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| <b>Subject:</b>                    | <b>Patient Financial Assistance Policy</b>                 | <b>Formulated:</b>   | <b>01/2024</b> |
| <b>Manual:</b>                     | <b>Patient Financial Services<br/>For Profit Hospitals</b> | <b>Reviewed:</b>     | <b>01/2024</b> |
| <b>St. Mary's General Hospital</b> |  | <b>Last Revised:</b> | <b>01/2024</b> |

## I. Policy:

Each hospital owned by Prime Healthcare Services, Inc. (each, a “Hospital”), offers a financial assistance program for those patients who meet the eligibility tests described in this policy. Prime Healthcare provides Charity Care and self-pay discounts adhering to the requirements of state law, comply with the requirements of N.J.A.C. 10:52-11.8 (b) and (c) as promulgated and amended from time to time by the State of New Jersey. The intent of this Financial Assistance Policy (the “Policy”) is to satisfy applicable federal and state laws and regulations; all provisions should be interpreted accordingly.

A significant objective of Prime Healthcare facilities is to provide care for patients in times of need. Prime Healthcare facilities provide Charity Care and a Discount Payment Program as a benefit to the communities we serve. To this end, Prime Healthcare facilities are committed to assisting low-income and/or uninsured eligible patients with appropriate discount payment and Charity Care programs. All patients will be treated fairly, with compassion and respect. Accompanying this Policy are the following documents, as referred to throughout this Policy:

- Charity Care Program
- Financial Assistance Discount Payment Program
- Notice to be included in all post-discharge billing statements
- Notice to be included in post-discharge billing statements to patients who have not provided proof of insurance
- Application for Participation (PFS-A05; NJ001)
- Homeless Attestation (PFS-A05; NJ002)
- Affidavit of Separation (PFS-A05; NJ003)
- Patient/Responsible Party Certifications (PFS-A05; NJ004)
- Spouse / Other Responsible Party Certifications (PFS-A05; NJ005)
- Statement of Support (PFS-A05; NJ006)

**II. Definitions:**

“Emergency and Medically Necessary”: Any hospital emergency, inpatient, outpatient, or emergency medical care that is not entirely cosmetic for patient comfort and/or convenience.

“EMTALA”: The hospital complies with the requirement of the Emergency Medical Treatment and Active Labor Act (EMTALA), Section 1867 of the Social Security Act. There is nothing contained in this policy, which will preclude such compliance. This is a federal law that requires anyone coming to an emergency department to be stabilized and treated, regardless of their insurance status or ability to pay.

“Family”: Family members whose assets must be considered are all legally responsible individuals as defined in N.J.A.C. 10:52-11.8(a):

“The hospital shall determine the applicant's family size in accordance with this section. Family size for an adult applicant includes the applicant, spouse, any minor children whom he or she supports, and adults for whom the applicant is legally responsible. The family size for a minor applicant includes both parents, the spouse of a parent, minor siblings and any adults in the family for whom the applicant's parent(s) are legally responsible. If an applicant documents that he or she has been abandoned by a spouse or parent, that spouse or parent shall not be included as a family member. A pregnant female counts as two family members.”

**III. Applicability of the Policy:**

This Policy applies to all emergency and other medically necessary care provided by the Hospital or a substantially related entity working in the Hospital. This Policy applies only to charges for Hospital services and is not binding upon other providers of medical services who are not employed or contracted by Hospital to provide medical services, including physicians who treat Hospital patients on an emergency, inpatient or outpatient basis. Physicians not covered by this Policy who provide services to patients who are uninsured or cannot pay their medical bills due to high medical costs may have their own financial assistance policies to provide assistance. The Hospital is not responsible for the administration of any financial assistance program offered by the Hospital's non-employed medical staff physicians or such physicians' billing practices.

