

Financial Assistance Policy

KEY TERMS: Financial Assistance, Charity, Discount

I. PURPOSE:

Carilion Clinic (“Carilion”) is committed to improving the health of the communities we serve. Carilion provides financial assistance to persons who receive emergency or other medically necessary care, are uninsured or underinsured, and who are eligible for financial assistance under this Policy. The following locations are representative of Carilion hospital facilities and are considered to be Carilion for purposes of this policy:

- Carilion Medical Center (Roanoke Memorial and Roanoke Community hospitals)
- Carilion New River Valley Medical Center
- Carilion Franklin Memorial Hospital
- Carilion Giles Community Hospital
- Carilion Rockbridge Community Hospital
- Carilion Tazewell Community Hospital

Carilion also provides, without discrimination, care for emergency medical conditions (as defined below) to individuals without regard to the individual’s eligibility for financial assistance, as more specifically set forth in Carilion’s Emergency Medical Care Policy, a copy of which can be obtained free of charge from the locations listed in Section V of this Policy. The granting of financial assistance shall be based on an individualized determination of financial need and shall not be made on the basis of age, race, color, national origin, disability, sex (includes pregnancy/childbirth or related conditions, gender identity or sex stereotyping), or source of payment.

Individuals without the means to satisfy their balances due in full may be considered for financial assistance, which includes discounted or free care, based on established criteria and consideration of ability to pay. A patient eligible for financial assistance under this Policy will not be charged for emergency or other medically necessary care more than the Amounts Generally Billed (“AGB”) to patients insured by Medicare and commercial insurance companies.

In order to qualify under this policy, patients are expected to fully cooperate with Carilion’s procedures for obtaining financial assistance, discounts or other forms of payment, applying for Medicaid or other government programs where appropriate, and contributing to the cost of their care based on their ability to pay, including third-party liability payments. Individuals with the financial capacity to purchase health insurance will be encouraged to do so, for the protection of their individual assets, and for the protection of the assets of the communities served by Carilion.

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II. SCOPE:

Carilion hospital facilities and providers operate under this policy. A list of the providers that are covered and that are not covered in this policy can be obtained free of charge from the locations listed in Section V of this Policy. The Policy describes the following:

- A. The eligibility criteria for receiving financial assistance;
- B. The circumstances and criteria under which each hospital facility and provider will provide discounted or free care for eligible services to eligible patients who are uninsured or underinsured;
- C. The basis and methods of calculation for charging any discounted amounts to such patients; and
- D. The method by which patients may apply for financial assistance.

III. DEFINITIONS:

AGB - Amounts Generally Billed - Charges to patients eligible for financial assistance based on average allowed amounts from Medicare and private health insurers for emergency and other medically necessary care, including both the amount the insurer will pay and the amount (if any) the individual is personally responsible for paying, calculated using the look back method as prescribed by Internal Revenue Code Section 501(r)(5). The AGB will be determined based upon the date of service which is either the date of admission or the first date of service for a billing encounter with multiple dates and the department where services are rendered. AGB is calculated annually on a per hospital facility basis, with the highest discount amount calculated applied to all Carilion hospital facilities. AGB for Provider services are calculated separately from hospital facility services. Further information on the AGB discounts is available from the locations listed in Section V of this Policy.

Application (for financial assistance) - The form, Financial Assistance Application (FAA), required to be completed by those seeking financial assistance in order to determine eligibility for assistance. Applications must be filled out completely and accurately, signed and include the required supporting documentation. Forms and supporting documents are returned to Carilion Clinic, Carilion Administrative Services Building (CASB) Suite 625, P.O. Box 40032, Roanoke, VA 24022-0032 or emailed to billingservice@carilionclinic.org.

Application Period – The period ending no sooner than the 240th day after the first post-discharge billing statement is provided to the patient.

Available Assets - The family's assets available, including any liquid and/or fixed assets, for use in paying for medical care including, but not limited to cash and cash

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equivalents, bank accounts, investments (other than those held in retirement savings accounts recognized by the Internal Revenue Service (IRS)), digital currencies, trust accounts and real estate equity in real property other than the principal place of residence.

