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 Tags Policy

## Financial Assistance Policy

### SCOPE

This policy applies to all PeaceHealth settings and services in the location(s) checked below:

✓ Ambulatory Surgery Center	✓ PeaceHealth Medical Group
✓ Cottage Grove Medical Center	✓ Sacred Heart RiverBend
✓ Ketchikan Medical Center	✓ Southwest Medical Center
✓ Ketchikan Long Term Care	✓ St. John Medical Center
✓ Peace Harbor Medical Center	✓ St. Joseph Medical Center
✓ Peace Island Medical Center	✓ System Services Center
✓ PeaceHealth Home & Community	✓ United General Medical Center
✓ PeaceHealth Laboratories	

### PURPOSE

The purpose of this policy is to provide information about Financial Assistance programs offered by PeaceHealth that assist guarantors, provide patients with medical management, and support the financial stability of PeaceHealth

### DEFINITIONS

- **Extenuating Circumstances/Catastrophic:** Consideration of additional factors in determining the patient portion of an account qualifying for less than 100% coverage under the Financial Assistance Policy. Factors include: remaining balance after all reductions, household income,

and medical status of patient/family.

- **Extraordinary Collection Actions (ECA):** (i) actions requiring a legal or judicial process, including but not limited to placing a lien on property, attaching bank accounts, filing civil action under contract law, or garnishing wages; and (ii) reporting adverse information to a credit agency/bureau. PeaceHealth or its contracted collection agencies may take the listed actions for unpaid accounts subject to any court-required approvals.
- **Financial Assistance:** A PeaceHealth program through which emergent, medically necessary, and some preventative services are provided by PeaceHealth at a reduced cost or without charge when it has been determined that payment for those services cannot be obtained through insurance, outside agencies, or private means.
- **Financial Counseling:** A process of working with our patients in a compassionate and caring manner to identify options for resolving their PeaceHealth financial obligations.
- **Guarantor:** A person age 18 or over, regardless of marital status, who has legal financial responsibility for services provided.
- **Household:** Persons related by birth, marriage, or adoption residing in the home.
  - A household does not include any of the following people:
  - Roommates
  - Guarantor's unmarried partner, unless they have a child together and the child is the patient
- **Income:** Total cash receipts before taxes derived from wages and salaries, welfare payments, Social Security payments, strike benefits, unemployment or disability benefits, child support, alimony, and net earnings from business and investment activities paid to members of the household.
- **Indigent Persons:** Patients or their guarantors who qualify for charity care pursuant to the PeaceHealth Financial Assistance policy, and who have exhausted any third-party coverage.
- **Medically Necessary Care:** Care that, in accordance with clinically accepted parameters, is reasonably calculated to:
  - Prevent the onset or worsening of an illness, condition, or disability;
  - Establish a diagnosis;
  - Provide palliative, curative, or restorative treatment for physical, behavioral, and/or mental health conditions; and/or
  - Assist the individual to achieve or maintain functional capacity in performing daily activities, taking into account both the functional capacity of the individual and those functional capacities that are appropriate for individuals of the same age.
  - Each service is performed in accordance with national standards of medical practice generally accepted at the time the services are rendered, and must be sufficient in amount, duration, and scope to reasonably achieve its purpose. Course of treatment may include observation only, or when appropriate, no treatment at all.
- **Patient:** An individual receiving care at PeaceHealth.
- **Service Area:** The state in which the PeaceHealth entity/provider is located.

# POLICY

It is the policy of PeaceHealth to ensure a socially just practice for providing emergency or other medically necessary care and comply with federal and state laws and regulations relating to emergency medical services and patient Financial Assistance, including but not limited to Section 1867 of the Social Security Act, Section 501(r) of the Internal Revenue Code, RCW 70.170.060, and WAC Ch. 246-453.

## 1. Financial Assistance Overview

- a. Signage and brochures informing patients and/or guarantors of PeaceHealth's financial counseling programs and Financial Assistance are available at appropriate access areas, including registration, and are also available in electronic format on [peacehealth.org](https://peacehealth.org).
- b. Financial assistance information is provided at least annually to community agencies such as local health departments, Medicaid offices, social service agencies, and physician practices.
- c. Guarantors may apply for Financial Assistance at any time. If applicable, extraordinary collection actions (ECAs) will be suspended while an application is being reviewed.
- d. In accordance with PeaceHealth policy, federal law, and RCW 70.170.060(2), emergent care (including care for people in active labor) is never delayed or denied due to an assistance determination or requests for financial information regarding ability to pay. (Emergency Medical Treatment and Labor Act [EMTALA] Compliance Policy #ADM-0733)
- e. Financial Assistance is secondary to all available sources of payment including, but not limited to:
  - i. Insurance
  - ii. Third party liability payers
  - iii. Government programs
  - iv. Outside agency programs
  - v. Health savings accounts
- f. Financial Assistance is granted to applicants receiving emergent or medically necessary care.
- g. For emergent or medically necessary care furnished in Oregon or Alaska, Financial Assistance is granted to all eligible patients that reside in the states of Washington, Oregon and Alaska.
- h. Information regarding PeaceHealth's billing and collections practices, including the description of actions PeaceHealth hospitals may take in the event of nonpayment, can be found in the separate Patient Billing and Collections Policy and Procedure which is available free of charge on [peacehealth.org](https://peacehealth.org) or a free mailed copy can be requested by calling Customer Service at 877-202-3597.

