

STANDARD OPERATING POLICIES AND PROCEDURES
Beaver Dam Community Hospitals, Inc.
Beaver Dam, WI 53916

Revenue Cycle
RC-002-16
Community Care
SCOPE: BDCH Patients and
Revenue Cycle Dept.

APPROVED BY: Donna Hutchinson Date: 12/14/16
Administration

.01 PURPOSE:

To establish procedures for eligibility and approval of the Community Care program at Beaver Dam Community Hospitals, Inc. ("BDCH").

.02 DEFINITIONS:

ADVANCE BENEFICIARY NOTICE ("ABN"): also called a "waiver of liability", is a notice that Medicare providers and suppliers are obligated to give to an Original Medicare enrollee when they find that Medicare does not cover the services the enrollee requests and the enrollee may be responsible for the costs of that service.

AMOUNTS GENERALLY BILLED LIMIT ("AGB LIMIT"): the amount generally billed to an individual who has insurance covering an episode of care.

EXTRAORDINARY COLLECTION ACTIONS: aggressive collection actions that may be taken by BDCH only after reasonable efforts have been taken to determine whether an individual qualifies for a Community Care discount. These actions include selling a debt (unless a written agreement has been entered into that includes specific covenants), reporting adverse information to a consumer credit reporting agency or credit bureau, deferring or denying medically necessary care because of nonpayment of a bill for previously provided medically necessary care, requiring payment before providing medically necessary care because of nonpayment of a bill for previously provided medically necessary care, and any action that requires a legal or judicial process (e.g. lawsuits, liens, garnishments).

HIE-QUALIFIED: an individual is HIE-qualified if they could have or should have qualified for subsidized coverage in the Federal Health Insurance Exchange (the "Marketplace").

HOUSEHOLD: all working adults living in a residence and all of their dependents living in that residence.

INCOME: one year's earnings, based on the adjusted gross income ("AGI") reported on an individual's most recent federal income tax return (Form 1040 or equivalent), or by

annualizing the three most recent pay stubs, and/or the three most recent bank statements. Other documentation may be also submitted if it provides evidence that an individual's income has deviated in a meaningful way.

MEDICALLY NECESSARY: a service is medically necessary if it meets the Medicare definition, which is that a service is "reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member." Services that are not medically necessary include, but are not limited to, cosmetic surgery, vision-enhancing intraocular lenses, life line, hearing aids and associated products, investigational services, or where an ABN was received.

PLAIN LANGUAGE SUMMARY (PLS): a summary of this Community Care Policy, written in easy-to-understand language, as defined by Reg. 1.501(r)-1(b)(24).

UNINSURED: an individual is uninsured if they have no insurance or other third-party assistance to pay their financial responsibility to a healthcare provider.

.03 POLICY

- A. BDCH provides Community Care assistance to patients for medically necessary services based on their household's income.
- B. BDCH's Community Care program was established to help patients who are uninsured, underinsured, or who otherwise require assistance for debts due to BDCH.
- C. In continuing BDCH's mission of providing high-quality care, regardless of financial status, race, color, creed, sex, or national origin, BDCH establishes this policy to outline the procedure and eligibility criteria for Community Care.

.04 PROCEDURE

- A. The Community Care discount is not considered an alternative option to payment. Individuals applying for consideration may be assisted in finding other means of payment or financial assistance before being approved for a Community Care discount.
- B. An individual's financial obligation to BDCH for an episode of care will be considered for a Community Care discount only when the medical services provided to the patient are medically necessary and the individual has submitted a complete and accurate Community Care application.
- C. Uninsured patients, regardless of the reason for having no coverage, will be encouraged, but not required, to enroll in the health insurance marketplace. This is done to ensure improved healthcare accessibility and overall well-being for the individual.

