Background
Mercy Fitzgerald Hospital and Nazareth Hospital is a community of persons serving together in the spirit of the Gospel as a compassionate and transforming healing presence within our communities. Aligned with our Core Values, in particular that of “Commitment To Those Who Are Poor,” we provide care for persons who are in need and give special consideration to those who are most vulnerable, including those who are unable to pay and those whose limited means make it extremely difficult to meet the health care expenses incurred. Mercy Fitzgerald Hospital and Nazareth Hospital is committed to:

- Providing access to quality health care services with compassion, dignity and respect for those we serve, particularly the poor and the underserved in our communities;
- Caring for all persons, regardless of their ability to pay for services; and
- Assisting patients who cannot pay for part or all of the care that they receive.

In addition, this policy provides administrative and accounting guidelines for the identification, classification and reporting of patients as Financial Assistance as distinguished from Bad Debts.

Scope/Applicability
This Procedure is intended to apply to all Mercy Fitzgerald Hospital and Nazareth Hospital’s Subsidiaries that provide or bill for patient care.

This Procedure is based on a Trinity Health FAP “Mirror Policy.”

Definitions
Amounts Generally Billed (“AGB”) means the amounts generally billed for emergency or other medically necessary care to patients who have insurance covering such care.

Discounted Care means a partial discount off the amount owed for patients that qualify under the FAP.

Emergent medical services are those needed for a condition that may be life threatening or the result of a serious injury and requiring immediate medical attention. This medical condition is generally governed by Emergency Medical Treatment and Active Labor Act (EMTALA).

Executive Leadership Team (“ELT”) means the group that is composed of the highest level of management at Trinity Health.

Extraordinary Collection Actions (“ECA”) include the following actions taken by Mercy Fitzgerald Hospital and Nazareth Hospital (or a collection agent on their behalf):

- Deferring or denying, or requiring a payment before providing, medically necessary care because of a patient’s nonpayment of one or more bills for previously provided care covered under the Mercy Fitzgerald Hospital and Nazareth Hospital’s FAP. If Mercy Fitzgerald or Nazareth requires a payment before providing care to an individual with one or more outstanding bills, such a payment requirement will be presumed to be because of
the individual’s nonpayment of the outstanding bill(s) unless Mercy Fitzgerald or Nazareth can demonstrate that it required the payment from the individual based on factors other than, and without regard to, his or her nonpayment of past bills.

- Reporting outstanding debts to a Credit Bureau.
- Pursuing legal action to collect a judgment (i.e. garnishment of wages, debtor’s exam)
- Placing liens on property of individuals.

**Family** (as defined by the U.S. Census Bureau) is a group of two or more people who reside together and who are related by birth, marriage, or adoption. If a patient claims someone as a dependent on their income tax return, according to the Internal Revenue Service rules, they may be considered a dependent for the purpose of determining eligibility under the Mercy Fitzgerald Hospital and Nazareth Hospital’s FAP.

**Family Income**—A person’s Family Income includes the Income of all adult Family members in the household. For patients under 18 years of age, Family Income includes that of the parents and/or step-parents, or caretaker relatives’ annual Income from the prior 12 month period or the prior tax year as shown by recent pay stubs or income tax returns and other information. Proof of earnings may be determined by annualizing the year-to-date Family Income, taking into consideration the current earnings rate.

**Financial Assistance Policy (FAP)** means a written policy and procedure that meets the requirements described.

**Financial Assistance Policy (“FAP”) application** means the information and accompanying documentation that a patient submits to apply for financial assistance under Mercy Fitzgerald Hospital and Nazareth Hospital’s FAP. Mercy Fitzgerald Hospital and Nazareth Hospital may obtain information from a patient in writing or orally (or a combination of both).

**Financial Support** means support (charity, discounts, etc.) provided to patients for whom it would be a hardship to pay for the full cost of medically necessary services provided by Mercy Fitzgerald Hospital and Nazareth Hospital who meet the eligibility criteria for such assistance.

**Free Care** means a full discount off the amount owed for patients who qualify under the FAP.

**Income** includes wages, salaries, salary and self-employment income, unemployment compensation, worker’s compensation, payments from Social Security, public assistance, veteran’s benefits, child support, alimony, educational assistance, survivor’s benefits, pensions, retirement income, regular insurance and annuity payments, income from estates and trusts, rents received, interest/dividends, and income from other miscellaneous sources.

