

Financial Assistance Policy	
Hershey Medical Center – Patient Financial Services	Policy Number: PFS-051
Replaces: Charity Care Policy October 2010	Effective: November 2012
Authorized: Kevin Haley, Chief Financial Officer	
Approved: Lisa Brown, Director of Patient Financial Services	

PURPOSE: To define criteria under which financial assistance is requested and approved for medically necessary services.

POLICY: It is the policy of the Penn State Milton S. Hershey Medical Center to provide financial assistance to our uninsured/underinsured population.

PROCEDURE:

- Financial assistance may not be offered until all other payment sources are exhausted, including all insurances such as Medical Assistance and other government or charitable programs. In some circumstances, church or private fund raising would be an option and should be considered prior to financial assistance evaluation. Non-cooperation on the part of the patient or guarantor to pursue alternative payment options may disqualify them from receiving financial assistance offered by Penn State Milton S. Hershey Medical Center. If they electively choose not to pursue other payment options (i.e.; Medical Assistance), and they would have been eligible, the patient will be held responsible to pay-30% of the total charges.
- Financial assistance may not be offered if the patient has sufficient assets to pay the bill and liquidation of those assets would not cause undue hardship to the patient, i.e. a patient owning a primary residence would not be forced to sell their home, but may be asked to borrow against the equity they have in the home. Assets identified through the Medical Assistance process, which preclude the patient from qualifying, could also be a factor in being approved for charity care. Consideration will be given on a case-by-case basis.
 - Financial assistance will be granted to any deceased patient based on criteria established in the Deceased Patient Process.
- Financial assistance will be granted when the balance on the account is a Medical Assistance co-payment or deductible (patient pay liability will be treated the same as any other self pay balance). With the implementation of the Medical Assistance 835 Electronic Payment Posting (effective 7/2/07), Signature (the professional billing system) reflects these balances on the account as a contractual allowance. A monthly report is generated for the finance department to re-classify these amounts as charity care on the general ledger.

- A charity care adjustment will be applied at the time of billing to any service which is not included on the Medical Assistance Fee Schedule.
- If a patient qualifies for financial assistance and is eligible for cobra benefits, as an institution we may choose to pay the monthly insurance premium.
- As a result of our partnership with free care clinics (i.e.; Hope Within, Centre Volunteers in Medicine) financial assistance is granted based on the information the clinic has collected. The information is retained at the free care clinic site.
- Elective, non-medically necessary procedures and pharmacy services are normally not eligible for the program. In these instances, the physician should be contacted for a medical decision prior to scheduling or providing services as outlined in our **Collection for Elective Services**.
- Any two of the following items are required for determination of financial assistance approval:
 - Proof of income (pay stubs and most recently filed income tax return) and completed Financial Application (FAP).
 - Distribution confirmation from estates or liability settlements (charity should not be considered until the final settlement of the estate or litigation).
 - Assets such as savings accounts, rental properties, non-primary residences, shall be taken into consideration when reviewing the application
 - Current Federal Income Tax Return is used to confirm the number of dependents the patient/guarantor is responsible for.
 - a. Self Employment Schedule C&E may also be reviewed.
 - The adjusted gross amount on the Federal Income Tax Return or Social Security Statement is used to determine family income.
- Financial assistance is approved based on family income that is up to 350% above the Federal Poverty Income Guidelines. These guidelines are used to assess the status of the patient's gross income considering the family size supported by the total family income. A financial assistance sliding scale matrix is utilized for calculating the charity adjustment as follows:

Income % Above Federal Poverty Guidelines	Write-off % Amount
250%	100%
275%	75%
300%	50%
350%	25%

- Federal Poverty Income Guidelines are published in the Federal Register each year. These guidelines are generally published in January.

- Request for charity consideration is referred according to the following matrix:

PFS Financial Counselors	Senior Level	Team Manager	Asst. Director/Director/Senior Director
< \$501	<\$5000	<\$75,001	>75,001

- The person approving/not approving financial assistance will document the patient’s account (Signature and Eclipsys) accordingly and sign the “Request for Review” form. The account will be referred to the appropriate staff for further handling.
- If financial assistance is approved, the appropriate staff will enter the system adjustment for the full amount of the patient-responsibility balance on the account. Remaining balances on the account are pursued for collections as outlined in our **Patient Responsibility Collection Policy PFS-021**.
- A copy of the financial application and/or financial information is retained for seven years.
- Additional requests for financial assistance within the same calendar year may not need supporting documentation unless there are changes to the information already on file.
- Management may use their discretion for extenuating circumstances (examples as follows):
 - The patient’s income is over the charity guideline however; their medical debt exceeds yearly income.
 - The patient receives a settlement from a lawsuit that is less than the account balance and does not have sufficient personal assets/income to pay the difference;
 - The patient is willing to borrow money to pay but does not qualify for the entire amount due on the account (verification from the lending institution is required.); or
 - The patient is willing to liquidate assets that cover part of the balance.
 - The patient does not complete a financial application but sufficient income/financial information is obtained to make a decision.

If the patient does not qualify for financial assistance, refer to Self Pay Settlement Guidelines.

This policy sets forth a voluntary, charitable goal of Penn State Milton S. Hershey Medical Center. Accordingly, neither this policy nor any breach thereof shall be construed to create any legal obligation on the part of the hospital or any right in any patient or third party.

PERSON RESPONSIBLE FOR REVIEW OF POLICY

Director, Patient Financial Services

Reviewed: 10/10

Revised: 10/10; 11/12; 6/13

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