- D. An individual will be eligible for 100% financial assistance (“free care”) if they meet the following requirements. If a person qualifies, the Community Care discount will be applied to the patient responsibility after insurance.
1. An individual receives emergency medical care or medically necessary care.
 2. An individual submits a complete Community Care Application.
 3. The individual’s household income is less than 150% of the Federal Poverty Guidelines (“FPG”). See Appendix A for the currently applicable FPG table.

BDCH does not offer partial community care discounts.

- E. A Community Care Application will be considered complete if all information is provided on the application and copies of the following documents are included.
1. The most recently filed federal income tax return for all working adults (age 18 or older) in the household;
 2. The three most recent employment pay stubs; and
 3. The three most recent months’ banks statements.
 4. If an individual is unemployed, the individual must submit the three most recent unemployment insurance payment stubs and sufficient information to explain how the individual is being supported.
- F. In the absence of the above documents, patients may supply verbal and/or written information supporting their inability to pay. However, BDCH reserves the right to consider an application incomplete if an individual does not provide these documents.
- G. BDCH will consider an application incomplete if BDCH has credible reason to believe that submitted information is false or misleading. In this situation, the application will be considered complete when the individual submits corrected information or provides sufficient evidence to support their claim.
- H. A Community Care Application will be accepted if submitted by one of the following methods.
1. **Fax to:** (920) 887-5917, Attn: Community Care Financial Advocate
 2. **Call:** (920) 887-6684 to speak with a Financial Advocate
 3. **Mail to:** BDCH, Inc., Attn: Community Care Financial Advocate, 707 S. University Ave., Beaver Dam, WI 53916
 4. **In-Person Delivery:** Stop at the reception desk inside the main entrance to the hospital and ask for the Community Care Financial Advocate.
 5. **Email:** for more information on Community Care, email your name, phone number and patient account number (if possible) to: communitycare@bdch.org.
- I. A BDCH Financial Advocate may require an appointment with an individual to discuss the Community Care Application and financial assistance.

- J. BDCH may use a “propensity-to-pay” formula to presumptively determine whether an individual qualifies for a Community Care discount. The formula is provided and run by a third-party vendor. A Red/Yellow status qualifies, a Blue/Green status requires additional review. This formula will be applied to self-pay individuals and balances after insurance.
- K. An individual who qualifies for a Community Care discount will not be charged more than the amount generally billed to an individual who has insurance covering such care (the AGB Limit). The AGB Limit will be calculated annually, as explained in Appendix B (Amounts Generally Billed Calculation). The updated AGB Limit will be effective for all applications on or after October 1. See Appendix B for the currently applicable AGB Limit.
- L. Within 30 days of submitting a complete Community Care application, a written notification will be provided to an individual to inform them of BDCH’s decision regarding their eligibility for a Community Care discount.
 - 1. If a patient is determined to be eligible for a Community Care discount, the Business Office will adjust the patient’s account. Documentation, including proof of eligibility and the miscellaneous adjustment form, are to be kept by the Financial Advocate.
 - 2. If a patient is determined to be ineligible for a Community Care discount, the written notification will indicate the reason for ineligibility. Financial arrangements for payment of the individual’s bill will follow routine collection procedures.
- M. Once an individual qualifies for a Community Care discount, all episodes of care within 240 days before and 180 days after the date the complete Community Care Application was submitted will receive the Community Care discount.
- N. BDCH has a separate Self-Pay Discount Policy. Individuals who are uninsured and HIE-qualified cannot qualify for both a Community Care discount under this policy and a self-pay discount. If an individual is given a self-pay discount and then qualifies for a community care discount, the original self-pay discount will be reversed in its entirety and the Community Care discount will be calculated based on the account’s original gross charge.
- O. Any patient who indicates that they may be in need of financial assistance will be referred to a BDCH Financial Advocate for assistance.
- P. See Appendix C for identification of those providers whose services are eligible for this community care discount and those providers whose services are not eligible.
- Q. An individual may appeal a community care discount determination to BDCH’s Grievance Committee. The individual’s concerns and the business file will be reviewed and a final determination will result. The Grievance Committee may

consider each case on an individual basis for circumstances causing financial hardships.