Financial assistance policies must balance a patient's need for financial assistance with the Hospital's broader fiscal stewardship. Financial assistance through discount payment and Charity Care programs is not a substitute for personal responsibility. It is the patients' responsibility to actively participate in the financial assistance screening process and where applicable, contribute to the cost of their care based upon their ability to pay. Outside debt collection agencies and the Hospital's internal collection practices will reflect the mission and vision of the Hospital.

IV. **Procedure:**

1. **Eligibility for Financial Assistance**

A. **Self-Pay Patients**

A patient qualifies for **Charity Care** based on the conditions discussed in the addendum "Charity Care Program". Please see this addendum for additional details on the Charity Care program.

A patient qualifies for the **Discount Payment Program** based on the conditions discussed in the addendum "Financial Assistance Discount Payment Program". Please see the addendum "Financial Assistance Discount Payment Program" for additional details on the Discount Payment Program.

B. **Insured Patients**

A patient who has third party coverage or whose injury is a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital may qualify for the **Charity Care** or **Discount Payment Program**. Please see the addendums "Charity Care" and "Financial Assistance Discount Payment Program" for additional details. Charity Care and discounts from the Discount Payment Program may apply to patient liability amounts, including coinsurance amounts, copayments, and deductibles.

C. **Other Circumstances**

The Hospital may use an outside agency or determination from the Director of the Hospital's Patient Financial Services, (PFS) Department to extend Charity Care or the Discount Payment Program to patients under the circumstances as listed below (presumptive eligibility). Presumptive eligibility does not convey an entitlement for future services. The hospital also may not disclose presumptive eligibility determination and may not have access to the data utilized by an outside agency. The circumstances below are considered forms of Charity Care and may be documented as reflected in the transaction code used to adjudicate the patient's claim, including but not limited to transactions related to Charity Care, self-pay discounts, non-covered services and denials.

(i) The patient qualifies for limited benefits under the state's Medicaid program, *i.e.*, limited pregnancy or emergency benefits, but does not have benefits for other services provided at the Hospital. This includes non-covered services related to:

- Services provided to Medicaid beneficiaries with restricted Medicaid (i.e., patients that may only have pregnancy or emergency benefits, but receive other care from the Hospital);
- Medicaid pending applications that are not subsequently approved, provided that the application indicates that the patient meets the criteria for Charity Care;
- Medicaid or other indigent care program denials;
- Charges related to days exceeding a length of stay limit; and
- Any other remaining liability for insurance payments.

(ii) The patient qualifies for a county-level medically indigent services program but no payment is received by the Hospital.

(iii) Reasonable efforts have been made to locate and contact the patient, such efforts have been unsuccessful, and the Hospital's PFS Director has reason to believe that the patient would qualify for Charity Care or the Discount Payment Program, e.g., patient is deceased, bankrupt, incarcerated (and not reimbursed by a State Medicaid program), non-responsive, homeless, or unwilling to provide documentation.

(iv) A third party collection agency has made efforts to collect the outstanding balance and has recommended to the Hospital's PFS Director that Charity Care or the Discount Payment Program be offered.

(v) Subsequent to collection efforts and payor negotiations, any unreimbursed charges from non-cosmetic services, including non-covered or denied services from any payor, such as charges for days beyond a length-of-stay limit, exhausted benefits, balance from restricted coverage, Medicaid-pending accounts, and payor denials are considered a form of patient financial assistance at Prime Healthcare. Charges related to these discounts written off during the fiscal year are reported as uncompensated care.

(vi) The patient is eligible for programs including, but not limited to:

- State-funded prescription programs;
- Participation in Women, Infants and Children programs (WIC);
- Food stamp eligibility;
- Subsidized school lunch program eligibility;
- Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down);
- Low income/subsidized housing is provided as a valid address; and
- Historical significance of non-payment that establishes a justification of future non-payment and lack of ability to pay.

(vii) Homeless patients may qualify for Charity Care and reduced Charity Care rate with the appropriate completion of the New Jersey state attestation form. Patients who are eligible for reimbursement under the Violent Crimes Compensation Program shall be screened for eligibility for Charity Care before referral to the Violent Crimes Compensation Program (see N.J.A.C. 13:75).

