Cumberland County Hospital System, Inc.
DBA Cape Fear Valley Health System

Corporate Revenue Cycle - Policy / Procedure

FINANCIAL ASSISTANCE POLICY
(Uninsured / Limited Means / Charity)

I. PURPOSE:
Cape Fear Valley Health System (CFVHS) is dedicated to serving the healthcare needs of its patients. To assist in meeting those needs, CFVHS has established this “Indigence Policy” to provide financial relief to those patients who are unable to meet their financial obligation, including low-income, uninsured or medically indigent. This policy was developed and is utilized to determine patients’ financial ability to pay for services. “Medically indigent” is defined for those patients whose health insurance coverage, if any, does not provide full coverage for all of their medical expenses and that their medical expenses, in relationship to their income, would make them indigent if they were forced to pay full charges for their medical expenses.

II. DEFINITIONS:
A. Charity (Indigent) means household income that is equal to or less than 200% of the Federal Poverty Guidelines. (Qualifying applicants will be responsible for a co-pay, then will receive 100% assistance with their hospital obligation.)
B. Uninsured means without medical insurance.
C. Limited Means means an inability to pay full charges of the hospital obligation. The guarantor must request financial assistance, be ineligible for Charity and have income between 250% and 500% of the Federal Poverty Guidelines. Qualifying applicants will receive partial assistance.
D. Discount means a sliding scale reduction in patient balances when household income is between 250% and 500% of the federal poverty guidelines. The discount will be between 45% and 85%.
E. Financial assistance committee meets routinely with the task of determining exceptions under the financial assistance policy, per request of a patient. The members of the committee are appointed by the hospital Director, Patient Financial Services.
F. Asset determination means a financial needs assessment performed by a third party before the financial assistance application is submitted to the financial assistance committee.
G. Interest-free payment arrangements mean an invoice payment program that allows a patient up to six (6) months to pay an outstanding balance without accruing interest.
H. Financing means third party credit for extended payment arrangements on any balances that cannot be paid within six (6) months.
I. Presumptive Charity means an assumption is made that the patient would have qualified for assistance if an application could have been obtained and income determined.
III. POLICY STATEMENTS:

A. All uninsured patients will receive notification of the financial assistance program including an application to participate in the program. A minimum of 30% discount will be given. This application will be mailed to the patient/guarantor at the conclusion of their treatment. In order for a patient to be considered for the financial assistance program, an application must be on file in the Patient Account Services Department.

B. Eligibility

1. This policy applies only to charges for hospital services provided by CFVHS.

2. All third party resources and non-hospital financial aid programs, including public assistance available through Medicaid, must be reviewed before financial assistance can be requested.

3. Any inpatient or outpatient account may be eligible for financial assistance if the patient/guarantor is determined to be:
   • Indigent
   • Uninsured or
   • Limited Means

4. To determine eligibility, the patient/guarantor must participate and cooperate fully with the Patient Financial Services Department and may be asked to provide any or all of the following:
   • Income from all sources.
   • Copies of statements from savings and checking accounts, certificates of deposit, stocks, bonds, money markets accounts, etc.
   • Value of assets including home and real estate.
   • Monthly expenses.
   • Number of dependents.
   • Copies of most recent three months of pay stubs.
   • Copies of the most recent state and federal income tax forms including copies of: W2’s
     Schedule C Profit or Loss from Business
     Schedule D Capital Gains and Losses
     Schedule E supplemental Income and Loss
     Schedule F Profit or Loss from Farming

5. The above information is not required if the visit is within the same calendar year, and there have been no changes in the patient’s financial position.

6. Falsification of any portion of an application or refusal to cooperate may result in denial of financial assistance.

7. For a patient who chooses not to participate or is denied financial assistance, the full measure of collection activity will continue.

8. The hospital may suspend collection activity on an account while a determination is being processed and considered.

C. Program Administration
Patient Financial Services will administer the financial assistance program according to the following guidelines:

1. All patients will be billed at the hospital’s established rates.

2. Upon notification that a patient may be eligible for financial assistance, Patient Financial Services personnel will first determine if the patient/guarantor qualifies for charity assistance.

