

SYSTEM POLICY



CATHOLIC HEALTH EAST

POLICY NO.

323

PAGE

1 of 3

SUBJECT

PAYMENTS FOR SERVICE FROM UNINSURED PATIENTS

EFFECTIVE DATE

September 18, 2007

ORIGINATION DATE

August 17, 2004

Revised December 13, 2005

Revised September 18, 2007

APPROVED BY

Catholic Health East Board of Directors

RESPONSIBILITY

Catholic Health East Executive Vice President/Chief Financial Officer

PURPOSE:

Catholic Health East is a community of persons committed to being a transforming, healing presence in the communities we serve. Aligned with our Core Values, in particular that of Reverence for Each Person, we provide assistance to those who do not have insurance and for whom the financial cost of care received creates a significant burden. The purpose of this policy is to establish system-wide guidelines for determining discounts for uninsured patients.

POLICY:

In assisting those persons who do not have insurance, Catholic Health East (CHE) is committed to respecting the dignity of persons and reflecting responsible stewardship by balancing financial assistance with broader fiscal responsibility.

Each Regional Health Corporation (RHC) will establish a policy specific to uninsured patients that is compliant with CHE's Policy and consistent with the RHC's state regulations relating to free care, partial free care, uninsured discounts and financial hardship. Should any provision of the CHE Policy conflict with the requirement of the law of the state in which the CHE facility operates, state law shall supersede the conflicting policy provision and the RHC shall act in conformance with applicable state law

For uninsured patients, each Regional Health Corporation (RHC) at the time of billing must:

- Implement a discount from charges (RHCs should review charges to determine if they are market competitive); or
- Establish a discount for service(s) that closely approximates the contractual allowance the RHC would record related to Medicare, Managed Care or Workers' Compensation

POLICY NO.	PAGE
323	2 of 3

It is the intent of this Policy that there is consistent, system-wide application of discounts for uninsured patients. Elective, emergent, and urgent uninsured patients should be referred to a Financial Counselor for assistance in applying for alternative payment programs including: Medical Assistance, Charity Care, RHC payment plans, or other financing arrangements.

PROCEDURES:

RHC Business Office, Accounting, and/or Finance

Upon discharge, each RHC Business Office should determine the amount of discount from charges for each and every uninsured patient. An adjustment should be made to the patient bill for the amount of the discount at the time of billing so that the patient bill reflects the amount that is expected to be collected from the uninsured based on the options outlined above. If for some reason the patient accounting system is not automatically discounting then the Finance/Accounting Dept. must monthly, evaluate and analyze all self-pay accounts receivable to ascertain what portion relates to uninsured patients. A total dollar value of discounts that would otherwise have been adjusted from the patient bill at time of billing must be determined for these uninsured patient accounts. A monthly journal entry must then have been quantified related to these uninsured patient accounts so that the patient accounts receivable for each and every RHC is reflective of the net estimated realizable value. Patient accounts receivable for uninsured patients should, at no time, be reflected or stated in the financial statements at gross charges.

Administration

Administration and management at each RHC should ensure that their policy for discounts for the uninsured:

- Ensures the dignity of the patient
- Encourages upfront financial counseling
- Is patient-centric and patient friendly
- Is culturally appropriate (provided in prevalent languages used in communities)
- Is widely known
- Is applied consistently
- Is easy to understand
- Is easy to administer
- Serves the emergency health care needs of everyone, regardless of ability to pay
- Reflects reasonable payment terms & discounts
- Balances needed financial assistance for some patients with broader fiscal responsibilities

Each RHC should clearly communicate financial assistance policies to patients so that they understand the program(s), how to access, and whom to contact with questions.

POLICY NO.	PAGE
323	3 of 3

Exclusions:

The following patient and/or payer types are excluded from this Policy:

- Individuals and/or services eligible for administrative discounts
- Elective cosmetic surgery patients
- Any third parties who may be liable for services
- Specialized High-Costs Services (i.e., clinical trials, transplants, etc.)
- Services that do not create a financial burden
- International Patients