

**HUNTERDON MEDICAL CENTER  
ADMINISTRATIVE POLICY AND PROCEDURE MANUAL**

<b>SUBJECT: Financial Assistance Policy (“FAP”)</b>	<b>No: I-05-13</b>	<b>Date: 4/05</b>
	Page: 1	<b>Rev:</b> <b>12/30/15</b>
		Of: 10

**POLICY:**

It is the policy of Hunterdon Medical Center (“HMC”) to provide emergency or other medically necessary care to all persons regardless of their ability to pay. HMC does not take into account race, gender, age, sexual orientation, religious affiliation, and social or immigrant status to ensure all patient accounts are treated fairly, respectfully and consistently.

This FAP is intended to meet the charity care and financial assistance requirements under New Jersey (NJ) State rules and Federal rules under Section 501(r) of the Internal Revenue Code. In addition, this FAP is intended to provide assistance to those patients experiencing financial hardships, whether or not they qualify for state-sponsored programs.

Following determination of FAP-eligibility, eligible individuals will be charged, for emergency or other medically necessary care, the lesser of the amounts generally billed (defined below) to individuals who have insurance covering such care or any discounted rate available under this FAP.

HMC provides Emergency Care Services pursuant to the Emergency Medical Treatment and Active Labor Act (“EMTALA”) regardless of a patient’s insurance or financial status. Discounts for Emergency Care Services are determined after EMTALA obligations are met. Financial counseling services are available to all patients through the Patient Accounts Department during or after the provision of services. In the instance of an unscheduled patient, HMC will comply with its policy on EMTALA (Stabilization and transfer of Patients with an Emergency Medical Condition to Another Facility, NO.II-96-62).

**DEFINITIONS:**

Amounts Generally Billed (“AGB”) is the amount generally billed for emergency or other medically necessary care to individuals who have insurance covering such care.

AGB Percentage is the percentage of gross charges that a hospital facility uses to determine the AGB for any emergency or other medically necessary care it provides to an individual who is eligible for assistance under this FAP.

Charity Care is free or reduced-charge care provided to patients demonstrating an inability to pay. Charity Care consideration is based upon meeting certain eligibility criteria as determined by the New Jersey State Department of Health’s Hospital Care Payment Assistance Program. Charity Care is available for all emergency or other

**HUNTERDON MEDICAL CENTER  
ADMINISTRATIVE POLICY AND PROCEDURE MANUAL**

<b>SUBJECT: Financial Assistance Policy (“FAP”)</b>	<b>No: I-05-13</b>	<b>Date: 4/05</b>
	<b>Page: 2</b>	<b>Rev: 12/30/15</b>
		<b>Of: 10</b>

medically necessary services provided to all eligible Inpatient, Outpatient and Emergency Care patients.

Extraordinary Collection Actions (“ECA”) include any of the following actions taken by HMC against an individual related to obtaining payment of a bill for care covered under this FAP. ECAs include, but are not limited to, actions that require a legal or judicial process, reporting adverse information to consumer credit reporting agencies or credit bureaus, placing a lien and/or foreclosing on real property, attaching or seizing a bank account or garnishment of wages and deferring, denying or requiring payment prior to providing non-emergency medical care due to nonpayment of debt for previously provided care covered under the FAP.

Medically Necessary: Health care services or supplies ordered by a licensed medical provider that are needed to prevent, diagnose, or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine.

Urgent Care: Urgent care is for conditions that require prompt attention but do not pose an immediate, serious threat to the patient’s health or life.

Emergency Care is service provided for sudden, unexpected medical conditions that would endanger a patient's life or seriously harm the patient's health if not treated immediately by a licensed medical professional.

Primary Languages are languages that are spoken by individuals with Limited English Proficiency who comprise more than five (5) percent or 1,000 residents, whichever is less, of the community served by HMC.

Plain Language Summary of the FAP (“PLS”) is a written statement that notifies an individual that HMC offers financial assistance under this FAP and provides the following additional information in language that is clear, concise, and easy to understand,

Uninsured Patients are patients with no insurance or third party assistance for their financial responsibility to healthcare providers.

Underinsured Patients are patients who have insurance coverage but have significant remaining out of pocket expenses and who demonstrate financial hardship.