## 2. Limit on Charges for Guarantors Eligible for Financial Assistance

- a. Guarantors eligible for Financial Assistance under the Financial Assistance Policy will not be personally responsible for more than the amounts generally billed (AGB), as defined in

Treasury Regulation Section 1.501(r)-1(b)(1), by the applicable PeaceHealth hospital for the emergency or medically necessary services received.

- b. PeaceHealth calculates each hospital facility's amounts generally billed (AGB) by using the "look-back" method which uses claims for emergency and other medically necessary care from Medicare and all commercial insurers over a 12-month period.
- c. A free copy of the AGB calculation description and percentages will be provided via mail upon request. Requests may be made in person at any Patient Registration department or by calling Customer Service at 877-202-3597.

### 3. Financial Assistance Application Process

- a. Financial Assistance applications are included with each patient statement, or can be obtained by request at all Registration areas, via MyPeaceHealth, by downloading an application from [peacehealth.org](http://peacehealth.org), or by contacting Customer Service at 877-202-3597.
- b. Consideration for Financial Assistance occurs once a complete application has been submitted to PeaceHealth.
- c. Information required for a complete application:
  - i. List of family members in household
  - ii. Household gross monthly income (income before taxes and deductions)
  - iii. Signature and date
  - iv. Acceptable documentation of income attached
- d. Acceptable documentation of income must include one of the following:
  - i. A "W-2" withholding statement
  - ii. Pay stubs
  - iii. An income tax return from the most recently filed calendar year
  - iv. Forms approving or denying state funded programs (Optional)
  - v. Forms approving or denying unemployment compensation
  - vi. Written statements from employers or welfare agencies
  - vii. In the absence of the above forms of income documentation, a written and signed statement from the Guarantor will be accepted as proof of income
- e. Assets are not considered as part of the PeaceHealth process for approving or denying Financial Assistance
- f. Completed applications can be sent to PeaceHealth Patient Financial Services:
  - i. By Mail: P.O. Box 748632 Los Angeles, CA 90065
  - ii. By Fax: 360-729-3047
- g. If an incomplete application is received, a letter is sent explaining what is required to complete the application.
  - i. If requested information is not returned within 30 days, the application is denied.

- ii. Additional time to secure required documentation may be granted upon request.
- h. Financial Assistance is granted in accordance with the following table based on income and family size:

Federal Poverty Percentages		Financial Assistance Allowance
From	To	
0	300%	100%
301	350%	85%
351	400%	70%

- i. Complete applications are processed within 14 calendar days of receipt.
- j. If approved, a letter is sent including the amount of assistance applied to outstanding guarantor balances and the dates of service for which eligible services will be covered.
- k. If denied, a letter is sent including the reason for denial and instructions for appealing.
- l. The Vice President of Revenue Cycle or designee has the authority to make final determination and exceptions.

## 4. Financial Assistance Appeals

- a. Responsible parties may appeal the determination of eligibility for Financial Assistance by submitting additional written information, such as income verification or explanations of extenuating circumstances, to PeaceHealth Patient Financial Services within 30 days of the denial notification.
- b. Collection activities for accounts under appeal are pended until a determination is made.
- c. Appeal determination will be made, and notification sent, within 30 days.
- d. The Vice President of Revenue Cycle or designee has the authority to make the final determination for all appeals.
- e. For PeaceHealth facilities located in the state of Washington, when a Financial Assistance application is denied and the appeal upheld, a copy of the paperwork is provided to the Washington State Department of Health.

## 5. Financial Assistance Presumptive Eligibility

- a. Other sources of information, such as estimated income and family size provided by a predictive model, may be used to make an individual assessment of financial need.
  - i. This information will enable PeaceHealth to proactively assist patients with financial obligations by utilizing the best estimates available in the absence of information provided directly by the patient.
  - ii. Presumptive screening provides benefit to the community by enabling PeaceHealth to systematically identify financially needy patients who may not have been able to complete a traditional application or provide appropriate documentation.

