

## DUHS Financial Assistance Policy

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### Purpose

To define the DUHS policy related to the provision of uncompensated medical services, free of charge, or on a discounted basis to those patients (as defined in this policy) who demonstrate an inability to pay.

The DUHS Financial Assistance Policy is applicable to patients receiving Medically Necessary Services in a DUHS facility. Transplant, experimental and elective services are specifically excluded from this policy. International patients are excluded from this policy. In addition, all non-ED services provided to patients with OON (Out of Network) insurance plans are excluded from this policy.

The Private Diagnostic Clinic, PLLC (PDC) has no prescribed financial assistance policies, but as an accommodation and courtesy to PDC patients, the PDC has elected to follow the financial assistance determinations made by DUHS under this policy.

### Definitions

**Amounts Generally Billed (AGB)** - Section 501(r)(5)(A) of the Internal Revenue Code, a tax provision of the Affordable Care Act (ACA), requires a hospital organization to limit its charges for emergency and other medically necessary care provided to financial assistance eligible patients to no more than amounts generally billed to individuals who have insurance covering such care. The provision further requires a definition of how AGB has been calculated using one of two defined methods: Look Back or Prospective. DUHS has employed the Look Back method to calculate AGB. The calculation for AGB is based upon actual claims paid to the health system by Medicare fee-for-service and all private health insurance claims paid to the facility in the prior fiscal year.

**Application Process** - is a process by which a patient or their appropriate representative completes a paper form that provides DUHS with information related to the patient's income and household size. All applications will be evaluated on a case-by-case basis by an Appropriate DUHS Representative.

**Appropriate DUHS Representative** - is defined as those individuals serving in positions identified in the Approval Requirements section below along with other DUHS financial service representatives such as financial care counselors, Medicaid assistance counselors, and customer service representatives.

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**Federal Poverty Income Guidelines** - are guidelines published annually in the Federal Register by the United States Department of Health and Human Services that based upon income and household size; define the poverty level in the United States.

**Financial Assistance Adjustment** - is defined as the write-off of a self-pay balance for which the patient is not able to pay as determined by the criteria defined within this policy.

**Financial Assistance Services** - are defined as health care services provided free of charge or on a reduced charge basis to uninsured, under-insured, and Medically Indigent individuals, who meet certain financial criteria, demonstrate an inability to pay, and are approved pursuant to this policy.

**Elective Services** - are services that are not Medically Necessary Services, such as cosmetic services.

**Experimental Services** - are services that have not been approved by the Centers for Medicare and Medicaid Services (CMS) or other payers as acceptable treatment for a particular medical condition.

**Medically Indigent** - is defined as a circumstance in which payment for medical services would result in an inability to meet basic living expense. If the total patient liability exceeds 15% of the current year or prior year annual household income of the patient, the patient would be deemed Medically Indigent.

**Medically Necessary Services** - are health care services that, in the absence of immediate medical attention, could reasonably be expected to result in a) placing the health of the individual (or with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, b) serious impairment to bodily functions, or c) serious dysfunction of any bodily organ or part.

**Out of Network Plans** - are insurance coverages that have contractually excluded Duke Health providers from their network of approved providers, and for which no payments or reduced payments are made to Duke Health for services provided to patients with this coverage.

**Project Access** - is a community based indigent care program offered in Wake, Durham and Johnston counties.

**Screening Process** - is the process that provides information regarding a patient's income level and credit history via a third party screening service. Based upon the information provided through the third party screening service; patients may be deemed eligible for Financial Assistance Adjustments as allowed in whole or in part by this policy. If the third party screening

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process returns incomplete information (often because the patient lacks a home address or has not established a complete credit history), this information will be used as a presumptive indication of an income level of less than 200% of the Federal Poverty Income Guidelines and a Financial Assistance Adjustment can be applied, accordingly, if other requirements of this policy are met.

**Southern High School** - is a DUHS sponsored community-based clinic for local area high school students.

**Transfer** - patients that are referred to DUHS for services by a third party hospital due to an inability of that hospital to provide services or treatment to a patient.

