


Title: Revenue Cycle - Uncompensated Care - Policy

	Document Owner: Barbara Myers	Last Approved Date: 1/15/2020
	Content Expert: Connie Mihalevich	

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

I. Policy Statement

- a. In accordance with MU Health Care’s (MUHC’s) mission and values, all patients will receive medically necessary health care in compliance with federal law, regardless of patients’ ability to pay for services.
- b. This policy objectively considers each patient’s financial ability to pay for the cost of hospital and physician services and provides financial assistance that helps medically indigent patients, including those who are uninsured and underinsured
- c. This policy is important to establish guidelines and procedures for identifying eligible patients who are not fully covered by insurance or other third-party payers, and who are unable to pay for some or all of their healthcare services due to burdensome financial obligations associated with receiving acute and medically necessary care.

II. Definitions

- a. Missouri Resident: Person with a Missouri mailing address, a valid “Green Card”, and pays Missouri income taxes. Patient’s sponsors who invite them into the United States may also be required to meet eligibility
- b. Self-Pay: Person that is not covered by any type of medical insurance, third party liability, or indemnity and for which the patient or guarantor is liable for payment in full.
- c. Uninsured: Patients who have no health insurance and/or third party liability insurance for specified treatment
- d. Underinsured: Patients who have insurance but still have balances on their account(s) after insurance has processed the charges. These balances are comprised of co-insurance, deductibles, co-payments or charges for denied services which the health insurance company states are the patient’s responsibility.
- e. Health Care Sharing Ministry: an organization that facilitates sharing of health care costs among individual members. Members of a health care sharing ministry are exempt from requirements of the Affordable Care Act.

Title: Revenue Cycle - Uncompensated Care - Policy

- f. Presumptive Eligibility for Financial Assistance: Patients who are enrolled in state or federal programs such as food assistance programs, TANF, Child Care Support or MO HealthNet (Medicaid) with a spenddown or have a soft credit report that meets criteria.

III. Process/Content

- a. A self-pay discount will be applied to the total charges for eligible patients who do not have health insurance. The MUHC charges will be discounted at 60 percent. The University Physician charges will be discounted at 25 percent. An additional 20 percent discount will be applied to Physician charges that are paid in full within 30 days of the first billing statement
 - i. Patients with commercial insurance or third party liability are not eligible for this discount on their Patient self-pay balance.
 - ii. The self pay discount will be reversed, as needed, if it is determined at a later date that the patient qualifies for charity care or is bad debt collection material for MUHC. Upon the final determination of the patient's visit, total charges will be categorized as charity care or bad debt.
- b. Patients who are unable to pay their balances and are in need of financial assistance will be screened without bias of gender, ethnicity, sexual orientation, and religion or employment status.
- c. Eligibility is based on U.S. Citizenship and Missouri residency. Non-Missouri residents may not receive uncompensated care unless MUHC is mandated to treat, or the patient's care is classified as emergent. MUHC will review exceptions to this policy on a case by case basis.
- d. Financial assistance is not considered an alternative option to payment. Patients must first explore financial assistance or payer options from other sources before receiving MUHC financial assistance (charity care). These sources include but are not limited to grants and other forms of assistance from federal, state, and local government programs, third party liability, accident, as well as from private sources. Exception: Patient who has an IRS exemption from Social Security and Medicare Taxes and Waiver of Benefits (IRS Form 4029) will not be required to apply for MO HealthNet (Medicaid) to be considered for financial assistance.
- e. Participation in an arrangement where a third party (e.g., health care sharing ministry) provides for reimbursement for health expenses, even if the third party does not qualify as an insurance company may not be eligible for financial assistance beyond the self-pay discount.

