



# **POLICY AND PROCEDURE**

**Subject:** FINANCIAL ASSISTANCE POLICY

**Effective Date:** JANUARY 2018

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## **POLICY:**

Subject to Christian Health Care Center's (CHCC) charitable intent and the availability of resources, CHCC may offer financial assistance and provide, without charge or at a reduced charge, services to patients in the Mental Health Division (Ramapo Ridge Psychiatric Hospital, Ramapo Ridge Partial-hospitalization Program, Christian Health Care Counseling Center,) as well as in the Long-term Care/Senior Life Division (Heritage Manor Nursing Home, Southgate, The Longview Assisted Living Residence, and Christian Health Care Adult Care Services of Wyckoff and Wayne).

Financial assistance may be provided to patients, residents, clients, and consumers who are:

1. uninsured or underinsured (have coverage that pays only for part of the bill),
2. insured ineligible (i.e. inpatient Medicaid recipients between 21 and 65 years),
3. ineligible for any private or government-sponsored coverage (such as Medicaid),
4. otherwise unable to pay for services, and
5. meet the income and assets eligibility criteria, as outlined in the Financial Assistance Policy (FAP) application.

No patient in need of emergency and other medically necessary care will be denied treatments based on his/her ability to pay. In addition, CHCC does not engage in coercive practices, such as delaying or denying emergency and other medically necessary care, while determining FAP eligibility.

Patients must meet both the income and asset eligibility criteria to qualify for financial assistance. Income includes wages before deductions, Social Security, public assistance, unemployment, alimony, child-support dividends, and other income. Assets include cash, savings accounts, checking accounts, CDs, and other financial investments. Your liability, including rent payments, mortgage payment, home-equity payment, credit-card debt, other outstanding loan payments, as well as outstanding medical bills, will be considered.

To process your financial-assistance application, the following information and documentation is required: health-insurance cards, two forms of identification with signatures, list of all family members with their

Social Security numbers and dates of birth, income and asset verification, and your last tax return filed. CHCC reserves the right to deny financial assistance for failure to submit the required documentation.

Financial assistance recipients who are continuing care at one of CHCC's programs are required to re-apply annually to be reauthorized for continued FAP eligibility or be terminated from receiving financial assistance.

**Note: CHCC is not affiliated with any other health care providers. As such, there are no other providers covered under this policy.**

Information about financial assistance, the application process, and how to obtain an application is available to all patients, upon request. To obtain such information and an application, visit our website at [www.ChristianHealthCare.org](http://www.ChristianHealthCare.org) or call CHCC's Finance Department at (201) 848-5209.

If you are FAP eligible, you will be charged for services provided by CHCC based on your income as a percentage of established poverty income guidelines published by the Department of Health and Human Services (HHS). As an example, if your income is greater than 225 percent of the HHS poverty income, but less than or equal to 250 percent, you would be required to pay 40 percent of CHCC charges. Additional information is available in the FAP application material; refer to the table entitled Eligibility Criteria for Financial Assistance. Following a determination of FAP eligibility, a patient will not be charged more than amounts generally billed (AGB) for emergency care and other medically necessary mental-health care.

It is important to note that CHCC's Finance Department has the authority to engage in collection activities in the event of nonpayment. Call the Finance Department at (201) 848-5209 to request CHCC's collections policy which describes these activities; it is available free of charge.

## **PURPOSE:**

To provide guidelines for the determination of eligibility for CHCC's FAP for patients who are uninsured, underinsured, ineligible for a government health-care program, or who are otherwise unable to pay for medically necessary care based on their individual financial situation.

## **PROCEDURE:**

### Responsibility of Mental Health and Long Term-care/Senior Life Staff

1. Inform patients of the availability of financial assistance upon inquiry or upon the impression or knowledge that a particular patient may qualify for financial assistance.
2. State that financial assistance is available at CHCC, but not guaranteed, since eligibility for financial assistance is determined by meeting eligibility (income and asset) criteria set forth in the FAP application.