**SPECIFIC PROGRAMS:**

Patients who are uninsured or underinsured can apply for any of the programs listed

**HUNTERDON MEDICAL CENTER  
ADMINISTRATIVE POLICY AND PROCEDURE MANUAL**

<b>SUBJECT: Financial Assistance Policy (“FAP”)</b>	<b>No: I-05-13</b>	<b>Date: 4/05</b>
	<b>Page: 3</b>	<b>Rev: 12/30/15</b>
		<b>Of: 10</b>

below and will be screened for eligibility based on each program’s criteria:

- a. NJ State Medicaid Program;
- b. NJ State mandated pricing law (Reinhardt Legislation);
- c. NJ Hospital Care Payment Assistance Program (Charity);
- d. NJ Family Care;
- e. New Jersey Cancer Education and Early Detection (“NJCEED”);
- f. New Jersey Victims of Crime Compensation Office; and
- g. HMC Hunterdon Assistance Program.

HMC may refer to or rely on external sources or program enrollment resources where there is a lack of documentation to support a patient’s eligibility and determine if a patient qualifies for the “most generous assistance available.” If an individual is presumptively determined for less than the most generous assistance available under the FAP, then HMC will:

1. Notify the individual regarding the basis for the presumptive FAP-eligibility determination and explain how to apply for more generous assistance;
2. Give the individual a reasonable period of time (30 days) to apply for more generous assistance before initiating ECAs to obtain the discounted amount calculated;
3. Re-determine the individual’s FAP-eligibility status if a completed Application is received.

All assistance requests must be accompanied by the following documentation:

- A completed Application;
- A copy of the patient’s, or financially responsible individual’s, most recent income tax return;
- Copies of all applicable Form W-2’s;
- Proof of income for three months prior to the date of service (proof shall take the form of the information requested in the accompanying application including, but not limited to, pay stubs, employer’s statement on company letterhead or copy of unemployment check stub);
- Proof of liquid assets as defined on the application is also required in the form of monthly statements (excludes Uninsured Discount program); and
- Proof of identification and proof of NJ residency. Note: Emergency care is an exception to the residency requirement.

**HUNTERDON MEDICAL CENTER  
ADMINISTRATIVE POLICY AND PROCEDURE MANUAL**

<b>SUBJECT: Financial Assistance Policy (“FAP”)</b>	<b>No: I-05-13</b>	<b>Date: 4/05</b>
	<b>Page: 4</b>	<b>Rev: 12/30/15</b>
		<b>Of: 10</b>

Completed application along with required documentation, should be sent to:

Patient Accounts Department  
Hunterdon Medical Center  
2100 Wescott Dr.  
Flemington, NJ 08822

Upon receipt of a completed Application, a Financial Counselor will review the Application in order to determine FAP-eligibility. Patients, or the financially responsible individual, will be notified in writing of all determinations.

If HMC receives an incomplete Application, written notice will be provided to the patient, or the financially responsible individual, outlining the additional information and/or documentation needed in order to determine FAP-eligibility. Patients, or the financially responsible individual, will be given the greater of 30 days or amount of days remaining in the Application Period (240 days from the date of the first post-discharge billing statement) to submit a completed Application including any additional information requested by HMC.

**PROGRAM INFORMATION AND ELIGIBILITY:**

The programs defined below are intended to apply to only emergency or other medically necessary services. Elective cosmetic procedures and all other services for which HMC has established self-pay rates for services are excluded from this FAP.

A. NJ State Medicaid Program (Medicaid):

In order to be eligible for Medicaid, income must not exceed 138% of the Federal Poverty Level. Medicaid applications will be distributed to those patients meeting Medicaid screening eligibility. Eligibility will be reviewed by the state agency for programs including: Medicaid, General Assistance or Aid to Families with Dependent Children (AFDC) Healthy Start. A response indicating approval or denial from the state agency is required within 30 days. Accounts that do not meet qualification criteria are referred to other programs.