Title: Revenue Cycle - Uncompensated Care - Policy

- f. Eligibility for financial assistance will be determined on an individual basis based on the information provided by the patient or someone acting on the patient's behalf. The information to determine eligibility may include income, assets and liabilities.
 - i. When unable to obtain application or information from patient, or when a patient with a budget plan defaults, MUHC may refer to, or rely on external sources and/or other state or federal program enrollment resources that support eligibility or individual circumstances, including soft credit checks. (For details on soft credit report criteria refer to Section III. Process/Content.o.3.a).
 - ii. When unable to obtain application or information from patient University Physicians may refer to, or rely on external sources and/or other state or federal program enrollment resources that support eligibility or individual circumstances. Use of soft credit check scores will only be considered for patients with outstanding balance for MUPC services.
- g. Services eligible under this policy:
 - i. Emergent or urgently needed medical services provided in an emergency room or urgent care setting.
 - ii. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting or situations where the patient is at risk of losing life or limb without medical attention.
 - iii. Health care services necessary for the diagnosis or treatment of patient's medical condition or to prevent a serious health impact if not treated.
- h. Services not eligible under this policy include elective, cosmetic, experimental, package priced procedures, non-retained equipment, vision care/optical services, Quick Care, Travel Clinic, and services considered by MUHC physician to be elective, or eligible to be covered by another source of payment (such as an accident with third-party responsibility, commercial insurance).
- i. Co-pays, deductibles and co-insurance for University Physicians are not eligible under this policy
- j. Hospital charges that are considered non-covered (e.g., by default denied days or denied service) by Medicaid or other governmental agency clientele may be considered for financial assistance provided the patient meets MUHC financial assistance guidelines.
- k. Uninsured or underinsured patients, where there is no third party liability, and the balance of their account is at or exceeds 20% of annual adjusted gross income (AGI) and no other means of payment is readily available, may be considered for a catastrophic discount of 70% from hospital balance. The total

Title: Revenue Cycle - Uncompensated Care - Policy

amount due may be capped at the 20% AGI when patient responsibility exceeds this threshold within a 12-month period and no other means of payment is available. Catastrophic discount does not apply to physician charges.

- I. Exceptions must be approved by the Director, Financial Counseling for hospital charges and the Director, Patient Accounts-University Physicians for physician charges.
- m. Information and application for financial assistance are available through any Financial Counseling and Customer Service locations at MUHC and publicized online at <http://www.muhealth.org/patient>. Signage and informational materials may be available at other locations throughout MU Health Care.
- n. Eligibility Requirements for financial assistance:
 - i. Be a United States citizen, or lawfully in the United States and a Missouri resident.
 1. Non Missouri resident for an emergent admission, or on a case by case basis non United States (U.S.) citizens not lawfully in the U.S. will be considered on a case by case basis;
 - ii. Do not have a third party liability, commercial insurance (University Physicians only), and is not a member a health care sharing ministry.
 - iii. Have income within the guidelines for eligibility. University Hospital and University Physicians have separate income criteria for financial assistance. The income eligibility criteria for full or partial assistance, based on the Federal Poverty Level (FPL) guidelines, are listed below. The percent reduction for sliding scale is listed in attachment A.

Title: Revenue Cycle - Uncompensated Care - Policy

INCOME GUIDELINES for 2020				
Family Size	UNIVERSITY HOSPITAL		UNIVERSITY PHYSICIANS	
If your family size is:	Full assistance if annual income is less than:	Partial assistance (sliding scale) if annual income is:	Full assistance if annual income is less than:	Partial assistance (sliding scale) if annual income is:
1	\$31,900	\$31,901 - \$51,040	\$19,140	\$19,141-\$31,900
2	\$43,100	\$43,101-\$68,960	\$25,860	\$25,861-\$43,100
3	\$54,300	\$54,301-\$86,880	\$32,580	\$32,581-\$54,300
4	\$65,500	\$65,501-\$104,800	\$39,300	\$39,301-\$65,500
5	\$76,700	\$76,701-\$122,720	\$46,020	\$46,021-\$76,700
6	\$87,900	\$87,901-\$140,640	\$52,740	\$52,741-\$87,900
7	\$99,100	\$99,101-\$158,560	\$59,460	\$59,461-\$99,100
8	\$110,300	\$110,301-\$176,480	\$66,180	\$66,181-\$110,300

iv. Have resources available to help pay bill.

1. Countable Assets and Resource Limits:

- a. Checking, savings, and non-retirement accounts including CD's stocks, bonds, mutual funds with a combined value of \$4,000 or less for household of 1; \$8,000 or less for household of 2 or more.
- b. Retirement accounts with estimated "cash out value" of \$50,000 or less and no Medicaid qualifier based on age or disability.
 - i. Retirement accounts with estimated "cash out value" greater than \$50,000 may be considered.
- c. "Cash surrender value" of life insurance policy of greater than \$1500 may be considered.
- d. Personal residence and automobiles, exempt from judgment will not be considered. Personal property and assets not used directly by the applicant (or eligible household members), but in the course of business or employment (is income producing) will not be considered. However, other personal property, such as vacation home, recreational vehicles, and plots of land

