

**BronxCare Health Systems  
DEPARTMENT OF FINANCE  
POLICIES AND PROCEDURES**

Manual Code No PF-110 Page No: 1 of 12
-------------------------------------------

<b>Title: Financial Aid &amp; Charity Care Policy</b>		
<b>Issued By: Office of Financial Aid - Charity Care / Finance Department</b>		
Effective Date: 8/2004	Last Review Date: 2/2018, 3/2019, 4/2020, 9/2020, 4/2021, 1/2022, 1/2023, 2/2024, 4/2024	Last Revised Date: 5/2019, 4/2020, 9/2020, 4/2021, 1/2022 1/2023, 4/2023, 2/2024, 4/2024, 5/2024
Distribution: Administrative Manual Holders		

**PURPOSE**

The BronxCare Network, composed of BronxCare Health Systems and Dr. Martin Luther King, Jr. Health Center (“MLK”) recognizes that many persons in our community require medically necessary health care services but are uninsured or underinsured and, therefore, may not have adequate financial resources to pay for health care services. The Financial Aid and Charity Care policy reflects our commitment to provide financial assistance and charity care to persons in our community in furtherance of our charitable mission as a major voluntary healthcare provider committed to the Excellence in Healthcare Services, Medical Education and Research. This Policy may be applied to other affiliates of the BronxCare Network, as determined by their respective governing boards.

**POLICY**

In furtherance of the Institution’s charitable mission, it is our Policy to provide Financial Aid and Charity Care to eligible patients who are cannot afford to pay for all and/or a portion of medically necessary services, including insurance coinsurances, insurance deductibles, and balances after exhausted coverage and/or other benefit coverage. Due to Federal Regulations, Medicare coinsurances and deductibles will be handled on a case-by-case basis. If a person other than patient requests information regarding this Policy, such information should, be provided at the time of the request. Our goal is to provide prompt, clear and understandable information that is consistent and communicated in the patient’s primary language, generally English or Spanish. A summary of this policy will be provided to every patient regardless of request.

Financial Aid and Charity Care requires the expenditure of significant resources and funds by the Institution. Such expenditures include “Charity Care,” i.e., free care, and “Financial Aid,” i.e., discounts, reduced payments and extended payment schedules. Eligibility for Financial Aid or Charity Care under this Policy is based on an individual determination of the patient’s needs and available resources.

It is the Institution’s financial commitment to offer Financial Aid and Charity Care. This policy will be established annually as part of the budget process and will be reviewed and approved by the Institution’s Board of Trustees/Directors on an annual basis. The Institution’s debt collection policies, e.g., criteria for commencing a collection action and implementing post-judgment collection remedies, should be consistent with this Policy. Contracted collection agencies and/or collection attorneys should act in a manner that is consistent with this Policy.

## **DEFINITIONS**

**Family:** A family is a group of two or more persons related by birth, marriage, or adoption who live together, including domestic partners as defined by applicable law; all such related persons are considered as members of one family.

**Income:** Income is the family's gross income reported for federal income tax purposes, including gross wages, tips, social security disability, veteran payments, alimony, child support, military, unemployment and public aid. Assets shall not be considered in determining assistance for patients at or below 200% of the Federal Poverty Guidelines.

## **GENERAL PRINCIPLES**

As set forth in further detail below, Financial Aid and Charity Care is available for **medically necessary services** to those persons who reside in our community and who meet stated criteria. This Policy is applied uniformly, consistently, and equally for all eligible patients. To the extent reasonably possible, a patient should be evaluated for eligibility for Financial Aid and Charity Care when he/she initially presents for inpatient, Elective procedures and outpatient services.

### **Financial Aid and Charity Care are available to persons:**

Who reside in the Institution's Service Area\*, which is defined as the five boroughs, to include The Bronx, New York, Queens, Kings and Richmond and the county of Westchester; for emergent services all New York State zip codes are included.

Who are self-pay, have no health care coverage or governmental assistance, such as Medicaid, Medicare, Managed Care, Commercial insurance coverage and does not qualify for governmental assistance despite reasonable efforts to obtain such assistance.

Who have exhausted their health insurance benefits or are underinsured, defined as an individual with out-of-pocket medical costs that amount to more than 10% of such individual's gross annual income for the past 12 months.

### **Charity Care Allowances:**

For patients with incomes below 200% of the FPL, BronxCare will waive all charges and no nominal payment will be collected.

For patients with incomes between 200% and up to 300% of the FPL, the amount collected will be no more than 10% of the amount that would have been paid for the same services by Medicaid, and for underinsured patients, up to a maximum of 10% of the amount that would have been paid pursuant to such patient's insurance cost-sharing.

