

HONORHEALTH™

Subject: Financial Assistance Policy	
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Section: Patient Financial Services	Page: 1 of 7
Distribution: HonorHealth Hospitals and Medical Group	Approved by Custodian Patient Financial Services
Review Dates: 07/01/2020, 12/30/2020	Effective Date: 07/01/2020

PURPOSE

Ensure a consistent mechanism for the application of the Financial Assistance Policy “FAP” to our Uninsured patients for care received at HonorHealth Hospital Facilities. The policy provides:

- Consistent application throughout HonorHealth Hospital Facilities and Medical Group Clinics
- Compliance with the Internal Revenue Code §501 (r) in furtherance of its tax-exempt status

POLICY

HonorHealth is committed to providing the best care possible for all of our patients and assisting each person entrusted to our care to enjoy the fullest gift of health possible. In pursuit of this goal, HonorHealth will provide financial assistance for Covered Services to uninsured patients who meet the eligibility criteria defined in this policy.

This policy does not apply where HonorHealth has lien rights pursuant to A.R.S. Sections 33-931 – 33-934, meaning if there is a lien settlement, HonorHealth will collect lien funds.

Financial assistance under this policy is available for inpatient and outpatient services provided by HonorHealth and within a HonorHealth Hospital Facility or Medical Group Clinic. This includes services provided by HonorHealth employed physicians provided within a HonorHealth Hospital Facility or Medical Group Clinic. Both a Basic and an Enhanced financial assistance program are available to uninsured patients. A catastrophic discount is available to insured and uninsured patients whose annual liability to HonorHealth exceeds 15% of their annual income.

HonorHealth Hospital Facilities includes:

HonorHealth John C. Lincoln Medical Center
HonorHealth Deer Valley Medical Center
HonorHealth Scottsdale Shea Medical Center
HonorHealth Scottsdale Osborn Medical Center
HonorHealth Scottsdale Thompson Peak Medical Center
HonorHealth Sonoran Crossing Medical Center
HonorHealth Greenbaum Surgical Specialty Hospital

HonorHealth Medical Group includes:

See Appendix C for list of physicians covered by this policy

PROCEDURE**A. Definitions:**

1. Amount Generally Billed "AGB": The amount generally billed to a hospital patient/guarantor who has insurance coverage as defined in IRC Section 501(r). The AGB is determined using the Look-Back Method defined below. The AGB percentage is calculated for each HonorHealth Hospital Facility and the most favorable discount is applied across all of HonorHealth's Hospital Facilities. The AGB percentage is posted at Attachment B.
2. Bad Debt: Uncollected patient financial liabilities that have not been resolved at the end of the patient billing cycle.
3. Covered Services: Emergency and Other Medically Necessary Care provided by HonorHealth and within a HonorHealth Hospital Facility or Medical Group Clinic.
4. Covered Providers: Covered Providers means those providers whose emergent or other medically necessary services are covered under the basic or enhanced financial assistance program.
5. Emergency Services: The services necessary and appropriate to treat emergency conditions and as such are deemed to be medically necessary.
6. Emergent Conditions: A medical condition of an uninsured patient that has resulted from sudden onset of a health condition with acute symptoms and in the absence of immediate medical attention, are reasonably likely to place the patient's health in serious jeopardy and result in serious impairment to bodily functions.
7. Emergency and Medically Necessary Care: Emergency Services are deemed to be medically necessary. Other medically necessary services mean those services required to treat an illness or injury that is either diagnosed or reasonably suspected to be medically necessary.
8. Medical Necessity: Those services required to identify or treat an illness or injury that is either diagnosed or reasonably suspected to be necessary taking into consideration the most appropriate level of care. The most appropriate setting for the care may be a home, physician's office, outpatient facility, specialty hospital, or an acute care hospital. In order to be considered medically necessary a service must:
 - Be required to treat the illness or injury, be consistent with the diagnosis and treatment for the patient's condition, in accordance with standards of good medical practice, not be for convenience of the patient or the physician and be appropriate for the level of care and location of service
9. Extraordinary Collection Actions (ECA's): Actions which require a legal or judicial process, involve selling a debt to another party or reporting adverse information to credit agencies or bureaus.
10. Family Income: Total compensation received by all family members age 18 or older living in the same household.
11. Federal Poverty Guidelines (FPG): Federal Poverty Guidelines published annually by the U.S. Department of Health and Human Services and in effect on the date(s) of service for which financial assistance may be available.
12. Usual and Customary Charges: The rates for covered services as set forth in the chargemaster for the hospital at the time the covered services are rendered.
13. Look-Back Method: The method to determine AGB, which requires determining the total amount received by each HonorHealth Hospital Facility for Medicare fee-for-service and private health insurers allowed claims divided by the gross charges for those claims for a 12 month period. The current AGB will be set by the Patient Financial Services Department on January 1 each year, and is based on the lookback period of October through September annually. The AGB is posted as schedule B of this policy, and is available on the HonorHealth website. Additionally, this information can be provided, free of charge, by request to the Patient Financial Services Dept. at 480-882-5207.
14. Uninsured Patient: An uninsured patient is someone who does not have health coverage, whether through insurance or any government program, and who does not have any right to be reimbursed by anyone else, including third party liability. If the patient's insurance coverage is exhausted, or the patient's insurance does not pay for Covered Services, the patient will be considered uninsured for the purposes of this policy and may apply for financial assistance under this policy.