Title: Revenue Cycle - Uncompensated Care - Policy

(non-residential and non-agricultural) without a lien and not exempt from judgment may be considered as an asset;

- v. Patient may be required to apply for MO HealthNet (Medicaid) if patient has a family with children, is pregnant, age 65 or older, blind, or is unable to work for more than a year due to health conditions;
- vi. Patients are expected to enroll or apply for health insurance if categorically eligible to apply through employer or through the insurance exchanges. Patient may be required to provide letter of exemption for health insurance requirement; and/or
- vii. Patient may be presumptively eligible for assistance if approved for state or federal programs such as food assistance program, TANF, Child Care Support or MO HealthNet (Medicaid) with spenddown.
- o. Application Process: the following information may be requested in order to process the application:
 - i. Completed Financial Assistance application from patient or person acting on their behalf.
 - 1. One per household; good for 12 months for all family members listed on application.
 - 2. Applications are available in Spanish upon request.
 - 3. When unable to obtain application or information from patient, MUHC may refer to, or rely on external sources and/or other state or federal program enrollment resources that support eligibility or individual circumstances, including soft credit checks, and income verification.
 - a. Soft Credit check: Patients with a soft credit score between 0 to 580 and an estimated percent Federal Poverty Level (FPL) between 85% to 250% may be considered presumed eligible for financial assistance for Hospital only. Soft credit response returned with a null field are excluded from the presumptive eligibility process for hospital. The approval, based on a soft credit report or manual review, will be valid for a 12 month period from the date the credit score was pulled from the software vendor or date manual outcome was arrived.
 - ii. Supporting Documentation that may be requested to determine eligibility:
 - 1. Proof of income. Acceptable documentation includes:
 - a. Most current tax return or pay stubs for the past 3-6 months for the household as defined by state or federal

Title: Revenue Cycle - Uncompensated Care - Policy

- guidelines or proof of enrollment in other state or federal programs such as food stamps, TANF, Child Care Support, and MO HealthNet (Medicaid), etc.
- i. If household of more than one (1) and filed taxes, the tax return is required for University Physicians.
 - b. If self-employed, current tax return with all schedules is required.
 - c. Proof of Social Security or disability income.
 - d. Proof of non-filing or other documentation to substantiate income or lack thereof, and letter of support, if patient/household has no source of income.
- 2. Financial statements for the past 3 months for checking, reloadable/prepaid debit card, savings, and non-retirement investment accounts such as CDs, stocks, bonds, and mutual funds.
 - 3. If patient has applied for MO HealthNet (Medicaid) within the past six months, proof of rejection may be requested.
- p. Review and Approval Process:
- i. While the application is being processed, the responsible party will continue to receive monthly billing statements. Monthly payments may be expected based upon presumed eligibility pending final determination.
 - ii. If the application is approved for full assistance, it will be based on the current balance and the services eligible for financial assistance.
 - iii. If the application is not approved for full assistance, then prompt payment is expected.
 - 1. A payment plan can be set up if unable to pay balance in full. The responsible party may have up to 18 months to pay*, interest free, depending on the remaining balance. A defaulted payment may be sent to a collection agency within 60 days of non-payment.
 - a. A request for payment plan beyond 18 months requires approval from the Manager, Financial Counseling for hospital charges and the Director, Financial Services-University Physicians for physician charges.

Title: Revenue Cycle - Uncompensated Care - Policy

2. Unpaid physician bills not set up on a monthly payment plan will be sent to a collection agency after 90 days from the point the responsible party was initially notified that the balance was due.
3. Unpaid hospital bills not set up on a monthly payment plan will be sent to a collection agency after 120 days from the point the responsible party was initially notified that the balance was due.
4. If the application is not approved for financial assistance and the patient believes a unique financial hardship exists, the Financial Counselor or Customer Service Representative at MUHC may review the financial situation and forward for further consideration. Requests will be reviewed jointly by Director, Financial Counseling Manager and Director, Patient Accounts– University Physicians with exceptions approved by the Manager, Financial Counseling for hospital charges and the Assistant Director, Patient Accounts -University Physicians for physician charges.

IV. Attachments

- q. [Revenue Cycle - Uncompensated Care Financial Assistance Grid for HPA & UP Attachment](#)

V. References, Regulatory References, Related Documents, or Links

- r. [FSD Income Maintenance Manual](#)
- s. Revenue Cycle – Uninsured Community Benefit Discount
- t. Revenue Cycle – Discounted or Reduced Charges for Non-covered services