For patients with incomes between 301% and 400% of the FPL, the amount collected will be no more than 10% of the amount that would have been paid for the same services by Medicaid, and for underinsured patients, up to a maximum of 20% of the amount that would have been paid pursuant to such patient's insurance cost-sharing.

### **Patient Awareness**

- BronxCare will provide a summary of their financial assistance policies to patients, without the necessity of a request.

### **Interest Rate Limitation**

- The rate of interest charged on an unpaid balance will not exceed 2%.

### **Flexibility in Application Process**

- Patients will be permitted to apply for assistance at any time during the collection process.

### **Prohibition of Denial of Treatment**

- BronxCare will not deny an admission or treatment for medically necessary services due to unpaid medical bills.

### **Restriction on Debt Sale**

- BronxCare will not sell accumulated medical debt to a third party, except where the third party explicitly purchases the debt to relieve the patient of their financial obligation.

### **Legal Action and Debt Recovery**

- BronxCare will not commence any legal action to recover medical debt or unpaid bills against patients with incomes below 400% of the FPL.
- Any legal action will be accompanied by an affidavit from the hospital's CFO, affirming the patient's income status.

### **Delay in Civil Action and Collection Activities**

- BronxCare and their collection agents will refrain from commencing civil action against a patient or delegating collection activities to debt collectors for at least 180 days after the issuance of the first post-service bill.
- Reasonable efforts will be made to determine the patient's eligibility for financial assistance during this period.

### **Immigration Status**

- Immigration status will not be considered in determining eligibility for financial assistance.

## Exceptions

- Low income and, in some cases, middle income, individuals who are unable to meet his/her financial obligations for medically necessary services due to the high cost of those services, inadequate insurance coverage or similar reasons may qualify on a case-by-case basis for Financial Aid and Charity Care under this Policy.
- In addition, the Hospital may use presumptive eligibility in cases where the patients fail to provide the necessary information to determine eligibility.

\*Patients accessing services at sites that receive funding under Federal Section 330 are eligible for Financial Aid and Charity Care without regard to their place of residence.

\*\*Federal Section 330 grant funds shall not be used to provide any charity care/financial aid to patients whose income falls between 201% and 300% of the Federal Poverty Guidelines.

Experience has shown that many individuals receiving medical care at the Institution would qualify for governmental assistance programs, if they provide the necessary information and documentation. Staff will educate patients on available options based on their eligibility for insurance and/or related third party coverage. Staff should assist the patient with completing an application to any applicable governmental program, but the patient should provide the necessary information/documentation to complete and sign the FA/CC application. The application process should be completed while the patient is an inpatient or presents for assistance prior to any elective procedures, but not later than the next, scheduled procedure or outpatient service.

The determination that a patient qualifies for Financial Aid or Charity Care will be re-evaluated (a) at each inpatient admission, and (b) at least every 12 months for outpatient services. Staff should ask if there has been a change in financial circumstances, which may affect a patient's eligibility under this Policy. If there is a change, the patient's status must be updated.

This Policy generally requires a financial commitment by each patient to reinforce the principle that the patient has some degree of financial responsibility for his/her medical care. If the patient cannot make the payment required by this Policy when the services are provided, the patient will be permitted to receive the current service, but he/she will be informed payment will be requested when the next elective service is provided. If applicable, the Institution should also determine if a patient is eligible for an extended payment plan. No patient will be denied services based on inability to pay.

## Fee Schedule

1. The Institution's fee schedule is intended to generate revenue to cover the Institution's costs associated with providing services and assists in ensuring the financial viability and sustainability of the Institution.
2. The Institution has determined that its fees are based on its reasonable costs and are consistent with locally prevailing rates or charges for the service.
3. The fee schedule addresses all in-scope services (required and additional) and is used as the basis for seeking payment from patients as well as third party payors.

## Approval Process

If a patient is determined to be eligible under this Policy, the following approvals will be obtained based on the level of Financial Aid and/or Charity Care that is being proposed:

- Up to \$5,000 will be approved by Ms. Angela Guillen-Lora, Director of Patient Access-Office of Financial Aid/Charity Care. Contact number (718) 518-5542
- \$5,001 to \$20,000 will be approved by Mr. Erik Arce, Director of Patient Financial Services. Contact number (914) 233-1642
- \$20,001 to \$100,000 will be approved by Mr. Jon Hughes, Vice-President, Revenue Cycle Management. Contact number (914) 233-1610
- In excess of \$100,000 will be approved by Mr. Victor Demarco, Senior Vice-President - Chief Financial Officer. Contact number (718) 901-8600