B. Charges for Emergency and Other Medically Necessary Care under this policy: No person who is eligible for assistance under this policy will be charged more for Covered Services than the AGB. HonorHealth's current AGB percentage can be found at Attachment B.

C. Eligibility Criteria for Financial Assistance: In determining whether a patient meets the eligibility criteria for financial assistance, HonorHealth considers the extent to which the person has income that could be used to satisfy his or her financial obligation. In extraordinary cases, where patient's assets appear to be disproportionately large compared to income or the amount due to the hospital, HonorHealth reserves the right to treat assets as income for purposes of

qualifying for assistance and will communicate with the patient in those situations. Financial assistance is not available to those who have insurance but choose not to use it or patients who do not cooperate with insurance procedures. Where a patient does not have income that can be used to satisfy their bill for Covered Services, financial assistance is available as follows:

1. Free Care (Enhanced Plan) a patient will receive a full (100%) discount against gross charges if he or she can demonstrate Family Income at or below 200% of federal poverty guidelines for covered emergency services. All discounts are subject to HonorHealth's income verification processes and other financial assistance eligibility requirements described in this policy.
2. Discounted Care (Basic Plan) Other financial assistance discounts against gross charges are available for Covered Services not eligible under the Enhanced Plan for patients with Family Income above 200% but less than 500% of federal poverty guidelines as listed on Attachment A.
3. Catastrophic Discount: Limits out-of-pocket costs over a 12-month period for medically necessary services when it exceeds 15% of your family's gross income. Available to uninsured and insured patients.
4. Financial Assistance Attestation Process: Patients may qualify for a discount based on an attestation process which provides a basic financial assistance discount from billed charges. Such uninsured patients may complete an attestation of income in lieu of a full financial assistance application. Additional discounts are available if patient had emergency services and can demonstrate income below the federal poverty limit of 200% as per Attachment A.
5. Discretionary Authority In cases of extreme hardship or for compassionate circumstances, the Director of Patient Financial Services ("Director") has discretionary judgment to grant assistance to patients who would not otherwise qualify for financial assistance. In cases where the patient is unable or unwilling to cooperate, or if documentation provided is insufficient to fully evaluate a patient's financial situation, the Director will use best efforts to identify potential needs using credit reports, propensity to pay algorithm, and prior or current AHCCCS enrollment. In such cases, the Director will have discretionary authority to grant free or discounted care to a patient where the authorized employee is satisfied that the client is unable to pay rather than unwilling to pay his or her financial obligation.
6. HonorHealth's use of federal poverty guidelines will be updated annually in conjunction with the federal poverty guidelines published by the United States Department of Health and Human Services.

D. Communication of Financial Assistance Policy: HonorHealth will communicate the availability of financial assistance to all patients in a language of any population with limited English proficiency that constitutes the lesser of: 1,000 individuals or 5% of the community served by the hospital. Methods HonorHealth uses to communicate this policy include, but are not limited to, the following:

1. Information available includes the financial assistance policy, the plain language summary, the financial assistance application(s) and the provider list; and are available to patients, in person from any hospital Admitting Department and from the Patient Financial Services Department, as well as can be found at www.honorhealth.com. The plain language summary of this policy will be provided to patients during the registration process, and again with the initial billing statement.
2. All billing statements will include a notice informing patients about availability of financial assistance including a phone number and website address which provides information and forms available for use.
3. Signage is posted in HonorHealth Hospital Facilities in hospital registration, waiting areas, including the Emergency Department.
4. Individuals in HonorHealth's Patient Financial Services Department and Registration areas are assigned to explain this policy and assist patients in the application process.
5. Information regarding the availability of financial assistance is posted on HonorHealth's website.
6. Hospitals inform community resources of the hospital FAP to ensure community members are informed and likely to reach those who are in need of assistance.
7. Physicians providing assistance are listed at appendix C (physicians practicing at a HonorHealth hospital or Medical Group Clinic who do and those that do not offer financial assistance under this policy for hospital services).

