

**SUBJECT:** CHARITY CARE  
**Policy:** BO 170  
**Effective Date:**  
**Revision Date:**

*Business Office Policies and Procedures*

## **POLICY**

UofL Health Hospitals are committed to providing free care (“**Financial Assistance**”) to Uninsured and Underinsured individuals who seek and obtain emergency or medically necessary healthcare services from any of the UofL Health Hospitals but who are not able to meet their payment obligations without assistance.

The UofL Health Hospitals desire to provide Financial Assistance in a manner that addresses patients’ individual financial situations; satisfies their nonprofit and teaching missions; and meets their strategic, operational, and financial goals.

## **PURPOSE**

The purpose of this Financial Assistance Policy (the “**Policy**” or “**FAP**”) is to identify the eligibility criteria and application process for financial assistance to patients who receive emergency or medically necessary healthcare services at each hospital owned, leased, or operated by University Medical Center, Inc.; UofL Health-Louisville, Inc.; and UofL Health-Shelbyville, Inc. (collectively, “**UofL Health**”) and who are Uninsured (defined below), Underinsured (defined below), ineligible for any government healthcare benefit program, or unable to pay for their care based upon a determination of financial need in accordance with this Policy.

This Policy describes the types of financial assistance available at the UofL Health Hospitals (defined below) and ensures patients have access to information about these programs.

This Policy is intended to comply with Section 501(r) of the Internal Revenue Code and the underlying regulations. The UofL Health Hospitals, as tax-exempt hospitals, are required to establish a written Financial Assistance Policy and an Emergency Medical Care Policy, which applies to all emergency or medically necessary services provided in the facilities; this Policy is intended to satisfy both requirements.

This Policy applies to the following hospital facilities: (1) UofL Hospital; (2) James Graham Brown Cancer Center; (3) UofL Health-Jewish Hospital; (4) UofL Health-Peace Hospital; (5) UofL Health-Frazier Rehabilitation Institute; (6) UofL Health-Mary & Elizabeth Hospital; and (7) UofL Health-Shelbyville Hospital. Each of these hospitals may be individually referred to as a “**UofL Health Hospital**” or collectively as the “**UofL Health Hospitals**”.

Moreover, the UofL Health Hospitals occasionally provide emergency and other medically necessary care at certain medical centers that are part of the UofL Health community: UofL Health-Medical Center East; UofL Health-Medical Center Northeast; UofL Health-Medical Center South; and UofL Health-Medical Center Southwest (collectively, the “**UofL Health Medical Centers**”).

## **SCOPE**

A. As described in this Policy, the UofL Health Hospitals are committed to providing free care (“**Financial Assistance**”) to Uninsured and Underinsured individuals who seek and obtain emergency or medically necessary healthcare services from any of the UofL Health Hospitals but who are not able to meet their payment obligations without assistance. The UofL Health Hospitals desire to provide Financial

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Assistance in a manner that addresses patients’ individual financial situations; satisfies their nonprofit and teaching missions; and meets their strategic, operational, and financial goals.

- Emergency and other medically necessary care that is provided at the UofL Health Hospitals by a provider other than any of UofL Health Hospitals may not be covered under this Policy.

For a list of providers to whom this Policy does not apply, please visit the UofL Health website at <https://uoflhealth.org/financial-assistance/>, or, to receive a copy for free through the mail, please call (502) 681-1404.

B. Patients determined to be FAP-Eligible will receive free emergency or other medically necessary care and no FAP-Eligible patient will be charged more than AGB for such care. For all other medical care, no FAP-Eligible patient will be charged more than Gross Charges (“**Gross Charges**”, “**FAP-Eligible**” and “**AGB**” each defined below).

C. Financial Assistance is not to be considered a substitute for personal responsibility. Patients are expected to cooperate with these Financial Assistance requirements and to contribute to the cost of their care based on their individual ability to pay.

D. This Policy:

- Includes eligibility criteria for Financial Assistance.
- Describes the basis for calculating amounts charged to patients eligible for Financial Assistance under this Policy by explaining that FAP-Eligible patients receive free care.
- Describes the method by which patients may apply for Financial Assistance.
- Establishes a methodology for determining amounts generally billed for emergency or medically necessary care.