**Reconsideration Process:** If a patient is determined to be ineligible under this Policy, the denied application and the reason(s) for the denial, including but not limited to failure to cooperate in the application process, will be noted in the patient's financial file. The patient should be informed that he/she is permitted to request reconsideration of his/her application, by the following:

### Institution

### Administrative Designee

BronxCare Health System - Inpatient Services

Mr. Jon Hughes, VP of Revenue Cycle Management  
Contact number (914) 233-1610

BronxCare Health System - Outpatient Services

Mr. Hiram Torres, VP of Operations/Practice Administration  
Contact number (718) 518-5776

Martin Luther King – Outpatient Services

Ms. Crystal Jordan, Executive Director  
Contact number (718) 466-6072

## Determining Patient Eligibility under this Policy for Inpatient and Outpatient Services

1. When registering or scheduling a patient, responsible Staff should inform all self-pay patients of this Policy, and, assist the self-pay patient in determining eligibility under this Policy. If a “self-pay” patient does not have health insurance and does not receive benefits from a governmental assistance program, such as Medicaid, HMO/Managed Care program; patient needs to be assessed for Financial Aid- Charity Care
2. Insured patients may apply for a sliding fee discount as a secondary coverage. Responsible Staff will be as follows:
  - a. Financial Investigators/Certified Application Counselors
  - b. Registrar/Receptionist, Patient Access Associates, and/or Central Registration Associates for outpatient/clinic appointment services.
3. Self-pay patients who reside in the Institution's Service Area, as defined above, should complete an application for assistance under this Policy and any applicable governmental program and provide supporting documentation of identity, address, household income and household composition.

4. Staff will refer patients who may be eligible for governmental assistance, such as Medicaid, HMO/Managed Care programs to the Department of Patient Access-Office of Financial Aid and Charity Care.
5. Staff will provide guidance, assistance with the completion of the application and proceed to review the final determination for Financial Aid or Charity Care under this Policy.
6. Eligibility should be determined prior to all elective ambulatory procedures, diagnostic and High Cost Outpatient services, such as Interventional Radiology, MRI, CAT Scan, or PET Scan.
7. If the patient is eligible, Staff will determine what level of Financial Aid or Charity Care is applicable, as well as the patient's financial commitment under this Policy. The patient, legal guardian or financially responsible person, as the case may be, should be advised of the determination, and each of these determinations should be documented in the patient's file. The application and supporting documents are to be scanned into the "Click-On" application.
8. If a patient receives a bill for the services rendered, the bill should state amount that is being provided as financial aid or Charity Care, and the amount which is the patient's financial obligation. Generally, the patient's financial obligation will be a fixed amount for outpatient services or a percentage of the charges for services.

**Example – Determination of Patient's Financial Obligation**

If the patient's assessment/application demonstrates an annual family income of \$62,400 and there are 4 family members. The patient would fall within 200% of the Federal Poverty Guidelines.

**Inpatient Services:** 0% of charges; balance will be under Financial Aid or Charity Care

**For example:**

Inpatient Charges:	\$10,000
Patient's Financial Obligation (0% of charges)	
Financial Aid and Charity Care Provided	\$10,000

**General Outpatient Services:** 0% the patient would not be financially responsible for payment.

**High Cost Outpatient Services:** 0% the charges would be under Financial Aid and Charity Care

1. Staff should review the patient's outstanding financial obligations when the patient arrives for outpatient services. If a patient has not made a payment between his/her last and current visit or within 60 days from his/her last visit, the case should be referred to the Practice Administrator or his/her designee, and, if necessary, discussed with the Medical Director, or his designee.
2. The patient is allowed 90 days from the date of discharge or of service to apply for financial assistance and 20 days to submit a completed application (including all required documentation). A written response to patients who have completed applications for Financial Aid or Charity Care approving or denying the application will be sent within 30 days after receipt of a completed application. If an application is not complete, the patient should be requested to provide the

necessary information to complete the application. If the patient does not provide the requested information within the allowed timeframes, the application may be denied.

3. Once a completed application, including required documentation or other information needed to make a determination on the request for Financial Aid or Charity Care has been submitted, the patient could disregard any bill that has been sent until the hospital has rendered a decision on the application.
4. Eligible patients may request an extended payment plan. Installment payments will not be greater than 10% of gross monthly income.