3. Provide the FAP summary, FAP application, and a cover letter that indicates:
  - a. financial assistance may be available,
  - b. deadline after which the FAP application will no longer be accepted and processed.  
Note: Staff or designee can complete the application for the patient.
4. Manage an incomplete FAP application submitted during the application period, as follows:
  - a. provide a written notice that describes:
    - how to complete the FAP application in a reasonable time period and
    - additional required information/documentation that must be submitted.
  - b. give a reasonable time period to provide the additional required information/documentation.
5. Forward the completed application to Finance.  
Note: Finance will make a preliminary determination of FAP eligibility and return the application.
6. Upon receipt of the application from Finance, the Administrator/Director will:
  - a. review the application for appropriateness,
  - b. sign the application, and
  - c. return the application to the Finance Department.  
Note: Finance will notify the patient in writing of the FAP eligibility determination, the basis for the determination, and the assistance for which the patient is eligible.

### Responsibilities of Finance

1. Assure that the FAP, FAP summary, and FAP applications are widely available, as follows:
  - CHCC website
  - Public locations
  - Mail-upon request and without charge
  - Members of community most likely to require financial assistance

Note: The FAP, FAP summary, and FAP application form must be available in English and in any other language in which limited-English-proficiency (LEP) populations comprise the lesser of 1000 individuals or 5 percent of the community served by the hospital, or the population likely to be affected or encountered by CHCC. Data can be based on the latest data available from the U.S. Census Bureau or other similarly reliable data.
2. Assure that decisions to approve financial assistance and commit CHCC to provide financial assistance are made on a case-by-case basis.  
  
Note: CHCC reserves the right to modify the eligibility criteria considered in reviewing financial applications.

Note: CHCC may rely on other evidence of eligibility such as an attestation to determine FAP eligibility.

3. Evaluate patients who are uninsured, underinsured, or maintain otherwise ineligible benefits (i.e. inpatient Medicaid recipients between the ages of 21 to 64) for FAP eligibility subject to the availability of resources.
4. Notify the patient in writing of the eligibility determination, basis for the determination, and assistance for which the patient is eligible.
5. Assure that CHCC limits the amount charged to any FAP eligible patient, as follows:
  - a. not more than the amounts generally billed (AGB) to patients who have insurance coverage,
  - b. less than the gross charges for such care, and
  - c. base decisions to provide financial assistance upon the financial information supplied by the patient in the financial application, including gross annual income that is verified.

Note: If a patient is deemed ineligible for financial assistance and converts to a self-pay status, CHCC may provide a contractual adjustment, as follows, to:

- a. Inpatients: Decrease total amount due to equal no more than 115 percent of the average current Medicare rate.
- b. Outpatients: Decrease total amount due to be equal to no more than the prevailing Medicare rate plus 15 percent.

6. Determine the AGB for emergency/medically necessary care.  
Refer to IRS rule 1.501<sup>®</sup>-5(3) Limitations on Charges-Look-back method.

Note: CHCC may use only one of these methods to determine AGB at any one time; CHCC may change the method it uses to determine AGB at any time.

Note: A FAP-eligible patient is considered to be “charged” only the amount he/she is personally responsible for paying, after all deductions/discounts and insurance reimbursements have been applied. Thus, if a FAP-eligible patient has insurance coverage, he/she is not personally responsible for paying (i.e. in the form of co-payments/co-insurance/deductibles) more than AGB after all reimbursements by the health insurer have been applied, even if the total amount paid by the FAP eligible patient and health insurer together exceeds AGB.

7. Do the following if the FAP eligible patient is eligible for assistance other than free care:
  - a. issue a billing statement which states the gross charges and applies contractual allowances, discounts, or deductions to the gross charges, provided that the actual amount the patient is personally responsible for paying is less than the gross charges.