**Medical Necessity** is defined as documented in Pennsylvania’s Medicaid Provider Manual.

**Policy** means a statement of high-level direction on matters of strategic importance to Mercy Fitzgerald Hospital and Nazareth Hospital or a statement that further interprets Mercy Fitzgerald Hospital and Nazareth Hospital’s governing documents. System Policies may be either stand alone or Mirror Policies designated by the approving body.

**Plain Language Summary of the FAP** means a written statement that notifies a patient that the hospital facility offers financial assistance under a FAP and provides the following additional information in language that is clear, concise, and easy to understand:

- A brief description of the eligibility requirements and assistance offered under the FAP.
- A brief summary of how to apply for assistance under the FAP.
- The direct Web site address (or URL) and physical locations where the patient can obtain copies of the FAP and the FAP application form.
• Instructions on how the patient can obtain a free copy of the FAP and the FAP application by mail.

• The contact information, including telephone number and physical location, of the Financial Counselor who can provide information about the FAP and provide assistance with the FAP application process.

• A statement of the availability of translations of the FAP and the FAP application form, and plain language summary of the FAP in other languages, if applicable.

• A statement that a FAP-eligible patient may not be charged more than AGB for emergency or other medically necessary care.

Procedure means a document designed to implement a Policy or a description of specific required actions or processes.

Regional Health Ministry ("Mercy Fitzgerald Hospital and Nazareth Hospital") means a first tier (direct) subsidiary, affiliate or operating division of Trinity Health that maintains a governing body that has day-to-day management oversight of a designated portion of Trinity Health System operations.

Service Area is the list of counties comprising Mercy Fitzgerald Hospital and Nazareth Hospital’s service market area constituting a “community of need” for primary health care services.

Standards or Guidelines mean additional instructions and guidance which assist in implementing Procedures, including those developed by accreditation or professional organizations.

Subsidiary means a legal entity in which a Trinity Health Regional Health Ministry is the sole corporate member or sole shareholder.

Uninsured Patient means an individual who is uninsured, having no third-party coverage by a commercial third-party insurer, an ERISA plan, a Federal Health Care Program (including without limitation Medicare, Medicaid, SCHIP, and CHAMPUS), Worker’s Compensation, or other third party assistance to cover all or part of the cost of care, including claims against third parties covered by insurance to which Mercy Fitzgerald Hospital and Nazareth Hospital is subrogated, but only if payment is actually made by such insurance company.

Urgent (service level) are medical services are those needed for a condition that is not life threatening, but requiring timely medical services.

Procedure
This Procedure, which provides guidance in implementing the larger Financial Assistance Policy (hereafter FAP) as adopted by Trinity Health, balances financial assistance with broader fiscal responsibilities and provides requirements for financial assistance for physician, acute care and post-acute care health care services.

I. Qualifying Criteria for Financial Assistance
Mercy Fitzgerald Hospital and Nazareth Hospital will implement this Financial Assistance to Patients Policy ("FAP") which is designed to address the patients’ need for financial assistance and support as they seek services through Mercy Fitzgerald Hospital and Nazareth Hospital and its ministries. It applies to all eligible services as provided under applicable state or federal law. Eligibility for financial assistance and support from the Mercy Fitzgerald Hospital and Nazareth Hospital will be determined on an individual basis using specific criteria and evaluated on an assessment of the patient’s and/or family’s health care needs, financial resources and obligations.

A. Services Eligible for Financial Support
1. All medically necessary services, including medical and support services provided by Mercy Fitzgerald Hospital and Nazareth Hospital, will be eligible for Financial Support.
2. Emergency medical care services will be provided to all patients who present to the Mercy Fitzgerald Hospital and Nazareth Hospital’s emergency department, regardless of the patient’s ability to pay. Such medical care will continue until the patient’s condition has been stabilized prior to any determination of payment arrangements.

B. Services Not Eligible for Financial Support

1. Cosmetic services, other elective procedures and services that are not medically necessary.

2. Services not provided and billed by Mercy Fitzgerald Hospital and Nazareth Hospital (e.g., independent physician services, private duty nursing, ambulance transport, etc.).

3. As provided in Section II, Mercy Fitzgerald Hospital and Nazareth Hospital will proactively help patients apply for public and private programs. Mercy Fitzgerald Hospital and Nazareth Hospital may deny financial support to those individuals who do not cooperate in applying for programs (e.g., Pennsylvania Medicaid) that may pay for their health care services.

4. Mercy Fitzgerald Hospital and Nazareth Hospital may exclude services that are covered by an insurance program at another provider location but are not covered at another subsidiary of Mercy Fitzgerald Hospital and Nazareth Hospital after efforts are made to educate the patients and provided that Federal Emergency Medical Treatment and Active Labor Act (EMTALA) obligations are satisfied.

