



# Wellmont Health System

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 Last Revised: 06/2016  
 Custodian: Dawn Head: DIRECTOR, SINGLE BILLING OFFICE  
 Policy Area: Finance-Single Billing Office  
 Regulatory:  
 Applicability: Wellmont Health System

## Financial Assistance

### Policy Statement:

Wellmont is committed to providing Eligible Health Care Services regardless of a patient's ability to pay. Individuals determined to be eligible for financial assistance for medically necessary services will never be charged more than Amounts Generally Billed (AGB). Patients who demonstrate an inability to pay and who meet this policy's financial criteria for qualification will be covered under the Financial Assistance Policy. Patients are informed of Wellmont's Financial Assistance Policy, the Plain Language Summary of its Financial Assistance Policy and the Financial Assistance Application and Worksheet through printed materials made available in person, through the mail, and through the web, as well as through signage in Wellmont Health System facilities. Further information about where to obtain these materials is discussed below.

### Definitions:

**Amounts Generally Billed (AGB):** The amount generally billed to a Wellmont Health System, Wellmont Medical Associates, and/or Wellmont Cardiology Services (collectively "Wellmont") patient/guarantor who has insurance coverage as defined in IRS Section 501(r)(5). Amounts Generally Billed are determined using the Look-Back method.

**Application Process:** A process by which a patient or their appropriate representative completes a form that provides Wellmont with information on the patient's income, family size and assets. All applications will be evaluated on a case-by-case basis by appropriate Wellmont representatives taking that information into consideration as well as medical condition, employment status, and potential future earnings.

**Bad Debt:** Uncollected patient financial liabilities that have not been resolved at the end of the patient billing cycle and for which there is no documented inability to pay.

**Financial Assistance or Financial Assistance Discounts:** Discounts or elimination of payment for health care services provided to eligible patients with documented and verified financial need. Financial Assistance Discounts provided under this policy include:

**Financial Assistance:** Financial help with medical bills based on income standards and/or the availability of insurance

**Eligible Health Care Services:** Services which are emergent and other medically necessary care. Eligible Health Care Services for discounts under Wellmont's charity care program exclude:

- A. Charges disallowed through utilization reviews or denials
- B. Any contractual allowances

- C. Elective or Cosmetic services or elective services that are not medically necessary
- D. Write-offs of amount due from third party payers
- E. Shortfall between reimbursement from government programs for the uninsured and the cost of services provided
- F. Write-offs of patients' balances when there is not an indication that the patient is unable to pay
- G. Experimental Services
- H. Transplant Services
- I. Hearing Aids, Healthy Hearts, Durable Medical Equipment, and similar items
- J. Prescriptions to be filled outside of a hospital visit
- K. Already discounted/negotiated services (DOTs, CDLs)
- L. Special Promotions (flu vaccine day, PSA test weekend, similar events)

**Estimated Patient Liability:** The estimated patient financial responsibility that is due to Wellmont for professional and technical charges for health care services the patient received. This amount is determined in compliance with the patient's insurance benefits for the specific scheduled service and includes deductibles, co-payments, co-insurance, and non-covered services.

**Extraordinary Collections Actions ("ECAs"):** Actions which require a legal or judicial process, involve selling a debt to another party or reporting adverse information to credit agencies or bureaus. Wellmont will give patients an opportunity to apply for financial assistance as well as provide them notice prior to taking any ECA. Written notice will be provided at least 30 days in advance of initiating specific ECAs and meet informational requirements.

**Family:** The patient, the patient's spouse (regardless of whether he or she lives in the home) and all of the patient's children (natural or adoptive) under the age of eighteen (18) who live at home and/or if the dependent is a full time student up to age 26 and claimed on the parent's tax return. If the patient is under the age of 18, "Family" includes the patient, his or her natural or adoptive parents (regardless of whether the patient lives in the home), and the parents' other children (natural or adoptive) under the age of 18.

**Financial Counselor:** Wellmont representatives responsible for assessing a patient's liability, identifying and assisting with public funding options (Medicare, Medicaid, etc.), determining if patient is eligible for financial assistance, and establishing payment plans.

**Federal Poverty Guidelines (FPG):** Federal Poverty Guidelines published annually by the U.S. Department of Health and Human Services and in effect at the date(s) of service for which financial assistance may be available.

**Look-Back Method:** The methodology specified by IRS Codes Section 501(r) and selected by Wellmont to determine AGB which uses past payments from Medicare or a combination of Medicare and commercial insurer payments. Wellmont will calculate AGB based on claims allowed for all medical care, not just claims for emergency or medically necessary care.

**Medically Necessary Care:** Medically necessary care is defined as the care a patient's examining physician believes is medically necessary.

**Private Pay:** Patient identified as having no insurance coverage or opting out of their insurance coverage for specific services/events.

**Under-insured:** Insured patients who receive Eligible Health Care Services that are determined to be non-covered services or have limited benefit coverage by the insurance provider.

**Uninsured Discount:** A discount of 76% of gross charges will be applied on charges for medically necessary services for patients identified as having no insurance coverage or no insurance coverage for a medically necessary procedure.