### **Collection Proceedings**

#### **This policy will:**

- Prohibit the forced sale of or foreclosure on the patient's primary residence  
Note: Liens on the primary residence would continue to be allowed
- Prohibit sending an account to collection if the patient has submitted a completed application for financial assistance, including any required documentation, while the application is pending.
- Provide written notification to a patient at least 30 days before an account is sent to collection. Written notice could be included on a bill.
- Require the collection agency to have the hospital's written consent prior to starting a legal action for collection.
- Require general hospital staff that interact with patients or have responsibility for billing and collection to be trained in the hospital's policies.
- Require any collection agency under contract with the hospital to follow the hospital's financial assistance policy and provide information to patients on how to apply, where appropriate.
- Prohibit collection activity if the patient is determined eligible for Medicaid for the services that were rendered and the hospital is able to collect Medicaid payment.

## **Board Oversight/Patient Notification/Staff Training**

- Mr. Victor Demarco, Senior VP-Chief Financial Officer shall report to the Board annually or as otherwise requested, regarding the implementation of this Policy. The Board will ensure that the Policy is patient-centered, improves access to care, and assures that no patient will be denied health care services due to an inability to pay.
- Patients should be notified of this Policy as part of the admission package for inpatients and when registering for outpatient/clinic services and elective procedures
- Notices should be posted in conspicuous locations (e.g., Patient Access, Patient Financial Services, Emergency room, billing office and all out-patient clinic sites – including principal waiting rooms. Information supplied to patients regarding this Policy should be available in the patient’s primary language.
- The Institution’s bill for medical services should provide patients with basic information regarding this Policy and how to apply for Financial Aid-Charity Care. Patients should be encouraged to request information regarding this Policy.

**EXHIBIT A**  
**FINANCIAL AID AND CHARITY CARE POLICY**  
**CHECKLIST**

The determination for Financial Aid or Charity Care should be re-evaluated (a) for each inpatient admission, elective procedures and (b) at least every 12 months for outpatient services. If a change in financial circumstances is identified earlier, an updated evaluation should be completed.

1. The following criteria should be reviewed at the time of the application, and may be reviewed, as necessary upon each subsequent inpatient admission or outpatient visit:

The patient must reside in the Institution's Service Area\*, which is defined to be the following: the five boroughs, to include The Bronx, New York, Queens, Kings and Richmond and the county of Westchester. For emergent services all New York State zip codes are included. In extraordinary circumstances, persons residing outside the Service Area may be considered for Financial Aid and Charity Care, subject to the approval by the Chief Financial Officer, in consultation with the patient's attending physician or the Medical Director.

- a. Gross income generally should fall within 400% Federal Poverty Guidelines\*\* with consideration to family size, geographic area and other pertinent factors, all as set forth in Appendix A.
- b. Verification of Income should be provided with the application. Acceptable verification may include:
  - i. Prior Year Tax Returns
  - ii. Current Pay Stubs
  - iii. Written verification of wages from Employer
  - iv. Unemployment Letter
  - v. Copy of Social Security check
  - vi. Bank Statement
  - vii. Copy of Disability check

\*Patients accessing services at sites which receive funding under Federal Section 330 eligible for Financial Aid or Charity Care without regard to their place of residence.

\*\*Federal Section 330 grant funds shall not be used to provide any Financial Aid or Charity Care to patients whose income falls between 201% and 400% of the Federal Poverty Guidelines.

For categories = < 200% Federal Poverty Guidelines no assets are to be considered in determining eligibility.

For categories => 201% and =< 400% Federal Poverty Guidelines the following assets are not to be considered in determining eligibility:

- The patient's primary residence
- Tax deferred or comparable retirement savings accounts
- College savings accounts
- Motor vehicle used by the patient or patient's immediate family

c. Current employment status.

2. If a patient does not receive governmental benefits, such as Medicaid, HMO/Managed Care coverage, but it appears that he/she would qualify, the patient will be requested to apply for such benefits and Staff will assist the patient with the application. If the application is denied, the patient will be considered for Financial Aid or Charity Care under this Policy. If the application is accepted, the patient may still be considered for Financial Aid or Charity Care under this Policy as a secondary coverage.
3. Determine the appropriate amount of Financial Aid or Charity Care is based upon the Sliding Fee Scale. A patient who can afford to pay for a portion of the services will be expected to do so.
4. If the patient does not pay the amount deemed to be his/her responsibility, the uncollectible remainder would become bad debt.
5. Homeless patients without a valid address who have not been approved for a funded program will be considered for Financial Aid or Charity Care under this Policy.
6. While patients who fall within the Sliding Fee Scale will be eligible for Charity Care, a patient's status should be re-evaluated if and when:
  - a. A new source of insurance or health care funding is identified;
  - b. A change in income is identified;
  - c. A change in family size is identified, or
  - d. Part of the patient's account is written off as a bad debt or is in collection.
7. All pertinent documents supporting a patient's eligibility under this Policy should be copied and included in the patient's record. Initial approvals of applications under this Policy should be based on the management review of the documentation submitted by the patient.
8. All Registrar/Receptionists, Patient Access Associates, Financial Investigators-CAC, Administrators, or Central Registration Staff who interact with the patient should advise the patient of this Policy.
9. If the patient, hospital, hospital representative/agent chooses to use an alternate method of application process/verification of income and household size, TransUnion Healthcare would be the alternate option.
  - a. TransUnion's file to contain but not limited to:
    - i. Household monthly income (To be multiplied by 12 months)
    - ii. Family size
  - b. Information to be used to calculate Charity Care assignment by using Exhibit B1