C. Residency Requirements

1. Mercy Fitzgerald Hospital and Nazareth Hospital will provide financial support to patients who reside within their service areas and qualify under the Mercy Fitzgerald Hospital and Nazareth Hospital’s FAP. These service areas, by county (in Pennsylvania), are: Montgomery County, Philadelphia County, Delaware County, Bucks County, Berks County, and Chester County.

2. Mercy Fitzgerald Hospital and Nazareth Hospital will provide financial support to patients from outside their service areas who qualify under the Mercy Fitzgerald Hospital and Nazareth Hospital FAP and who present with an urgent, emergent or life-threatening condition.

3. Mercy Fitzgerald Hospital and Nazareth Hospital will provide financial support to patients identified as needing service by physician foreign mission programs conducted by active medical staff for which prior approval has been obtained from the Mercy Fitzgerald Hospital and Nazareth Hospital’s President or designee.

D. Documentation for Establishing Income

1. Information provided to Mercy Fitzgerald Hospital and Nazareth Hospital by the patient and/or family should include earned income, including monthly gross wages, salary and self-employment income; unearned income including alimony, retirement benefits, dividends, interest and income from any other source; number of dependents in household; and other information requested on the FAP application.

2. Supporting documents such as payroll stubs, tax returns, and credit history may be requested to support information reported and shall be maintained with the completed application and assessment. Mercy Fitzgerald Hospital and Nazareth Hospital will not deny Financial Support based on the omission of information or documentation that is not specifically required by the FAP or FAP application form.

3. Mercy Fitzgerald Hospital and Nazareth Hospital will provide patients who submit an incomplete FAP application a written notice that describes the additional information and/or documentation that must be submitted within 30 days from the date of written notice to complete the FAP application. The notice will provide contact information for questions regarding the missing information. Mercy Fitzgerald
Hospital and Nazareth Hospital may initiate collection activity if the patient does not submit the missing information and/or documentation within the 30 day resubmission period and it is at least 120 days from the date that Mercy Fitzgerald Hospital and Nazareth Hospital provided the first post-discharge billing statement for care. Mercy Fitzgerald Hospital and Nazareth Hospital will process the FAP application if the patient provides the missing information/or documentation during the 240-day application period (or, if later, within the 30-day resubmission period).

E. Consideration for Patient Assets


F. Presumptive Support

1. Mercy Fitzgerald Hospital and Nazareth Hospital recognizes that not all patients are able to provide complete financial information. Therefore, approval for Financial Support may be determined based on limited available information. When such approval is granted it is classified as “Presumptive Support”.

2. The predictive model is one of the reasonable efforts that will be used by Mercy Fitzgerald Hospital and Nazareth Hospital to identify patients who may qualify for financial assistance prior to initiating collection actions, i.e., write-off to bad debt and referral to collection agency. This predictive model enables Mercy Fitzgerald Hospital and Nazareth Hospital to systematically identify financially needy patients.

3. Examples of presumptive cases include:
   
   a. Deceased patients with no known estate;
   
   b. Homeless patients;
   
   c. Unemployed patients;
   
   d. Non-covered medically necessary services provided to patients qualifying for public assistance programs;
   
   e. Patient bankruptcies; and
   
   f. Members of religious organizations who have taken a vow of poverty and have no resources individually or through the religious order.

4. For patients who are non-responsive to the application process, other sources of information, if available, should be used to make an individual assessment of financial need. This information will enable the Mercy Fitzgerald Hospital and Nazareth Hospital to make an informed decision on the financial need of non-responsive patients.

5. For the purpose of helping financially needy patients, a third-party (Connance) is to conduct a review of patient information to assess financial need. This review utilizes a health care industry-recognized, predictive model that is based on public record databases. These public records enable the Mercy Fitzgerald Hospital and Nazareth Hospital to assess whether the patient is characteristic of other patients who have historically qualified for financial assistance under the traditional application process. In cases where there is an absence of information provided directly by the patient, and after efforts to confirm coverage availability are exhausted, the predictive model provides a systematic method to grant presumptive eligibility to financially needy patients.

6. In the event a patient does not qualify under the predictive model, the patient may still provide supporting information within established timelines and be considered under the traditional financial assistance application process.
7. Patient accounts granted presumptive support status will be adjusted using Presumptive Financial Support transaction codes at such time the account is deemed uncollectable and prior to referral to collection or write-off to bad debt. The discount granted will be classified as financial support; the patient’s account will not be sent to collection and will not be included in the Mercy Fitzgerald Hospital and Nazareth Hospital bad debt expense.