(viii) Other circumstances of Charity Care shall be documented in the patient's record indicated either by transaction type or in the patient's notes.

#### **D. Determination of Income and Assets**

For purposes of determining eligibility for the Discount Payment Program, documentation of income of the patient's Family shall be limited to recent pay stubs or income tax returns. The financial assistance application requests patient information necessary for determining patient eligibility under the Financial Assistance Policy, including patient or Family Income and patient's family size. The Hospital will not request any additional information other than the information requested in the financial assistance application. A patient seeking financial assistance, however, may voluntarily provide additional information if they so choose. Qualification for financial assistance shall be determined solely by the patient's and/or patient family representative's ability to pay. Qualification for financial assistance shall not be based in any way on age, gender, sexual orientation, ethnicity, national origin, veteran status, disability or religion. Please see addendums "Charity Care Program" and "Financial Assistance Discount Payment Program" for details on Income and Assets used to determine patient Family Income.

#### **E. Federal Poverty Levels**

The measure of the Federal Poverty Level shall be made by reference to the most up to date Health and Human Services Poverty Guidelines for the number of persons in the patient's family or household. The Federal Poverty Levels guidelines are updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code, and available here: <https://aspe.hhs.gov/poverty-guidelines> or per request from Prime Healthcare patient financial services at 973-983-1777.

### **2. Charity Care and Discount Payment Program**

Financial assistance may be granted in the form of full Charity Care or discounted care, depending upon the patient's level of eligibility as defined in this Policy.

The patient balances for those patients less than 200% of the Federal Poverty Level, who qualify for **Charity Care**, as determined by the Hospital, are eligible for Prime Healthcare's Charity Care program shall be reduced to a sum equal to zero dollars (\$0) with the remaining balance eliminated and classified as Charity Care. Please see the addendum "Charity Care Program" for additional information.

The patient balances for those patients above 200% of the Federal Poverty Level are eligible for Prime Health's Charity Care or Discount Payment Program; any discount will be applied against the gross charges for hospital services provided. Please see the addendums "Charity Care" and "Financial Assistance Discount Payment Program" for additional information.

The Charity Care and Discount Payment Program shall also include an interest-free extended payment plan to allow payment of the discounted price over time. The Hospital and the patient shall negotiate the terms of an extended payment plan, taking into consideration the patient's Family Income and essential living expenses.

### **3. Application Process**

Any patient who requests financial assistance will be asked to complete a financial assistance application. The application includes the office address and phone number to call if the patient has any questions concerning the financial assistance program or application process. A patient is expected to submit the financial assistance application promptly following care, but no later than 150 days following the date of the first post-discharge statement.

If an applicant affirmatively declines to be screened or is referred to a medical assistance program and does not return with an appropriate determination, the hospital will use the following procedures:

- i. If the applicant affirmatively declines to be screened, or does not complete the medical assistance application process within three months after the date of service, or files an application after the application deadline, but is otherwise documented as eligible for Charity Care, the hospital:
  - a. May bill the applicant, consistent with the manner applied to other patients;
  - b. Shall report the Medicaid value amount as Charity Care; and
  - c. Shall report any amounts collected from the applicant or any third party as a Charity Care recovery.

If the hospital has not received a response to the medical assistance application from the county board of social services or other medical assistance office within seven months of receipt of a complete application, the hospital shall approve the patient's Charity Care application if the patient meets all other Charity Care criteria.

Should medical assistance be approved following the hospital's Charity Care approval, the hospital shall report the amounts collected from the medical assistance program as a Charity Care recovery and issue a redetermination that states that because the patient is eligible for medical assistance, he or she is no longer eligible for Charity Care.

ii. If the hospital does not inform the patient of the availability of medical assistance or does not refer a patient who could reasonably be considered eligible for a medical assistance program within three months of the date of service, the hospital shall record the patient's bill as a courtesy adjustment and shall not bill or otherwise attempt to collect from the applicant or the Charity Care Program.

