



## Reduced Fee/Free Care Policy

### I. Policy

Grace Cottage Hospital/Grace Cottage Family Health (GCH/GCFH) is committed to providing Reduced Fee/Free Care to persons living within our service area 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. GCH/GCFH strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

The Reduced Fee/Free Care program is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with GCH's/GCFH'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. Individuals without the capacity to purchase insurance must first apply with the State of Vermont for assistive programs such as, Green Mountain Care, Catamount, or Medicaid. Grace Cottage Hospital/Grace Cottage Family Health has a list of available resources and programs upon request.

In order to manage its resources responsibly and to allow GCH/GCFH to provide the appropriate level of assistance to the greatest number of persons in need, the following guidelines for the provision of patient charity have been established.

### II. Definitions

For the purpose of this policy, the terms below are defined as follows:

**Reduced Fee/Free Care:** Reduced Fee/Free Care results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established criteria.

**Family:** A group of two or more people who reside together. 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.

**Family Income:** Family Income is determined using the following type of income when computing federal poverty guidelines:

- Money from wages and salaries before deductions.
- Net income from self-employment after deductions (excluding depreciation).
- Payments from Social Security, Railroad Retirement, Unemployment Compensation, Strike Benefits from Union Funds, Disability Benefits, Workmen's Compensation Earnings, Survivor Benefits, and Veteran Benefits.
- Public assistance payments include Aid to Families with Dependent Children, Supplemental Security Income, Educational Assistance, and General Assistance money payments.
- Alimony, Child Support, Military Family Allotments, and/or other regular support from an absent family member or someone not living in the household.
- Private Pensions, Government Employee Pensions or Retirement income, and Regular Insurance or Annuity Payments.
- Dividends, Interest, Rents, Royalties, or Periodic Receipts from Estates or Trusts.
- Net gambling or Lottery Winnings.
- Determined on a before tax basis.
- Excludes capital gains or losses.
- Noncash benefits (such as food stamps and housing subsidies) do not count.

**Uninsured:** The patient has no level of insurance or third party assistance to aid with meeting his/her payment obligations.



**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.

**Accounts Receivable (A/R):** Any amount owed to Grace Cottage Hospital as a result of providing health care services.

### III. Procedures

**A. Services Eligible Under this Policy.** For purposes of this policy, “Reduced Fee/Free Care” refers to healthcare services provided without charge or at a discount to qualifying patients. The following healthcare services are eligible for this benefit:

1. Emergency medical services provided in an emergency room setting;
2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
4. Medically necessary services, evaluated on a case-by-case basis at GCH’s discretion.
5. Services that are rendered up to one month prior to date of application. If there is a extenuating financial situation that dates back further than one month, the patient may submit a letter to the Finance Office for consideration of earlier accounts.

**B. Services Not Eligible Under this Policy.** The following healthcare services are not eligible for this benefit:

1. Non-emergent services that are not covered by patient’s primary insurance are not subject to this benefit when those charges are denied as a result of GCH/GCFH being a non-participating provider.
2. Non-urgent and non-emergent services to patients residing outside the service area, which is defined as:
  - Athens, Bellows Falls, Bondville, Brattleboro, Brookline, Cambridgeport, Chester, Dover, Dummerston, Grafton, Guilford, Jamaica, Londonderry, Manchester, Marlboro, Newfane, Peru, Putney, Saxtons River, Stratton, Townshend, Vernon, Wardsboro, Westminster, Wilmington, and Windham.
3. Services to a patient who may be eligible for standard VT Medicaid or VHAP benefits but refuses to apply for coverage, or services to out of state patients who must apply for Medicaid in their home state.
4. Insurance denials due to non-compliance with requirements.
5. Liability cases in which a lien has been filed.
6. Accounts where the insurance carrier has sent the payment to the patient, but the patient has not forwarded the payment in full to GCH/GCFH.

**C. Eligibility for Reduced Fee/Free Care.** Eligibility 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. Individuals with third party resources recoverable by GCH/GCFH (i.e. Medicare, VT Medicaid, private insurance, worker’s compensations, etc.) may still be eligible for discounts on the balance that the third party does not cover. The granting of this benefit 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.

#### **D. Determination of Financial Need.**

1. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may:
  - a. 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; Proof of Income is to include the following documentation:
    - W-2s, copies of pay stubs, etc. for the past 3 months and/or year to date income and we will estimate current annual income.