Collection Procedures – The actions Carilion hospital facilities may take in the event of nonpayment are described in a separate Billing and Collection Policy. Patients may obtain the Billing and Collection Policy free of charge from the locations listed in Section V of this Policy.

Determination -The decision regarding an individual's eligibility for financial assistance based on predetermined criteria.

Discount - A reduction in the amount due. Certain discounts, including the uninsured discount, are not considered financial assistance under this Policy.

Eligibility for Financial Assistance - An individual's ability to qualify for financial assistance. Carilion may access external sources including but not limited to credit agencies, banks, or investment firms, for additional information to use in verifying application responses and in making a determination of the patient's eligibility for financial assistance. Please refer to the Eligibility section for complete information.

Eligibility Period - The 180-day time period covered by the financial assistance determination. Eligibility may change if, during the period, the patient's financial condition or insurance status changes. A new application and documentation must be submitted at the end of the 180-day eligibility period if financial assistance is needed for services received after the eligibility period.

Eligible Services - The services (and any related products) provided by Carilion hospital facilities and providers that are eligible for financial assistance under this Policy, which are: (1) emergency medical services provided in an emergency room setting, (2) non-elective medical services provided in response to life-threatening circumstances in a non-emergency room hospital setting, and (3) medically necessary services.

Emergency Medical Conditions - As defined in Section 1867 of the Social Security Act, as amended (42 U.S.C. 1395dd).

Family - A group of two or more people who reside together and who are related by birth, marriage, or adoption. According to the Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance if the dependent is residing with the tax filer.

Family Income - Annual total cash or cash equivalents earned by or provided to an individual. The following are considered and must be included in the application for each member of the family:

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Earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, alimony, child support, assistance from outside the household, and other miscellaneous sources determined on a before-tax basis.

Items not considered as income are noncash benefits and public assistance, such as food and housing subsidies, educational assistance, and capital gains and losses.

Federal Poverty Guidelines (FPG) - The poverty guidelines updated annually in the Federal Register by the U.S. Department of Health and Human Services in effect at the time of such determination.

Financial Assistance – Reduction of patient's account balance based on established criteria; discounted or free care granted pursuant to this Policy.

Guarantor – a person or entity that voluntarily agrees to be responsible for another's debt or performance under a contract or is statutorily bound to be responsible, if the other fails to pay or perform.

Hospital Facility - A facility (whether operated directly or through a joint venture arrangement) that is required by the Commonwealth of Virginia to be licensed, registered, or similarly recognized as a hospital. "Hospital facilities" means collectively, more than one hospital facility.

Incomplete Application - An application that is missing specifically requested information or a signature. This information is needed on the application form or as documentation requested to support application responses. A fully completed and signed application is required in order to be considered for financial assistance.

Legal Representative – A person who oversees the legal affairs of another. Examples include the executor or administrator of an estate and a court appointed guardian of a minor or incompetent person

Medically Necessary - Shall have the same meaning as such term is defined for Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury). For patients with health insurance, if a payer authorization is required, and the payer's determination is that the service does not meet medical necessity criteria, the service will be deemed not medically necessary unless approved by the Carilion physician leader responsible for the revenue cycle.

Minimum Essential Coverage – Any insurance plan that meets the Patient Protection and Affordable Care Act (PL 111-148) requirement for having health coverage.

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Pre-Collect Phase of the Billing Cycle – The 45-day period starting 15 days after the patient receives a second billing statement, ending when the patient receives a final billing letter.

Presumptive Eligibility - A determination that a patient is presumed eligible for 100% financial assistance based on information other than that provided by the individual in a FAA.

Propensity to Pay – A third party scoring methodology that projects the patient’s likelihood to pay amounts due.

Provider - Carilion employed physicians and advanced clinical practitioners (ACP).

Real Estate Equity - The equity in any real estate owned by the patient’s family, which is the fair market value of the real estate less any debt secured by that real estate (through a mortgage or deed of trust). Real estate does not include the real estate that contains the patient’s principal place of residence, including contiguous real property.

Refuse to Cooperate – Failure to act or work with others as requested to identify, apply for and/or secure payment resources.

