Altru Health System Collection Policy

PHILOSOPHY

Altru Health System (AHS) is committed to improving the health of our patients and the health of the region it serves. In support of our social mission, Altru Health System strives to reduce barriers and to improve access to care for all.

The community programs we deliver are an outward and tangible expression of our values, integrity, stewardship, excellence and compassion. Altru Health System’s Charity Care/Financial Assistance Policy (Policy#2614) is written to help provide healthcare to disadvantaged people in our communities — as well as to encourage under-served populations to obtain the healthcare they need.

Altru Health System provides financial assistance and counseling for uninsured and underinsured people of limited means, without regard to race, ethnicity, sexual preference, gender, religion or national origin. Financial assistance includes, but is not limited to, full or partial charity write-off, community care or reduced monthly payments.

POLICY

In coordination with other community programs, AHS provides temporary financial assistance to patients with demonstrated and documented financial need, who reside in AHS service area and receive primary health care services at an Altru Health System facility and/or provider. These programs strive to meet the needs of as many patients as possible and applications for this assistance are available from staff in any Altru Health System Business Office or by calling 701-780-1500 or 1-800-464-7574.

In order to provide the level of aid necessary to the greatest number of patients in need and preserve resources, the following guidelines apply:

- Financial assistance is provided only when services are deemed emergent or medically necessary and after patients are found to have met all financial criteria.

- Patients are expected to contribute payment for care based on their individual financial situation; therefore, each case will be reviewed separately.

- Charity care is not considered an alternative option to payment, therefore patients may be assisted in finding other means of payment or financial assistance before approval for charity care.

- Uninsured patients who are believed to have the financial ability to purchase health insurance may be encouraged to do so in order to ensure the limited funds are used in a responsible manner.

Services eligible under this Financial Assistance Policy (FAP) will be made available to the patient at the amount generally billed to any individual who has insurance covering such care. This is calculated by multiplying the gross charges times the Amount Generally Billed (AGB) percentage calculated each year by the AHS Finance Department. The AGB in effect for year ending December 31, 2013 is 45.06%.
Altru Health System shall comply with all federal, state, and local laws, rules and regulations that may apply to activities conducted pursuant to this policy. Altru Health System follows EMTALA rules in providing emergency services regardless of the patient’s ability to pay.

DEFINITIONS

Amount Generally Billed (AGB): AGB as defined in the Federal Registry in 26 CFR, Part 1 is the amount generally billed for emergency or other medically necessary care to individuals who have insurance covering such care.

Application Period: The period during which a hospital facility must accept and process an application for assistance under its FAP in order to have made reasonable efforts to determine whether the individual is FAP-eligible. The application period begins on the date the care is provided to the individual and ends on the 240th day after the hospital facility provides the individual with the first billing statement for the care.

Bad Debt: Amounts that are expected at the time of service to be reimbursed but remain unpaid even after reasonable collection efforts have been made.

Charity Care: Charity care consists of services for which hospitals neither received, nor expected to receive, payment because they had determined the patient’s inability to pay. It may also include the under-reimbursed costs of caring for low-income patients who are enrolled in a governmental program, such as Medicaid.

Emergency Medical Condition: As defined in Section 1867 of the Social Security Act (42 U.S.C. 1395dd) is a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in: (1) placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, (2) serious impairment to bodily functions, or (3) serious dysfunction of any bodily organ or part.

Emergency Medical Treatment & Labor Act (EMTALA): Guidelines enacted by the federal government to ensure that hospitals treat equally all patients who present in their emergency departments, regardless of the patient’s ability to pay.

Extraordinary Collection Actions: Actions taken by a hospital against an individual related to obtaining payment of a bill for care covered under the hospital facility’s FAP that require a legal or judicial process or involve selling an individuals’ debt to another party or reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus.

Family Income: As defined, in part, by the United States Census Bureau includes earnings, unemployment compensation, worker’s 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. It does not include noncash benefits (such as food stamps and housing subsidies) or capital gains and losses.
**FAP eligible individual:** An individual eligible for financial assistance under a facility’s financial assistance policy, without regard to whether the individual has applied for assistance under the FAP.

**Financial Assistance Policy (FAP):** This policy is written in accordance with Section 9007 of the Affordable Care Act (ACA) which is now Section 501(r) of the Internal Revenue Code. It will be used to guide the reduction of gross charges to the amount generally billed based on qualifications.

**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.

**Guarantor:** The person financially responsible for payment of a patient’s bill.

**Medically Necessary:** As defined by Medicare are services or items reasonable and necessary for the diagnosis or treatment of illness or injury and is determined by Altru Health System Managed Care department.

**Notification Period:** The period during which a hospital facility must notify an individual about its FAP in order to have made reasonable efforts to determine whether the individual is FAP-eligible. This period begins on the first date care is provided and ends on the 120th day after the hospital facility provides the individual with the first billing statement for the care.

