

Title: Financial Assistance

BAH ID: BUSS_0040

Start Date: 3/1/2018

Approval/Reviewed Date: 6/30/2024

PURPOSE:

Bay Area Hospital is committed to providing charity care to persons who have healthcare needs and are uninsured, under-insured, ineligible for a government program, or otherwise unable to pay for medically necessary care based on their individual financial situation.

Although charity care is important, it is only one component of the community benefit that Bay Area Hospital provides. Other components of community benefit include, but are not limited to:

- Unpaid public health, wellness, and educational programs;
- Unpaid cost of Medicaid and other public programs;
- Provision of essential healthcare services such as an Emergency Department;
- Cash and in-kind donations on behalf of the poor and needy to community agencies; and
- Unreimbursed cost of training health professionals.

Consistent with our mission to improve the health of our community every day, Bay Area Hospital strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

POLICY:

Bay Area Hospital is committed to providing charity care to persons who have healthcare needs and are uninsured, under-insured, ineligible for a government program, or otherwise unable to pay for medically necessary care based on their individual financial situation. Bay Area Hospital will provide, without discrimination, care of emergency medical conditions to individuals regardless of their eligibility for financial assistance or for government assistance.

Accordingly, this written Financial Assistance Policy (FAP):

- Includes eligibility criteria for financial assistance/charity care discounts;
- Describes the basis for calculating amounts charged to patients eligible for financial assistance under this policy;
- Describes the method by which patients may apply for financial assistance;
- Describes how the hospital will widely publicize the policy within the community served by the hospital; and
- Provides an explanation of how Amounts Generally Billed (AGB) are determined at Bay Area Hospital.

Amounts Generally Billed.



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Following a determination of financial-assistance eligibility, an individual will not be required to pay more than the Amounts Generally Billed (AGB) for emergency or other medically necessary care provided to individuals with insurance or government payor programs, covering that care. At Bay Area Hospital, the AGB is determined by the "look-back" method, which is calculated as follows:

- A. The AGB is calculated by reviewing all past claims that have been paid in full to Bay Area Hospital for medically necessary care by Medicare fee-for-service together with all private health insurers paying claims to Bay Area Hospital, in the prior fiscal year period. This amount includes payments by insurance/government payors, and patient coinsurance, co-payments, and deductibles (collectively, "Payments").

- B. AGB Percentage:
 - 1. The AGB Percentage is calculated annually, at the close of the fiscal year, by dividing the Payments for claims paid to Bay Area Hospital during the fiscal year, by the sum of the associated Gross Charges for those claims.
 - 2. The AGB Percentage is applied to all types of services received by self-pay individuals who qualify for financial assistance under this policy.

- C. The AGB Percentage is calculated not later than the 120th day after the end of the fiscal year. The AGB percentage will be applied to all applicable financial assistance applications for the coming fiscal year. The latest AGB Percentage in use by Bay Area Hospital is listed in Attachment A, AGB Percentage Applicable to Hospital Bill Reduction Discounts.

- D. For uninsured patients, the AGB Payment for emergency or medically necessary care provided to a financial assistance-eligible individual is determined by multiplying Gross Charges for that care by the AGB Percentage.

Financial Assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with Bay Area Hospital's procedures for obtaining financial assistance or other forms of payment, and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets.

In order to manage its resources responsibly and to allow Bay Area Hospital to provide the appropriate level of assistance to the greatest number of persons in need, the Board of

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Directors establishes the following guidelines for the provision of patient financial assistance.

Definitions.

For the purpose of this policy, the terms below are defined as follows:

Amount Generally Billed (AGB): The amounts generally billed for emergency or other medically necessary care to individuals who have no insurance covering such care, determined in accordance with IRS regulations.

Family: Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance. Family includes unmarried parents.

Family Income: Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

- Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources;
- Non-cash benefits (such as food stamps and housing subsidies) do not count;
- Determined on a before-tax basis;
- Excludes capital gains or losses.

Financial Assistance (FA): means free or discounted health services provided to persons who cannot afford to pay and from whom a hospital has no expectation of payment. "Financial Assistance" does not include bad debt, contractual allowances or discounts for quick payment.**Uninsured:** The patient has no level of insurance or third-party assistance to assist with meeting his/her payment obligations.

