

## POLICY AND PROCEDURE DIRECTIVE

**Subject:** Charity Care/Financial Assistance

**Date:** January 1, 2023

**I.** This memorandum rescinds any previous publication covering the same material.

**II.** Purpose:

The purpose of the Brookwood Baptist Health financial assistance policy is to ensure that all patients are provided with needed medical care, regardless of their ability to pay. Patients qualifying for Brookwood Baptist Health financial assistance receive discounted care at any time during the revenue cycle process under this policy. This policy is designed to be compliant with applicable federal and state laws. Assistance provided under this policy is extended with the expectation that patients will cooperate with application procedures for Brookwood Baptist Health financial assistance or other forms of payment that may be available to cover the cost of care.

**III.** Persons Affected:

This policy is applicable to all patients, associates, finance, and administrative staff.

**IV.** Policy:

A. Policy:

1. Eligible services:

- a) Services eligible under this financial assistance policy include the following.
  1. Medical services provided in compliance with EMTALA (Emergency Medical Treatment and Labor Act). Care will continue until the patient's condition has been stabilized prior to any determination of payment arrangements.
  2. Services for a condition that, if not treated promptly, would lead to an adverse change in the health status of a patient.

3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting.
  4. Services typically defined by health insurance coverage as “covered items or services,” including items and services covered by Medicare.
  5. Other medically necessary services.
- b) Services not eligible for financial support include the following.
1. Elective procedures not medically necessary.
  2. Other care providers not billed by Brookwood Baptist Health (e.g., independent physician services, ambulance transport services, etc.) Patients must contact the service providers directly to inquire into assistance and negotiate payment arrangements with these practices.
  3. None of our providers are covered under this Financial Assistance Policy as this policy covers only hospital services. If you have any questions please feel free to contact our financial counselors for Baptist Princeton, Shelby, Walker or Citizens at 800-443-1039 or 205-599-1216. For Brookwood Medical Center, please call 205-877-1926.
2. Eligibility criteria:
- a) Financial assistance will be extended to patients, or a patient’s guarantor, in accordance with Brookwood Baptist Health policy. Eligibility will be considered for those individuals who are uninsured or underinsured and unable to pay for their care. Eligibility will be based on a combination of family income and assets.
  - b) Financial assistance will be extended to patients, or a patient’s guarantor, in compliance with federal and state laws. It will be based on financial need and without regard to race, ethnicity, religion, creed, gender, age, social or immigration status, residency, sexual orientation or insurance status.
  - c) Applicants for financial assistance are responsible for applying to public programs for available coverage, if applicable, as well as for pursuing public or private health insurance payment options for care identified by Brookwood Baptist Health.
  - d) Patients, or patient’s guarantors, who choose not to cooperate in applying for programs that may pay for the cost of care provided by Brookwood Baptist Health, may be denied financial assistance.

- e) In accordance with FEDERAL EMERGENCY MEDICAL TREATMENT AND LABOR ACT (EMTALA) regulations, Brookwood Baptist Health will not delay examination or treatment in order to inquire about methods of payment or insurance coverage.
  - f) Patients, or patient's guarantors, must cooperate with the procedures to obtain financial assistance and are expected to contribute to the cost of their care based on their individual ability to pay.
3. Assistance criteria:
- a) The federal poverty level will be used to determine a patient's eligibility for financial assistance. The type of assistance to be provided will be based on a combination of family income and assets.
  - b) Free Care Program – Patients, or their guarantors, with family income that falls below 200% of the federal poverty level, and with assets totaling less than the equivalent of 100% of the Federal Poverty Level, will be eligible for the Free Care Program.
  - c) Discount Care Program - Patients, or their guarantors, with family income that falls between 200% - 300% of the federal poverty level, and with assets totaling less than the equivalent of 100% of the Federal Poverty Level, will be eligible for the Discount Care Program.
    - 1. For eligible services, accounts will be adjusted to the Medicare prospective methodology. Accounts will be adjusted further, according the schedule outlined below:
      - a. Family income of 200% to 225% FPL- Adjust balance down to the Medicare prospective methodology, then extend an additional 75% discount on patient balance.
      - b. Family income of 226% to 260% FPL- Adjust balance down to the Medicare prospective methodology, then extend an additional 50% discount on patient balance.
      - c. Family income of 261% to 300% FPL - Adjust balance to the Medicare prospective methodology, then extend an additional 25% discount on patient balance.

d) Medical Indigent Discount Program - Financial assistance is typically provided in accordance with the established criteria, however there may occasionally be the need to grant assistance to applicants with family income exceeding 300% FPL.