8. Mercy Fitzgerald Hospital and Nazareth Hospital will notify patients determined to be eligible for less than the most generous assistance available under the FAP that he or she may apply for more generous assistance available under the FAP within 30 days of the notice. The determination of a patient being eligible for less than the most generous assistance is based on presumptive support status or a prior FAP eligibility determination. Additionally, Mercy Fitzgerald Hospital and Nazareth Hospital may initiate or resume collection activity if the patient does not apply for more generous assistance within 30 days of notification if it is at least 120 days from the date that Mercy Fitzgerald Hospital and Nazareth Hospital provided the first post-discharge billing statement for care. Mercy Fitzgerald Hospital and Nazareth Hospital will process any new FAP application that the patient submits by the end of the application period or, if later, by the end of the 30-day period given to apply for more generous assistance.

G. Timeline for Establishing Financial Eligibility

1. Every effort should be made to determine a patient’s eligibility for financial support prior to or at the time of admission or service. Financial assistance applications will be accepted during the application period. The application period begins the day that care is provided and ends the later of 240 days after the first post-discharge billing statement to the patient or either:
   a. The end of the time period that a patient is eligible for less than the most generous assistance available, based upon presumptive support status or a prior FAP eligibility determination, and who has applied for more generous financial assistance; or,
   b. The deadline provided in a written notice after which collection activity may be initiated.

2. Mercy Fitzgerald Hospital and Nazareth Hospital may accept and process an individual’s FAP application submitted outside of the application period on a case-by-case basis as authorized by Mercy Fitzgerald Hospital and Nazareth Hospital’s established approval levels.

3. Mercy Fitzgerald Hospital and Nazareth Hospital will refund any amount the patient has paid for care the exceeds the amount he or she is determined to be personally responsible for paying as a FAP-eligible patient, unless such excess amount is less than $5 (or such other amount set by notice or other guidance published in the Internal Revenue Bulletin). The refunds of payments is only required for the episodes of care to which the FAP application applies.

4. Determination for financial support will be made after all efforts to qualify the patient for governmental financial assistance or other programs have been exhausted.

5. Mercy Fitzgerald Hospital and Nazareth Hospital will make every effort to make a financial support determination in a timely fashion. If other avenues of Financial Support are being pursued, the Mercy Fitzgerald Hospital and Nazareth Hospital will communicate with the patient regarding the process and expected timeline for determination and shall not attempt collection efforts while such determination is being made.

6. Once qualification for financial support has been determined, subsequent reviews for continued eligibility for subsequent services should be made after a reasonable time period as determined by Mercy Fitzgerald Hospital and Nazareth Hospital.
H. Level of Financial Support

1. Mercy Fitzgerald Hospital and Nazareth Hospital will follow the Income guidelines established below in evaluating a patient’s eligibility for Financial Support. A percentage of the Federal Poverty Level (FPL) Guidelines which are updated on an annual basis are used for determining a patient’s eligibility for financial support. However, other factors, as identified above, also should be considered such as the patient’s financial status and/or ability to pay as determined through the assessment process.

2. Mercy Fitzgerald Hospital and Nazareth Hospital will implement the recommended level of financial support set forth in this Procedure.

3. Family Income at or below 200% of the Federal Poverty Level Guidelines: A 100% discount off total charges will be provided for uninsured patients whose family’s income is at or below 200% of the most recent Federal Poverty Level Guidelines.

4. Family income between 201% and 400% of the Federal Poverty Level Guidelines: A discount off total charges equal to the Mercy Fitzgerald Hospital and Nazareth Hospital average acute care contractual adjustment for Medicare will be provided for acute care patients whose family income is between 201% and 400% of the Federal Poverty Level Guidelines. A discount off total charges equal to the Mercy Fitzgerald Hospital and Nazareth Hospital physician contractual adjustment for Medicare will be provided for ambulatory patients whose family income is between 201% and 400% of Federal Poverty Level Guidelines. The Mercy Fitzgerald Hospital and Nazareth Hospital’s acute and physician average contractual adjustment amount for Medicare will be calculated utilizing the look back methodology of calculating the sum of paid claims divided by the total or “gross” charges for those claims by the System Office or Mercy Fitzgerald Hospital and Nazareth Hospital annually using twelve months of paid claims with a 30 day lag from report date to the most recent discharge date.

5. Patients with family income up to and including 200% of the Federal Poverty Level Guidelines will be eligible for financial support for co-pay, deductible, and co-insurance amounts provided that contractual arrangements with the patient’s insurer do not prohibit providing such assistance.