**4. Resolution of Disputes**

Any disputes regarding a patient's eligibility for financial assistance shall be directed and resolved by the Hospital's Chief Financial Officer.

**5. Publication of Policy**

In order to ensure that patients are aware of the existence of this Policy, the Hospital shall take the following measures:

- Notice of the availability of financial assistance shall be clearly and conspicuously posted in locations that are visible to the patients in the following areas: (1) Hospital website address; (2) Emergency Department; (3) Billing Office; (4) Admissions Office; and (5) other outpatient settings including observation units.
- Each bill that is sent to a patient who has not provided proof of coverage by a third party at the time care is provided or upon discharge must include a notice to be included in post-discharge billing statements. The notice shall be provided in non-English languages spoken by a substantial number of the patients served by the Hospital.

**6. Efforts to Obtain Information Regarding Coverage & Applications for Medicaid**

The Hospital shall make all reasonable efforts to obtain from the patient or his or her representative information about whether private or public health insurance or sponsorship may fully or partially cover the charges for care rendered by the Hospital to a patient including private health insurance, coverage offered through the federal health insurance marketplace, Medicare, Medicaid, and/or other government-funded programs designed to provide health coverage.

If a patient does not indicate that he/she has coverage by a third party payor or requests financial assistance, Hospital staff shall provide the patient with a notice to be included in post-discharge billing statements to patients who have not provided proof of insurance that includes the following: (a) a request that the patient inform the Hospital if the patient has private or public health insurance coverage or other coverage, (b) a statement that if the patient does not have health insurance coverage, the patient may be eligible for coverage under the state's Medicaid program or other governmental programs; (c) a statement indicating how the patient may obtain applications for the state's Medicaid program or other governmental programs (and as appropriate, the Hospital

will provide such applications to the patient); and (d) information regarding the Hospital's financial assistance program. The Hospital shall also provide the patient with a referral to a local consumer legal aid assistance program.

## 7. Collection Activities

The Hospital may use the services of one or more external collection agencies for the collection of patient debt. No debt shall be advanced for collection until the Director of the Hospital Patient Financial Services or his/her designee has reviewed the account and approved the advancement of the debt to collection.

Any collection agency utilized by the Hospital shall comply with any payment plan entered into between the Hospital and the patient. If a patient applies for financial assistance, any collections actions will be suspended pending the decision on the patient's financial assistance application. If during collections, it is discovered the patient qualifies in whole, or in part, for Charity Care or a self-pay discount, collection efforts will cease, and the respective balance will be written off to Charity Care or as a self-pay discount. Neither the Hospital nor any collection agency utilized by the Hospital shall (i) use wage garnishments or liens on primary residences to collect unpaid medical bills or (ii) report adverse information to a consumer credit reporting agency or commence civil action against a patient for nonpayment at any time prior to 150 days after the initial billing.

### Revision History Table

| Document Number and Revision Level | Final Approval by | Date | Brief description of change/revision |
|------------------------------------|-------------------|------|--------------------------------------|
|                                    |                   |      |                                      |
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## **Charity Care Program**

A patient qualifies for Charity Care or reduced charge Charity Care if all of the following conditions are met: (1) the patient does not have health coverage or has coverage that pays only for part of the bill; (2) the patient is ineligible for any private or government sponsored coverage (such as Medicaid); (3) the patient's Family Income is less than or equal to 300% of the Federal Poverty Level; and (4) the patient's individual assets do not exceed \$7,500 and family assets do not exceed \$15,000.

Assets eligibility criteria N.J.A.C 10:52-11.10

(a) An applicant shall provide proof that:

1. His or her individual assets as of the date of service do not exceed \$7,500; and
2. His or her family's assets, if applicable, do not exceed \$15,000 as of the date of service.

(b) Family members whose assets must be considered are all legally responsible individuals as defined in N.J.A.C. 10:52-11.8(a).