1. Patients, or their guarantors, with family income exceeding 300% FPL and balances due Brookwood Baptist Health that exceed \$5,000 will be eligible for the Medical Indigent Discount Program. Under the Medical Indigent Discount Program, the patient payment obligation will be limited to a maximum of 20% of family income.

4. Emergency medical services:

- a) Brookwood Baptist Health will provide individuals requesting emergency care, or those for whom a representative has made a request if the patient is unable, a medical screening examination to determine whether an emergency medical condition exists. Brookwood Baptist Health will not delay examination or treatment in order to inquire about methods of payment or insurance coverage, or a patient's citizenship or legal status.
- b) Brookwood Baptist Health will treat an individual with an emergency medical condition until the condition is resolved or stabilized and the patient is able to provide self-care following discharge, or if unable, can receive needed continual care. Appropriate inpatient care will be provided for all patients, regardless of ability to pay. No patient will be discharged with an emergency medical condition prior to stabilization if the patient's insurance is canceled or otherwise discontinues payment during course of stay.
- c) If a Brookwood Baptist Health hospital does not have the capability to treat the emergency medical condition, it will make an appropriate transfer of the patient to another hospital with sufficient capability.

5. Amounts billed to eligible patients:

- a) The amount generally billed or to be collected from patients eligible for financial assistance for eligible services will not exceed the rate paid by the Medicare prospective methodology. No patients found eligible for financial assistance will be billed gross charges for eligible services provided by Brookwood Baptist Health while receiving financial assistance.

B. Procedure:

1. Application and documentation:

- a) All applicants must complete the Brookwood Baptist Health Financial Assistance application form and provide the following documents when applying for financial assistance:
  1. Income information such as the most recent income tax return, current pay stubs or direct deposit statements, and for applicants with self-employment income, documentation of income.
  2. Asset information such as personal bank account statements, IRA's and other retirement plans and/or pension plans, and real property (incl. recreational vehicles).
- b) The Brookwood Baptist Health policy provides for the protection of equity in a primary residence.
- c) The Brookwood Baptist Health financial assistance application form must be completed and documentation provided in order for a request to be considered. Financial assistance applications are to be submitted to the following office:

Brookwood Baptist Medical Center  
Centralized Financial Assistance Center  
PO Box 223849  
Dallas, TX 75222-3849

Citizens Baptist Medical Center, Princeton Baptist Medical Center,  
Shelby Baptist Medical Center, and Walker Baptist Medical Center  
Brookwood Baptist Health  
833 Princeton Ave SW  
Professional Office Building III, Suite 300  
Birmingham, AL 35211

- d) The financial assistance application form must be completed and documentation provided in order for a request to be considered. Any applications returned requiring additional information will be held for 14 days from the date the letter was mailed to the applicant requesting this information. If the information is not received within 14 days, collection actions may be initiated.

- e) Once an eligibility determination has been made, the patient will be notified in writing. If eligibility is approved, the patient will be granted financial assistance for a period of up to three (3) months, except in the case for patients of Hope Clinic, Faith Clinic and the Walker Cancer Center where eligibility will be granted for a twelve (12) month period from the application approval date.
- f) Financial assistance will also be applied to all eligible accounts incurred for services received three (3) months prior to application date, except in the case of patients of Hope Clinic, Faith Clinic and the Walker Cancer Center where it will be applied to all eligible accounts incurred for services received (12) months prior to the application date.
- g) Patient payments made prior to financial assistance eligibility determination for qualifying accounts will be refunded to the patient if the patient qualifies for the Brookwood Baptist Health Free Care financial assistance program.
- h) If denied eligibility for any of the financial assistance offered by Brookwood Baptist Health, the patient or the patient's guarantor may re-apply at any time there has been a significant change of income or status. Payment made in excess of the amount determined owed by a patient found eligible for financial assistance due to a change in income or status will not be refunded.

2. Presumptive eligibility:

- a) Brookwood Baptist Health recognizes that not all patients, or a patient's guarantors, are capable of completing a financial assistance application or providing requisite documentation. For patients, or a patient's guarantors, unable to provide required documentation, Brookwood Baptist Health may grant financial assistance. In particular, presumptive eligibility may be determined on the basis of individual life circumstances, and may be granted to patients based on their eligibility for other programs such as:
  - 1. Homelessness or receipt of care from a homeless clinic;
  - 2. SNAP (Supplemental Nutritional Assistance Program, formerly known as Food Stamps) benefits; or
  - 3. Incarceration in a correctional institution.

