

Title: Financial Assistance Policy		Document Owner: Janice Amitrano	
Department: Patient Financial Services			
Category Titles: Administrative			
Created: 12/21/2021	Effective: 01/01/2022	Approved: 12/30/2021	Review: 12/30/2024 12/01/2021
Policy #: 5146	Version: 9	Page: 1 of 9	
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## Policy:

CentraState, and any other substantially related entities (as defined under the Internal Revenue Code (“IRC”) §501(r) final regulations), will comply with the Internal Revenue Service requirements for IRC §501(c)(3) hospitals under the Affordable Care Act (Internal Revenue Code §501(r)), New Jersey Hospital Care Payment Assistance Program (N.J.A.C. 10:52) and New Jersey Uninsured Discount (Public Law 2008, Chapter 60). CentraState, and any substantially related entity, will herein be referred to collectively as CentraState throughout this Policy.

CentraState will provide, without discrimination, essential emergency healthcare services to individuals regardless of ability to pay. CentraState complies with all of the standards set forth in the Federal Emergency Medical Treatment and Active Labor Act (“EMTALA”).

It is the policy of CentraState to ensure that all patients receive essential emergency and other medically necessary healthcare services regardless of their ability to pay. Financial assistance is available through a variety of programs for uninsured and underinsured individuals who do not have the ability to pay for all or part of the hospital services provided.

Financial Assistance and discounts are available under this Policy only for emergency or other medically necessary healthcare services. Not all services provided in CentraState’s hospital facility and offsite facilities are covered under this Policy and may not be eligible for financial assistance through CentraState. Please refer to Appendix A for a list of providers that provide emergency or other medically necessary healthcare services at CentraState. This appendix specifies which providers are covered under this Policy and which are not. The provider listing will be reviewed quarterly and updated, if necessary.

## Purpose:

To clearly communicate the availability of financial assistance to patients and prospective patients. CentraState will assist patients in enrolling in public assistance medical plans and will facilitate the financial assistance process.

## Procedure:

CentraState offers financial counseling to patients and families before, during, or after their services.

1. Scheduled elective Inpatients and Outpatients will be contacted as soon as possible prior to scheduled services.

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2. Inpatients shall be provided financial counseling as soon as possible during Inpatient stays, on regular business days.
  
3. For any scheduled elective Inpatients or Outpatients or any Inpatients not counseled during their stay, and for all other patients (including Emergency Room patients), financial counseling shall be offered by phone, mail or in person. Patients are provided, on each bill, a phone number to call a financial counselor.
  
4. Financial counselors are available at the Medical Center for in person screenings.

During the financial counseling process, CentraState will screen the patient for eligibility in public assistance programs, including Medicare, Medicaid, the Catastrophic Illness Fund for Children, and the Violent Crimes Compensation Office, the Health Resources & Services Administration Covid 19 program, and any other applicable Federal or State of NJ programs. CentraState will assist the patient with the enrollment process for any programs for which the patient has probable eligibility.

If ineligible for the public assistance programs mentioned above, CentraState will screen the patient for income and asset eligibility under the New Jersey Hospital Care Payment Assistance Program (“Charity Care”). The patient will be advised, as indicated on the New Jersey Hospital Assistance Program Application for Participation (“Application”), that it is his/her responsibility to provide the documentation of residency, identification, income, assets, etc. required (described below).

If the patient is uninsured, CentraState will determine eligibility for reduced charges, specifically 115% of Medicare rates, in accordance with the New Jersey Uninsured Discount. The patient will self-report their gross income during the financial counseling interview. In the absence of a financial counseling interview (as in the case of an emergency room visit), CentraState will routinely bill the patient at 115% of Medicare reimbursement rates.

**Eligibility Criteria:**

**Charity Care**

Charity Care assistance is free or reduced charge care which is available to patients who receive inpatient and outpatient services at acute care hospitals throughout the State of New Jersey.

Charity Care is available to New Jersey residents who:

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1. Have no health coverage or have coverage that pays only part of the bill;
2. Are ineligible for any private or governmental sponsored coverage (such as Medicaid); and
3. Meet the income and assets criteria described below.

Charity Care may be available to non-New Jersey residents, subject to specific provisions (such as emergency medical conditions).

