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**POLICY TYPE:** Departmental

**FACILITY:** Shore Rehabilitation Institute

**POLICY TITLE:** Financial Assistance Policy & Billing/Collection Policy

**EFFECTIVE DATE:** 01/01/2016                      **REVISED DATE:** 06/01/2017

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### Financial Assistance Policy

**I. PURPOSE:**

**Shore Rehabilitation Institute** (SRI) is committed to providing the highest quality healthcare services to our communities and strives to ensure that all patients receive essential medically necessary healthcare services regardless of their ability to pay.

**II. POLICY:**

This Financial Assistance Policy ("FAP") will outline the financial assistance policies and practices for SRI. In accordance with this FAP, SRI is committed to providing financial assistance to individuals who have healthcare needs and are uninsured, underinsured, ineligible, or are otherwise unable to pay for medically necessary healthcare services based on their individual financial situation.

SRI will provide, without discrimination, care for medical conditions to individuals regardless of their ability to pay.

Financial assistance is only available for medically necessary healthcare services. In addition, not all services provided within SRI facilities are provided by SRI employees and therefore may not be covered under this FAP. Please refer to Appendix A for a list of providers that provide medically necessary healthcare services within SRI facility. This appendix specifies specialties are not covered under this FAP. The listing will be reviewed quarterly and updated, if necessary.

**III. 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 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 Rehabilitation hospital facility uses to determine the AGB for medically necessary care it provides to an individual who is eligible for assistance under the FAP.



*Eligibility Criteria:* The criteria set forth in this FAP (and supported by procedure) used to determine whether or not a patient qualifies for financial assistance.

*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:* Official help given to a person or organization in the form of money, loans, reduction in taxes, etc. In accordance with this FAP, financial assistance provides a patient with a discount for medically necessary healthcare if they meet the established criteria and are determined to be eligible.

*Gross Charges:* The Shore Rehabilitation Institutes 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.

*Notification Period:* 120-day period, which begins on the date of the 1st post-discharge billing statement, in which no ECAs may be initiated against the patient.

*Plain Language Summary ("PLS"):* A written statement which notifies an individual that SRI offers financial assistance under this FAP and provides additional information in a clear, concise and easy to understand manner.

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

#### **IV. FINANCIAL ASSISTANCE ELIGIBILITY CRITERIA:**

SRI offers a financial assistance program to help uninsured patients. The financial assistance program included below provides a discounted rate for medically necessary healthcare services to individuals if they meet the criteria and are determined to be eligible.



### **Compassionate Care Program**

The SRI Compassionate Care Program is available to individuals who have healthcare needs and are uninsured, or are otherwise unable to pay for medically necessary healthcare. The Compassionate Care Program.

#### **V. Procedures**

If patient claims to have no insurance coverage, they will be asked to sign an “attestation of no insurance”. Additionally, it will be explained that if subsequently they provide insurance it would not be billed for dates of service that have already occurred under Compassionate Care as referrals and/or precert would not have been obtained and/or the timely filing limits may have passed. Future dates of service will need to have all referral and/or precert insurance requirements met before continuing with treatment.

When a patient provides insurance coverage however verification shows that benefits have exhausted or there is no benefit for the service(s) to be provided, they will be asked to sign a “notice of non-coverage”, indicating the reason for non-coverage and the acceptance to be personally responsible. Patients will then be offered the Compassionate Care Program for the non-covered services.

If patient requests insurance to be billed while knowing that the service is non-covered by their current benefit package, it will be explained that even if the Explanation of Benefits denial shows that patient is not responsible, they will be personally responsible due to the prior notification of non-coverage.

An individual deemed eligible for financial assistance will be notified in writing of a favorable determination. In accordance with IRC §501 (r) SRI will also:

- Provide a 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 SRI's behalf to take all reasonable available measures to reverse any ECAs previously taken against the patient to collect the debt.



## **VI. Basis for Calculating Amounts Charged**

### **Shore Rehabilitation Institute – Compassionate Care Program**

Shore Rehabilitation Institute patients eligible for the Compassionate Care Program will have their self-pay balances reduced to the lesser of 115% of the Medicare reimbursement rate based on the CMG for inpatient services and the APC or therapy fee schedules for outpatient services billed by SRI or AGB (as outlined below).

#### **AGB**

In accordance with IRC §501(r)(5) SRI utilizes the Look-Back Method to calculate the AGB. The AGB % is calculated annually and is based on all claims allowed by Medicare Fee-for-Service + all Private Health Insures over a 12-month period, divided by the gross charges associated with those claims. The applicable AGB % is applied to gross charges to determine the AGB. The AGB percentages for Shore Rehabilitation Institute are as follows:

Shore Rehabilitation Institute: 69.9%

Any individual determined to be eligible for financial assistance under this FAP will not be charged more than AGB for any medically necessary healthcare services. Any FAP-eligible individual will always be charged the lesser of AGB or any discount available under this policy.