**III. DEFINITIONS**

• **Amounts Generally Billed (AGB):** The AGB for healthcare services to individuals who have insurance covering such care. The UofL Health Hospitals determine AGB using the Medicare Prospective Payment System method. However, patients eligible for Financial Assistance will only be extended free care under this Policy. Thus, no FAP-Eligible individual will be charged more than AGB for healthcare services. Therefore, it is not considered necessary to take additional measures to determine if a patient is responsible for more than AGB for healthcare services.

• **Application Period:** The time provided to patients by the UofL Health Hospitals to complete the Financial Assistance application (the Financial Assistance application and corresponding instructions are referred to collectively as the “**FAA**”). The Application Period begins on the first day care is provided and ends on the 240th day after the UofL Health Hospital provides the individual with the first post-discharge billing statement for the care provided. However, the Application Period may be extended in accordance with any billing deadline identified in a written statement provided to a patient or to allow a patient to complete a previously submitted incomplete FAA. Moreover, patients may continue to submit complete FAAs after the expiration of the Application Period.

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- **Eligibility Qualification Period:** After submitting the FAA and supporting documents, patients deemed eligible shall be granted Financial Assistance prospectively for a period of six months from the determination date. Financial Assistance will also be applied to all eligible accounts incurred for services received six months prior to the determination date. If eligibility is approved based on presumptive eligibility criteria, Financial Assistance will be applied to all eligible accounts incurred for services received six months prior to the determination date.
- **Emergency Medical Condition:** As defined within section 1867 of the Social Security Act (42 U.S.C. 1395dd).
- **EMTALA:** The Emergency Medical Treatment and Active Labor Act (42 U.S.C. §1395dd).
- **Family:** Using the Census Bureau definition, a group of two or more people who reside together and are related by birth, marriage, or adoption. Per Internal Revenue Service (“**IRS**”) rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for Financial Assistance purposes.
- **Family Income:** Family income is determined using the Census Bureau definition, which uses the following income when computing Federal Poverty Guidelines:
  - 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, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources
  - Excludes noncash benefits (such as food stamps and housing subsidies)
  - Is determined on a before-tax basis.
  - Excludes capital gains or losses.
  - If a person lives with a family, includes the income of all family members (nonrelatives, such as housemates, do not count)
- **FAP-Eligible:** An individual who is eligible for Financial Assistance under the Policy.
- **Federal Poverty Guidelines:** Guidelines updated annually in the Federal Register by the U.S. Department of Health & Human Services under the authority of subsection (2) of 42 USC 9902. Current guidelines can be referenced at <http://aspe.hhs.gov/poverty-guidelines>.
- **Gross Charges:** the full, established prices for medical care at the UofL Health Hospitals that are consistently and uniformly charged to all patients before applying contractual allowances, discounts or deductions. Gross Charges is often synonymous with “chargemaster” rates.

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• **Medically Necessary:** A healthcare service, including emergency care, which, in the opinion of a UofL Health Hospital treating physician, is a service, item, procedure or level of care that:  
→ Is necessary for the proper treatment or management of the patient’s illness, injury, or disability.  
→ Is reasonably expected to prevent the onset of an illness, condition, injury, or disability or is routine, generally accepted preventive care.  
→ Is reasonably expected to reduce or ameliorate the physical, mental, or developmental effects of the patient’s illness, condition, injury, or disability.  
→ Will assist the patient to achieve or maintain maximum functional capacity in performing daily activities, considering both the functional capacity of the patient and those functional capacities that are appropriate for the patient’s age.  
However, medically necessary services do not include any of the following: (1) non-medical services such as social and vocational services; and (2) services deemed not medically necessary, such as elective cosmetic surgery, but not plastic surgery designed to correct disfigurement caused by injury, illness or congenital defect or deformity.

• **Revenue Cycle Management:** The department within UofL Health, including financial counselors serving at each UofL Health Hospital, that oversees the FAP-Eligibility determination process.

• **Self-Pay:** Patients who do not have third-party coverage from a health insurer, healthcare service plan, Medicare, or Medicaid and patients who do not have an injury that is compensable through workers’ compensation, automobile insurance, or other insurance. “Self-pay” does not refer to patients who have third-party coverage but refuse to use it.

• **Underinsured:** Patients who have some level of insurance or third-party assistance but still have out-of-pocket expenses that exceed their financial abilities.

• **Uninsured:** Patients who have no level of insurance or third-party assistance to aid with meeting their payment obligations.

#### IV. PROCEDURE

A. All patients must fill out an FAA to be considered for Financial Assistance unless they are eligible for presumptive Financial Assistance (explained below in **Section V**).