### Policy

Patients who demonstrate an inability to pay and who meet this policy's financial criteria for qualification will be considered for Financial Assistance Services. Patients are informed of the DUHS Financial Assistance Policy primarily through the DUHS website (<https://www.dukehealth.org/paying-for-care/financial-assistance>). This website address is listed on all patient billing statements. In addition, patients may also be provided with DUHS' financial brochure or a summary of financial policies during the treatment process. Appropriate DUHS Representatives are also available to patients at DUHS patient registration locations.

The DUHS Financial Assistance Policy Summary, DUHS Financial Assistance Application and DUHS Financial Assistance FPL Sliding scale are widely available, free of charge on the DUHS web portal and paper copies are available at DUHS patient registration locations. Copies may also be obtained by calling the customer service department. In addition, the full DUHS Financial Assistance Policy, PRMO Patient Balance & Collection Policy, and information about AGB, is available to any party that requests a copy by writing to Self-Pay Collections Department, Duke Patient Revenue Management Organization (PRMO), PO Box 110566, Durham, NC 27709. Financial Assistance signage is in place at DUHS Emergency and Admissions Departments and DUHS Hospital Based Clinics, and all Financial Assistance related documentation is available in Spanish. DUHS will continue to work closely with local community and other non-profit organizations on a consistent basis to ensure broad awareness of the DUHS Financial Assistance Policy.

The qualification for Financial Assistance Services will be based on the annual household income of the patient for the current year or prior year. To meet the income requirements for Financial Assistance Services, the annual household income of the patient for the current year or the prior year may not exceed 300% of the Federal Poverty Income Guidelines. For patients with annual household income of less than or equal to 200% of the Federal Poverty Income

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Guidelines, a 100% Financial Assistance Adjustment would be applied to the balance. For patients with annual household income above 200% but less than or equal to 300% of the Federal Poverty Income Guidelines for the most recent year, a sliding scale discount will be applied to the balance in percentage increments depending upon income and household size. See the DUHS Financial Assistance FPL Sliding Scale attached.

If the annual household income of the patient exceeds 300% of the Federal Poverty Income Guidelines, the patient may still be eligible for Financial Assistance Services if the patient is determined to be Medically Indigent by the Appropriate DUHS Representative. Once the patient is determined to be Medically Indigent, a Financial Assistance Adjustment will be applied to reduce the patient's liability to 15% of the annual household income of the patient for the current or prior year. Any remaining balance may be payable over an extended period, as outlined in the PRMO Payment Plan Policy.

All patients that are determined to be eligible for Financial Assistance Services without third party coverage will not be charged more than AGB for medically necessary services than patients with third party coverage. In addition, the actions DUHS may take in the event of nonpayment of outstanding balances are described in the PRMO Patient Balance & Collections Policy.

Any exceptions to this policy must go through the approval process discussed below in Approval Requirements.

**Policy Criteria for Qualification**

1. Financial Assistance Adjustments shall apply only to patients receiving Medically Necessary Services.
2. Patients may be deemed eligible for a Financial Assistance Adjustment either through an Application Process or through a Screening Process.
3. To be eligible for a Financial Assistance Adjustment, the patient is expected to have applied for and complied with all processes related to seeking assistance from other insurers and/or programs (including all potentially applicable governmental programs) as requested by DUHS. Patients that are noncompliant or uncooperative in attempting to obtain other assistance may be denied Financial Assistance Adjustments.
4. Financial assistance determinations will apply to balances for all PDC and DUHS entities and providers.
5. Applications for Financial Assistance Services, with complete and accompanying documentation, must be submitted for review and approval by the Appropriate DUHS Representatives. For patients approved for Financial Assistance Services through the Application Process, the Financial Assistance Adjustment will cover all active, qualifying services previously provided and those qualifying services provided within 6 months after the application approval date. Active bad debt accounts that have been transferred to

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outside collection agencies will be closed and returned in accordance with the PRMO Patient Balance & Collection Policy. DUHS may provide financial assistance applications to patients at any point in the patient collection cycle including the patient financial counseling process, online via the DUHS website, or by request through the DUHS customer service phone line.

