ORGANIZATIONAL POLICY

SUBJECT: Financial Assistance
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PREPARED BY: Administration APPROVED: G. Raymond Leggett III, President/CEO

Objective

Consistent with our mission to provide high quality healthcare and wellness services for the region, and in accordance with Internal Revenue Service Code Section 501(r)(4), (5), (6), CarolinaEast Medical Center's Covered Providers are committed to providing financial assistance to all individuals with a household income at or below 250% of the current Federal Poverty Guidelines (FPG).

Policy

Covered Providers shall provide, without discrimination care for emergency medical conditions within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd)) to individuals regardless of their eligibility for financial assistance or ability to pay.

Financial assistance is provided only when care is deemed medically necessary and only when patients meet the financial eligibility criteria. Accounts within three (3) years of the discharge date will qualify for financial assistance. CarolinaEast Medical Center Covered Providers may utilize financial information obtained within the past six months from the financial assistance request date unless there is evidence of material increase in the household income or opportunity for third party coverage.

Covered Providers offers both charity care and discounted care depending on family size, income and assets. Only physician services provided by CarolinaEast Physicians that are rendered at CarolinaEast Medical Center, Diagnostic or Surgery Centers are covered under this policy.

Patients seeking assistance may first be asked to apply for alternative payment sources, such as Medicaid and/or other programs. Additionally, uninsured individuals with financial means may be encouraged to purchase health insurance through the public market place to help ensure healthcare accessibility and overall well-being.

All third party resources must be exhausted prior to financial assistance. Financial assistance may be denied or revoked if available insurance or third party payment is denied because of any action or lack of action by the patient or if it is determined a patient provided inaccurate, incomplete or fraudulent financial information.

At a minimum, collection agents shall provide written notice to patients of available financial assistance on their first statement. Collection efforts will be suspended including recalling accounts from collection agents once a financial assistance application is approved.

CarolinaEast Medical Center Providers and their agents shall refrain from extraordinary collection actions (ECAs), before making reasonable efforts to determine whether a patient qualifies for financial assistance. ECAs shall not occur before 240 days following the first bill after. Prior to ECAs, written notice shall be sent to patients stating: financial assistance is available, identify ECAs and state a deadline of no earlier than 30 days after notice is provided.

CarolinaEast Medical Center Providers shall publicize the Financial Assistance Policy (FAP) on patient statements providing a financial assistance (summary) handout at time of registration, conspicuously displaying the summary in registration areas, providing policies online, providing a copy to patients upon request and making the policies available to charitable organizations.

CarolinaEast Medical Center Providers will refund all monies unless such refund amount is less than $5paid by patients for accounts approved for financial assistance. Covered Providers may transfer money to any open patient balance not included in approved financial assistance.

CarolinaEast Medical Center Providers shall not request payment for prior debts as a precondition to receive medically necessary services prior to making reasonable efforts to determine a patient's potential eligibility for financial assistance.

CarolinaEast Medical Center Providers shall comply with the State of North Carolina's permanent separation regulation. Specifically, a patient is responsible for their own medical expenses during the time of separation provided there's no legal agreement to the contrary.

How to Apply for Financial Assistance

CarolinaEast Medical Center and its Covered Providers are dedicated to helping patients by providing Financial Counselors and onsite Department of Social Service (DSS) Workers. Patients may apply for financial assistance by calling or visiting the Medical Center's Business office, (252) 633-8701or Pre-registration staff (252) 634-6824 (future services), by email - businessoffice@carolinaeasthealth.com, or in writing to CarolinaEast Medical Center, P.O. Box 12157, New Bern, NC 28561. *Note: if applying for financial assistance for physician services, please contact the office directly, (252)-633-1010, visit* http://www.carolinaeastphysicians.com (patient tab), *by mail to CarolinaEast Physicians, P.O .Box 68, Pollocksville, NC 28573*.

Patients or any third party may request financial assistance on behalf of patients. Patients may complete the Financial Assistance application by printing the application found on our website, http://www.carolinaeasthealth.com/patients/financialservices/assistanceprograms/default.aspx, and clink on Assistance Programs.

Required Financial Documentation

An IRS tax return is preferred. However if a return is not required due to income filing rules or unavailable a pay stub, statement of wages (W6), Social Security statement, or other financial statements are permitted. The prior year's income is acceptable until March 31 of the following year. The date of a signed request for assistance determines which year's income is needed. If it is known or suspected that income has materially increased or decreased in the current year staff shall evaluate the impact when processing an application.

Definitions

Assets –
Assets are defined as property, money, resources, possessions, etc. A verbal statement may be utilized provided the net value appears reasonable in relation to the patient's income and financial circumstances. The following are the asset thresholds:

Homes –
The equity of the primary residence is exempt from consideration unless the equity exceeds $100,000. Equity of a second home is not exempt. A denial based on equity is limited to the ability of the patient/ guarantor to borrow against the equity.

Automobiles and Boats -
The combined equity of automobiles and boats under $20,000 is exempt. Consideration will be given to the patient's ability to sell these assets and the need for these assets.

Cash Limit –
The exempt amount of cash or funds available through the sale of stocks, bonds and securities is $5,000.
IRA, Annuity, Life insurance Policies, etc. **-**
The first $30,000 of liquid assets is exempt. The patient's overall financial circumstances will be taken into consideration before denying assistance based on IRA, insurance or retirement assets. However, income from such assets shall be counted.

