Policy Number AD300

Subject: Community Care Discount Program
Category / Section: Administration / Finance
Owner: Manager of Receivables Management
Stakeholder/Reviewer(s): Director of Patient Financial Services; VP of Revenue Cycle Operations

Effective Date: 04/10
Review Frequency: Every 3 years
Review Date: 09/01/11; 03/26/14
Revision Date: 09/01/11; 03/26/14

Scope of Policy (applies to entities marked below)

- All Carle Locations
- Carle Hospital
- Carle Physician Group
- Carle Foundation Physician Services
- Carle SurgiCenter
- Carle SurgiCenter – Danville
- Carle Therapy Services
- Carle Home Care including Carle Hospice and Carle Home Infusion
- Carle Medical Supply
- Cancer Center/Mills Breast Cancer Institute
- Risk Management Company
- Auditory Oral School
- Carle Medical Supply
- Windsor Court
- Hoopeson Regional Health Center
- Therapy Services - MTCH
- Therapy Services
- Windsor of Savoy
- Arabella Boutique

Purpose

A. To identify and assist those patients who are uninsured or underinsured and who are financially eligible to receive discounts for specified medical expenses through the Community Care Discount Program. The specified subsidiaries of The Carle Foundation will consider each patient’s ability to contribute to the cost of his or her care received and the financial ability of the specified subsidiaries to provide discounts for the care received.

B. All medically necessary care rendered by an eligible Carle Foundation entity (Carle) may be considered through the Community Care Discount Program. Eligible entities are:
   1. Carle Foundation Hospital
   2. Carle Physician Group
   3. Carle Clinic Association
   4. Carle Foundation Physician Services
   5. Carle Arrow Ambulance
   6. Champaign SurgiCenter, LLC
   7. Carle SurgiCenter – Danville
   8. Carle Therapy Services
   9. Carle Home Care including Carle Hospice and Carle Home Infusion
   10. Carle Medical Supply

Definitions

A. **Family/Household Size** - includes those dependents listed on tax returns, divorce decree, or child support order. Defined by the IRS for tax filing purposes under section 36B (d) (1), “a taxpayer’s family consists of the individuals for whom the taxpayer claims a personal exemption deduction under section 151 for the taxable year. Taxpayers may claim a personal exemption deduction for themselves, a spouse, and each of their dependents. Section 152 provides..."
that a taxpayer’s dependent may be a qualifying child or qualifying relative, including an unrelated individual who lives with the taxpayer. Family size is equal to the number of individuals in the taxpayer’s family.”

B. **Resident** – a person who lives in the state of Illinois or within certain Indiana counties (Benton, Fountain, Montgomery, Parke, Putnam, Vermillion, or Warren) and who intends to remain living within Illinois or the above identified Indiana counties indefinitely. Relocation for the sole purpose of receiving health care benefits does not satisfy the residency requirement.

C. **Underinsured** - a person without insurance benefits for services provided due to exclusions of coverage by the insurance provider. This does not apply to those circumventing insurance restriction or specification or out-of-network services.

D. **Generally accepted standards of medical practice:**
   1. Standards that are based on credible scientific evidence published in peer-reviewed, medical literature generally recognized by the relevant medical community;
   2. Physician Specialty Society recommendations;
   3. The views of physicians practicing in the relevant clinical area; and
   4. Any other relevant factors.

E. **Uninsured patient** - a resident who is a patient and is not covered under a policy of health insurance and is not a beneficiary under a public or private health insurance, health benefit, or other health coverage program, including high deductible health insurance plans, workers’ compensation, accident liability insurance, or other third party liability.

**Statement of Policy**

A. Any patient or responsible party may apply for the Community Care Discount Program, regardless of insurance coverage.

B. Certain identified patient populations are presumptively eligible for the Community Care Discount Program. Further detailed information is contained within the Presumptive Eligibility Policy - AD355.

C. Carle desires that all patients be aware of the Community Care Discount Program, and all other financial assistance programs available at Carle. That those eligible be identified as early in the care, treatment, and billing process as possible, and that the process be as simple as possible for the patient while still maintaining the financial controls and stewardship necessary to protect the organization.

   1. An application for government assistance must be completed if the patient appears to meet the eligibility criteria for such assistance. When appropriate, Carle staff or designee will use a screening checklist to assist in determining if the patient would qualify for government assistance.
      a. Failure by a patient or responsible party to complete the government program application process and/or failure to cooperate during the application process will result in an automatic denial of Community Care.
      b. If the patient applies for government assistance, documentation of the determination from the government program is required for reprocessing of the Community Care Discount Program application.
      c. Patients who have a third party payment source that will reimburse more than the government program reimbursement will be excluded from the requirement of applying for government assistance.