Income Criteria - Patients with family gross income less than or equal to 200% of the Federal Poverty Guidelines (“FPG”) are eligible for 100% charity care coverage. Patients with family gross income greater than 200% but less than or equal to 300% of FPG are eligible for discounted care under the Charity Care program. Free or discounted charges are determined by the following fee schedule:

<b>Income as a Percentage of HHS Poverty Income Guidelines</b>	<b>Percentage of Medicaid Rate Paid by Patient</b>
Less than or equal to 200%	0% of Medicaid Rate
Greater than 200% but less than or equal to 225%	20% of Medicaid Rate
Greater than 225% but less than or equal to 250%	40% of Medicaid Rate
Greater than 250% but less than or equal to 275%	60% of Medicaid Rate
Greater than 275% but less than or equal to 300%	80% of Medicaid Rate
Greater than 300%	Uninsured Discount Rate Available

Assets Criteria – A patient’s individual assets cannot exceed \$7,500 and family assets cannot exceed \$15,000 as of the date of service in order to be eligible. Spend down of assets, through partial payment of the hospital bill is allowed to enable the patient to qualify for Charity Care. The amount for which the patient is responsible after partial charity care shall be limited to 30% of income.

New Jersey Uninsured Discount

The New Jersey Uninsured Discount is available to uninsured patients whose family gross income is less than 500% of FPG. However, CentraState offers discounted rates to all uninsured individuals (outlined below).

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**Calculation of Amounts Billed to Patients:**

1. Uninsured Patients Eligible for Charity Care

- a. Uninsured patients who qualify for full or partial Charity Care will have their bills reduced from 20% -100% based upon based upon the Charity Care criteria (discussed above).

2. Uninsured Patients not Eligible for Charity Care

- a. Uninsured patients with family gross income between 301%-500% of FPG will be provided a significant discount, in accordance with the New Jersey Uninsured Discount, and will be billed at 115% of the Medicare rate for Inpatient and Outpatient services. If a Medicare rate is not established for a given service, 150% of the Medicaid cost-to-charge ratio for the appropriate date of service (for outpatients) or 115% of the Medicaid DRG rate (for inpatients) will be utilized. All billings at 115% of Medicare reimbursement rates are subject to verification, if the patient is found to have income over 500% of FPG, the bill will be recalculated at a higher rate. Please see 2b below.
- b. Uninsured patients with income over 500% of FPG will be provided a significant discount, and be billed at 150% of the Medicare rate for Inpatient and Outpatient services. If a Medicare rate is not established for a given service, the 150% of the Medicaid cost-to-charge ratio for the appropriate date of service (for outpatients) or 150% of the Medicaid DRG rate (for inpatients) will be utilized. This discount is also available to insured patients whose insurance benefits have been exhausted or for non-covered services, excluding cosmetic surgery cases.

3. Underinsured Patients Eligible for Charity Care

- a. Insured patients who qualify for Charity Care will have deductibles, copays, coinsurance or other out of pocket expenses discounted at the appropriate percentage.

4. Amounts Generally Billed (“AGB”)

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- a. Pursuant to Internal Revenue Code §501(r)(5), in the case of emergency or other medically necessary care, patients eligible for financial assistance under this Policy will not be charged more than an individual who has insurance covering such care.
- b. All patients eligible for assistance under this Policy may be eligible for this discount. This includes all uninsured patients and underinsured patients if their family gross income is greater than 200% but less than or equal to 300% of FPG.
- c. CentraState has adopted the look-back method to calculate its AGB percentage of 29.4%. The AGB percentage is calculated annually and is based on all claims allowed by Medicare fee-for-service plus all Private Health Insurers over a 12 month period, divided by the gross charges associated with these claims. The applicable AGB % will be applied to gross charge to determine the AGB.

Any patient eligible for financial assistance will always be charged the lesser of AGB or any discounted rate available under this Policy.

**Method for Applying for Financial Assistance:**

Patients who meet the eligibility criteria for Charity Care must submit a completed Application. As previously mentioned, a completed Application must include certain required documents. The following documentation is required:

- Proof of Identification;
- Proof of Income;
- Proof of Assets; and
- Proof of New Jersey residency.

Please refer to the Application which further outlines the documents required for submission. Additional documents may be required depending on the individual applicant’s circumstances.

An individual may apply for Charity Care within the following timeframes, whichever is longest:

1. Within 240 days from the date of the first post-discharge billing statement; or
2. Within 1 year (365 days) from the date of service.

Applicants will be notified of their financial assistance determination (approvals or denials) in writing within 10 business days from the day the applicant submits a completed Application. If the Application does not include

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sufficient documentation to make the determination (“incomplete Application”) the applicant will be notified. This written notification will describe the additional information and/or documentation needed to make an eligibility determination, as well as include a copy of the CentraState Plain Language Summary (“PLS”), which is defined later in this Policy.

