) to ensure that no ECAs are undertaken before reasonable efforts to determine financial assistance eligibility has been made and that appropriate steps are taken if an application for financial assistance is submitted before the end of the application period.
- e. If U of U Health presumptively determines that an individual qualifies for less than 100% financial assistance, U of U Health will notify them of the basis of the assistance and how to apply for more assistance; give the individual a reasonable amount of time to apply for more financial assistance before initiating ECAs on the discounted amount due; and if the individual applies for more generous assistance during the application period, determines eligibility consistent with processing of complete applications for financial assistance under 26 CFR 501-r(c)(6).
- f. If an individual submits an incomplete application for financial assistance to U of U Health or its authorized agents or assignees during the application period, U of U Health or its authorized agents or assignees will suspend any ECA for at least 30 days. U of U Health or its agents or assignees will notify the individual in writing via mail describing what information or documentation is needed under the Financial Assistance Policy to complete the application and provide the contact information for the Patient Billing and Financial Services office including the address and telephone number. An incomplete application for financial assistance submitted during the application period that is subsequently completed within the application period (or within a reasonable time thereafter) will be treated as a complete financial application.
- g. If an individual submits a complete application for financial assistance during the application period to U of U Health or its authorized agents or assignees, U of U Health will process the application and make a determination as to the amount of assistance the individual is eligible for and notify them in writing of the determination and the basis of the

determination. U of U Health or its authorized agents or assignees will also suspend any ECA for at least 30 days until U of U Health has made a determination as to financial assistance eligibility. If U of U Health determines that an individual is eligible for less than 100% financial assistance it will provide the individual with a billing statement indicating the amount owed, how the amount was determined, and the AGB for the care (or how they can information regarding the Amount Generally Billed for the care). U of U Health will also refund any payments made by the responsible individual that exceed the amount they are determined to be responsible as a charity eligible individual unless the amount is less than \$5. U of U Health or its authorized agents or assignees will take all reasonable measures to reverse any ECAs including vacating judgments, lifting any lien or garnishment, and removing any negative credit report made to a consumer reporting agency or credit bureau.

- h. The Self Pay Business office has the authority to determine that reasonable efforts have been made to determine whether individuals are eligible for financial assistance before ECAs are engaged in against those individuals.

NON-DISCRIMINATION. U of U Health does not exclude, deny benefits to, or otherwise discriminate against any person on the ground of race, color, national origin, religion, sex, sexual orientation, gender identity/expression, genetic information, protected veteran status, or on the basis of disability or age in admission to, participation in, or receipt of the services and benefits under any of its programs and activities, whether carried out by U of U Health directly or through a contractor or agent. For further information about this policy, contact the University's ADA/Section 504 Coordinator at: Director, Office of Equal Opportunity and Affirmative Action, (801) 581-8365 (Voice/TTY), (801) 585-5746 (Fax), or through Relay Utah at 711 or toll free: (800) 735-2258 or Spanish Relay Utah at: (888) 346-3162 .