   2. The Community Care Discount Program amount is dependent on applicant’s household income and family size compared to the currently published Federal Poverty Level guidelines at the time of application and the facility where the services were performed.

<table>
<thead>
<tr>
<th>Federal Poverty Level</th>
<th>≤ 125%</th>
<th>&gt;135% but ≤200%</th>
<th>&gt;200% but ≤230%</th>
<th>&gt;230% but ≤270%</th>
<th>&gt;270% but ≤300%</th>
<th>≤ 400%</th>
<th>≤ 600%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Care Discount Program</td>
<td>100%</td>
<td>75%</td>
<td>50%</td>
<td>25%</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Capped Program (CCDP participating facilities only)</td>
<td>Limits patient’s Carle medical expenses to 40% of the household’s gross annual income.</td>
<td>N/A</td>
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<tr>
<td>Illinois Uninsured Hospital Patient Discount Program (Carle Foundation Hospital)</td>
<td>Limits patient’s Carle medical expenses to 25% of the household’s gross annual income. See policy AD346 for additional information.</td>
<td>N/A</td>
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<tr>
<td>Illinois Uninsured Hospital Patient Discount Program (Carle Hooperston Regional Health Care)</td>
<td>See policy AD346 for additional information.</td>
<td>N/A</td>
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</tbody>
</table>
3. To apply for the Community Care Discount Program, the guarantor or patient must complete the Carle application for financial assistance completely and return verification of income and assets.
   a. Verification of income for the previous 12 months is required. Income eligibility will be based on the most current published Federal Poverty Guidelines.
      - Monthly family income sources/documentation:
        - Wage statements
        - Self-employment income and expenses
        - Unemployment compensation
        - Award letters from the following types of income:
          - Social Security
          - Social Security Disability
          - Veterans’ pension
          - Veterans’ disability
          - Private disability
          -Workers’ compensation
          - Retirement Income
          - Child support, alimony or other spousal support
          - Other miscellaneous income sources.
      - Prior year’s Federal Tax Return document with all attachments and schedules, if filed.
   b. Statement of assets. Liquid assets in excess of $2,000.00 will be considered as additional available income. Pension and/or retirement accounts will not be considered liquid assets. Funds distributed from a pension or retirement account will constitute income when determining financial eligibility.
      - Checking
      - Savings
      - Health Spending Account
      - Medical Flexible Spending Account
      - Stocks/Bonds
      - Certificates of Deposit
      - Mutual Funds
      - Automobiles or other vehicles (in excess of 1 personal vehicle).
      - Real Property assessed value (in excess of personal residence)

4. Patients who receive a determination of either an approval or denial under the Community Care Discount Program may reapply after six (6) months from the date of original application signature in the event there are substantial or unforeseen material changes in their financial situation. In the case of extraordinary circumstances, an application may be submitted prior to the six (6) month limitation.

5. Applicants may appeal Community Care Discount Program discount determination by sending a written appeal to the Manager of Receivables Management. Further appeals may be directed to the Director of Patient Financial Services, and may be escalated to either the Vice President of Revenue Cycles or the Chief Financial Officer and then ultimately as the last appeal setting to the Community Care Review Committee (an advisory committee containing representatives from Land of Lincoln Legal Services, the Champaign County Health Care Consumers, and other similar organizations).

D. The Community Care Discount Program discount will apply to the residual patient balances after all other payments from sources such as Medicare, insurance companies, third party legal settlements, and/or patient funds are received and posted.
   1. Patients who purposefully circumvent insurance requirements (i.e. waiting periods, preauthorization, etc.) may be held responsible for the billable services and not receive any discounts on services.
   2. Patients who knowingly provide untrue information on the application for financial assistance, will be ineligible for financial assistance, any financial assistance granted may be reversed, and may be held responsible for the billable services.
3. Non-emergent, out-of-network care including out-of-state Medicaid that would be paid by the patient’s insurance company elsewhere will not be eligible for the Community Care Discount Program because the patients have the opportunity to have their healthcare needs met at a participating provider.

4. Emergent out-of-network care for those who qualify will be eligible under the Community Care Discount Program policy guidelines after all other payment sources have been exhausted (i.e. Personal Care HMO and Blue Cross Blue Shield for services at Carle Physician Group).

5. Emergent out-of-state Medicaid patients are not required to complete the Community Care Discount Program application process. They will be approved as eligible under the Community Care Discount Program after proof of coverage is provided and all other payment sources have been exhausted.