6. Medically Indigent Support / Catastrophic: Financial support is also provided for medically indigent patients. Medical indigence occurs when a person is unable to pay some or all of their medical bills because their medical expenses exceed a certain percentage of their family or household Income (e.g., due to catastrophic costs or conditions), regardless of whether they have Income or assets that otherwise exceed the financial eligibility requirements for free or discounted care under the Mercy Fitzgerald Hospital and Nazareth Hospital’s FAP. Catastrophic costs or conditions occur when there is a loss of employment, death of primary wage earner, excessive medical expenses or other unfortunate events. Medical indigence/catastrophic circumstances will be evaluated on a case-by-case basis that includes a review of the patient’s Income, expenses and assets. If insured patient claims catastrophic circumstances and applies for financial assistance, medical expenses for an episode of care that exceed 20% of income will permit co-pays and deductibles to qualify as catastrophic charity care. Discounts for medically indigent care for the uninsured will not be less than the Mercy Fitzgerald Hospital and Nazareth Hospital’s average contractual adjustment amount for Medicare for the services provided or an amount to bring the patients catastrophic medical expense to income ratio back to 20%. Medically indigent and catastrophic financial assistance will be approved by the CFO or delegate for the local hospital (Mercy Fitzgerald Hospital and Nazareth Hospital.)

7. While Financial Support should be made in accordance with the Mercy Fitzgerald Hospital and Nazareth Hospital’s established written criteria, it is recognized that occasionally there will be a need for granting additional Financial Support to patients based upon individual considerations. Such individual considerations will be approved by the Acute Care CFO.
II. Accounting and Reporting for Financial Support

1. In accordance with the Generally Accepted Accounting Principles, Financial Support provided by Mercy Fitzgerald Hospital and Nazareth Hospital is recorded systematically and accurately in the financial statements as a deduction from revenue in the category “Charity Care.” For the purposes of Community Benefit reporting, charity care is reported at estimated cost associated with the provision of “Charity Care” services in accordance with the Catholic Health Association.

2. The following guidelines are provided for the financial statement recording of Financial Support:
   a. Financial support provided to patients under the provisions of “Financial Assistance Program”, including the adjustment for amounts generally accepted as payment for patients with insurance, will be recorded under “Charity Care Allowance.”
   b. Write-off of charges for patients who have not qualified for Financial Support under this Procedure and who do not pay will be recorded as “Bad Debt.”
   c. Prompt pay discounts will be recorded under “Operational Adjustments- Administrative” or “Contractual Allowance.”
   d. Accounts initially written-off to bad debt and subsequently returned from collection agencies where the patient was determined to have met the Financial Support criteria based on information obtained by the collection agency will be reclassified from “Bad Debt” to “Charity Care Allowance”.

III. Assisting Patients Who May Qualify for Coverage

A. Mercy Fitzgerald Hospital and Nazareth Hospital will make affirmative efforts to help patients apply for public and private programs (i.e. Medicaid) for which they may qualify and that may assist them in obtaining and paying for health care services. Premium assistance may also be granted on a discretionary basis according to Trinity Health’s “Payment of QHP Premiums and Patient Payables Procedure.”

B. Mercy Fitzgerald Hospital and Nazareth Hospital will have understandable, written procedures to help patients determine if they qualify for public assistance programs or the Mercy Fitzgerald Hospital and Nazareth Hospital FAP.

IV. Effective Communications

A. Mercy Fitzgerald Hospital and Nazareth Hospital will provide financial counseling to patients about their health care bills related to the services they received within the Mercy Fitzgerald Hospital and Nazareth Hospital and will make the availability of such counseling known.

B. Mercy Fitzgerald Hospital and Nazareth Hospital will respond promptly and courteously to patients’ questions about their bills and requests for financial assistance.

C. Mercy Fitzgerald Hospital and Nazareth Hospital will utilize a billing process that is clear, concise, correct and patient friendly.

D. Mercy Fitzgerald Hospital and Nazareth Hospital will make available information about charges for services they provide in an understandable format.

E. Mercy Fitzgerald Hospital and Nazareth Hospital will post signs and display brochures that provide basic information about their FAP including the emergency room and admissions offices throughout Mercy Fitzgerald Hospital and Nazareth Hospital’s operating units.