- R. Appendix D (Billing and Collection Practices) will contain a description of the actions taken by BDCH and its agents to encourage individuals to pay their bills, including extraordinary collection actions, with an outline of when these actions are taken.
- S. BDCH and its agents will take the following reasonable efforts to notify and inform individuals about the Community Care discount. Additional actions may be taken.
1. The Community Care Policy, Community Care Application, and PLS will be conspicuously posted at all times on BDCH's website, under "Pay My Bill".
 2. Posters, brochures, or similar signage that advertise the Community Care discount will be posted in all admissions areas, outpatient waiting areas, the Emergency Department, and the Financial Services office. This signage will include the following information.
 - a. BDCH offers Community Care discounts to eligible individuals.
 - b. Information about how or where to obtain information about the Community Care discount and application process.
 - c. Information about how or where to obtain copies of the Community Care Policy, the Community Care Application, and the PLS.
 3. Copies of the Community Care Policy, Community Care Application and PLS will be available upon demand and without charge in all admissions areas, the Emergency Department, and the Financial Services office.
 4. All billing statements include the following information about the Community Care discount.
 - a. BDCH offers Community Care discounts to eligible individuals.
 - b. The telephone number of the BDCH office or department that can provide information about the Community Care discount.
 - c. The direct website address (URL) on which the Community Care Policy, Community Care Application, and PLS are available.
 5. BDCH offers a copy of the PLS to all patients as part of the intake and/or discharge process.
 6. BDCH will include the following information in the semi-annual Health Scene publication that is sent to all community members.
 - a. BDCH offers Community Care discounts to eligible individuals.
 - b. Information about how or where to obtain information about the Community Care discount and application process.
 - c. Information about how or where to obtain copies of the Community Care Policy, the Community Care Application, and the PLS.
 7. Designated staff, who are knowledgeable of the Community Care discount will be available at defined hours to answer questions and/or refer individuals to the Community Care discount. Requests can be made by a patient, their family members, friends or associates, but will be subject to applicable privacy laws. Individuals who are concerned about their ability to pay for services or anyone who would like to know more about the Community Care

discount will be directed to a BDCH Financial Advocate at (920) 887-6804 or (920) 887-6684, or to 707 S. University Ave., Beaver Dam, WI 53916 at the Registration Desk located in the main lobby. An individual can contact a BDCH Financial Advocate through the same methods to receive assistance in completing a Community Care Application.

8. BDCH will translate the Community Care Policy, Community Care Application and PLS into Spanish. If any other group does not speak English and comprises at least 1,000 individuals or 5% of BDCH's community, BDCH will also translate these documents into that group's primary language.
- T. In implementing this policy, BDCH will comply with all other federal, state and local laws, rules, and regulations that may apply to activities conducted pursuant to this policy.
- U. Policy appendices will be updated as follows:
1. Attachment A (Federal Poverty Guidelines) will be updated annually by the Director of Revenue Cycle in late January, after the federal government has released the updated figures.
 2. Attachment B (Amounts Generally Billed Calculation) will be updated annually by the Senior Financial Analyst in Accounting between July 1 and September 30.
 3. Attachment C (Providers that Operate Within BDCH) will be updated quarterly by the Revenue Cycle Manager.
 4. Attachment D (Billing and Collections Practices) will be reviewed and updated annually by the Revenue Cycle Manager.

REFERENCES:

REVIEWER/AUTHOR: Revenue Cycle Director

COMMITTEE & INDIVIDUAL ENDORSEMENTS:

STAKEHOLDERS: Directors, BDCH Patients

EFFECTIVE DATE: 7/1/2016

REVISED: 2-05, 4-06, 11-29-07, 11-21-11, 3-19-14, 6-15, 2-16, 12-16

REVISED FROM POLICY: GB-026-14

REVIEWED: 8-93, 1-99, 12-04, 06-15, 2-16, 12-16

DISTRIBUTION: Master Policy Binders

Appendix A

Federal Poverty Guidelines

Federal Poverty Guidelines (“FPG”) are published annually in the Federal Register by the U.S. Department of Health and Human Services. This information is available online at <https://aspe.hhs.gov/poverty-guidelines>.