Method of Applying for Financial Assistance - Patients will be encouraged to apply for financial assistance before, during, or within a reasonable time after care is provided. HonorHealth will accept and process applications for financial assistance under this policy for 240 days after the date of the first billing statement of the eligible services. Individuals submitting incomplete financial assistance applications within 240 days after the network provides the first post discharge billing statement will be given a reasonable opportunity to complete their application (30 days).

E.

1. **Financial Assistance Application:** Patients may apply for financial assistance through the Patient Financial Services Department either in person or by mail, through a surrogate, through a family member, or through another appropriate party. HonorHealth will make every effort to determine if patients are eligible for assistance within 30 days of receipt of the completed financial assistance application and supporting documentation. The patient or their authorized representative will cooperate with financial and other information needed and apply for other existing financial resources that may be available to pay for his or her health care. (e.g., Medicare, Medicaid, AHCCCS, third-party liability, etc.). Visits within 6 months of treatment may be covered without having to complete a new financial assistance application. Financial assistance applications may be obtained at www.honorhealth.com; applications and advice are also available by contacting HonorHealth Customer Service at **626-300-9000** or in any of the Hospital Admitting areas, and in the Patient Financial Services offices at 2500 W. Utopia, Suite 100 Phoenix, Arizona 85027.
2. **Notification of Decision:** HonorHealth will notify the patient within a reasonable period of time (usually 30 days) after receiving the patient's request for financial assistance and any financial information or other documentation needed to determine eligibility for financial assistance. HonorHealth will also advise the patient of his or her responsibilities under these financial assistance guidelines. When the patient has been approved under this policy for assistance, HonorHealth will work with the patient or responsible party to establish a reasonable payment plan that takes into account a available income, the amount of the discounted bill(s), and any prior payments.
3. **Changed Circumstances:** In the event they do not initially qualify for financial assistance after providing the requested information and documentation, patients may reapply if there is a change in their income, or family size responsibility.

F. Billing and Collections

1. **Reasonable Inquiry:** HonorHealth's Patient Financial Services Department will make reasonable efforts to determine whether an individual is eligible for financial assistance. Reasonable efforts include providing the plain language summary at the time of registration and with the initial billing statement sent to patients. Statements also contain a financial assistance notice with a phone number and website.
2. **Collection Methods:** Accounts for hospital services for patients who are able, but unwilling, to pay are considered uncollectible bad debts and will be referred to outside agencies for collection. Hospitals will assign any uncollected patient liability, where a patient has not made payment arrangements with the hospital to a Collection Agency. Ordinarily, HonorHealth will not engage in ECAs. However, in certain circumstances HonorHealth and its collection agencies may take legal actions to obtain amounts due more than 120 days after the first post-discharge billing statement has been sent. The Patient Financial Services Director is responsible for determining that a reasonable effort has been made to determine FAP eligibility and that an ECA can occur in accordance with the policy. Prior to taking any ECAs, HonorHealth will make reasonable efforts to determine if the patient is eligible for financial assistance, including notifying patients through a 30 day letter stating what ECAs may occur, sending a plain language summary of the FAP with that notice, and making reasonable efforts to orally notify patients about the availability of financial assistance during the billing process. HonorHealth and any collection agencies will make reasonable efforts to orally inform patients of the availability of financial assistance during the collection process. The patient is responsible for communicating changes in income that may impact their ability to pay HonorHealth. HonorHealth will ensure that the guidelines outlined above are followed by any external collection agency engaged to assist in obtaining payment on outstanding bills from patients.