F. Mercy Fitzgerald Hospital and Nazareth Hospital will make the FAP, a plain language summary of the FAP and
the FAP application form available to patients as part of the intake or discharge process, by mail and on the
Trinity Health Mid-Atlantic website. Any individual with access to the Internet will be able to view, download
and print a hard copy of these documents. Mercy Fitzgerald Hospital and Nazareth Hospital will provide any
individual who asks how to access a copy of the FAP, FAP application form, or plain language summary of the
FAP online with the direct website address, or URL, where these documents are posted.

G. These documents will be made available in English and in the primary language of any population with
limited proficiency in English that constitutes more than 10 percent of the residents of the community
served by Mercy Fitzgerald Hospital and Nazareth Hospital. Mercy Fitzgerald Hospital and Nazareth Hospital
will list on its website the locations in Mercy Fitzgerald Hospital and Nazareth Hospital where these
documents are available.

H. Mercy Fitzgerald Hospital and Nazareth Hospital will list the names of individual doctors, practice groups,
or other entities that are providing emergency or medically necessary care in the Mercy Fitzgerald Hospital
and Nazareth Hospital hospitals by name used either to contract with the hospital or to bill patients for care
provided.

I. Mercy Fitzgerald Hospital and Nazareth Hospital will take measures to notify members of the community
served about the FAP. Such measures may include, for example, the distribution of information sheets
summarizing the FAP to local public agencies and nonprofit organizations that address the health needs of
the community's low income populations.

J. Mercy Fitzgerald Hospital and Nazareth Hospital will include a conspicuous written notice on billing
statements that notifies and informs recipients about the availability of financial assistance under
Mercy Fitzgerald Hospital and Nazareth Hospital's FAP and includes the telephone number of the Financial
Counselor who can provide information about the FAP, the FAP application process and the direct Web site
address (or URL) where copies of the FAP, FAP application form, and plain language summary of the FAP may
be obtained.

K. Mercy Fitzgerald Hospital and Nazareth Hospital will refrain from initiating ECA (Extraordinary Collection
Activity) until 120 days after providing patients the first post-discharge billing statement for the episode
of care. Including the most recent episodes of care for outstanding bills that are aggregated for billing to
the patient. Mercy Fitzgerald Hospital and Nazareth Hospital will also ensure that all vendors contracts
for business associates performing collection activity will contain a clause or clauses prohibiting ECA(s)
(Extraordinary Collection Activity) until 120 days after providing patients the first post-discharge billing
statements for the episode of care, including the most recent episodes of care for outstanding bills that are
aggregated for billing to the patient.

L. Mercy Fitzgerald Hospital and Nazareth Hospital will provide patients with a written notice that indicates
financial assistance is available for eligible patients, identifies the ECA(s) that Mercy Fitzgerald Hospital
and Nazareth Hospital intends to initiate to obtain payment for the care, and states a deadline after which
such ECA(s) may be initiated that is no earlier than 30 days after the date that the written notice is provided.
Mercy Fitzgerald Hospital and Nazareth Hospital will include a plain language summary of the FAP with the
written notice and make a reasonable effort to orally notify the patient about Mercy Fitzgerald Hospital and
Nazareth Hospital's FAP and about how the patient may obtain assistance with the FAP application process.

M. In the case of deferring or denying, or requiring a payment for providing, medically necessary care because
of an individual's nonpayment of one or more bills for previously provided care covered under the FAP, Mercy
Fitzgerald Hospital and Nazareth Hospital may notify the individual about its FAP less than 30 days before
initiating the ECA. However, to avail itself of this exception, Mercy Fitzgerald Hospital and Nazareth Hospital
will satisfy the following conditions:
1. Provide the patient with an FAP application form (to ensure the patient may apply immediately (if necessary) and notify the patient in writing about the availability of financial assistance for eligible individuals and the deadline, if any, after which the hospital will no longer accept and process an FAP application submitted by the patient for the previously provided care at issue. This deadline must be no earlier than the later of 30 days after the date that the written notice is provided or 240 days after the first post-discharge billing statement for the previously provided care was provided. Thus, although the ECA involving deferral or denial of care may occur immediately after the requisite written (and oral) notice is provided, the patient must be afforded at least 30 days after the notice to submit an FAP application for the previously provided care.

2. Notify the patient about the FAP by providing a plain-language summary of the FAP and by orally notifying the patient about the Mercy Fitzgerald Hospital and Nazareth Hospital’s FAP and about how the patient may obtain assistance with the FAP application process.

3. Process the application on an expedited basis, to ensure that medically necessary care is not unnecessarily delayed if an application is submitted.

N. The modified reasonable efforts discussed above are not needed in the following cases:

1. If 120 days have passed since the first post-discharge bill for the previously provided care, and Mercy Fitzgerald Hospital and Nazareth Hospital has already notified the patient about intended ECAs.