- b. For the purpose of helping financially needy patients, PeaceHealth may utilize a third-party to review the patient's information to assess financial need.
  - i. This review utilizes a healthcare industry-recognized, predictive model that is based on public record databases.
    - 1. The model incorporates public record data to calculate a socio-economic and financial capacity score that includes estimates for income, resources, and liquidity.
    - 2. The model's rule set is designed to assess each patient to the same standards and is calibrated against historical Financial Assistance approvals for PeaceHealth.
    - 3. The predictive model enables PeaceHealth to assess whether a patient is characteristic of other patients who have historically qualified for Financial Assistance under the traditional application process.
    - 4. Information from the predictive model may be used by PeaceHealth to grant presumptive eligibility in cases where there is an absence of information provided directly by the patient. Where efforts to confirm coverage availability have been unsuccessful, the predictive model provides a systematic method to grant presumptive eligibility to financially needy patients.
- c. In the event a patient does not qualify for the highest level of Financial Assistance under the presumptive rule set, the patient may still provide the requisite information and be considered under the traditional Financial Assistance application process.
- d. In addition to the use of the predictive model outlined above, presumptive Financial Assistance will also be provided at the 100% charity care level in the following situations:
  - i. Deceased patients where PeaceHealth has verified there is no estate and no surviving spouse.
  - ii. Patients who are eligible for Medicaid from another state in which PeaceHealth is not a participating provider and does not intend to become a participating provider.
  - iii. Patients who qualify for other government assistance programs, such as food stamps, subsidized housing, or Women Infants and Children Program (WIC).
  - iv. Patients who are confirmed to be homeless with no available source of payment.
- e. If a patient is deemed unable to pay through any of the above described means, PeaceHealth will cease and desist collection efforts that are underway and adjust the account balance to zero through either bad debt (Medicare) or presumptive charity (all other coverages or lack thereof).
- f. See Section 6 for Oregon Hospital pre-screening and presumptive eligibility criteria.

## **6. Oregon Hospital Pre-screening Process for Presumptive Eligibility**

- a. Oregon Hospitals pre-screen for presumptive eligibility of Financial Assistance and make any

resulting adjustments to patient cost prior to sending a billing statement.

- b. Prior to taking any other pre-screening actions, the hospital will determine if during the previous nine (9) month period, the patient has applied for Financial Assistance, if yes the appropriate adjustment will be applied.
- c. Financial Assistance is presumptively determined based on estimated patient family size and household income provided by Experian Health.
- d. Patients are not required to present documentation or other verification related to any eligibility criteria as a condition of pre-screening or a requirement for adjustment to the patient costs. Patients may voluntarily submit information or documentation that would assist in the pre-screening process.
- e. If initial pre-screening method fails to return information, a good faith effort to determine the patient's presumptive eligibility will be made using other information available to the hospital.
- f. The hospital will notify patients in writing of all pre-screening results. The pre-screening process and presumptive eligibility determination is not considered an application for Financial Assistance and does not disqualify patients from seeking Financial Assistance.

## 7. Additional Assistance Provided

- a. Uninsured Discount
  - i. Patients without insurance, or insured patients receiving services not covered by insurance, are awarded an uninsured discount.
  - ii. In accordance with PeaceHealth Uninsured Discount Policy, uninsured discounts are granted only for emergent or medically necessary care.
- b. PeaceHealth will assist patients or their guarantors in identifying and applying for available assistance programs including Medicaid and coverage available on the Washington Health Benefit Exchange

## 8. Providers Subject to PeaceHealth's Financial Assistance Policy

- a. PeaceHealth's decision to provide Financial Assistance in no way affects the guarantor's financial obligations to physicians or other healthcare providers, unless such physicians or other healthcare providers are providing care to patients pursuant to a contract with PeaceHealth that requires accepting Financial Assistance decisions made by PeaceHealth.
- b. A list of non-PeaceHealth physicians or other healthcare providers who have agreed to comply with the Financial Assistance Policy and Procedure can be found by visiting [peacehealth.org](https://peacehealth.org) or by calling Customer Service at 877-202-3597 and requesting a copy.

## HELP

Further information may be obtained by contacting Patient Financial Services.

# RELATED MATERIAL

## Forms:

- Financial Assistance Application
- Plain Language Summary

## Policies & Procedures:

- [Patient Billing and Collections Policy](#)
- [Emergency Medical Treatment and Labor Act Compliance Policy](#)
- [Emergency Medical Treatment and Labor Act Compliance Procedure](#)

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## All Revision Dates

7/25/2024, 1/27/2023, 8/23/2022, 7/1/2019, 7/1/2016, 10/17/2014, 6/18/2014, 2/1/2014, 11/13/2009

## Approval Signatures

Step Description	Approver	Date
WA DOH	Jason Friend: Dir Revenue Cycle (Pat Access)	7/25/2024
PeaceHealth System Board	Shaina Hogan: Dir Policy Admin	7/24/2024
SVP Chief Revenue Officer	Kimberly Sullivan: SVP Chief Revenue Officer	6/18/2024
Sr Dir Patient Access	Cheryl Mallory: Sr Dir Patient Access	6/18/2024
	Jason Friend: Dir Revenue Cycle (Pat Access)	6/18/2024

## Applicability

PeaceHealth Cottage Grove Community Medical Center, PeaceHealth Home and Community, PeaceHealth Ketchikan Medical Center, PeaceHealth Medical Group, PeaceHealth Peace Harbor Medical Center, PeaceHealth Peace Island Medical Center, PeaceHealth SHMC at RiverBend, PeaceHealth

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Southwest Medical Center, PeaceHealth St John Medical Center, PeaceHealth St Joseph Medical Center, PeaceHealth System Services, PeaceHealth United General Medical Center

## Standards

No standards are associated with this document

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