- b. assure that billing statement notices include a conspicuous notice about the availability of financial assistance and how to obtain information.
  - c. refund any amount paid that exceeds the amount he/she is determined to be personally responsible for paying as a FAP-eligible patient, unless such excess amount is less than \$5.
8. Use presumptive FAP-eligibility determinations, based on third-party information or prior FAP-eligibility determinations, if available. Do the following if the patient is presumptively determined to be eligible for less than the most generous assistance available under the FAP:
  - a. notify the patient regarding the basis for the presumptive FAP-eligibility determination and how to apply for more available generous assistance,
  - b. determine whether the patient is eligible for a more generous discount, upon submission of a complete FAP application during the application period, and
  - c. give a reasonable period of time to apply before initiating ECAs to obtain the discounted amount owed.
9. Negotiate, if the patient is deemed ineligible for financial assistance, acceptable payment terms as per the conditions in the Financial Agreement.
10. Reauthorize annually financial assistance for patients who are continuing care at one of CHCC's programs in the same manner as the initial certification.

Note: Patients who do not comply may be terminated from receiving financial-assistance benefits.
11. Award temporary financial assistance to recipients who are continuing care at one of the CHCC's programs on a temporary (i.e. unemployment, divorce, or other catastrophic occurrences which may impede a patient ability to pay for services in the short term) basis after completing the financial assistance application process.
  - a. Instruct appropriate staff to communicate to the patient the temporary time frame.
  - b. Follow the annual recertification process if the situation becomes permanent.
12. Forward the FAP application to the respective Mental Health Division staff.

## **FINANCIAL ASSISTANCE APPLICATION** – see separate file.

Application can be located at [ChristianHealthCare.org/customer-resources](http://ChristianHealthCare.org/customer-resources).

# ELIGIBILITY CRITERIA FOR FINANCIAL ASSISTANCE – EFFECTIVE: MARCH 19, 2018

## INCOME CRITERIA

The table below describes the percentage of charges paid when gross annual income is within the following poverty income guidelines, published by the Department of Health and Human Services (HHS).

Family Size	Patient pays 0% of charges ≤200%	Patient pays 20% of charges >200≤225%	Patient pays 40% of charges >225≤250%	Patient pays 60% of charges >250≤275%	Patient pays 80% of charges >275≤300%	Patient pays 100% of charges >300≤500%
1	\$24,280 or less	\$24,281 to \$27,315	\$27,316 to \$30,350	\$30,351 to \$33,385	\$33,386 to \$36,420	\$36,421 or more
2	\$32,920 or less	\$32,921 to \$37,035	\$37,036 to \$41,150	\$41,151 to \$45,265	\$45,266 to \$49,380	\$49,381 or more
3	\$41,560 or less	\$41,561 to \$46,755	\$46,756 to \$51,950	\$51,951 to \$57,145	\$57,146 to \$62,340	\$62,341 or more
4	\$50,200 or less	\$50,201 to \$56,475	\$56,476 to \$62,750	\$62,751 to \$69,025	\$69,026 to \$75,300	\$75,301 or more
5	\$58,840 or less	\$58,841 to \$66,195	\$66,196 to \$73,550	\$73,551 to \$80,905	\$80,906 to \$88,260	\$88,261 or more
6	\$67,480 or less	\$67,481 to \$75,915	\$75,916 to \$84,350	\$84,351 to \$92,785	\$92,786 to \$101,220	\$101,221 or more
7	\$76,120 or less	\$76,121 to \$85,635	\$85,636 to \$95,150	\$95,151 to \$104,665	\$104,666 to \$114,380	\$114,381 or more
8	\$84,760 or less	\$84,761 to \$95,355	\$95,356 to \$105,950	\$105,951 to \$116,545	\$116,546 to \$127,140	\$127,141 or more
For families greater than 8 members, add amount below to the highest amount in the column for each additional family member:						
<b>NOTE: A pregnant woman is counted as two family members.</b>						
	\$ 8,640	\$9,720	\$10,800	\$11,880	\$12,960	

## ASSETS CRITERIA

Individual assets cannot exceed \$7,500 and family liquid assets cannot exceed \$15,000.