#### B. Availability of the FAA

- The FAA is provided in each copy of the UofL Health “Patients’ Rights Packet”, which is given to patients following admission, and is also available at each registration desk.
- Signage that alerts patients to the availability of Financial Assistance and the FAA are posted throughout the emergency rooms. A patient also may receive a free paper copy of the FAA, FAP, and a plain language summary of the FAP upon request in all admissions areas and the emergency rooms, or by requesting that free copies be mailed to the patient by contacting:

UofL Health  
PO Box 2587  
Louisville, KY 40202  
(502) 681-1404

- Every billing statement issued by the UofL Health Hospitals includes the FAA.

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- The FAA, FAP and a plain language summary of this Policy are also available without charge on the UofL Health website at <https://uoflhealth.org/financial-assistance/>.

C. Completion and Submission of the FAA

- The completed FAA and supporting documents must be mailed to UofL Health at the address identified on the FAA.
- Financial counselors are available at each of the UofL Health Hospitals to provide information about the Policy and assistance with the FAA, if necessary. Patients also may contact financial counselors at the treating UofL Health Hospital by calling (502) 681-1440 or by email [FinancialAssistance@uoflhealth.org](mailto:FinancialAssistance@uoflhealth.org).

D. A completed FAA that is submitted during the Application Period will be considered based on the eligibility requirements identified in this Policy. If a patient submits an incomplete FAA during the Application Period, a Financial Counselor will notify the patient about the outstanding items and afford the patient more time to complete the FAA, regardless of whether the Application Period has ended. The UofL Health Hospitals also may consider complete FAAs that are received after the Application Period has expired.

E. The following criteria must be met for a patient to qualify for Financial Assistance:

- The patient is being treated for emergency and/or medically necessary care by one of the UofL Health Hospitals (including if such care is provided by a UofL Health Hospital at one of the UofL Health Medical Centers).
- The patient is not eligible for Medicaid, Medicare (including patients who may be “pending” approval for these programs), or any other government healthcare benefit program.
- The patient is Uninsured or Underinsured.
- The patient’s Family Income is at or below 300% of the Federal Poverty Guidelines in accordance with Exhibit 1.
- The patient/guarantor is unable to pay for services provided.
- The patient/guarantor is unable to accept an installment payment arrangement; and
- The patient has a minimum account balance of \$35.00. Multiple accounts may be combined to reach this amount. Patients with balances below this amount will be eligible for establishment of a payment plan.

F. To be eligible for Financial Assistance, patients must complete the FAA truthfully and submit all applicable documentation. Patients must respond to all UofL Health Hospital requests for information or documentation in a timely manner. Services rendered to patients who are eligible, but refuse to apply, for medical insurance or assistance programs sponsored by federal, state, or local government are excluded from this Policy. Further, if a patient knowingly provides false information, the patient will be ineligible for Financial Assistance, any Financial Assistance that has been granted may be reversed, and the individual may become responsible for paying his or her entire bill.

G. Patients who identify themselves or are identified by facility staff (e.g., medical or nonmedical staff, including physicians, nurses, financial counselors, social workers, case managers, and chaplains) to be considered for financial hardship or Financial Assistance will be required to submit a completed FAA and additional information. Each of the items that are required for consideration under this Policy are identified in the FAA and include the following:

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- IRS Form 4506-T (Request for Transcript of Tax Return) or a copy of the individual’s and family members’ most recently filed federal tax returns; and
- Two most recent paycheck stubs (if employed)

Other information may be requested from the applicant if needed to clarify information provided in the application and/or tax returns, such as copies of bank account statements, unemployment check documentation, Social Security check documentation, rental property documentation, mortgage statements, and real estate tax assessments.

H. A UofL Health Hospital may, at its discretion, rely on evidence of eligibility other than that described in the FAA or herein. Other evidentiary sources include:

- External publicly available data sources that provide information on the valuation of real property owned by the patient/guarantor.
- A review of the patient’s outstanding accounts for prior services rendered and the patient’s/guarantor’s payment history; and
- Evidence obtained through exploration of appropriate alternative sources of payment and coverage from public and private payment programs.

I. Services eligible under this Policy will be made available to the patient in accordance with financial need determined utilizing calculations based upon the Federal Poverty Guidelines in effect at the time of the determination, which are included on Exhibit 1 and updated annually.