B. NJ State Mandated Pricing Law (Reinhardt Legislation):

Uninsured patients with income under 500% of the federal poverty level may

**HUNTERDON MEDICAL CENTER  
ADMINISTRATIVE POLICY AND PROCEDURE MANUAL**

<b>SUBJECT: Financial Assistance Policy (“FAP”)</b>	<b>No: I-05-13</b>	<b>Date: 4/05</b>
	<b>Page: 5</b>	<b>Rev: 12/30/15</b>
		<b>Of: 10</b>

qualify for a discount under the Uninsured Discount program. Assets are not included in determining eligibility and approval. Patients must complete an application which requires financial disclosure and documentation of NJ residency in order to determine eligibility.

Once eligible, the patient responsibility will be revised to reflect an amount that is 115% of the applicable payment rate under the federal Medicare program or the lesser of the AGB. Once this amount has been determined, collection will follow the standard self-pay claims follow up procedures.

**C. NJ Hospital Care Payment Assistance Program (Charity):**

Patients with income less than 300% of the federal poverty level, who are not eligible for other programs, may be eligible for Charity. Allowable assets as of the date of service are considered in the eligibility and approval process and are set at \$7,500 for an individual and \$15,000 for a couple or family.

Applications for assistance can be made at the time of service or after a service has been rendered. Applications can be made for a period of up to 12 months after the first post-discharge billing statement.

Eligibility for the Charity program will be determined within 30 days of receipt of application. The patient will be notified via a determination letter. If approved, the patient will then be required to visit the Patient Accounts Department for a face to face interview to finalize any outstanding document requests and to obtain a picture identification card.

HMC complies with all NJ State regulations regarding the Charity program. The basis for determining income eligibility is the Federal Poverty Guidelines as stated below:

**Eligibility in the NJ Charity Care Program:**

<b><u>Federal Poverty Guidelines</u></b>	<b><u>Patient Responsibility %</u></b>
Less than or equal to 200%	0%
Greater than 200% but less than 225%	20%
Greater than 225% but less than 250%	40%
Greater than 250% but less than 275%	60%
Greater than 275% but less than 300%	80%

**HUNTERDON MEDICAL CENTER  
ADMINISTRATIVE POLICY AND PROCEDURE MANUAL**

<b>SUBJECT: Financial Assistance Policy (“FAP”)</b>	<b>No: I-05-13</b>	<b>Date: 4/05</b>
	Page: 6	Rev: <b>12/30/15</b>
		Of: 10

*Catastrophic Charity Care* - Patients with partial charity discount with out of pocket allowable expenses that exceed 30% of the family income are eligible for catastrophic coverage. The amount in excess of the 30% is eligible for a full charity care discount.

D. NJ Family Care:

NJ FamilyCare is New Jersey's publicly funded health insurance program which includes CHIP, Medicaid and Medicaid expansion populations. NJ FamilyCare is a federal and state funded health insurance program created to help qualified New Jersey residents of any age access to affordable health insurance. NJ FamilyCare is for people who do not have employer insurance.

Financial eligibility for individuals seeking eligibility for NJ FamilyCare will be based on their Modified Adjusted Gross Income or MAGI. Additional information can be found at [www.njfamilycare.org/default.aspx](http://www.njfamilycare.org/default.aspx).

E. New Jersey Cancer Education and Early Detection (“NJCEED”):

The NJCEED program provides comprehensive outreach, education and screening services for breast, cervical, colorectal and prostate cancers.

A patient must be uninsured or underinsured and must have family gross income at or below 250% of FPG to be eligible. Additional information can be found at [www.nj.gov/health/cancer/njceed](http://www.nj.gov/health/cancer/njceed).

F. New Jersey Victims of Crime Compensation Office:

The State of New Jersey has established the New Jersey Victims of Crime Compensation Office to compensate victims of crime for losses and expenses, including certain medical expenses, resulting from certain criminal acts.

In order to be eligible for New Jersey Victims of Crime Compensation Office the crime must have occurred in New Jersey or must relate to a New Jersey resident victimized outside of the State, the victim must have reported the crime to police within 9 months and victim must cooperate with the investigation and prosecution of the crime. The claim must be filed within 3 years of the date of the crime and the patient must be an innocent victim of the crime. Additional information can be found at [www.nj.gov/oag/njvictims/index.html](http://www.nj.gov/oag/njvictims/index.html).