Applicants may submit the missing/additional documentation within one year of the original application date, if the original application date was within one year of date of service.

The Application is available on CentraState’s website: <http://www.centrastate.com>.

Additionally, individuals may request an application by calling CentraState’s Patient Financial Counseling Department at (732) 294-2641 or Patient Financial Services at (732) 294-7065.

Paper copies of the Application are also available at the following location:

CentraState Medical Center  
Financial Counseling Department  
1st Floor (Next to Admitting)  
901 West Main Street  
Freehold, New Jersey 07728

Financial counselors are available at the Medical Center for help, assistance or questions.

Completed Applications (with all documentation/information) should be mailed to:

CentraState Medical Center  
Attn: Financial Counseling  
901 West Main Street  
Freehold, New Jersey 07728

### **Widely Publicizing the FAP, Application and PLS:**

The PLS is a written statement that notifies an individual that the hospital facility offers financial assistance and provides information regarding this Policy in language that is clear, concise and easy to understand.

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CentraState translates its FAP, Application and PLS in other languages wherein the primary language of CentraState’s primary service area represents 5% or 1,000 individuals; whichever is less. Translated versions are available upon request or on the following website: <http://www.centrastate.com>.

Paper copies of the FAP, Application and the PLS are available upon request without charge by mail and are available in at various areas throughout the hospital facility which include the emergency department, admissions/registration departments and financial counseling department.

All patients will be offered a copy of the PLS as part of the intake or discharge process.

Signs or displays will be conspicuously posted in public hospital locations that notify and inform patients about the availability of financial assistance.

CentraState will also make reasonable efforts to inform members of the community about the availability of financial assistance.

**Billing and Collection Procedures:**

1. Patients shall be billed routinely for unpaid balances and shall be notified of any impending collection or legal action. Patients shall be provided with contact information to discuss any questions or problems.
2. Patient bills shall indicate the availability of payment schedules. Upon patient request, the following payment schedule for balances of at least \$100 may be agreed upon:

<b>Balance</b>	<b>Monthly Payment</b>
\$100-\$450	¼ of balance
\$451-\$3000	1/12 of balance
Over \$3000	Minimum of \$250 per month or 1% of gross income/month, whichever is more

If the patient and CentraState representative mutually agree on a payment schedule and payments are received as agreed, further collection action will not be taken.

Exceptions to the schedule above may be made by the Supervisor, Credit or his superiors upon the request of the patient, and documentation by the patient of inability to pay according to the established schedule.

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If, at the end of the financial screening attempts and billing cycle, the patient has not been approved for financial assistance and/or is not on a payment plan, or after there has been a default in payment, the Credit Department will determine if the account will be assigned to a collection agency and/or attorney for collection.

**Compliance with Internal Revenue Code §501(r)(6):**

Patients will be notified of the existence of financial assistance before any Extraordinary Collection Actions (ECAs), as defined in Internal Revenue Code §501(r)(6) are taken.

CentraState will not engage in any ECAs prior to the end of the “Notification Period”. The date of the first post-discharge patient billing statement will mark the beginning of the 120-day Notification Period during which no ECAs will be undertaken. Subsequent to the Notification Period, collection agencies and/or attorneys may pursue collection of the account on CentraState’s behalf. Writs of bodily attachments and foreclosure on a primary residence will not be utilized.

Patients will be given written notice at least 30 days prior to the initiation of any ECAs. The written notice will include the PLS, identify the ECA(s) that CentraState intends to initiate and the deadline date after which such ECA(s) may be undertaken.

If an incomplete Application is submitted, CentraState or any third parties acting on their behalf, will suspend any ECAs to obtain payment for a reasonable amount of time until or until a financial assistance eligibility determination is made.

Once a completed Application is received, CentraState will:

1. Suspend any ECAs against the individual (any third parties acting on their behalf will also suspend ECAs undertaken);
2. Make and document an eligibility determination in a timely manner; and
3. Notify the responsible party or individual in writing of the determination and basis for determination.

If a patient is deemed eligible for financial assistance, CentraState will:

1. Provide a billing statement indicating the amount the eligible individual owes, how that amount was determined and how information pertaining to AGB may be obtained;

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2. Refund any excess payments made by the individual; and
3. Work with third parties acting on CentraState's behalf to take all reasonable available measures to reverse any ECAs taken against the patient to collect the debt.

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