Uninsured Discount: A standard reduction applied to all hospital encounters for uninsured patients.

Under-insured: The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.



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Gross Charges: The total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied, associated with the net payments received during the previous fiscal year.

Emergency medical conditions: Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).

Medically necessary: As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

Resident: an individual who lives within the geographic boundaries of the State of Oregon.

Bay Area Hospital includes the following facilities and service areas:

- The main Hospital and Emergency Department,
- Bay Area Cancer Center,
- Women’s Imaging Center,
- Bay Area Orthopedics Prefontaine Cardiovascular Center,
- Bay Area Hospital Wound Care/Hyperbaric Medicine Center.

Procedures

- **Services Eligible under this Policy.** The following healthcare services are eligible for FA discounts for residents of Oregon and others as allowed by IRS regulations:
 1. Emergency medical services provided in an Emergency Department setting;
 2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
 3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
 4. Medically necessary services, evaluated on a case-by-case basis at Bay Area Hospital’s discretion.

Eligibility for FA Discount. Eligibility for FA discount will be considered for those individuals who are uninsured, under-insured, ineligible for any government health care benefit program, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. The granting of FA discounts shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation. A FA discount approval covers

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current accounts for services covered under this policy with a balance due. The FA discount approval also applies to services covered under this policy for nine (9) months from the date of approval. Bay Area Hospital may not request a new FA application during that time. **Eligibility for the FA discount will be determined by evaluating family income, family size and the current calendar year federal poverty level. Patients in families whose applicable family income is at or below 450% of the federal poverty level for the size of the family, will be considered eligible for the FA discount.**

Current calendar year federal poverty levels are contained in Attachment B.

- **Excluded Services or Facilities. This policy does not apply to the following services or facilities that may also provide healthcare services as part of the services provided at Bay Area Hospital:**
 - **Physicians and other healthcare professionals not employed by Bay Area Hospital, including but not limited to Emergency Department physicians and physicians/providers from clinics not owned by the Hospital.**
 - **Referral laboratories, including but not limited to, PeaceHealth Lab, Genoptix, Mayo Clinic and Pathology Consultants.**
 - **Services that are not medically necessary, such as cosmetic procedures, elective reproductive procedures or procedures of convenience.**
 - **Services that are not part of emergency care.**

Method by Which Patients May Apply for FA.

1. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may: Include an application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need; Include tax returns of the patient or patient's guarantor; Include the use of external publicly available data sources that provide information on a patient's or a patient's guarantor's ability to pay (such as credit scoring or household income); include reasonable efforts by Bay Area Hospital to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs. Take into account the patient's available assets, and all other financial resources available to the patient.
2. It is preferred, but not required, that a request for FA and a determination of financial assistance occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the payment/collection cycle up to two hundred forty (240) days following the first statement mail date. Financial assistance is valid for nine (9) months from the approval date; however, at any time additional information relevant to the eligibility of the patient for FA discount becomes known, a new FA application may be required.

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3. Patients and account guarantors may obtain additional information on the FA discount and application process in the Customer Service department at Bay Area Hospital.

Bay Area Hospital values of human dignity and stewardship shall be reflected in the application process, financial need determination, and granting of FA discounts. The FA application will be processed within twenty-one days from the completed application submission date and the applicant will be notified in writing of the outcome of their FA review.

- **Presumptive Financial Assistance Eligibility.** There are instances when a patient may appear eligible for FA discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to qualify the patient for FA assistance. In the event there is no evidence to support a patient's eligibility for FA, Bay Area Hospital could use outside agencies in determining estimated income amounts for the basis of determining FA eligibility and potential discount amounts. Once determined, due to the inherent nature of the presumptive circumstances, the discount can be granted up to 100% off of the account balance. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

1. State-funded prescription programs;
2. Homeless or received care from a homeless clinic;
3. Participation in Women, Infants and Children programs (WIC);
4. Food stamp eligibility;
5. Subsidized school lunch program eligibility;
6. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down);
7. Low income/subsidized housing is provided as a valid address; and
8. Patient is deceased with no known estate.
9. Patients who are Qualified Medicare Beneficiaries with SMB or SMF benefits.
10. Family Household income is below the levels indicated in this policy by a Third Party Vendor

Pursuant to OR House Bill 3320 all uninsured, enrolled in state medical assistance program or patients who may owe the hospital more than \$500 will be screened for presumptive eligibility for financial assistance prior to sending the patient a bill. Any patient who is pre-screened will receive, in writing, the outcome of the screening. If the patient did not qualify for FA based on the pre-screening, or disagrees with the amount they qualified for, they will still be able to apply for financial assistance.