This table is applicable for calendar year 2016.

Family Size	100% of FPG	150% of FPG
1	\$11,880	\$17,820
2	\$16,020	\$24,030
3	\$20,160	\$30,240
4	\$24,300	\$36,450
5	\$28,440	\$42,660
6	\$32,580	\$48,870
7	\$36,730	\$55,095
8	\$40,890	\$61,335
For each additional person, add:	\$4,160	\$6,240

Appendix B

Amounts Generally Billed Calculation

An individual who qualifies for a Community Care discount will not be required to pay more for emergency medical conditions and other medically necessary care than the amounts generally billed to individuals who have insurance covering such care (the “AGB limit”).

BDCH uses the “look-back method”, as described in Reg. 1.501(r)-5(b)(3). The AGB calculation is based on the total composite Medicare, Managed Care and commercial paid claims. The AGB Limit is calculated by dividing the sum of the allowed claims and the remaining patient responsibility (including co-pays, co-insurance and deductibles) by the gross charges related to those claims. The calculation will be for the 12-month period from July 1 to June 30 and will include all allowed claims during that period.

BDCH’s current AGB Limit is 59.7% of gross charges.

Appendix C

Providers That Operate Within BDCH

Medical service expenses for a patient can generally be categorized as either hospital fees or provider fees. All hospital fees for emergency medical care and other medically necessary care are eligible for a Community Care discount. However, not all provider fees are eligible for a Community Care discount under this policy.

The following information is provided to assist the public in understanding which provider fees are eligible for a Community Care discount under this policy. If this information is unclear, you may contact the Revenue Cycle Manager by calling (920) 887-6639 for assistance.

BDCH defines a “provider” as a physician or similarly credentialed individual. Providers do not include nurses or technicians.

The services of the following providers *are eligible* for a community care discount.

- All BDCH Providers
- Infinity Healthcare Emergency Providers
- Infinity Healthcare Anesthesia Providers
- Milwaukee Radiology Providers

The services of the following providers *are not eligible* for a community care discount.

- Advanced Pain Management
- AmeriPath Milwaukee
- Associated Podiatrists, LLP
- Beaver Dam Eye Clinic
- Beaver Dam Women’s Health
- Community Pediatrics
- Dean Clinic
- Dean Specialty Clinic
- Dean Health Systems, Inc.
- Dermatology Associates
- e-Care of Wisconsin, LLC
- Face and Skin, LLC
- Hansfield, Scott M., M.D.
- Kalinosky, Thomas J., D.O.
- LuyTan, Wilson H., M.D.
- Mary A. Grote
- Unity Point Health – Meriter Heart and Vascular Institute
- Unity Point Health – Meriter Spine Center
- Unity Point Health – Meriter Orthopedics
- Paladina Health
- Physical Medicine Rehabilitation Independent Services
- Randolph Community Clinic
- River City Psychological Services
- Urology Associates
- UW Health

Appendix D

Billing and Collection Practices

BDCH and its agents take the following actions to encourage individuals to pay their bills.

- The first billing statement is sent shortly after discharge.
- Approximately 30 days later, a second billing statement is sent.
- Approximately 30 days later, a third billing statement is sent.
- Approximately 30 days later, a final demand letter is sent.
- Approximately 30 days later, the account is sent to a collection agency.
- A collection agency may report an account to a credit bureau.
- A collection agency may commence a lawsuit after receiving written authorization from a BDCH Financial Advocate.
- Patients who fail to pay their obligations will be subject to normal collection procedures as determined by the BDCH Collection Policy.

It is the Revenue Cycle Manager's responsibility to determine that BDCH has made reasonable efforts to determine an individual's eligibility for a community care discount and may, therefore, initiate extraordinary collection actions.