G. Patient Responsibilities: To be considered for financial assistance under this policy, a person must:

1. Apply for financial assistance either in person or in writing, through a surrogate, family member or other appropriate party. However, a financial assistance application does not need to be completed in the following cases.
 - Expired Patients: Expired patients without an estate
 - Homeless Patients: Documentation supporting homeless status
 - AHCCCS Qualified: Determinations from other agencies (this includes patients who become eligible within 30 days of the date of service). Documentation required from the agency.
 - Presumptive charity: Any account evaluated through other applications and deemed “likely” to qualify for financial assistance based specific credit reporting service algorithm.
 - Follow-up Care within 6 Months -Follow-up care on an account approved for financial assistance within the prior six (6) months. In such cases, all that is required is a note in the system stating that the account is follow-up care to a previously approved account and references that account number.
 2. Provide HonorHealth with financial and other information needed to determine eligibility under this policy.
 3. Actively participate with HonorHealth and its representatives to apply for other existing financial resources that may be available to pay for his or her health care (e.g., Medicare, Medicaid, AHCCCS, third-party liability, etc.) by providing financial and other information needed to HonorHealth, its representatives, and governmental agencies. A denial for services rendered by government agencies or third-party payers may be required for financial assistance to be pursued/approved.
 4. Cooperate with HonorHealth to establish a reasonable payment plan, which takes into account a available income and the amount of the discounted bill(s), and any prior payments.
 5. Make a good faith effort to honor the payment plans for their discounted HonorHealth bills.
 6. Communicate to HonorHealth any change in their financial situation that may impact their ability to pay their discounted HonorHealth bills or to honor the provisions of their payment plans.
- H. Right to appeal: Patients may appeal a financial assistance denial in writing to the Director, Patient Financial Services at HonorHealth, Patient Financial Services, 2500 W. Utopia Rd, Phoenix, AZ 85027. Any extenuating circumstances will be considered as part of the overall review.
- I. Covered and Non-Covered Providers: In most instances, this policy, for the basic and enhanced financial assistance programs does not apply to charges for services from physician and other providers for services provided in the hospital: Common examples include but are not limited to emergency department physicians, radiologists, pathologists, surgeons, anesthesiologists and hospitalists. Most physicians and other providers are not substantially related to the hospital. The list of Participating Providers is located at Attachment C, which is updated quarterly (if there are changes): HonorHealth lists all physicians and other providers whose covered services are eligible and those providers not eligible for financial assistance discounts under this policy “501(r) under the Provider Participating List”. The participating provider list is available at www.honorhealth.com.
- J. Right to seek reimbursement of charges from third parties: In the event any first or third party payer is liable for any portion of an uninsured patient’s bill, hospital will seek full reimbursement of all charges incurred by the patient at the hospital’s usual and customary charges from such first or third party payers, including those governed by the provisions of A.R.S. Section 33-931 – 33.934, despite any financial assistance granted under this policy.
- K. Refunds: If an individual has paid for services and is subsequently determined to be eligible for a full financial assistance reduction under this policy, HonorHealth will refund any amount greater than \$5 for care by such individual.
- L. Program Monitoring and Oversight: The Patient Financial Services Director will be responsible to monitor the appropriateness of the basic and enhanced financial assistance programs, the charges, patient days, and allowances or adjustments. The director has the responsibility for monitoring and ensuring a reasonable effort is made to determine whether an individual is eligible for financial assistance. The Patient Financial Services Director is responsible to ensure compliance with the overall policy guidelines. Additionally, the policy and its effectiveness will be assessed annually by the Director of Tax & Treasury with collaboration from the Patient Financial Services Director. Any recommended changes to the policy will be reviewed and approved by the HonorHealth Board of Directors.

M. Financial Recordkeeping

1. HonorHealth records the value of its financial assistance healthcare services at cost.
2. As individual patient accounts receivable are determined to meet financial assistance criteria, these individual accounts are written off from receivables and debited against the allowance for financial assistance services (receivables contra account). Documentation concerning the eligibility for financial assistance is retained in the patient account financial file.
3. Adjustments. Granting of financial assistance is limited to HonorHealth's hospitals as defined in the policy.

N. Emergency Medical Care: HonorHealth provides without discrimination, care for emergency medical conditions to individuals regardless of whether they are FAP-eligible (see also HonorHealth's EMTALA policy). HonorHealth does not engage in actions that discourage individuals from seeking emergency medical care.

HonorHealth Hospital Facilities
Financial Assistance
Attachment A
Calendar Year 2021

A. Income Guidelines for Patients –

Income as a % of Poverty Guideline	Criteria for Plan		
	Financial Assistance Plan	Financial Assistance Discount off Total Charges	Covered Services
0-200%	Enhanced Financial Assistance Policy	100%	Emergency Services
0-200%	Basic Financial Assistance Policy	84%	All Non-emergent medically necessary services
201-500%	Basic Financial Assistance Policy	84%	All medically necessary services

Federal Poverty Limits used will be based by annual published poverty guidelines at Health and Human Services website. The website is <https://aspe.hhs.gov/poverty-guidelines>

Financial Assistance
Attachment B
Calendar Year 2021
ABG Percentage:

B. Lookback History:

Lookback period	Oct 1, 2019- Sept 30, 2020
Basic Financial Assistance Discount	84%
Amount Generally Billed "AGB"	16%

Financial Assistance
Attachment C

Provider List