It is Bay Area Hospital's policy to screen patients for presumptive financial assistance by using a third party vendor to determine household income. This screening will not affect a patient's credit score. In compliance with Oregon rules and regulations, patients may not opt out of this screening.

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- **Payments Expected from Patients.** AGB adjustments for services eligible under this Policy will be made prior to the FA adjustment. The FA adjustment is calculated using a sliding fee scale, in accordance with Eligibility Criteria, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination. Any uninsured discount that was previously posted will be reversed and replaced by the AGB adjustment.

The sliding scale based on family size and income is as follows:

1. 100% waiver of AGB Payments for Family income at or below 200% of FPL.
2. 75% waiver of AGB Payments for Family income between 201% and 300% of FPL.
3. 50% waiver of AGB Payments for Family income between 301% and 350% of FPL.
4. 25% waiver of AGB Payments for Family income between 351% and 400% of FPL.
5. No further waiver of AGB Payments for Family income over 401% of FPL.
6. Uninsured patients with Family Income not exceeding 450% of FPL are eligible for the AGB discount.

- **Appeals:** If a patient does not agree with the determination of financial assistance, they may appeal the decision to the hospital Chief Financial Officer (CFO) or their designee, along with additional information if it was missed or omitted during the determination process. In addition the CFO may consider the relationship between the amount owed and the total assets and/or income of the patient during the appeal process, regardless of income level.
- **Communication of the Financial Assistance Policy to Patients and Within the Community.** Notification about financial assistance available from Bay Area Hospital shall be disseminated by Bay Area Hospital by various means, which may include, but are not limited to:
 - the publication of notices/information on financial assistance in patient bills and statements, including contact information for the Patient Accounts Department and the website address of the FAP;
 - A Plain Language Summary (PLS) with the FA application;
 - Posting a PLS and full Financial Assistance Policy on the Bay Area Hospital public website;
 - Posting notices in Emergency Department waiting areas,
 - Posting notices at Bay Area Hospital clinics,
 - Posting notices in Bay Area Hospital Admitting and registration departments,
 - Posting notices in Bay Area Hospital business offices, and
 - Posting notices at various locations throughout the hospital, such as lobbies and patient waiting areas.

Such notices and summary information shall be provided in the primary languages spoken by the population serviced by Bay Area Hospital. Referral of patients for financial assistance



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may be made by any member of the Bay Area Hospital staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors. A request for financial assistance may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

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A free copy of the full Financial Assistance Policy is available to the public at www.bayareahospital.org/Financial-Services or upon request, in person or in writing by contacting the Patient Accounts department at (541) 269-8131.

Bay Area Hospital will not charge interest on any medical debt owed by a patient who qualifies for financial assistance under this policy.

- **Relationship to Collection Policies.** Bay Area Hospital's Billing and Collection policy, BUSS_0111, includes internal and external collection practices (including actions the hospital may take in the event of non-payment, including extraordinary collection actions (ECAs) and reporting to credit agencies that take into account:
 - the extent to which the patient qualifies for FA under this Policy,
 - a patient's good faith effort to apply for a governmental program or for financial assistance from Bay Area Hospital, and
 - a patient's good faith effort to comply with his or her payment agreements with Bay Area Hospital.

For patients who qualify for FA and who are cooperating in good faith to resolve their discounted hospital bills, Bay Area Hospital may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all extraordinary collection activities.