Reoccurring Bad Debt Flag – An indicator that the guarantor has fifteen (15) or more accounts in bad debt status during the prior twelve-month period and the financial information from third party sources used to determine presumptive eligibility is incomplete though the data available meets the requirements for presumptive eligibility.

Retirement Savings Accounts – Retirement accounts or plans that are recognized by the IRS. Common types of IRS recognized plans include 401(k) and 403(b) plans, 457(b) deferred compensation plans, pensions and profit-sharing plans, and individual retirement arrangements (IRAs).

Self-Pay – The portion of a claim not covered by insurance.

Third-party liability - Claims such as accident, auto, or personal injury claims that are generally negotiated for payment through the legal process or mediation.

Unhoused - An individual without a fixed residence; stays in a shelter, mission, abandoned building or vehicle; or in any other unstable or non-permanent living situation.

Uninsured - The patient has no level of insurance, third party assistance, Medical Savings Account (“MSA”), or claims against third parties covered by insurance to assist with meeting his payment obligations.

Underinsured - The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed their financial ability to pay as determined in this Policy.

IV. PROCEDURE:

Eligibility for Financial Assistance

A. Eligibility Criteria, all of which must be met to be deemed eligible for financial assistance:

1. Emergency and/or Medically Necessary - The care provided must meet emergency and/or medical necessity criteria. In cases where there are questions, a Carilion revenue cycle physician leader will make the final determination of medical necessity.
2. Insurance Status – The patient is either uninsured or underinsured. A patient with health insurance coverage must agree to use that coverage prior to applying for financial assistance.
3. Financial Ability – Patients with (i) total gross family income less than 500% of the FPG and (ii) Available Assets of less than \$100,000 shall be eligible for financial assistance, with the amount of such financial assistance being determined as set forth in this Policy. To receive financial assistance, a patient must complete a FAA, provide required documentation, and be determined to meet the eligibility criteria for financial assistance; or be identified under the presumptive eligibility program.
4. Failure to apply for Medicaid or any other applicable federal/state assistance – Patients/guarantors who may be eligible for Medicaid or any other applicable federal/state assistance and refuse to cooperate in securing Medicaid or other federal/state assistance coverage will not be eligible for financial assistance.
5. Failure to cooperate in obtaining payment – Patients are expected to disclose and fully cooperate with Carilion’s procedures for obtaining payment from all available sources, including but not limited to third-party liability payments and worker’s compensation payments. Patients who refuse to cooperate as described will not be eligible for financial assistance.

B. Timing:

Eligibility may be determined at any point before, during or after the provision of emergency or medically necessary services while still in the application period.

C. Patient Payments:

Any patient payments for services covered under financial assistance that exceed the amount determined to be due from the patient after the application of financial assistance will be refunded in accordance with Carilion’s billing and collection policy. These policies may be found at the locations listed in Section V of this policy.

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D. Presumptive Eligibility:

Uninsured patients will be screened for presumptive eligibility for 100% discount of eligible gross charges. This screening may occur prior to or after the service is provided while still in the application period. Carilion hospital facilities and providers may use outside resources to determine the patient's qualification for presumptive financial assistance. Presumptive eligibility may be determined on the basis of individual life circumstances that may include qualification through:

1. Free clinic or indigent health access programs, including but not limited to Project Access, Bradley Free Clinic, the Community Health Center of the New River Valley, the Giles Community Health Center, Franklin/Bernard Free Health Clinic, and the Rockbridge Area Community Health Center, and other regional free clinics and Federally Qualified Health Centers (FQHCs).
2. Eligibility for other state or local assistance programs that are unfunded (Medicaid spend-down; other Medicaid non-covered services).
3. Third party evaluation to determine ability to pay prior to transfer to bad debt, based on a patient's presumptive financial information which may include but is not limited to income, available assets, or credit score. The patient may still be responsible for partial payment given the absence of an FAA.
 - Accounts of uninsured patients will initially be reviewed for presumptive eligibility. Criteria for initial presumptive eligibility may include: a propensity to pay indicator; FPG equal to or less than 300%; a credit score equal to or less than 625 and the absence of any mortgage balance, past or present. If upon screening, the account meets the above criteria, the account will be processed as meeting financial assistance criteria.