6. Any DUHS patient, whether insured or uninsured, with a Self-Pay balance who has received Emergency Department Services and is admitted or discharged from the Emergency Department or any patient who is admitted by Transfer from another facility, will be screened for potential financial assistance eligibility via a Screening Process. Based upon the information provided through the Screening Process, patients may be deemed eligible for Financial Assistance Adjustments as allowed in whole or part by this policy.
7. Any PDC patient, whether insured or uninsured, with a Self-Pay balance who has received Emergency Department Services and is admitted or discharged from the Emergency Department or any patient who is admitted by Transfer from another facility, can qualify for a Financial Assistance adjustment after being in bad debt first placement, but before going into second placement.
8. Any DUHS uninsured patient, with a Self-Pay balance who has received services outside of the Emergency Department and is a resident of Wake and Durham County will be screened for potential financial assistance eligibility via a Screening Process. Based upon the information provided through the Screening Process, patients may be deemed eligible for Financial Assistance Adjustments as allowed in whole or part by this policy.
9. Any PDC uninsured patient, with a Self-Pay balance who has received services outside of the Emergency Department and is a resident of Wake and Durham County can qualify for a Financial Assistance adjustment after being in bad debt first placement, but before going into second placement.
10. Financial Assistance Adjustments may also be made for patients with Active or Bad Debt Collection balances in verified Chapter 7 or Chapter 13 bankruptcy, Project Access, Deceased patients with limited-value estates, ADAP/Ryan White cases or patients who are approved for treatment at Southern High School, as allowed in whole or part by this policy.
11. Inpatient and Outpatient patients that express an inability to pay for outpatient prescription medications from Duke's retail pharmacy will be screened to validate whether the patient qualifies for Financial Assistance before providing the patient with prescription drugs at the time of discharge at limited or no cost.

**Approval Requirements**

Initial approval requirements for the Appropriate DUHS Representative and the corresponding level of Financial Assistance Adjustments are as follows:

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Approval Level	Approval Threshold
PRMO Self-Pay Director	≥\$50,000
PRMO AVP	≥\$75,000
PRMO COO	≥\$250,000

Eligible patients under this policy are approved for Financial Assistance for a period of six months. After initial approval has been received, subsequent patient balances will be adjusted by way of automatic system logic.

**Procedure**

1. Complete applications will include proof of monthly household income providing one of the following and a tax return if the applicant is claiming a dependent:
  - a. Pay Stubs
  - b. SSI/Disability
  - c. W2/Retirement/Pension
  - d. Tax Returns
  - e. Letter from Employer

If neither item from the above list is present or available with an application, Federal Poverty Level screening may be requested to assist in income determination.
2. Medical Indigence (Household Income Test)
  - a. All completed applications that are not recommended/approved for a sliding scale Financial Assistance Adjustment will be evaluated to determine if additional adjustments should be made based on Medical Indigence, as defined in this Policy.
  - b. Projected current year annual household income will be compared to the current balance due to all DUHS entities and providers and the Private Diagnostic Clinic. The amount of these balances that exceeds 15% of the projected current year annual household income will be eligible for a Financial Assistance Adjustment.
3. The Financial Assistance Adjustment request will be distributed to the appropriate individuals based on the requested write-off adjustment amount and corresponding approval levels.
4. Applicants will receive written notice regarding their eligibility for Financial Assistance.
  - a. If approved, a written notice will be sent to the patient with the percent discounted and a payment request for any remaining balance and a discount will be posted in the billing system.
  - b. If denied, written notice will be provided with an explanation of denial.

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5. Financial Assistance Adjustments are applied to outstanding qualifying account balances within the effective date range and at the point of Financial Assistance approval.
6. Any account that receives a patient payment prior to Financial Assistance approval should not be refunded.
7. Any eligible account that receives a patient payment after Financial Assistance approval will be refunded the amount equivalent to the patient payment. If payment is received from a secondary party or from insurance, the Financial Assistance Adjustment will be reversed for the amount of the payment and adjustment.

**Related Policies**

PRMO Payment Plan Policy

PRMO Patient Balance and Collections Policy

**Authoritative Source**[IRS Financial Assistance Policies](#)[IRS Limitation on Charges](#)**Attachments**

DUHS Financial Assistance FPL Sliding Scale

DUHS Financial Assistance Summary - English

DUHS Financial Assistance Application - English

DUHS Financial Assistance Policy - Español

Resumen de la política de asistencia financiera de DUHS - Español

Formulario de asistencia financiera de DUHS – Español

**Departments Affected**

PRMO Customer Service

PRMO Self-Pay Collections

PRMO Service Access – Financial Services