- Current Federal or State Tax Forms.
  - Unemployment Benefits Report.
  - Self Employed applicants must show current tax forms including a Schedule C and a statement indicating any changes to their income/expense status.
  - Social Security and other retirement benefit statements.
  - Copies of Child Support and/or Alimony checks.
  - Statements showing dividends, interest, rents, royalties, and periodic receipts from estates or trusts.
  - If you are not working or receiving any of the benefits above, please include a written statement as to how you are supporting yourself.
- b. Take into account the patient's available assets and all other financial resources available to the patient. Proof of assets and other financial resources available is to include the following documentation:
- 3 consecutive months' worth of Bank or other Financial Statements for all accounts within the household.
  - If self-employed, the above listed will be required for all Business Accounts as well as personal accounts.
  - Written documentation (tax bill, mortgage agreement, tax return) that clearly identifies Real Estate Value for all properties owned.
- c. Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.
- d. Application must be completed entirely and accompany all applicable documents to prevent delay in the application process.
2. It is preferred, but not required, that a request for Reduced Fee/Free Care and a determination of financial need occur **prior** to rendering of services. However, the determination may be done at any point in the collection cycle. If patient/guarantor is applying for services that have received more than one statement, the application will also need to include a letter documenting the circumstances surrounding the need of financial assistance: suddenly unemployed, illness causing inability to work, loss of insurance, etc. for consideration to be made on balances aged more than 30 days from the date of the application.
3. All approved Reduced Fee/Free Care applications will remain valid for one year after the signed date of the application, unless the patient's financial situation changes within that year. If within the eligibility year a patient's financial situation changes, it is required these changes be reported to GCH/GCFH and a new application be submitted to re-determine eligibility. GCH/GCFH will send out a renewal letter along with a new application 30-60 days prior to expiration of the current Reduced Fee/Free Care Application. Reduced Fee/Free Care determination can vary from year to year and will be based on financials and changes in the levels within the Federal Poverty Guidelines.
4. Any patient/guarantor denied for Reduced Fee/Free Care based on being over income or out of service area may submit a written request for consideration based on circumstances. Approval may then be granted on a case-by-case basis. Written confirmation of approval or denial of this consideration will be mailed to the patient and will include any additional terms it may include such as: reduction of specific encounter(s) only, a reduced percentage granted with stipulation balance is paid within set amount of days, Reduced Fee/Free Care granted for 1 year despite being out of service area with stipulation that once expired they will not be eligible again, etc.
5. GCH/GCFH's values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of Reduced/Free Care. Requests for such shall be processed promptly and GCH/GCFH shall notify the patient or applicant in writing within 30 days of receipt of a completed application.
6. Any patient/guarantor who have been approved for any discounts under 100% will be required to pay the remaining balance in full or set up and fulfill a payment plan within 60 days of approval or risk forfeiture of Reduced/Free Care Benefits. Once determination is made the patient/guarantor will be contacted via phone requesting either payment in full or an acceptable payment plan in accordance with GCH/GCFH Collections Policy. Payment plan agreements will then be included within the acceptance letter and two copies will be mailed to the patient/guarantor allowing one for their records and for the other to be signed and returned to GCH/GCFH. The acceptance letter signed by patient/guarantor and GCH/GCFH staff will be kept on file and serve as a promissory note for balances owed.



**E. Patient Reduced Fee/Free Care Guidelines.** 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), outlined in the Federal Poverty Guidelines, in effect at the time of the determination, as follows:

1. Patients whose family income is at or below 140% of the FPL are eligible to receive Free Care;
2. Patients whose family income is above 140% but not more than 300% of the FPL are eligible to receive services at a Reduced Rate based on a Sliding Fee Schedule.
3. Patients whose family income exceeds 300% 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 GCH/GCFH.

**F. Communication of the Reduced Fee/Free Care Program to Patients and the Public.** Notification about Reduced/Free Care is available from GCH/GCFH, which shall include a contact number, shall be disseminated by GCH/GCFH 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, admitting and registration departments, billing department, and financial offices that are located throughout the facility. Information shall also be included on facility websites. Such information shall be provided in the primary languages spoken by the population serviced by GCH/GCFH. A request for Reduced Fee/Free Care may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

**G. Relationship to Collection Policies.** GCH/GCFH management shall develop policies and procedures for internal and external collection practices that take into account the extent to which the patient qualifies for Reduced/Free Care, a patient's good faith effort to apply for a governmental program, and a patient's good faith effort to comply with his or her payment agreements with GCH/GCFH.

1. Neither GCH/GCFH nor its agents shall pursue collection actions against patients for amounts qualifying them for financial assistance. If the patient/guarantor is unable to pay the balance in full after Reduced Fee has been applied, the patient/guarantor will be required to set up and fulfill an acceptable payment plan as defined in GCH/GCFH Collection Policy. Any Patient making acceptable monthly payments on their balance will not be at risk for further collection actions and/or forfeiting their Reduced Fee/Free Care. However, any balance remaining after discount that goes unpaid as agreed upon will follow the collection actions outlined in GCH/GCFH Collection Policy. Failure to resolve the balance in full or to pay the missed payment will result in forfeiture of Reduced/Free Care Benefits. Reduced/Free Care adjustments will be reversed, the balance after the Reduced Fee adjustments are reversed will be removed from A/R and will be placed with a collections agency for further collection actions. Forfeiture of Reduced/Free Care Benefits will result in the patient/guarantor not being eligible again in the future until a substantial payment and/or effort is put forth to rectify this balance.

**H. Regulatory Requirements.** In implementing this Policy, GCH/GCFH 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.

**\*A LARGE PRINT VERSION OF THIS POLICY IS AVAILABLE UPON REQUEST\***