G. HMC- Hunterdon Assistance Program:

**HUNTERDON MEDICAL CENTER  
ADMINISTRATIVE POLICY AND PROCEDURE MANUAL**

<b>SUBJECT: Financial Assistance Policy (“FAP”)</b>	<b>No: I-05-13</b>	<b>Date: 4/05</b>
	Page: 7	Rev: <b>12/30/15</b>
		Of: 10

Uninsured patient: Patients that have income greater than 500% poverty level will be eligible to receive a discount on outpatient services. A patient’s, or a financially responsible individual’s, financial responsibility will be equivalent to the AGB reimbursement amount not to exceed AGB of 36% of the gross charges billed. Patient responsibility for inpatient services will reflect the average reimbursement based on two times the Medicaid DRG rate or AGB, whichever is less.

Underinsured: Underinsured patients whose income is over the 500% threshold for government sponsored programs may be eligible for prompt-pay discounts. Refer to *HMC’s separate Billing and Collection policy*.

Patients determined to be eligible for any of the financial assistance programs outlined above will be charged the lesser of AGB or the discounted rate available through these programs for which they may qualify.

**WIDELY PUBLICIZING THE FAP, APPLICATION AND PLS:**

Financial counseling information will be available to all patients seeking care. Patients with an order for medically necessary services will be offered financial assistance information during the outpatient registration process or during the course of their inpatient stay regardless of insurance status. All patients will have made available to them a written notice of the financial assistance programs in English and any language which represents a Primary Language.

The FAP, Application and PLS are all available in English and in any language which represents a Primary Language. Every reasonable effort will be made to ensure that these documents are clearly communicated to patients whose language does not constitute a Primary Language.

HMC’s FAP, Application and PLS are available in the following locations/manners:

- a. Download the FAP, Application and PLS from our website:  
[www.hunterdonhealth.org](http://www.hunterdonhealth.org);
- b. Paper copies of the FAP, Application and PLS are available upon request by mail, without charge, and are provided in various areas throughout HMC including the Patient Admitting Office, Emergency Department, Financial Services Area and all Hunterdon Healthcare

**HUNTERDON MEDICAL CENTER  
ADMINISTRATIVE POLICY AND PROCEDURE MANUAL**

<b>SUBJECT: Financial Assistance Policy (“FAP”)</b>	<b>No: I-05-13</b>	<b>Date: 4/05</b>
	Page: 8	<b>Rev:</b> <b>12/30/15</b>
		Of: 10

Physician Practices;

- c. If assistance is needed in obtaining paper copies of the FAP, Application, PLS or with the Application process, contact HMC Patient Accounts Department at (908) 788-6194 or visit or contact the financial counselors at the Patient Accounts Department;
- d. Signs or displays will be posted in English and Spanish in public hospital locations including admissions areas, emergency departments, and the financial services office that notify and inform patients about the availability of financial assistance; and
- e. A PLS will be provided to all patients as part of the intake process.

**AMOUNTS GENERALLY BILLED:**

HMC utilized the Look-Back Method Medicare fee-for-service plus Private Health Insurers to calculate its AGB Percentage. The AGB Percentage is calculated annually based on all claims allowed by Medicare, Medicare Advantage and private health insurers over a 12-month period, divided by the sum of associated gross charges for those claims.

Using this method, the AGB is determined by multiplying the Gross Charges for any emergency or other medically necessary care it provides to a FAP-eligible individual by the AGB Percentage. **Gross Charges** means Hunterdon’s full, established price for medical care that patients are charged before applying any contractual allowances, discounts, or deductions.

HMC’s AGB percentage is 36%.

If the calculated AGB Percentage results in amount **less than** the amount the patient owes, the patient will only be responsible for the amount calculated under AGB.

**PROVIDER LISTING:**

Financial assistance and discounts are available only for emergency or other medically necessary health care services. Some services are separate from hospital charges and may not be eligible for financial assistance through HMC. A list of all providers, other than HMC, providing emergency or other medically necessary care in the hospital facility, by facility, specifying which providers are covered by this FAP and which are not can be found at Appendix A. The provider listings will be reviewed quarterly and



**HUNTERDON MEDICAL CENTER  
ADMINISTRATIVE POLICY AND PROCEDURE MANUAL**

<b>SUBJECT: Financial Assistance Policy (“FAP”)</b>	<b>No: I-05-13</b>	<b>Date: 4/05</b>
		<b>Rev: 12/30/15</b>
	Page: 9	Of: 10

updated if necessary.