2. If Mercy Fitzgerald Hospital and Nazareth Hospital had already determined whether the patient was FAP-eligible for the previously provided care at issue based on a complete FAP application or had presumptively determined the patient was FAP-eligible for the previously provided care.

O. Mercy Fitzgerald Hospital and Nazareth Hospital will provide written notification that nothing is owed if a patient is determined to be eligible for Free Care.

P. Mercy Fitzgerald Hospital and Nazareth Hospital will provide patients who are determined to be eligible for assistance other than Free Care, with a billing statement that indicates the amount the patient owes for care as a FAP-eligible patient. The statement will describe how the amount was determined or how the patient can get information regarding how the amount was determined.

V. Implementation of Accurate and Consistent Policies

A. Patient Financial Services and Patient Access will educate staff members who work closely with patients (including those working in patient registration and admitting, financial assistance, customer service, billing and collections, physician offices) about billing, financial assistance, collection policies and practices, and treatment of all patients with dignity and respect regardless of their insurance status or their ability to pay for services.

B. Mercy Fitzgerald Hospital and Nazareth Hospital will honor Financial Support commitments that were approved under previous financial assistance guidelines. At the end of that eligibility period the patient may be re-evaluated for Financial Support using the guidelines established in this Procedure.

VI. Fair Billing and Collection Practices

A. Mercy Fitzgerald Hospital and Nazareth Hospital will implement billing and collection practices for the patient payment obligations that are fair, consistent and compliant with state and federal regulations.

B. Mercy Fitzgerald Hospital and Nazareth Hospital will make available to all patients who qualify a short term interest free (for up to 90 days) payment plan with defined payment time frames based on the outstanding account balance. Mercy Fitzgerald Hospital and Nazareth Hospital will also offer a loan program for patients who qualify.
C. Mercy Fitzgerald Hospital and Nazareth Hospital will have written procedures outlining when and under whose authority a patient debt is advanced for external collection activities that are consistent with this Procedure.

D. The following collection activities may be pursued by Mercy Fitzgerald Hospital and Nazareth Hospital or by a collection agent on their behalf:

1. Communicate with patients (call, written, fax, text, email, etc.) and their representatives in compliance with the Fair Debt Collections Act, clearly identifying Mercy Fitzgerald Hospital and Nazareth Hospital. The patient communications will also comply with HIPAA privacy regulations.

2. Solicit payment of the estimated patient payment obligation portion at the time of service in compliance with EMTALA regulations and state laws.

3. Provide low-interest loan program for payment of outstanding debts for patients who have the ability to pay but cannot meet the short-term payment requirements.

4. Report outstanding debts to Credit Bureaus only after all aspects of this Procedure have been applied and after reasonable collection efforts have been made in conformance with the Mercy Fitzgerald Hospital and Nazareth Hospital FAP.

5. Pursue legal action for individuals who have the means to pay but do not or who are unwilling to pay. Legal action also may be pursued for the portion of the unpaid amount after application of the Mercy Fitzgerald Hospital and Nazareth Hospital’s FAP. An approval by the Mercy Fitzgerald Hospital and Nazareth Hospital CFO, or the functional leader for Patient Financial Services for Mercy Fitzgerald Hospital and Nazareth Hospital must be obtained prior to commencing a legal proceeding or proceeding with a legal action to collect a judgment (i.e. garnishment of wages, debtor’s exam).

6. Place liens on property of individuals who have the means to pay but do not or who are unwilling to pay. Liens may be placed for the portion of the unpaid amount after application of Mercy Fitzgerald Hospital and Nazareth Hospital’s FAP. Placement of lien requires approval by Mercy Fitzgerald Hospital and Nazareth Hospital CEO or CFO, or the functional leader for Patient Financial Services for Mercy Fitzgerald Hospital and Nazareth Hospital. Liens on primary residence can only be exercised upon the sale of property and will protect 50% of the equity up to $50,000.

E. Mercy Fitzgerald Hospital and Nazareth Hospital (or a collection agent on their behalf) shall not pursue action against the debtor’s person, such as arrest warrants or “body attachments.” Mercy Fitzgerald Hospital and Nazareth Hospital recognizes that a court of law may impose an arrest warrant or other similar action against a defendant for failure to comply with a court’s order or for other violations of law related to a collection effort. While in extreme cases of willful avoidance and failure to pay a justly due amount when adequate resources are available to do so a court order may be issued; in general, Mercy Fitzgerald Hospital and Nazareth Hospital will first use its efforts to convince the public authorities not to take such an action and, if not successful, consider the appropriateness of ceasing the collection effort to avoid an action against the person or the debtor.

