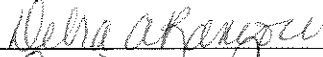

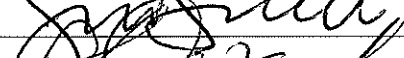

	POLICY NUMBER:	PFS-302-A
	DIVISION:	FISCAL SERVICES
	DEPARTMENT:	PATIENT FINANCIAL SERVICES
	DATE:	JANUARY 2013
SUBJECT:	CHARITY CARE	
APPROVED BY:	<i>[original signed document is located in the subject department offices]</i>	
Director Patient Financial Services,	Debra Rancourt	
Chief Financial Officer,	Ann Marie Rush	
Chief Executive Officer,	Gary R. Poquette	
Chair Board of Trustees,	Phillip Dawson, Jr.	

PURPOSE:

Penobscot Valley Hospital is committed to providing charity care to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. Consistent with its mission to deliver compassionate, high quality, affordable healthcare services and to advocate for those who are poor and disenfranchised, Penobscot Valley Hospital strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. Penobscot Valley 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 policy:

- Includes eligibility criteria for financial assistance -- free and discounted (partial charity) care.
- 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.
- Limits the amounts that the hospital will charge for emergency or other medically necessary care provided to individuals eligible for financial assistance to amount generally billed (received by) the hospital for commercially insured or Medicare patients.

Charity is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with Penobscot Valley Hospital's procedures for obtaining charity or other forms of payment or financial assistance, 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 Penobscot Valley Hospital to provide the appropriate level of assistance to the greatest number of persons in need, the Board of Directors establishes the following guidelines for the provision of patient charity.

REVISED	1/2013	3/2017				

RESPONSIBLE: Director of Patient Financial Services under direction of Chief Financial Officer.

POLICY:

- 1.0 Definitions: For the purpose of this policy, the terms below are defined as follows:
- 1.1 **Charity Care:** Healthcare services that have been or will be provided but are never expected to result in cash inflows. Charity care results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established criteria.
 - 1.2 **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. If a household includes more than one family and/or more than one unrelated individual, the income guidelines are applied separately to each family and/or unrelated individual, and not to the household as a whole.
 - 1.2.1 A family unit of size one is an unrelated individual, that is, a person of 15 years old or over who is not living with any relatives. An unrelated individual may be the sole occupant of a housing unit, or may be residing in a housing unit (or in group quarters such as a rooming house) in which one or more persons also reside who are not related to the individual in question by birth, marriage, or adoption.
 - 1.3 **Family Income:** Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:
 - 1.3.1 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, net receipts from non-farm or farm self-employment, income from estates, trusts, educational assistance, lottery winnings, alimony, child support, assistance from outside the household, and other miscellaneous sources;
 - 1.3.2 Noncash benefits (such as food stamps and housing subsidies) do not count;
 - 1.3.3 Determined on a before-tax basis;
 - 1.3.4 Excludes capital gains or losses, liquid assets, tax refunds, lump-sum inheritances, one-time insurance payments or other one-time compensation for injury; and
 - 1.3.5 If a person lives with a family, includes the income of all family members (Non-relatives, such as housemates, do not count).
 - 1.3.6 **Note:** Although one-time insurance payments are excluded from income, one-time insurance payments made for coverage of hospital services would limit the availability of free care to bills not covered by such payments.
 - 1.4 **Uninsured:** The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.
 - 1.5 **Underinsured:** The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.
 - 1.6 **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.
 - 1.7 **Emergency Medical Conditions:** Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).
 - 1.8 **Medically Necessary:** As defined by MaineCare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).
 - 1.9 **Elective Care:** Any care that is not emergent or medically necessary as defined by MaineCare will not be eligible for charity care.