## **VI. Widely Publicizing**

The FAP, Request for Compassionate Care Program and PLS are all available on-line at the following website:

<https://www.meridianhealth.com/location/shore-rehabilitation-institute/index.aspx>

Paper copies of the FAP, Request for Compassionate Care Program and the PLS are available upon request without charge by mail and are available within various areas throughout SRI facilities. This includes, but is not limited to, patient registration check-in areas and the Business Office.

All patients of SRI will be offered a copy of the PLS as part of the intake process.

Signs or displays informing patient about the availability of financial assistance will be conspicuously posted in public locations.

SRI makes reasonable efforts to inform members of the community about the availability of financial assistance by speaking to community members about the availability of financial assistance at during community events held throughout the year (i.e health fairs, screenings, education sessions, etc.).



SRI'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 within SRI's primary service area.

SRI provides free interpretation, translation and sign language services for LEP individuals and deaf patients. These services are available to patients 24 hours a day 7 days a week.

We encourage patients to use available interpretation services for important medical discussions. Patient care treatment involves medical terminology that may be complicated in any language. The interpretation services available through Shore Rehabilitation Institute include phone interpretation in most languages. Translation of critical documents and patient education material for common patient conditions is also available.

If you require an interpreter, sign language interpreter or a translator, please contact any SRI team member for assistance.

## **Billing & Collection Policy**

### **I. Purpose**

To ensure that all billing, credit and collection practices comply with all Federal and State laws, regulations guidelines and policies.

### **II. Policy**

It is the policy of SRI to be compliant and accurate with billing and collection activities. The goal of meeting all the criteria in this policy can be accomplished by following the procedures set forth in this document. The complete cooperation and teamwork of the Business Office, Finance, Information Systems and Vendor Management are imperative to our goal.

### **III. Procedures**

Once a patient's claim is processed by their insurance, SRI will send the patient a bill indicating the patient responsibility. Additionally, if a patient has no third party coverage they will receive a bill indicating their patient responsibility. This will be the patients first post discharge billing statement. The date on this statement will begin the Application and Notification Periods (defined above).

After the patient receives their first post discharge billing statement, SRI will send out 3 additional statements (4 total billing statements, in 28 day intervals) and 2 letters.

If payment has not been received after 4 billing statements, SRI will send out a letter informing the patient in writing that the account will be sent to collections if payment is not received within 30 days. Additionally, the letter will include the ECAs (defined above) that may take place after the patient account has been placed in collections. The written notice will also include a copy of the PLS.



When billing invoices are returned stating the patient expired or is undeliverable and no other address is found the accounts go to a pre-collect status for follow-up and validation.

#### *Collections*

Within the billing cycle SRI may send accounts to pre-collect. During this time period, third parties acting on behalf of SRI may contact the patients via telephone to collect payment. No ECA's will be taken against the patient while the account is in the pre-collection cycle.

After the expiration of the notification period, SRI will send the patient account to collections. Collection agency techniques to collect payment will include telephone calls, letters and certain ECA's. All of their activities will be completely documented within the billing system and will follow all guidelines of state regulations governing collection agencies.

If collection agencies are thereafter unsuccessful (for a period not to exceed 180 days) the patient account will be returned to SRI. At the time the account is returned, the collection agency will include complete documentation of their activities and findings when communication is made with the patient as well as the date the account is returned back to SRI.

#### **IV. Compliance with IRC §501(r)(6)**

In accordance with IRC §501 (r) (6), SRI does not engage in any ECAs prior to the expiration of the Notification Period.

Subsequent to the Notification Period SRI, 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.

- Reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus;
- Placing a lien on an individual's property;
- Foreclosing on an individual's real property;
- Attaching or seizing an individual's bank account or other personal property;
- Commencing a civil action against an individual; and
- Garnishing an individual's wages.

SRI may authorize third parties to initiate ECAs on delinquent patient accounts after the Notification Period. They will ensure reasonable efforts have been taken to determine whether or not 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 SRI 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 notification; 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.

SRI, and third party vendors acting on their behalf, will accept and process all Applications for financial assistance available under this policy submitted during the Application Period.

### **Appendix A: Shore Rehabilitation Institute Provider Listing**

The SRI Financial Assistance Policy applies to Shore Rehabilitation Institute. Certain physicians and other healthcare providers delivering services within Shore Rehabilitation Institute are not otherwise required to follow this Financial Assistance Policy.

The following is list, by service line, that provides medically necessary healthcare services within Shore Rehabilitation Institute.

#### **List of Providers who are covered under this Financial Assistance Policy:**

- To be provided upon request

#### **List of Services who are not covered under this Financial Assistance Policy:**

- To be provided upon request