- b) Brookwood Baptist Health may utilize a third-party to review information on non-responsive patients, or the patient's guarantors, in order to assess financial need. This review provides information that enables Brookwood Baptist Health to make an informed decision on the financial need of non-responsive patients utilizing the best estimates available in the absence of information provided directly by the patient.
- c) This review utilizes a healthcare industry-recognized, predictive model that is based on public record databases. The model incorporates public record data to calculate a socio-economic and financial capacity score that includes estimates for income, assets and liquidity. The model's rule set is designed to assess each patient to the same standards and is calibrated against historical financial assistance approvals for Brookwood Baptist Health. The predictive model enables Brookwood Baptist Health to assess whether a patient is characteristic of other patients who have historically qualified for financial assistance under the traditional application process.
- d) Information from the predictive model may be used by Brookwood Baptist Health to grant presumptive eligibility in cases where there is an absence of information provided directly by the patient. After efforts to confirm coverage availability, the predictive model provides a systematic method to grant presumptive eligibility to financially needy patients.
- e) In the event a patient does not qualify under the presumptive rule set, the patient may still provide requisite information and be considered under the traditional financial assistance application process.
- f) Patient accounts granted presumptive eligibility will be reclassified under the financial assistance policy. These accounts will be approved for full financial assistance, will not be sent to collection, and will not be included in bad debt expense.
- g) Presumptive screening provides benefit to the community by enabling Brookwood Baptist Health to systematically identify financially needy patients, reduce administrative burdens, and provide financial assistance to patients and the guarantors, some of whom not have been responsive to the financial assistance application process.



3. Other Qualifying Programs

- a) Brookwood Baptist Health will grant eligibility for financial assistance to patients who are beneficiaries of the AL Medicaid Program for services eligible under this policy but not covered by AL Medicaid. Financial assistance will also be granted for co-payments associated with inpatient hospital services for patients who are unable to pay these fees at the time of service or after having been issued an invoice for them.

4. Notification about financial assistance:

- a) Brookwood Baptist Health widely publicizes our financial assistance policy. Information on financial assistance, including a description of the application process and financial assistance applications, is posted on Brookwood Baptist Health websites. Notices on the availability of financial assistance includes but are not limited to postings in patient admission and registration areas, in the patient handbook provided at the time of inpatient admission, and included with patient invoices and billing statements. Additional or substituted measures may be used by Brookwood Baptist Health as appropriate.
- b) A request for financial assistance may be made by the patient, a patient's guarantor, a family member, close friend, or associate of the patient, subject to applicable privacy laws. Brookwood Baptist Health will respond to any oral or written requests for more information on the financial assistance policy made by a patient or any interested party.

5. Appeals and dispute resolution:

- a) Patients may seek a review from the Brookwood Baptist Health in the event of a dispute over the application of this financial assistance policy. Patients denied financial assistance may also appeal their eligibility determination.
- b) Disputes and appeals may be filed by contacting the Director of Revenue Analysis. The basis for the dispute or appeal should be in writing and submitted within 30 days of the patient's experience giving rise to the dispute or notification of the decision on financial assistance eligibility.



- c) Disputes or appeals should be submitted to the following office:

Brookwood Baptist Medical Center  
*Centralized Financial Assistance Center*  
*PO Box 223849*  
*Dallas, TX 75222-3849*

Citizens Baptist Medical Center, Princeton Baptist Medical Center,  
Shelby Baptist Medical Center, and Walker Baptist Medical Center  
*Brookwood Baptist Health*  
*833 Princeton Ave SW*  
*Professional Office Building III, Suite 300*  
*Birmingham, AL 35211*

6. Collection policy:

- a) Brookwood Baptist Health's collection policy is designed to comply with federal and state laws and regulations governing healthcare billing and collections.
- b) No extraordinary collection actions will be pursued against any patient within 120 days of issuing the initial bill. During this time, Brookwood Baptist Health will make reasonable efforts to determine whether that patient is eligible for financial assistance. Reasonable efforts shall include, but not be limited to, validating that the patient owes the unpaid bills and that all sources of third-party payments that have been identified by the patient, or patient's guarantor, have been billed by Brookwood Baptist Health, as well as informing patients of the Brookwood Baptist Health financial assistance policy and screening for presumptive eligibility prior to sending the accounts of uninsured patients to bad debt.
- c) Brookwood Baptist Health will refrain from pursuing extraordinary collection actions against any patient, or patient's guarantor, who has applied for health care coverage under Medicaid or other publicly sponsored health care programs and is awaiting a decision on the application.
- d) Brookwood Baptist Health policy regarding care for emergency medical conditions prohibits demanding payment prior to a patient receiving services, or permitting collection activities that could interfere with provision of emergency medical care.