PROCEDURE:

- 1.0 **Services Eligible under this Policy.** For purposes of this policy, "charity" or "financial assistance" refers to healthcare services provided by Penobscot Valley Hospital without charge or at a discount to qualifying patients. The following healthcare services are eligible for charity:
- 1.1 Emergency medical services provided in an emergency room setting;

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- 1.2 Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
 - 1.3 Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
 - 1.4 Medically necessary services, evaluated on a case-by-case basis at Penobscot Valley Hospital's discretion.
- 2.0 **Eligibility for Charity.** Eligibility for charity will be considered for those individuals who are uninsured, underinsured, 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 charity 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. The Hospital will follow the rules set forth by the federal government and by the Department of Health and Human Services Office of MaineCare Services Chapter 150 Free Care Guidelines to determine eligibility. Patients must be a resident of the State of Maine to be eligible for charity care at Penobscot Valley Hospital.
- 3.0 **Method by Which Patients May Apply for Charity Care.**
- 3.1 Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may
 - 3.1.1 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;
 - 3.1.2 Include the use of external publically available data sources that provide information on a patient's or a patient's guarantor's ability to pay (such as credit scoring);
 - 3.1.3 Include reasonable efforts by Penobscot Valley 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;
 - 3.1.4 Take into account the patient's available assets, and all other financial resources available to the patient; and
 - 3.1.5 Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.
 - 3.2 It is preferred but not required that a request for charity and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle. The need for financial assistance shall be re-evaluated at each admission for inpatient services. The need for financial assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than six months prior, or at any time additional information relevant to the eligibility of the patient for charity becomes known.
 - 3.3 Penobscot Valley Hospital's values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of charity. Requests for charity shall be processed promptly and Penobscot Valley Hospital shall notify the patient or applicant in writing within 30 days of receipt of a completed application.
- 4.0 **Presumptive Financial Assistance Eligibility.** There are instances when a patient may appear eligible for charity care 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 provide the patient with charity care assistance. In the event there is no evidence to support a patient's eligibility for charity care, Penobscot Valley Hospital could use outside agencies in determining estimate income amounts for the basis of determining charity care eligibility and potential discount amounts. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:
- 4.1.1 State-funded prescription programs;
 - 4.1.2 Homeless or received care from a homeless clinic;
 - 4.1.3 Participation in Women, Infants and Children programs (WIC);
 - 4.1.4 Food stamp eligibility;
 - 4.1.5 Subsidized school lunch program eligibility;

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- 4.1.6 Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down);
 - 4.1.7 Low income/subsidized housing is provided as a valid address; and
 - 4.1.8 Patient is deceased with no known estate.
- 5.0 **Eligibility Criteria and Amounts Charged to Patients.** Services eligible under this Policy will be made available to the patient on a sliding fee scale, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination. Once a patient has been determined by Penobscot Valley Hospital to be eligible for financial assistance, that patient shall not receive any future bills based on undiscounted gross charges for the covered determination period. The basis for the amounts Penobscot Valley Hospital will charge patients qualifying for financial assistance is as follows:
- 5.1.1 Patients whose family income is at or below 150% of the FPL are eligible to receive free care;
 - 5.1.2 Patients whose family income is above 151% but not more than 225% of the FPL are eligible to receive services at amounts no greater than the amounts generally billed to (received by the hospital for) Medicare patients and will qualify for the Penobscot Valley Hospital sliding fee scale; and
 - 5.1.3 Patients whose family income exceeds 226% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of Penobscot Valley Hospital; however the discounted rates shall not be greater than the amounts generally billed to (received by the hospital for) Medicare patients.
- 6.0 **Determination of Qualification.** Determination of qualification for Charity Care shall require a completed application with supporting documentation, which will be made available at multiple locations by Penobscot Valley Hospital.
- 6.1.1 Deferral of determination up to 60 days may be made for the purpose of requiring the applicant to obtain evidence of ineligibility for medical assistance programs or to verify that the services in question are not covered by insurance. Refer to §1.05, Chapter 150 of the State of Maine DHHS Free Care Guidelines for further details.
 - 6.1.2 A determination of eligibility for free care will be provided to the applicant within 30 days, unless such determination is deferred as allowed above. Denials of deferrals of free care will be made in writing to the applicant and include the reason for such denial. If denial of free care is due to a failure to provide required information during a deferral period in 6.1.1 above, the applicant shall be informed that he or she may reapply for free care if the required information can be furnished. Also, the notice must state that the patient has a right to a hearing; how to obtain a hearing; and the name and telephone number of the person who should be contacted should the patient have questions regarding the notice.
- 7.0 **Communication of the Charity Program to Patients and Within the Community.** Notification about charity available from Penobscot Valley Hospital, which shall include a contact number, shall be disseminated by Penobscot Valley Hospital by various means, which may include, but are not limited to, the publication of notices in patient bills and by posting notices in emergency rooms, at registration departments, and patient financial services offices that are located on facility campuses, and at other public places as Penobscot Valley Hospital may elect. Penobscot Valley Hospital also shall publish and widely publicize a summary of this charity care policy on facility websites, in brochures available in patient access sites and at other places within the community served by the hospital as Penobscot Valley Hospital may elect. Such notices and summary information shall be provided in the primary languages spoken by the population serviced by Penobscot Valley Hospital. Referral of patients for charity may be made by any member of the Penobscot Valley Hospital staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors. A request for charity may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws. This notice must contain the most current Federal Poverty Guidelines and also must contain the text as prescribed by §1.04(C), Chapter 150 of the State of Maine DHHS Free Care Guidelines.