E. Patient Discounts:

Patients who are determined not eligible for financial assistance may still receive a discount for emergency or medically necessary care which discount is not considered to be financial assistance under this policy. Any patient payments for services covered under a discount program that are collected in advance of the determination of eligibility will not be refunded.

- Uninsured patients are eligible for a discount of 40% of charges for a Carilion hospital facility and provider care.
- Certain exclusions from discount may apply, as noted in this Policy under Services.

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F. Medical Indigence:

Medically indigent patients who do not meet the financial assistance eligibility criteria included above may be eligible for financial assistance under Carilion's Catastrophic Coverage program. For the purposes of this Policy, medically indigent patients are those who, despite their income and available assets, satisfying outstanding medical bills would create undue financial hardship. Under the Catastrophic Coverage program, financial assistance is available if a patient's financial responsibility for covered services provided by Carilion (including Carilion dental and transportation services) is greater than 20% of total annual family income plus total available assets. Eligible patients will receive a discount equal to the AGB percentage.

Application Process

For patients that were not determined to be presumptively eligible for financial assistance, a request for financial assistance may be made by the patient or their legal representative. An FAA may be submitted prior to, upon receipt of eligible services, or during the billing and collection process. The determination of financial need may occur at any point in the collection cycle up to 240 days from the first post-discharge billing statement. The need for payment assistance shall be re-evaluated at each subsequent time of service if the last financial evaluation was completed more than 180 days prior, or at any time additional information relevant to the eligibility of the patient becomes known. If such information does change, it is the patient's responsibility to notify Carilion of the updated information.

Applications can be obtained from the locations listed in Section V of this Policy.

If additional information relevant to the eligibility of the patient becomes known, it is the patient's responsibility to immediately notify Billing Customer Service of the updated information at 1-866-720-3742 or via email at billingservice@carilionclinic.org.

Assistance in completing an FAA can be obtained by contacting Billing Customer Service at 1-866-720-3742. A completed application will be processed promptly by Carilion's Financial Assistance Department. Initial determinations are made by the financial assistance staff. Except in the case of presumptive eligibility, granting of financial assistance is contingent upon satisfactory completion of an FAA, including full supporting documentation and validation with external agencies.

Notice of Financial Assistance Determination

Requests for financial assistance shall be processed promptly and Carilion shall notify the patient or applicant in writing of its decision on a completed application. Carilion will make all reasonable efforts to provide written notification to the patient or applicant of its determination within 30 days of receipt of a completed application.

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Calculations of Financial Assistance and Discounts

A. Uninsured Patients

1. Discount.

All persons who are uninsured shall have their bills reduced by no less than the uninsured discount, without regard to their discretionary assets. This discount does not apply to the services outlined below that are also excluded from financial assistance. Carilion shall establish its uninsured discount annually. This discount is reversed and replaced with financial assistance for patients receiving financial assistance.

2. Financial Assistance

The basis for the amount Carilion hospital facilities and providers bill to uninsured patients who demonstrate eligibility for financial assistance is as follows:

Basis of Calculation

- a. Hospital facility and provider charges are reduced by either 100% or the AGB percentage, subject to the adjustment described below.
- b. The determination of which rate applies is based on a review of the family's available assets, family income, and household size relative to FPG.
- c. Level of Financial Assistance
 - i. 100% Financial Assistance will be provided to patients with available assets of less than \$25,000 and family income less than 300% of FPG.
 - ii. All other patients eligible for financial assistance will receive a discount equal to the AGB percentage.

B. Underinsured Patients

The basis for the amount Carilion hospital facilities and providers bill to underinsured patients who demonstrate eligibility for financial assistance is as follows:

Basis of Calculation

- 1. For hospital facility and provider charges, all insurance payments are first applied and the remaining balance that is the patient's responsibility is reduced by either 100% or will receive a discount equal to the AGB percentage.

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2. The determination of which discount rate applies is based on a review of the family's available assets and family income.
3. Level of Financial Assistance
 - a. 100% financial assistance is provided to patients with available assets of less than \$25,000 and family income less than 300% of FPG.
 - b. All other patients eligible for financial assistance will receive a discount equal to the AGB percentage applied to the amount of the patient's responsibility after all insurance payments are applied. In no event will the patient be responsible for paying more than the AGB.