Extraordinary Collection Actions (ECAs) –
A lien, property foreclosure, wage garnishment, seizing a bank account, filing a civil suit against the patient, or actions that would place the patient under arrest. Also prohibited is the reporting of adverse activity to credit bureaus or selling the debt to a third party company, there are selling exceptions with legal requirements. Additionally, when upfront payment of past-due balances is required as a pre-condition of receiving any further medically necessary care, the action is considered an extraordinary collection action.

Federal Poverty Guidelines (FPG) –
Annually the Department of Health & Human Services (HHS) issues the poverty guidelines. Families need to understand where they fall on the FPG so they know whether they are eligible for financial assistance. The chart below is effective for calendar year 2016. For families/households (family unit) with more than 8 persons, add $4,180 (200%). for each additional person.

Persons in family/household	Poverty guideline 200%	Poverty guideline 250%
1	*$24,120*	*$30,150*
2	*$32,480*	*$40,600*
3	*$40,840*	*$51,050*
4	*$49,200*	*$61,500*
5	*$57,560*	*$71,950*
6	*$65,920*	*$82,400*
7	*$74,280*	*$92,850*
8	*$82,640*	*$103,300*

A family unit is the immediate family members related by marriage, adoption or legal custody as determined by IRS regulations. A separated spouse not living in the household is added to the family unit only if this person's income is included. A family member or third party living in the home that is not a dependent of the patient or guarantor is not counted in the family unit.

CarolinaEast Medical Center Providers (Covered Providers)–
CarolinaEast Medical Center and Rehabilitation Hospital, CarolinaEast Diagnostic and Surgery Centers, CarolinaEast Radiation Oncology and Cancer Center, CarolinaEast Cardiopulmonary Rehabilitation, Certified Registered Nurse Anesthetists, CarolinaEast Physical Medicine & Rehabilitation, CarolinaEast Physicians, CarolinaEast Home Health and Wound Center. Note: Services provided by CarolinaEast Physicians are not covered under this policy if rendered in a physician office.

Income –
The household income is defined as the known or estimated gross income from all parties that are counted as a dependent on the patient's tax return or on the FAP application when a tax return isn't available. Income includes but is not limited to payments from wages (earned income), unearned income, alimony, child support, pensions, annuities, IRA distributions welfare, food stamps, social security, workers compensation benefits, unemployment benefits, claims or legal settlements and other sources of income.

Medically Necessary Care –
Healthcare services or supplies needed to prevent, diagnose, or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine. Services rendered in the Inpatient, Outpatient, and Emergency Departments are included. Cosmetic and routine dental services are not considered medically necessary.

Non-Covered Providers –
The following are providers not covered under this policy. CarolinaEast Physicians (in office charges) which includes Heart Center, Urology, ENT, Cardiac, Thoracic and Vascular, Internal Medicine/ Pediatrics, Gastroenterology, * Emergency Medicine Physicians (EMP), * Coastal Radiology Associates * Southeast Anesthesiology Consultants * Coastal Carolina Healthcare * Carolina Craniospinal Neurosurgery * Carolina Lithotripsy * Carolina Orthopedics & Sports Medicine * Coastal Carolina Radiation Oncology * Coastal Orthopedic & Spinal Surgery * East Carolina Women's Center * New Bern Pathology * New Bern Surgical Associates * Eagle Hospital Physicians * Ameriteam Services, LLC (formerly Delphi Team Health), * Zannis Center for Plastic Surgery. Note: non-covered providers are providers not listed as Covered Providers.

Presumptive Charity –
Full balance charity provided when some or all financial documentation is unavailable or insufficient and there is belief that the patient qualifies for charity care. Presumptive charity eligibility may be determined on the basis of available information including propensity to pay or credit scores and in conjunction with written or verbal income information and family size. CarolinaEast Medical Center at its sole discretion may grant presumptive charity for certain services provided to charitable clinic patients, i.e. labs and pharmacy. Assistance may be given with or without documentation for catastrophic illness.

Available Financial Assistance

Charity Care – Full balance free care is available to patients that meet the established criteria of the Financial Assistance policy. Generally a completed credit application and relevant financial documentation is required. The household income threshold is at or below 200% of the current Federal Poverty Guidelines (FPG).

Amount Generally Billed (AGB) –

A discount amount based on the charges generally billed to insured patients. Specifically the FAP will use a "Look Back" method from the previous 12 months corresponding to the CarolinaEast Medical Center Providers' fiscal year. The discount calculation will be determined by all paid claims received from Medicare and commercials payers. The current discount equals 63.23%. The calculation combines inpatient and outpatient services. The AGB applies to only those that qualify for assistance under this policy regardless if insured or uninsured. The household income threshold is between 201% - 250% of the current Federal Poverty Guidelines.

Payment Plans –

When patients are financially unable to pay their balance in full flexible payment plans are available based on income and family size. A deposit may be required. If a plan is in default the full balance or payments to bring accounts current may be required to avoid additional collection activity. Covered Providers may outsource self-pay accounts to a third party company as an extension of the Business Office.

Related Policy – Patient Financial Services Billing and Collection Activity Policyhttp://www.carolinaeasthealth.com/patients/financialservices/assistanceprograms/default.aspx or contact the Business Office.

Board Approval September 13, 2016