## Policy:

### Eligibility Criteria

The qualification for Financial Assistance will be based on the annual adjusted gross income of the patient (or patient's household if filing jointly) for the current or prior year. If the patient's or guarantor's income is below 200% of the poverty guidelines, the application will be approved for a 100% write-off. Applications with income over 200% of the federal poverty guidelines will be denied assistance unless the Charity Care Committee or Administration approves otherwise based on extenuating circumstances. These special circumstances could include patients who are between 200% and 400% of the federal poverty guidelines but whose account balance (after all insurances have processed or uninsured discount has been applied) is equal to or greater than 50% of the patient's total annual household income. The maximum a patient would be expected to pay to settle an account balance would be 15% of annual household income. In addition, patient accounts which are unresolved are analyzed by a third party. The third party scores the accounts to determine if the patient qualifies for Presumptive Charity Care. If the patient qualifies, the account will be written off as Presumptive Charity Care.

**Uninsured:** For the uninsured, whether wholly uninsured or uninsured for a particular medically necessary service, a 76% discount on gross charges for emergency and/or medically necessary services will be provided. Pursuant to Tennessee law, uninsured patients will also not pay for services in an amount that exceeds 175% of the cost for the services provided.

### Exclusions: Items that will not be discounted under Financial Assistance are:

- A. Hearing Aids
- B. Healthy Hearts
- C. Cosmetic Surgery
- D. Elective Procedures, defined by WHS that are not deemed medically necessary.
- E. Already discounted / negotiated services (e.g. DOTS, CDLs)
- F. Any account balances associated with Out-of-Network services
- G. Special promotions (e.g., flu vaccine day, PSA test weekend, Mammography)
- H. Presumptive Charity Care
- I. HVMC Indigent Clinic charges and related referrals to clinics will not be excluded from our charity policy

### Basis for Calculating Patient Charges

Wellmont uses the Look-Back Method in determining Amounts Generally Billed. Individuals who wish to obtain the AGB percentage used may obtain such percentage(s) and a free, written description of the calculations by calling 423-408-7400 or writing Wellmont Single Billing Office, 105 W. Stone Drive, Suite 6A, Kingsport, TN 37660. AGB percentages are calculated for each hospital within Wellmont Health System separately and the highest percentage within the system is used to determine the discount amount for all facilities.

## Method for Applying for Financial Assistance

The Financial Assistance Policy, Plain Language Summary of the Financial Assistance Policy and Financial Assistance Application Worksheet can be obtained at Wellmont.org, by calling customer service at 423-408-7400 or 1-888-288-5174, by contacting any Wellmont inpatient registration location, or by visiting the Wellmont Single Billing Office at 105 West Stone Drive, Suite 6A, Kingsport, TN 37660. Additionally, these materials are available through Financial Counselors Customer Service, are referenced in conspicuous signage in emergency rooms and admissions areas, and brochures are available and/or distributed in emergency and registration areas in Wellmont hospital locations. The Plain Language Summary of the Financial Assistance Policy is also specifically offered to patients prior to discharge as part of an inpatient admission and the website information is listed on all billing statements with a link to this policy, a Plain Language Summary of this policy, and the Financial Assistance Worksheet and Application as well as a phone number through which patients can request these materials or further information. Patients will also be told of the existence of the Financial Assistance Policy at hospital registration desks.

**To apply for financial assistance, a Financial Assistance Application will be provided to a patient/guarantor upon request. The application will ask for information including, but not limited to,**

- Proof of address
- Proof of total household income (copy of pay stubs, W-2s) including copies of most recently filed tax return
- Complete current bank statements, checking, savings and investments
- Completed financial screening application
- Complete listing of assets

Household income is defined as all wages, salaries, tips, government benefits, pensions, support/alimony payments, roomer/board payments, work release checks, unemployment benefits, military allotments, regular contributions, and in-kind contributions. In addition to household income, assets of the applicant will be considered including: property other than primary residence, life insurance if the cash surrender value exceeds \$10,000; retirement benefits in excess of \$10,000; other accounts such as certificates of deposit, money market accounts, stocks and savings accounts in excess of \$2,000. The charity care approval process will also include steps to ensure that third party government assistance is not available to the patient (TennCare, Virginia Medicaid, Medicare Disability, etc.). When a complete application is received, an applicant's income is verified and compared against federal poverty guidelines based on household size.

Wellmont will also accept referrals from community organizations such as Friends in Need, Rural Health Consortium, Appalachian Mountain Project Access (AMPA), and Healing Hands, although it may request additional information from patients/guarantors contained in its own Financial Assistance Application and Worksheet to complete an application.

Wellmont will not deny assistance to patients based on the failure to provide information not requested by its Financial Aid Worksheet and Financial Aid Application.

Complete Financial Assistance applications should be submitted to: **Wellmont Single Billing Office at 105 West Stone Drive, Suite 6A, Kingsport, TN 37660** for review and determination of eligibility. Financial Assistance is determined based on income and family size compared to the Federal Poverty Guidelines. Determinations are usually completed within thirty (30) business days after receipt.