(c) Assets, as used in this section, are items which are, or which can be readily converted into, cash. This includes, but is not limited to, cash, savings and checking accounts, certificates of deposit, treasury bills, negotiable paper, corporate stocks and bonds, Individual Retirement Accounts (IRAs), trust funds, and equity in real estate other than the applicant's or family's, if applicable, primary residence. A primary residence, for purposes of Charity Care, is defined as a structure within which the applicant currently lives. If an applicant jointly owns assets with another person(s), for whom the applicant is not legally responsible, the value of these assets shall be prorated equally among all the owners.

(d) The applicant shall document the value of all applicable assets as described in (e)1 through 3 below. Paragraph (d)3 below represents alternative documentation as described in N.J.A.C. 10:52-11.8.

1. The applicant shall present the hospital with a statement from a bank or other applicable financial institution showing the value of the asset(s) as of the date of service. If an applicant has no assets, he or she may sign an attestation to that effect, and this fulfills the requirement for proof of assets. If the applicant is unable to obtain such documentation, the hospital staff shall document, in writing, the reason why the proof could not be provided, and request proof of assets as described in (d)2 below.

2. The applicant shall provide the hospital with a statement from the bank or other applicable financial institution showing the average daily balance of the asset(s) within one month of the date of service. If the applicant is unable to obtain such documentation, the hospital staff shall document, in writing, the reason why the proof could not be provided, and request proof of assets as described in (d)3 below.

3. The applicant shall present the hospital with a signed statement attesting to the type and value of the assets.

(a) The assets of an applicant for Charity Care shall be counted only after the applicant has had an opportunity to apply any amount of assets in excess of the limits in (a) above toward qualified medical expenses. Qualified medical expenses are those amounts deductible for the purpose of calculation of Federal income tax liability.

Patients who meet the above conditions will receive a discount off charges for the hospital services they received based on the following table:

| Family Income % of Current Federal Poverty Level | Charge Discount   |
|--|---|
| Less Than or Equal to 200%                       | 100% Discount   |
| 201% - 225%                                      | 80% Discount  |
| 226% - 250%                                      | 60% Discount  |
| 251% - 275%                                      | 40% Discount  |
| 276% - 300%                                      | 20% Discount  |
| 301% - 500%                                      | <i>see Financial Assistance Discount Program addendum</i> |

Further, patients eligible for Charity Care or reduced charge Charity Care based on the above conditions will not be responsible for any amounts in excess of 30% of the patient's Family Income or the Amount Generally Billed (Discount Payment Maximum). The Discount Payment Maximum is the greater of the amount the Hospital would expect to receive for providing services from Medicare, Medicaid, NJ FamilyCare, or any other government sponsored health program in which the hospital participates.

Patients with Family Incomes above 300% but less than 500% of the Federal Poverty Level are not eligible for Charity Care or reduced charge Charity Care, but may be eligible to receive discounts through the Discount Payment Program, as described in Financial Assistance Discount Payment Program addendum.

HHS Poverty Guidelines are updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code, and available here: <https://aspe.hhs.gov/poverty-guidelines>.

Patients who are eligible for reimbursement under the Violent Crimes Compensation Program or the Catastrophic Illness in Children Relief Fund and who do not receive a 100% discount under this Charity Care policy shall be referred to the relevant program or fund for the uncovered portion of the patient's hospital charges.

The hospital shall request the patient to submit a copy of his or her Charity Care determination form to the Violent Crimes Compensation Board.

Patients who are eligible for reimbursement under the Catastrophic Illness in Children Relief Fund shall be screened for eligibility for Charity Care before referral to this Fund. If the patient is not eligible for 100 percent



coverage under Charity Care, the patient shall be referred to the Catastrophic Illness in Children Relief Fund (see N.J.A.C. 10:155) for the uncovered portion of the claims.

The Charity Care Program shall be the payer of last resort, except for the Violent Crimes Compensation Program and the Catastrophic Illness in Children Relief Fund.