- Patients whose Family Income is at or below 300% of the Federal Poverty Guidelines are eligible to receive full Financial Assistance in the form of free emergency or medically necessary care.

J. Once a patient has been determined to be eligible for Financial Assistance, the patient shall not receive any bills or statements from the treating UofL Health Hospital for the entirety of the Eligibility Qualification Period.

- However, the UofL Health Hospitals reserve the right to reevaluate an applicant’s eligibility for Financial Assistance during that period if any change to the applicant’s financial status is identified.

K. An applicant who is not granted Financial Assistance under this Policy may be offered a no- interest, extended payment plan with terms negotiated by the UofL Health Hospital and the applicant based on the applicant’s financial circumstances, medical costs, and other relevant factors. Individuals with questions regarding payment plan options may contact a UofL Health Hospital Financial Counselor.

## **V. PRESUMPTIVE FINANCIAL ASSISTANCE**

A. The UofL Health Hospitals recognize that not all patients and guarantors are able to complete the FAA or provide the requisite documentation. Advocates are available at each of the UofL Health Hospitals to assist any individual seeking application assistance. For patients and guarantors who are unable to provide the required documentation, the UofL Health Hospitals may grant presumptive Financial Assistance based on information obtained from other resources.

B. Presumptive eligibility may be determined based on the following:

- Recipient of state-funded prescription programs
- Homeless or one who received care from a homeless clinic
- Participant in Women, Infants, and Children programs

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- Eligible for food stamps
- Eligible for subsidized school lunch program
- Eligible for other state or local assistance programs (e.g., Medicaid spenddown)
- Low-income/subsidized housing is provided as a valid address
- Deceased with no known estate
- Reside in a zip code where the average household income does not exceed 300% of the Federal Poverty Guidelines.

C. If a patient has a remaining balance under a Self-Pay account and is subsequently determined to be eligible for Medicaid but such Medicaid coverage does not apply to the outstanding balance, then the patient may be determined to be presumptively eligible for Financial Assistance for the outstanding balance.

D. If the patient is determined to be presumptively eligible, they will be granted Financial Assistance for a period of six months ending on the date of presumptive eligibility determination. Financial Assistance will be applied to all eligible accounts incurred for services received six months prior to the determination date. The presumptively eligible individual will not receive Financial Assistance for emergency or medically necessary services rendered after the date of determination without completion of a new FAA or a new determination of presumptive eligibility.

**VI. NOTIFICATION**

A. Financial Counselors will review the submitted documentation to determine if the patient is eligible for Financial Assistance. The processes and timeframes for determining if an individual is FAP-Eligible are explained in the UofL Health Hospitals’ billing and collections policy (“**Billing and Collections Policy**”). The Billing and Collections Policy also explains the steps the UofL Health Hospitals may take in the instance of nonpayment after Revenue Cycle Management determines that reasonable efforts have been made to determine FAP-Eligibility. Individuals may receive a free copy of the Billing and Collections Policy on the UofL Health website at <https://uoflhealth.org/financial-assistance/> and upon request at any registration area. Any interested person may also call (502) 681-1404 to ask that a free copy be mailed to the individual. In addition, they will scan all documentation into the patient account(s) with appropriate documentation to ensure Financial Assistance remains in place over the subsequent six months.

B. Patients/guarantors will be notified within 30 days from the date of receipt of the completed application and required documentation.

C. Once a patient or their guarantor is deemed eligible for Financial Assistance, any open or unpaid account for services with the UofL Health Hospital that falls within the Eligibility Qualification Period will be reviewed to determine if the services qualify for Financial Assistance. In addition, patient statements will be stopped on accounts that qualify for Financial Assistance.

D. Accounts Receivable (AR) Operations staff will apply applicable discounts to patient accounts that fall within the Eligibility Qualification Period.

E. Patients who do not qualify for Financial Assistance may request a review of their application if there is a significant change in their financial status.

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## **VII. EMERGENCY MEDICAL CARE**

Consistent with EMTALA, each of the UofL Health Hospitals is required to provide, without discrimination, an appropriate medical screening for Emergency Medical Conditions to individuals, regardless of their ability to pay or any FAP-Eligibility determination. In light of this, the UofL Health Hospitals are prohibited from engaging in actions that discourage individuals from seeking care for Emergency Medical Conditions, such as demanding that patients in the emergency department pay prior to receiving treatment for Emergency Medical Conditions or permitting debt collection activities in the emergency rooms where such activities could interfere with the provision of emergency medical care.