## Actions that May be Taken in the Event of Nonpayment

Patients will receive monthly bill(s) for amounts greater than \$5 that Wellmont determines are their responsibility, after any insurance plan payments have been applied.

Patients will be contacted via billing statements, letters, and/or phone calls during a one hundred twenty (120) day period following the first post-discharge billing reminding them of their bill(s) included in billing statements will be information with a web based link to a Plain Language Summary of this policy and the Financial Assistance Application Worksheet as well as a phone number of a Wellmont office or department that can advise patients as to the availability of financial assistance application forms and answer questions about the topic. During this period, patients will be expected to pay their bill(s) in full, establish a payment plan, or apply for Financial Assistance.

Wellmont strives to assist all patients prior to enlisting the assistance of a collection agency. Patients will have one hundred twenty (120) days from the day the first billing statement is generated for that guarantor to complete the Financial Assistance Application or Screening Process before any ECAs are taken and will also be given 30 days' notice that Wellmont may take an Extraordinary Collection Action. If the patient begins the Application or Screening Process during the 120 day period but does not complete it, the patient will be provided information about what is missing from the application and given 30 days in which to provide the missing information; if that period passes without the application having been completed, Wellmont may provide 30 days' notice of its intention to pursue an ECA. Patients may also appeal any denial of financial assistance and Wellmont will generally make a decision about any appeal within 30 days.

Patients may apply for financial assistance at any point within the 240 day application period (a period which follows the first post-discharge billing); any ECAs initiated within the 240 day application period but after the 120 day period following the first post-discharge billing statement will be stayed until that application can be reviewed and a decision about the availability of financial assistance has been made. In the event that a patient/guarantor qualifies for financial assistance, Wellmont will reverse any ECAs taken and refund any excess payments made for the relevant period (payments made during the 240 day application period). Wellmont will attempt to determine charity eligibility prior to initiating any Extraordinary Collection Action (ECA), will provide reasonable notice of the availability of financial assistance, and will provide at least 30 days' notice prior to initiating any ECA.

### **ECAs, which require legal or judicial process, include:**

- A. Selling an individual's debt to another party with certain exceptions
- B. Reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus
- C. Deferring or denying, or requiring payment before providing, medically necessary care because of an individual's nonpayment of one or more bills for medically necessary care previously provided
- D. Actions that require a legal or judicial process including, but not limited to:
- E. Placing a lien on an individual's property
- F. Foreclosing on an individual's real property
- G. Attaching or seizing an individual's bank account or any other personal property
- H. Commencing a civil action against an individual
  - I. Causing an individual's arrest
  - J. Causing an individual to be subject to a writ of body attachment
- K. Garnishing an individual's wages

Wellmont Health System reserves the right to take certain actions in the event of nonpayment or non-participation in the financial assistance application process in accordance with IRS Regulations under Section

501 (r) and as outlined herein. After its 501 (r) obligations have been met, Wellmont will follow its Bad Debt policies as needed.

## Eligibility Information Obtained from Other Sources

Patients who are unresponsive to inquiries by Wellmont may be screened through a third party vendor for Financial Assistance eligibility prior to placement with a collection agency. This process may result in a reclassification of a received discount to Financial Assistance. All third party vendors will comply with applicable regulations during the Screening Process.

## Other Information

If a patient submits a complete Financial Assistance Application Worksheet and is determined to be eligible, Wellmont will refund any amounts for care that exceed the amount they are determined to be personally responsible for paying during the relevant application period (payments made during the 240 day application period).

Financial Assistance Documents including the Financial Assistance Policy, Financial Assistance Application Worksheet, and Plain Language Summary of the Financial Assistance Policy can be found at [www.wellmont.org](http://www.wellmont.org), obtained by calling customer service at 423-408-7400 or 1-888-288-5174, by contacting any Wellmont inpatient registration location, or by visiting the Wellmont Single Billing Office at 105 West Stone Drive, Suite 6A, Kingsport, TN 37660.

Any exceptions to this policy must be approved by the Wellmont Chief Executive Officer and /or CFO.

## Contact Information

Questions regarding the interpretation of this policy should be directed to: **Wellmont Single Billing Office at 105 West Stone Drive, Suite 6A, Kingsport, TN 37660**

Phone: 423-408-7400 or 1-888-288-5174

## References:

N/A

## Scope:

Single Billing Office



## Regulatory Agency Standards:

NA

## History/Supersedes:

Charity Care, PS ID#: 1510827

## Attachments:

-  [Appendix A: Financial Assistance Worksheet](#)
-  [Appendix B: Financial Assistance Application Appeal](#)
-  [Appendix C: List of Providers Covered and Not Covered by Financial Assistance Policy](#)

	<b>Committee</b>	<b>Approver</b>	<b>Date</b>
	Senior Vice President, Finance	Todd Dougan: INTERIM SYSTEM CHIEF FINANCIAL OFFICER	06/2016
	System Policy Approval Committee	Cheryl Perkins: QUALITY FACILITATOR	07/2016

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