F. Mercy Fitzgerald Hospital and Nazareth Hospital (or a collection agent on their behalf) will take all reasonably available measures to reverse ECAs related to amounts no longer owed by FAP-eligible patients.

G. Mercy Fitzgerald Hospital and Nazareth Hospital may have a System Office approved arrangement with a collection agency, provided that such agreement meets the following criteria:

1. The agreement with a collection agency must be in writing;
2. Neither Mercy Fitzgerald Hospital and Nazareth Hospital nor the collection agency may at any time pursue action against the debtor’s person, such as arrest warrants or “body attachments;”

3. The agreement must define the standards and scope of practices to be used by outside collection agents acting on behalf of Mercy Fitzgerald Hospital and Nazareth Hospital, all of which must be in compliance with this Procedure;

4. No legal action may be undertaken by the collection agency without the prior written permission of Mercy Fitzgerald Hospital and Nazareth Hospital;

5. Trinity Health Legal Services must approve all terms and conditions of the engagement of attorneys to represent Mercy Fitzgerald Hospital and Nazareth Hospital in collection of accounts;

6. All decisions as to the manner in which the claim is to be handled by the attorney, whether suit is to be brought, whether the claim is to be compromised or settled, whether the claim is to be returned to Mercy Fitzgerald Hospital and Nazareth Hospital, and any other matters related to resolution of the claim by the attorney shall be made by Mercy Fitzgerald Hospital and Nazareth Hospital in consultation with Trinity Health Legal Services;

7. Any request for legal action to collect a judgment (i.e., lien, garnishment, debtor’s exam) must be approved in writing and in advance with respect to each account by the appropriate authorized Mercy Fitzgerald Hospital and Nazareth Hospital representative as detailed in section V;

8. Mercy Fitzgerald Hospital and Nazareth Hospital reserves the right to discontinue collection actions at any time with respect to any specific account; and,

9. The collection agency must agree to indemnify Mercy Fitzgerald Hospital and Nazareth Hospital for any violation of the terms of its written agreement with Mercy Fitzgerald Hospital and Nazareth Hospital.

VII. Other Discounts

A. Pre-Pay Discounts: Mercy Fitzgerald Hospital and Nazareth Hospital may develop a pre-pay discount program which will be limited to balances equal to or greater than $200.00 and will be no more than 10% of the balance due. The pre-pay discount is to be offered at the time of service and recorded as a contractual adjustment and cannot be recorded as charity care on the financial statements.

B. Self-Pay Discounts/Laboratory Department and Radiology Department: Mercy Fitzgerald Hospital and Nazareth Hospital will discount uninsured patients to the estimated Medicare Fee schedule.

C. Self-Pay Discounts for services other than Laboratory Department and Radiology Department: Mercy Fitzgerald Hospital and Nazareth Hospital will apply a standard self-pay discount based off of charges for all registered self-pay patients that do not qualify for financial assistance (e.g., >400% of FPL) based on the highest commercial rate paid.

D. Additional Discounts: Adjustments in excess of the percentage discounts described in this Procedure may be made on a case-by-case basis upon an evaluation of the collectability of the account and authorized by the Mercy Fitzgerald Hospital and Nazareth Hospital’s established approval levels. Uninsured patients may be offered a discount based on the estimated Medicare Fee Schedule, at the time a procedure is scheduled, if the patient is willing to pay the discounted price at the time of service with a credit card or cash.

Should any provision of this FAP conflict with the requirement of Pennsylvania law in which Mercy Fitzgerald Hospital and Nazareth Hospital operates, Pennsylvania law shall supersede the conflicting provision and the Mercy Fitzgerald Hospital and Nazareth Hospital shall act in conformance with applicable state law.
Responsibility Department
Further guidance concerning this Procedure may be obtained from the Finance Department.

Related Procedures And Other Materials

- Trinity Health Revenue Excellence Policy No. 1: “Financial Assistance to Patients” ("FAP")
- Trinity Health Revenue Excellence Policy No. 2: “Payment of QHP Premiums and Patient Payables”
- Patient Protection and Affordable Care Act: Statutory Section 501(r)
- Internal Revenue Service Schedule H (Form 990)
- Department of Treasury, Internal Revenue Service, Additional Requirements for Charitable Hospitals; Proposed Rule: Volume 77, No. 123, Part II, 26 CFR, Part 1
- Mercy Fitzgerald Hospital and Nazareth Hospital’s EMTALA Policies