**EXHIBIT B1 (EFFECTIVE 1/1/2024)**  
**FINANCIAL AID AND CHARITY CARE**  
**2024 FEDERAL POVERTY GUIDELINES (UPDATED ANNUALLY)**

Family Size <sup>1</sup>	Category of Charity Care and Financial Aid		
	F	G	H
	200% = < of Federal Poverty Guidelines	200% = > and 300% of Federal Poverty Guidelines	301% = > and 400% of Federal Poverty Guidelines
1	<b>\$30,120</b>	<b>\$45,180</b>	<b>\$60,240</b>
2	<b>\$40,880</b>	<b>\$61,320</b>	<b>\$81,760</b>
3	<b>\$51,640</b>	<b>\$77,460</b>	<b>\$103,280</b>
4	<b>\$62,400</b>	<b>\$93,600</b>	<b>\$124,800</b>
5	<b>\$73,160</b>	<b>\$109,740</b>	<b>\$146,320</b>
6	<b>\$83,920</b>	<b>\$125,880</b>	<b>\$167,840</b>
7	<b>\$94,680</b>	<b>\$142,020</b>	<b>\$189,360</b>
8	<b>\$105,440</b>	<b>\$158,160</b>	<b>\$210,880</b>
9	<b>\$122,160</b>	<b>\$183,240</b>	<b>\$244,320</b>
10	<b>\$132,440</b>	<b>\$198,660</b>	<b>\$264,880</b>

---

<sup>1</sup>For family units with more than 10 household members, add **\$5,380** for each additional person.

**EXHIBIT C1 (EFFECTIVE 1/1/2024)**

**FINANCIAL AID AND CHARITY CARE POLICY**  
**Eligibility Table Based on Type of Service Provided and Application of**  
**Categories Based on Federal Poverty Guidelines**

		<b>Patient Financial Obligation</b>	
<b>Category of Charity Care and Financial Aid</b>	<b>Income as a Percentage of the Federal Poverty Guidelines</b>	<b><u>General Outpatient Services</u></b> Regular Outpatient Services - The Patient's Financial Obligation Per Visit is:	<b><u>Inpatient or High Cost Outpatient Services</u></b> Inpatient or High Cost Outpatient Services (Referred Ambulatory) The Patient's Financial Obligation Per Inpatient Discharge or Outpatient Visit is:
F	Up to 200% of Federal Poverty Guidelines	\$0	0% of Charges
G	201- 300% of Federal Poverty Guidelines	Variable Amount	10% of the Medicaid rate
H (Self-Pay)	300 - 400% of Federal Poverty Guidelines	Variable Amount	10% of the Medicaid rate for uninsured. 20% of the Medicaid rate for underinsured
I	<u>More than 400%</u> of Federal Poverty Guidelines are treated as Self-Pay Patients	Full Charges	100% Charges

**Use the following to determine the patient's financial responsibility:**

- Determine the annual household income and family size.
- Use the Federal Poverty Guidelines Table (Exhibit B1) to determine the eligibility of patient.
- Locate the family size and determine what percentage of Federal Guidelines corresponds to patient's income, i.e., Column 1, 2, 3, or 4.
- For Inpatient or High Cost Outpatient Services, go to the Eligibility Table (Exhibit C1) and (a) multiply the applicable patient responsibility percentage by the charges for those services, including the applicable HCRA surcharge for self-pay patients to determine the amount that the patient should be billed for each discharge or outpatient visit.
- For General Outpatient Services, go to the Eligibility Table (Exhibit C1) and use the co-pay amount set forth in the applicable column, based on the patient's income and family size, i.e., Row F, G, H, or I, to determine the patient financial responsibility, which should be billed for each outpatient visit.
- Determine whether patient is eligible for an extended payment plan based on income and resources.
- Determine if other factors should be considered in further adjusting the amount of Charity Care or Financial Aid that the patient may receive. The appropriate member of Administration must approve any such exceptions in accordance with this Policy.