3. If the patient/guarantor qualifies for charity assistance, he/she will be notified and the account adjusted.

4. If the patient/guarantor does not qualify for charity, but qualifies for limited means assistance, a reduction in charges will be made to the account and the guarantor/patient will be notified via mail. At the guarantor’s request, payment arrangements will be made for the remaining balance.

5. If the patient/guarantor does not qualify for charity or limited means assistance and their hospital liability is the balance after health insurance has paid, he/she will not be eligible for a discount.

6. For patients/guarantors qualifying for assistance and whose hospital liability is greater than $15,000, there may be an asset determination.

7. If after the determination of a financial assistance award, the patient/guarantor requests further financial relief, he/she can request his/her account go to the financial assistance committee. Before going to the committee, an asset determination may be performed. All committee determinations are final.

8. Once financial assistance has been granted, the guarantor will not be supplied with documentation required to bill insurance companies. This includes UB, 1500 and/or detailed itemization of charges.

9. The hospital reserves the right to review the financial assistance determination if the guarantor’s financial circumstances have changed.

10. The Financial Assistance Policy applies to deceased patients when it has been determined that there are no assets of value in the estate.

11. Financial assistance may be granted to patients who qualify for government programs when funding has delayed payment. If later government assistance is awarded, the account adjustment will be reversed.

12. Financial assistance may be granted to patients that are pending Medicaid approval with the appropriate county. These accounts have been reviewed and financial need determined by a third party. Additional documentation will not be required by Patient Financial Services.

13. The Financial Assistance Policy applies to Presumptive Charity accounts based on current criteria.

D. Procedure
Patient Financial Services will administer the financial assistance program according to the following guidelines:

1. All patients will be billed at the hospital’s established rates.

2. Upon notification that a patient may be available for financial assistance, Patient Financial Services personnel will first determine if the patient/guarantor qualifies for charity assistance. If
the patient/guarantor qualifies for charity assistance, he/she will be notified and the account adjusted. Patients approved for Charity Care will be required to pay a co-pay for each encounter at entities owned and operated by Cape Fear Valley Health System. The co-pays for each encounter are as follows:

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Co-Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Care Clinic Visit</td>
<td>$25.00 per visit</td>
</tr>
<tr>
<td>Specialty Care Clinic Visit</td>
<td>$35.00 per visit</td>
</tr>
<tr>
<td>Emergency Room Visit</td>
<td>$50.00 per visit</td>
</tr>
<tr>
<td>Express Care Visit</td>
<td>$50.00 per visit</td>
</tr>
<tr>
<td>Hospital Admission</td>
<td>$100.00 per visit</td>
</tr>
<tr>
<td>Ambulatory Surgery</td>
<td>$75.00 per visit</td>
</tr>
<tr>
<td>Ancillary Services</td>
<td>$20.00 per visit</td>
</tr>
</tbody>
</table>

3. If the patient/guarantor does not qualify for charity, but qualifies for limited means assistance, a reduction in charges will be made to the account and the guarantor/patient will be notified via mail. At the guarantor’s request, payment arrangements will be made for the remaining balance.

4. If the patient/guarantor does not qualify for charity or limited means assistance and their hospital liability is the balance after health insurance has paid, they will not be eligible for a discount.

5. For patients/guarantors qualifying for assistance and whose hospital liability is greater than 15,000.00, there may be an asset determination.

6. If after the determination of a financial assistance award, the patient/guarantor requests further financial relief, he/she can request his/her account go to the financial assistance committee. Before going to the committee, an asset determination may be performed. All committee determinations are final.

7. Once financial assistance has been granted, the guarantor will not be supplied with documentation required to bill insurance companies. This includes UB, 1500 and/or detailed itemization of charges.

8. The hospital reserves the right to review the financial assistance determination if the guarantor’s financial circumstances have changed.

9. The Financial Assistance Policy applies to deceased patients when it has been determined that there are no assets of value in the estate.

10. Financial assistance may be granted to patients who qualify for government programs when funding has delayed payment. If later government assistance is awarded, the account adjustment will be reversed.

11. Financial assistance may be granted to patients that are pending Medicaid approval with the appropriate county. These accounts have been reviewed and financial need determined by a third party. Additional documentation will not be required by Patient Financial Services.

12. The Financial Assistance Policy applies to Presumptive Charity accounts based on current criteria.

IV. EXCEPTIONS:

Any exceptions to the policy require committee approval and appropriate account documentation.