- e) Brookwood Baptist Health policy requires that information on financial assistance be included in all invoices sent to patients informing them of any outstanding balance due. The following collection actions may be utilized by Brookwood Baptist Health when pursuing payment from patients: the use of third party collection agencies, credit reporting, garnishments, and liens on insurance settlements associated with the medical treatment for which there is an outstanding balance. Brookwood Baptist Health may sell patient accounts, in the event that a patient has made no attempt to resolve accounts due and there has been no activity on the account for at least 360 days.
  - f) No collection agency, law firm, or individual may initiate legal action for non-payment of a Brookwood Baptist Health bill against a patient, or patient's guarantor, without the written approval of an authorized Brookwood Baptist Health employee.
7. Regulatory requirements:
- a) In implementing this policy, Brookwood Baptist Health management will comply with federal and state laws, rules, and regulations that may apply.
8. Record keeping:
- a) Brookwood Baptist Health will document all financial assistance in order to maintain proper controls and meet all internal and external compliance requirements.
9. Policy approval:
- a) The Brookwood Baptist Health financial assistance policy is subject to periodic review and may be revised at any time as business needs require. Any changes to the policy must be approved by the Brookwood Baptist Health Chief Financial Officer, Brookwood Baptist Medical Center Chief Financial Officer and Brookwood Baptist Medical Center Administrative P&P Committee.

C. Definitions:

1. The following definitions are applicable to all sections of this policy.
  - a) Amount Generally Billed: The amount generally billed is the expected payment from patients, or a patient's guarantor, eligible for financial assistance. This amount will not exceed the Medicare prospective methodology.
  - b) Assets: Assets are defined as property outside primary residence, which includes personal bank accounts with balances exceeding daily living expenses, IRA's, retirement plans and/or pension plans, and real property (incl. recreational vehicles).
  - c) Discount Care Program: Financial assistance that provides a percentage discount, based on a sliding scale, for eligible patients, or patient guarantors, with annualized family incomes between 200-300% of the Federal Poverty Level.
  - d) Emergency Medical Condition: As defined in Section 1867 of the Social Security Act (42 U.S.C. 1395dd).
  - e) Family: As defined by the U.S. Census Bureau, a group of two or more people who reside together and who are related by birth, marriage, or adoption. If a patient claims someone as a dependent on their income tax return, according to the Internal Revenue Service rules, they may be considered a dependent for the purpose of determining eligibility under the Brookwood Baptist Health financial assistance policy.
  - f) Family Income: An applicant's family income is the combined income from all adult members of the family living in the household and included on the most recent federal income tax return. For patients under 19 years of age, who are not emancipated, family income includes that of the parents and/or step-parents, caretaker relatives, or legal guardians.
  - g) Federal Poverty Level: The Federal Poverty Level (FPL) uses income thresholds that vary by family size and composition to determine who is in poverty in the United States. It is 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. Current FPL guidelines can be referenced at <http://aspe.hhs.gov/POVERTY/>

- h) Financial Assistance: Assistance provided to eligible patients who would otherwise experience financial hardship if expected to pay the full cost of medically necessary services provided by Brookwood Baptist Health.
- i) Free Care Program: Fully discounted financial assistance provided to eligible patients, or their guarantors, without insurance and with family income that falls below 200% of the federal poverty level.
- j) Gross charges: Total charges at full established rate for the provision of patient care services before deductions from revenue are applied.
- k) Guarantor: An individual other than the patient who is responsible for payment of the patient's bill.
- l) Medical Indigent Discount Program: Financial assistance provided to eligible patients with annualized family incomes in excess of 300% of the Federal Poverty Level and financial obligations resulting from medical services provided by Brookwood Baptist Health that exceed \$5,000.
- m) Medically Necessary: As defined by Medicare as services or items reasonable and necessary for the diagnosis or treatment of illness or injury.
- n) Underinsured Patient: An individual, with private or public insurance coverage, for whom it would be a financial hardship to fully pay the expected out-of-pocket expenses for medical services provided by Brookwood Baptist Health.
- o) Uninsured Patient: A patient with no third-party coverage provided through a commercial third-party insurer, an ERISA plan, a Federal Health Care Program (including without limitation Medicare, Medicaid, SCHIP, and CHAMPUS), Worker's Compensation, or other third party assistance to assist with meeting a patient's payment obligations.