## COLLECTION AND BILLING POLICY:

It is the policy of CHCC to make reasonable efforts to determine whether the patient is eligible for assistance before engaging in extraordinary collection actions (ECAs) against a patient to obtain payment. CHCC's Finance Department has the authority to engage in collection activities in the event of nonpayment.

CHCC will notify the patient, before deferring or denying care due to nonpayment for prior care about the Financial Assistance Policy (FAP), within 30 days before initiating an ECA. In addition, CHCC will notify a patient about the FAP at least 30 days before initiating ECA(s) to obtain payment.

With respect to any debt owed, ECAs include actions to obtain payment against any other person who has accepted or is required to accept responsibility for care. CHCC will be deemed to have engaged in an ECA against the person to obtain payment for the care or to have taken one or more of the steps necessary to have made reasonable efforts to determine whether the person is FAP eligible, if any purchaser of the person's debt, any debt-collection agency, or other party to which CHCC has referred the person's debt, or any substantially-related entity has engaged in such an ECA or taken such steps.

CHCC will notify you within 30 days about the FAP, before deferring/denying care due to nonpayment for prior care. We will provide you with our FAP, FAP Summary, a FAP application, and a written notice. The notice will explain that financial assistance may be available, as well as the deadline after which the FAP application will no longer be accepted and processed. This deadline must be no earlier than the later of 30 days after the date that the written notice is provided or 240 days after the date the first post-discharge billing statement was provided. In addition, CHCC will process the FAP application on an expedited basis if you submit a FAP application for the previously provided care before the deadline.

CHCC will also notify you about the FAP at least 30 days before initiating ECA(s) to obtain payment. We will provide the FAP, FAP Summary, FAP application, and a written notice. The notice will explain that financial assistance may be available, the ECA(s) that CHCC or another authorized party intends to initiate to obtain payment, and the deadline after which ECA(s) may be initiated that is no earlier than 30 days after the date that the written notice is provided. CHCC will make a reasonable effort to orally notify the person about the FAP and how to apply.

Financial-assistance applications are available to all CHCC patients, upon request.

To obtain a financial-assistance application or other information about this policy, call CHCC's Finance Department at (201) 848-5209.

## DEFINITIONS:

**Financial assistance:** Pertains to the provision of emergency and other medically necessary services and items by employees of CHCC. It does not include cash payment in any form, such as the payment of health-insurance premiums, or free goods not otherwise furnished in the ordinary course of the CHCC's operations.

**Emergency and other medically necessary care:** Inpatient, outpatient, partial-hospitalization, nursing-home, assisted-living, and adult day care provided by CHCC's Mental Health Division and Long-term Care/Senior Life Division.

**Patient:** Includes patient, resident, client, legal representative, responsible party, sponsor

**Mental Health Division:** Ramapo Ridge Psychiatric Hospital, Ramapo Ridge Partial-hospitalization Program, and Christian Health Care Counseling Center

**Long-term Care (LTC)/Senior Life Division:** Heritage Manor Nursing Home, Southgate, The Longview Assisted Living Residence, and Christian Health Care Adult Care Services of Wyckoff and Wayne

**AGB:** Amounts generally billed

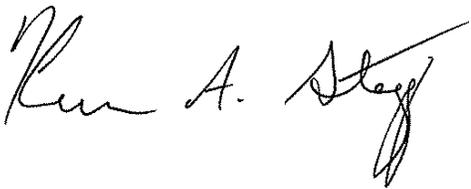
**Extraordinary Collection Actions (ECAs):**

- a) Deferring or denying care, or requiring a payment before providing care, because of the nonpayment of past unpaid bills for FAP-related care before providing medically necessary care
- b) Selling a person's debt to another party
- c) Reporting adverse information to consumer credit-reporting agencies or credit bureaus
- d) Requiring a legal or judicial process

**REGULATORY MANDATES:**

New Jersey Charity Care Requirements  
Joint Commission Leadership Standards  
IRS 26 CFR 1501r-4

**RESPONSIBILITY:** Executive Vice President and Chief Financial Officer



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Kevin A. Stagg  
Executive Vice President & CFO