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- 8.0 **Relationship to Collection Policies.** Penobscot Valley Hospital management shall develop policies and procedures for internal and external collection practices (including actions the hospital may take in the event of non-payment, including collections action and reporting to credit agencies) that take into account the extent to which the patient qualifies for charity, a patient's good faith effort to apply for a governmental program or for charity from Penobscot Valley Hospital, and a patient's good faith effort to comply with his or her payment agreements with Penobscot Valley Hospital. Once an account has become delinquent, assistance efforts cease. Therefore, patients are urged to speak to PVH billing representatives early on to preserve their options for help. For patients who qualify for charity and who are cooperating in good faith to resolve their discounted hospital bills, Penobscot Valley Hospital may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts. Penobscot Valley Hospital will not impose extraordinary collections actions 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 charity care under this financial assistance policy. Reasonable efforts shall include:
- 8.1.1 Validating that the patient owes the unpaid bills and that all sources of third-party payments have been identified and billed by the hospital;
 - 8.1.2 Documentation that Penobscot Valley Hospital has or has attempted to offer the patient the opportunity to apply for charity care pursuant to this policy and that the patient has not complied with the hospital's application requirements;
 - 8.1.3 Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.
- 9.0 **Regulatory Requirements.** In implementing this Policy, Penobscot Valley 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.
- 10.0 **Included and Excluded Providers** are noted in Appendix A and Appendix B attached to this policy. The provider list will be updated at least annually.

PFS-302-A CHARITY CARE

Appendix A

Providers covered by Penobscot Valley Hospital Charity Care and eligible for the discounts described in this policy:

Rural Health Clinic providers

Carl Alessi, MD

Renae Freid, DO

Revaz Boukia, PA

Penobscot General Surgery providers

Glenn Deyo, MD

David Rideout, MD

Penobscot Valley Hospital Specialty Clinic

Brian Miller, MD

Ahmad Abed Elnoor, MD

Updated March, 2017

PFS-302-A CHARITY CARE

Appendix B

Providers NOT covered by Penobscot Valley Hospital Charity Care and NOT eligible for the discounts described in this policy:

Penobscot Valley Hospital Specialty Clinic Providers

Jonathan Herland, MD - Pain Management

Nilesh Patil, MD - Orthopedics

EMMC Cardiology

Dahl-Chase Pathology

Spectrum Radiology

Quest Laboratory

Penobscot Respiratory

Updated March, 2017