This section will be incorporated in the Billing and Collection Policy:

Bay Area Hospital will not impose ECAs such as wage garnishments; liens on primary residences, or other legal actions for any patient without first making reasonable efforts to determine whether that patient is eligible for financial assistance under this Policy or is eligible for coverage under the Oregon Health Plan. Reasonable efforts shall include:

1. Validating that the patient owes the unpaid bills and that all sources of third-party payments have been identified and billed by the hospital;
2. Documentation that Bay Area Hospital has, or has attempted to, offer the patient the opportunity to apply for financial assistance pursuant to this Policy and that the patient has not complied with the hospital's application requirements;
3. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.

Further, Bay Area Hospital will:

1. Refrain from initiating any ECAs for at least 120 days from the date of the first post-discharge billing statement for the patient's care;

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2. Provide a written notice about this Financial Assistance Policy (including a copy of the Plain Language Statement regarding any ECAs Bay Area Hospital or an authorized party intends to initiate, and reasonable efforts to notify the patient or patient guarantor orally about this Financial Assistance Policy) at least 30 days prior to initiating any ECAs;
 3. Accept a completed Financial Assistance Application for at least 240 days from the date of the first post-discharge billing statement or for twelve (12) months following after a patient pays for services
- **Regulatory Requirements.** In implementing this Policy, Bay Area Hospital management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy.
 - **Patients not eligible for AGB or FA under this Financial Assistance Policy.** Bay Area Hospital offers a discount of 25% from Gross Charges to uninsured patients not eligible for AGB or HBR under this FAP.
 - **Other discounts.** Please see BAH Billing and Collections policy, BUSS_0111, for additional information.

ATTACHMENTS:

- A. AGB Percentage Applicable to HBR Discounts.
- B. Current Year Federal Poverty Income Guidelines

RELATED POLICIES:

[Billing and Collections BUSS_0111](#)

REVIEW:

REVIEWED DATES: 03/01/2018, 05/30/2018, 10/30/2019, 12/27/19, 11/16/20, 01/13/21, 03/30/22, 1/23/23, 6/10/24

References:

Internal Revenue Code 501(r)
ORS 442.601, 442.610, 442.612, 442.614, 442.618
Oregon House Bill 3320

Attachment A

Percentage of Amounts Generally Billed

<u>Fiscal Year</u>	<u>Percentage of Amounts Generally Billed</u>	<u>Effective Date</u>
2018	36.77 (AGB discount = 63.23%)*	07/01/2018
2019	36.75 (AGB discount = 63.25 %)*	01/01/2019
2020	36.06 (AGB discount = 63.94%)*	11/01/2019
2021	34.54 (AGB discount = 65.46%)*	12/01/2020
2022	33.93 (AGB Discount = 66.07%)*	04/01/2022
2023	33.09 (AGB discount = 66.93%)	01/01/2023
2024	35.30 (AGB discount = 64.70%)	01/01/2024

*AGB discount percentage is rounded up or down in favor of the patient/guarantor

Attachment B

Federal Poverty Level Guidelines

2024 INCOME WAIVER TABLE					
Size of Household	100% Waiver	AGB & 75% Waiver	AGB & 50% Waiver	AGB & 25% Waiver	AGB Only 66.9%
	200% of FLP	201-300% FPL	301-350% FPL	351-400% FPL	401-450% FPL
1	\$ 30,270.60	\$ 45,330.60	\$ 52,860.60	\$ 60,390.60	\$ 67,920.60
2	\$ 41,084.40	\$ 61,524.40	\$ 71,744.40	\$ 81,964.40	\$ 92,184.40
3	\$ 51,898.20	\$ 77,718.20	\$ 90,628.20	\$ 103,538.20	\$ 116,448.20
4	\$ 62,712.00	\$ 93,912.00	\$ 109,512.00	\$ 125,112.00	\$ 140,712.00
5	\$ 73,525.80	\$ 110,105.80	\$ 128,395.80	\$ 146,685.80	\$ 164,975.80
6	\$ 84,339.60	\$ 126,299.60	\$ 147,279.60	\$ 168,259.60	\$ 189,239.60
7	\$ 95,153.40	\$ 142,493.40	\$ 166,163.40	\$ 189,833.40	\$ 213,503.40
8	\$ 105,967.20	\$ 158,687.20	\$ 185,047.20	\$ 211,407.20	\$ 237,767.20

Federal Register January 2024