E. Patients may apply for the Community Care Discount Program at any time, including before care is received. If approved, the patient is eligible for the determined level of discounts for 12 months.

F. Patients who have been approved for the Community Care Discount Program may re-apply annually from the date of original application approval. Carle Foundation will attempt to notify patients by mail 90 days before the current termination date of eligibility in the Community Care Discount Program.

G. Patients that have been referred to a collection agency may request a Community Care Discount Program if a court judgment has not yet been obtained. However, an application for government assistance may be requested as stated in C1.

1. Carle will not file collection suit liens on a primary residence.
2. Carle will not authorize body attachments for purposes of medical debt collection.

H. Medically necessary care is defined as health care services that a physician, exercising prudent clinical judgment, would provide to a patient for the purpose of evaluating, diagnosing or treating an illness, injury, disease or its symptoms and that are:

1. In accordance with the generally accepted standards of medical practice;
2. Clinically appropriate, in terms of type, frequency, extent, site and duration, and considered effective for the patient’s illness, injury or disease; and
3. Not primarily for the convenience of the patient, family or physician and not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that patient’s illness, injury or disease.

I. Carle will utilize the Centers for Medicare and Medicaid Services coverage guidelines when determining services that qualify for the Community Care Discount Program.

1. Medical care that does not meet medical necessity guidelines as defined by The Carle Foundation is excluded from Community Care Program discounts (refer to Limited and Non Covered Service Listing – AD300B).
2. For services that may have limited coverage under the Community Care Discount Program Policy (based on current Federal/State coverage guidelines) refer to Limited and Non Covered Service Listing – AD300B.

Procedure
A. Patients with financial concerns should be identified by Carle personnel as soon as possible in the registration, care, treatment, and billing process.

1. A referral to Social Services, other pertinent staff or directly to a government program should be completed in order to obtain a determination of eligibility for Public Assistance. Patients who fail to cooperate with the government program during the application process will automatically be denied for the Community Care Discount Program. If the patient does not meet the eligibility criteria for a government program or if they have a spend-down, they may be eligible for a Community Care discount.

2. Patients are encouraged to apply for the Community Care Discount Program within 60 days after discharge or provision of service. The application for the Community Care Discount Program will be available in all registration areas, the Patient Accounting offices, (SBU) Business Offices, Cashier areas, Social Services and on the Carle website (www.carle.org).

3. Upon receipt of the Community Care Discount Program application by Patient Financial Services – Receivables Management staff, EPIC Prelude and Resolute systems will be populated:
   a. All collection activity will be held until the application processing is completed.
   b. Application and supporting documentation will be scanned into OnBase and the paper copies destroyed.
   c. Applicant will be notified of any missing documentation.
   d. If the missing documentation is not returned within 30 days, a notification letter will be mailed to the applicant that indicates the billing will commence.

4. The completed application should include:
   a. Income verification
• Parents’ income will be used to determine financial eligibility for students who are over age 18 but still claimed as dependents for their parents’ income tax purposes.
  b. Asset verification
  c. The patient or responsible party must provide verification of the number of family/household members.
B. When the application has been processed and the determination is made, a record of each application and associated documentation will be maintained by fiscal year.
  1. Applications received prior to April 23, 2013 are maintained by paper and warehoused.
  2. Applications received on or after April 23, 2013 are maintained electronically within OnBase.
C. All efforts will be made to send written determination to the applicant within 30 working days of receipt of the completed application. If the application is approved, the patient’s account will be adjusted as soon as possible thereafter to reflect the discount.
D. Patients who qualify for a partial discount of the balance will be required to pay the remainder due, as with other private pay accounts. See the Payment Policy - AD335.
E. When Carle Foundation receives an application for the Community Care Discount Program that indicates treatment at any applicable Carle Foundation facility, the application, verification and determination will be provided to all other applicable and/or involved Carle businesses.
F. The total of the Community Care Discount Program adjustments will be regularly reported to the Director of Financial Services, the Vice President of Revenue Cycle Operations and to the Chief Financial Officer.

Attachments
Limited and Non Covered Service Listing – AD300B
Area Homeless Shelters – AD300C

Other Related Links
Hospital Uninsured Patient Discount Program - AD346
Carle Hoopeston Regional Health Care Charity Care - HOOPAD100

References
210 ILCS 89 – Hospital Uninsured Patient Discount Act

Electronic Approval on File
Dennis Hesch
Executive Vice President/Chief Financial Officer