Services

The following healthcare services are not eligible for financial assistance under this Policy:

- Purchases from Carilion retail operations, such as gift shops, retail pharmacy, aesthetics, cosmetic surgery, esthetician services and durable medical equipment or cafeteria purchases.
- Any products or services that are:
 - Inconsistent with the symptom(s) or diagnosis and treatment of the condition, disease or injury.
 - Primarily for the convenience of the patient, the patient's family, the physician or other provider.
 - Not the most appropriate level of services that can safely be provided to the patient.
- Services provided by non-Carilion entities or physicians (for example, certain non-Carilion lab studies, non-Carilion home health and medical equipment or non-Carilion transportation services).
- Optional private room or suite accommodations.
- Elective procedures and services not deemed medically necessary including, but not limited to, cosmetic surgery, gastric bypass (bariatric), reproductive sterilization, and reversal of sterilization.
- Occupational Medicine
- Orthodontia

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Actions in the Event of Non-Payment

The actions Carilion may take in the event of non-payment for services are described in a separate Billing and Collections policy, a copy of which can be obtained free of charge from the locations listed in Section V of this Policy.

Communication of Information about the Policy to Patients and the Public

Carilion will make reasonable efforts to ensure that information about this Policy and its availability is clearly communicated and made widely available including posting in public locations within the hospital facility and provider locations, providing paper copies at no charge to the patient, inclusion with the final billing notice, posting on the Carilion website, and placement of a notice on each billing statement. A list of the providers, other than the hospital facilities, delivering emergency or medically necessary care who are covered (and who are not covered) under this Policy is available free of charge from the locations listed in Section V of this Policy.

Federal Poverty Guidelines

Carilion will follow the FPG, available free of charge from the locations listed in Section V of this Policy, which may be revised by the federal government from time to time.

Misrepresentation

Carilion may deny an application for financial assistance and/or may reverse previously applied discounts if it learns of information which it believes supports a conclusion that information previously provided was inaccurate. In addition, Carilion may elect to pursue legal actions, including criminal charges, against persons who it believes knowingly misrepresented their financial condition, including those who accept financial assistance after an improvement in their financial circumstances which was not made known to Carilion.

V. CONTACT INFORMATION:

Locations for obtaining copies of the FAP, Billing and Collections policy, credit balance and refund policy, applications, or calculation of the AGB discount:

- Carilion's website at <https://www.carilionclinic.org/billing/financial-assistance>
- Billing Customer Service via email at billingservice@carilionclinic.org
- Billing Customer Service via phone at 1-866-720-3742
- Billing Customer Service, 1502 Williamson Rd., Suite 100, Roanoke VA 24012
- Patient Access/Patient Registration areas at our hospital facilities:
 - Carilion Roanoke Memorial Hospital
1906 Belleview Avenue., SE
Roanoke, VA 24014
 - Carilion Roanoke Community Hospital
101 Elm Avenue.
Roanoke, VA 24013
 - Carilion New River Valley Medical Center
2900 Lamb Circle
Christiansburg, VA 24073
 - Carilion Franklin Memorial Hospital
390 South Main Street
Rocky Mount, VA 24151
 - Carilion Giles Community Hospital
159 Hartley Way
Pearisburg, VA 24134
 - Carilion Rockbridge Community Hospital
1 Health Circle
Lexington, VA 24450
 - Carilion Tazewell Community Hospital
141 Ben Bolt Avenue
Tazewell, VA 24651

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Approvals

Name	Title	Dept./Committee	Date
Don Halliwill	Chief Financial Officer	Finance	July 25, 2023
Carilion Rockbridge Community Hospital Board of Directors		BOD	July 20, 2023
Carilion Medical Center Board of Directors		BOD	Oct. 24, 2023
Carilion New River Valley Medical Center Board of Directors		BOD	July 25, 2023
Carilion Giles Memorial Hospital Board of Directors		BOD	Aug. 23, 2023
Carilion Tazewell Community Hospital Board of Directors		BOD	July 26, 2023
Carilion Franklin Memorial Hospital Board of Directors		BOD	Aug. 28. 2023