**Patient Protection and Affordable Care Act (PPACA):** The PPACA has established requirements for charitable hospital organizations regarding financial assistance policies and efforts to identify patients who qualify for assistance. It was signed into law on March 23, 2010, and the constitutionality of the act was upheld by the Supreme Court.

**Underinsured:** The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed their financial ability.

**Uninsured:** The patient has no insurance or third-party assistance to pay for medical services provided.

**FINANCIAL ASSISTANCE ELIGIBILITY**

In determining a guarantor’s ability to pay, it is essential that Altru Health System use good judgment in the consideration of a variety of factors, including: income, networth, employment status, family size, financial obligations, healthcare service needs, and other sources of payment. Criteria based guidelines will be utilized to assist in determining eligibility and application of criteria must consider availability of charity funds and verification of information. Determining eligibility for financial assistance will be done as timely as possible to best assist the guarantor with his/her AHS debt. Collection efforts may be an appropriate part of gathering information used to determine eligibility for assistance. Altru Health System will consider all known factors to establish eligibility for assistance.

Where other organizations are available to provide medical care for those unable to pay (i.e., mental health care at the state hospital in Jamestown or Veterans Administration Hospital/facility), Altru Health System will make every effort to assist patients, families, and physicians during transition to the available services, and will attempt to provide the interim services needed by the patient.
Requests for financial assistance shall be made to any AHS Business Office location or by calling 701-780-1500 or 1-800-464-7574. In order to qualify for full or partial financial assistance, the guarantor must meet the following eligibility criteria:

- Patient/Guarantor must cooperate with Altru Health System to explore alternative means of assistance if necessary, including Medicare, Medicaid and Social Security Disability. Patients may be required to provide proof of application and/or denial of such programs.
- Income level at or below 250% of the Federal Poverty Guidelines.
- The patient/guarantor may be asked to complete the Altru Health System Financial Assistance Application in its entirety and submit it to the Business Office for review.
- All documentation required as proof of income or insurance coverage must be received with the application. This could include the following: bank statements, most recent tax return, pay stubs, a Medicaid denial letter or proof of application and pending Social Security Disability claim information and/or external public sources which may be utilized, including medical credit scores.
- Patient must be a permanent resident of AHS service area for a minimum of 30 days prior to date of service.
- Patient/Guarantor may be deemed ineligible if they are not working and cannot show documented health reasons for part time or unemployed status.
- Providing any false information will disqualify an applicant from program participation.
- Special considerations may impact interpretation of criteria. Specific issues, which may result in exceptions to the Approval Guidelines, include:
  a. Size of the AHS bill relative to total assets and income
  b. Status of account with regards to payment requirements
  c. Health and employment status of patient/guarantor
  d. Liquidity of assets
  e. Recommendation of mental health provider regarding emotional stability of patient
  f. Reviewed by Business Management Review Team(s)

Altru Health System has limited funds to provide and support the AHS charity programs, thereby to qualify requires a patient to have a permanent residence within the AHS service area. Charity care funds will not be made available to patients from outside Altru Health System’s service area.

A guarantor’s financial status may change over time and it is the guarantor’s responsibility to inform AHS of such changes. Altru Health System reserves the right to review enrolled applicant’s eligibility at any time. The guarantor’s potential for earning is considered during the review process and may result in interim payment arrangements with the expectation of full payment with future earnings.
Notification of Altru Health System’s determination will be provided to the applicant(s) in writing. If the application is approved for less than 100% or denied, the patient and/or responsible party must establish payment arrangements immediately with AHS.

A safe harbor is provided for when a hospital facility charges more than AGB for emergency or other medically necessary care to a FAP eligible individual if the individual has not submitted a complete FAP application as of the time of the charge and the hospital facility continues to make reasonable efforts to determine whether the individual is FAP eligible during the applicable time periods.

Extraordinary collection actions that may occur if balance is not resolved within 120 days from the first billing statement include forwarding balance to a collection agency, reporting information to credit bureaus and legal action such as liens on property or wage garnishment.

Altru Health System will direct its collection agencies to cease active collection on accounts when accounts meet the following criteria on hospital accounts only:

A. at collection agency at least 24 months (can return shorter time if efforts exhausted)
B. no payment within the last 120 days
C. not in a status code which indicates that the beneficiary or patient has agreed to a payment plan or is in legal status

Altru will request the outside collection agencies to provide a detailed log documenting ceased efforts on these accounts as well as a summarized cover letter (number of accounts and dollar returned)

Altru will request the outside collection agencies to retain account collection detail for seven years from close date. Purged and archived accounts must be available for restore and viewing of past collection activity.

Initial “Catch-Up”: This policy came into effect in September 2020. Older accounts at agency impacted by this pullback may have longer collection timelines than guidelines above.
Notification Period: Date of Service to 120 days after first billing statement; hospital must notify responsible party of FAP
Application Period: Date of Service to 240 days after first billing statement; hospital must accept and process applications and cease all ECAs

ECAs: Extraordinary Collection Actions