**BILLING AND COLLECTION:**

Payment Plans:

HMC takes into account each individual’s ability to contribute to the cost of his or her care. Patients that do not qualify for any of the assistance programs have the option to participate in one of our two payment plans.

Extended plans up to 24 months:

Patients must contact the Patient Accounts department to establish a formal written repayment plan to prevent the account from going to an outside collection agency.

Extended plans greater than 24 months:

Payment plans beyond 24 months may be available and are referred to an outside agency. Payment arrangements will be established at no more than 10% of the patient’s monthly gross income. Use of this option requires financial disclosure of income to the outside agency. Refer to *HMC’s separate Billing and Collections Policy*.

Collection process for Patient Balances:

HMC has partnered with an outside vendor to perform initial billing and collection follow up for patient balances as an extension of the business office. The business partner will mail a clear detailed initial statement to patients once a self pay financial responsibility is determined. A series of billing statements (a minimum of three) will follow in addition to attempting phone contact. Statements and calls will be made during this Notification Period of 120 days from the date of the first post-discharge billing statement. If after this 120 day Notification Period there is no active communication between HMC or its designated representative and the patient regarding their financial responsibility, a final pre-collection letter will be sent. If the account remains unresolved after 30 days from final pre-collection letter it will be assigned to a collection agency for an additional period of 6 to 9 months in an attempt to resolve an outstanding balance. Please note that a copy of the PLS will be included with this final pre-collection letter. HMC, or any third party acting on its behalf, cannot engage in any ECAs prior to the expiration of the Notification period.

Patients will have a minimum of 240 days from the date of the patient’s first post-discharge billing statement to apply for financial assistance under this FAP. In the even

**HUNTERDON MEDICAL CENTER  
ADMINISTRATIVE POLICY AND PROCEDURE MANUAL**

<b>SUBJECT: Financial Assistance Policy (“FAP”)</b>	<b>No: I-05-13</b>	<b>Date: 4/05</b>
	<b>Page: 10</b>	<b>Rev: 12/30/15</b>
		<b>Of: 10</b>

an Application is received during this Application Period, HMC, or any third party acting on its behalf will:

- a. Suspended any ECAs against the individual;
- b. Make and document a FAP-eligibility determination in a timely manner; and
- c. Notify the responsible party or individual in writing of the determination and basis for determination.

If a patient is deemed to be FAP-eligible, HMC will:

- a. Provide a billing statement indicating the amount the FAP-eligible individual owes, how that amount was determined and how information pertaining to AGB may be obtained;
- b. Refund any excess payments made by the individual; and
- c. Third Parties will take all reasonable available measures to reverse any ECAs taken against the patients to collect the debt.

For additional information on our collection process please refer to *HMC’s separate Billing and Collections Policy*.

**OTHER INFORMATION:**

Annual Review: This policy and the discounted rates described within it will be reviewed by the HMC Finance Department on a yearly basis.

Disclaimer: In extenuating circumstances, exceptions to this policy may be made by the Chief Financial Officer or Chief Executive Officer.

Authority: Significant changes to this Policy shall have the approval of the HMC Board of Trustees, a committee of the Board of Trustees or other authorized body.

**HUNTERDON MEDICAL CENTER  
ADMINISTRATIVE POLICY AND PROCEDURE MANUAL**

<b>SUBJECT: Financial Assistance Policy (“FAP”)</b>	<b>No: I-05-13</b>	<b>Date: 4/05</b>
	<b>Rev:</b> <b>12/30/15</b>	
	Page: 11	Of: 10

<p>Issued: 5/28/03 Reviewed/Revised: 03/05, 4/05,4/08, 1/09, 11/13, 11/15</p> <p style="text-align: center;">Approved: <u>signature on file</u></p> <p>Keyword: financial, medical necessity, charity care, payment, assistance, AGB.</p>
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## Appendix A

### Hunterdon Medical Center - Financial Assistance Program

#### Participating Specialty Groups

- Emergency Services
- Radiology Services
- Pathology Services
- Anesthesiology Services
- Laboratory Services
- Maternity and Prenatal Services
- Pulmonary Services