For further information or a financial assistance application, please contact us:

**[973-983-1777]**

**[111 Central Ave, Newark, NJ 07102]**



## Financial Assistance Discount Payment Program

### Self-Pay Patients

A patient who is not eligible for Charity Care as described in Charity Care Program addendum will qualify for the **Discount Payment Program** if all of the following conditions are met: (1) the patient's Family Income is less than 500% of the current Federal Poverty Level; (2) the patient does not have third party coverage from a health insurer, health care service plan, union trust plan, Medicare, or Medicaid; and (3) the patient's injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital.

The Federal Poverty Levels guidelines are updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code, and available here: <https://aspe.hhs.gov/poverty-guidelines>.

### Insured Patients

A patient who has third party coverage or whose injury is a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital may qualify for the **Discount Payment Program** if the patient (i) has Family Income at or below 500% of the Federal Poverty Level; and (ii) has out-of-pocket medical expenses that exceed the lesser of: (a) ten percent (10%) of the patient's Family Income in the prior twelve (12) months (whether incurred or paid in or out of any hospital) or (b) the annual out-of-pocket costs incurred by the individual at the hospital that exceed 10% of the patient's current Family Income.

HHS Poverty Guidelines are updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code, and available here: <https://aspe.hhs.gov/poverty-guidelines>.

### Patient Obligation

The patient balances for those patients who qualify for the **Discount Payment Program** will be reduced; any discount will be applied against the gross charges for hospital services provided. The payment obligation of a patient eligible for the Discount Payment Program will be determined on a case-by-case basis but will not exceed the greater of the amount the Hospital would expect to receive for providing services from Medicare, Medicaid, NJ FamilyCare, or any other government sponsored health program in which the hospital participates (the "Discounted Payment Maximum"). An eligible patient with insurance will be obligated to pay an amount equal to the difference between what the Hospital receives from the insurance carrier and the Discounted Payment



Maximum. If the amount paid by insurance exceeds the Discounted Payment Maximum, the patient will have no further payment obligation.

The Discount Payment Program shall also include an interest-free extended payment plan to allow payment of the discounted price over time. The Hospital and the patient shall negotiate the terms of an extended payment plan, taking into consideration the patient's Family Income and essential living expenses.

For further information or a financial assistance application, please contact us:

**[973-983-1777]**

**[111 Central Ave, Newark, NJ 07102]**



**[Notice to be included in all post-discharge billing statements]**

**Charity Care & Discount Payment Program**

Patients who lack insurance or who have inadequate insurance and meet certain low-and moderate-income requirements may qualify for discounted payments or Charity Care. Patients seeking discounted or free care must obtain and submit an application that will be reviewed by the Hospital. No patient eligible for financial assistance will be charged more for emergency or medically necessary care than amounts generally billed to individuals who have insurance covering such care. For more information, copies of documentation, or assistance with the application process, please contact the Hospital at (973) 983-1777 or visit [www.smmcnj.com](http://www.smmcnj.com) to obtain further information. Free copies of financial assistance documentation may also be sent to you by mail and are available in non-English languages spoken by a substantial number of the patients served by the Hospital. The Emergency Department physicians and other physicians who are not employees of the Hospital may also provide Charity Care or Discount Payment Programs. Please contact (973) 983-1777 for further information.



**Notice to be included in post-discharge billing statements  
to patients who have not provided proof of insurance**

Our records indicate that you do not have health insurance coverage or coverage under Medicare, Medicaid, state-funded health coverage programs, or other similar programs. If you do have such coverage, please contact our office at (973) 983-1777 as soon as possible so the information can be obtained and the appropriate entity billed.

If you do not have health insurance coverage, you may be eligible for Medicare, Medicaid, coverage offered through the federal health insurance marketplace, state- or county-funded health coverage, or Prime Healthcare Charity Care or Discount Payment Program. For more information about how to apply for these programs, please contact our office so we can answer your questions and provide you with applications for these programs.