

THE WILLIAM W. BACKUS HOSPITAL
Patient Business Services Policy

Subject:	Bad Debt Write Offs
Date:	01/19/04
Revision Date:	April 1 2005
	May 17 2010
	October 1, 2011

Policy: It is the policy of William W. Backus Hospital that uncollected self-pay accounts more than 120 days old will be written off and sent to a collection agency.

Procedure:

- I Self Pay Accounts Collection Process (Accounts that do not qualify for MBE outsource)
 - A Initial letter is sent 5 days after discharge.
 - B Statement #1 is sent 30 days later.
 - C Statement # 2 is sent 30 days later.
 - D Precollect Letter is sent 15 days later (by Medconn).
 - E Account will be written off to bad debt 45 days later.

- II Self Pay balances after insurance (Accounts that do not qualify for MBE outsource)
 - A Statement # 1 is sent 15 day after account goes to self pay.
 - B Statement # 2 is sent 30 days later.
 - C Statement # 3 is sent 21 days later.
 - D Precollect Letter is sent 21 days later.
 - E Account will be written off to bad debt 45 days later.

- III All final billed accounts with self-pay balances only will be outsourced to Medical Bureau of Economics (MBE). (*refer to Self Pay Collections policy*)
 - A Statement # 1 is sent at placement with MBE. (5 days after discharge)
 - B Statement # 2 is sent 30 days later.
 - C Statement # 3 is sent 30 days later.
 - D Final Statement sent 15 days later.
 - E Account closed and returned to WWBH for bad debt process 45 days later.

- III Weekly Bad Debt Transfer Process
 - A On Monday the bad debts file are created.
 - zBD PRE COLL (WWBH)
 - zBD XSP (WWBH)
 - zMBEBD (MBE Return)
 -

- B The preliminary report is reviewed for the following:
- 1 Accounts with payments made in the last 30 days. If time permits, the staff will attempt to contact the patient to attempt to set up an approved payment contract for the account.
 - a. If an approved payment contract is established, the account will be removed from the bad debt file.
 - 2 Accounts with balances of \$1000 or more. If time permits the staff will attempt to contact the patient to attempt to determine if they may qualify for free bed funds, charity care or a payment contract.
 - a. If the patient may qualify, and application is sent and the account is not sent to bad debt, pending a response within 14 days. If no response is received the account will be sent to bad debt in the next weekly processing cycle.
 - b. The account will be placed on "Bad Debt Hold". A note is placed on the account indicating the application for free bed and charity care.
 - c. A reminder will be set up to review the account in 14 days. If the application is received the hold will be removed and the account will be processed according to the free bed/charity care policy. If the patient does not qualify, the hold will be removed and the account will go to bad debt in the next weekly processing cycle. If the application is not received back in 14 days the hold will be removed and the account will go to bad debt in the next weekly processing cycle.
 - 3 Accounts with balances of \$1000 or more. If time permits the staff will attempt to process the accounts through Passport One/SSI to determine if Medicaid coverage has been established for the patient. If so, the account will be updated and Medicaid billed.
- C On Friday of the same week, MIS will be contacted to send the file to the collection agency. Files will be received by the collection agency by the close of business every Friday.

IV Processing the Weekly Bad Debt Write Off

- A The procedures used to process the Weekly Bad Debt write off are found:
Under the Collections button,
Bad Debt
Automatic Bad Debt Transfer
- B The processes to use and their functions are:
- 1 Compile – this is run on Monday to create the file of accounts that may be written off to bad debt
 - 2 Print – once the file has compiled, this report is run to use to review the accounts as outlined above.
 - 3 Process -
 - 4 Transfer



Federal Poverty Guidelines
Effective January 20, 2011

Size of Family	Poverty Guideline	250% FPG**	275% FPG**	300% FPG**	325% FPG**
		100% awarded	75% awarded	50% awarded	25% awarded
1	10,890	27,225	29,948	32,670	35,393
2	14,710	36,775	40,453	44,130	47,808
3	18,530	46,325	50,958	55,590	60,223
4	22,350	55,875	61,463	67,050	72,638
5	26,170	65,425	71,968	78,510	85,053
6	29,990	74,975	82,473	89,970	97,468
7	33,810	84,525	92,978	101,430	109,883
8	37,630	94,075	103,483	112,890	122,298

For families with more than 8 members, add 3,820.(** x multipling factor) for each additional member.

THE WILLIAM W. BACKUS HOSPITAL

Patient Business Services Policy

Subject: Charity Care Financial Assistance

Origination Date: 10-01-2003

Revision Date: 10-05-2011

Policy: It is the policy of The William W. Backus Hospital that medically necessary health care services should be available to all individuals, regardless of their ability to pay.

Procedure:

1) Eligibility Criteria

- a) Full charity care usually will be provided to a responsible party with gross family income at or below 250% of Federal Poverty Guidelines (FPG).
- b) A sliding-fee scale will be used to determine charity care discounts when gross family income is above 250% of FPG to 400% FPG.
- c) Notification of charity care determinations will be mailed to the responsible party. Reasonable payment arrangements consistent with the responsible party's ability to pay will be extended for amounts owed.
- d) Determination of Eligibility
 - i) All patients identified as potential Charity Care recipients should be offered the opportunity to apply for Charity Care. If this evaluation is not conducted until after the patient leaves the facility, or in the case of outpatients or emergency patients, a Patient Financial Services representative will mail a Charity Care application upon request to the patient for completion. When no representative of the patient is available, the facility should take the required action to have a legal guardian/trustee appointed.

2) Notification to Patients

- a) Signage indicating the availability of charity care will be posted in English and Spanish in Patient Accounts, Admitting, Social Services and the Emergency Department, as well as on The William W. Backus Hospital website. Summaries of the programs will also be available in those areas.
- b) Financial Counselors will attempt to visit all inpatients registered as self pay patients. A summary explaining charity care will be given to the patient when this visit occurs.
- c) Patients with no insurance will receive an initial letter post discharge informing them that the hospital considers them "insured" per the Connecticut General Statutes Section 19a-673. It is the responsibility of the patient to advise the hospital if they believe they qualify as "uninsured" (at or under 250% of the FPG).
- d) A collection cycle with a minimum of four statements will then be sent. Each statement will remind the patient of the availability of charity care.

3) *Gross Family Income*

- a) For the purposes of determining gross family income and qualifying accounts for free bed funds and charity care, the following rules apply:
 - i) Family members are only immediate family members, which includes applicant, spouse, and children and stepchildren. Other individuals meeting the IRS guidelines as a legal dependent will also be considered.
 - ii) Unmarried couples do not qualify as a family. Only the applicant's income will be looked at for qualification for funds and only the applicant's accounts will be awarded free bed or charity care funds if qualified.

4) *Eligibility Determinations*

- a) The provision of emergency health care will never be delayed pending an assistance determination.
- b) Requests for charity care may be made at any point, during or after the provision of care.
- c) Charity care requests may be proposed by sources other than the patient, groups, social services or hospital personnel.
 - i) Request for Charity Care may be received from:
 - (1) The patient or guarantor
 - (2) Church sponsored programs
 - (3) Physicians or other care givers
 - (4) Various intake departments of the hospital
 - (5) Administration
 - (6) Other approved programs that provide for primary care of indigent patients
- d) Consideration for charity care will occur once the applicant supplies a completed Financial Assistance Application with supporting documents to the Financial Counseling Unit.
- e) The William W. Backus Hospital will make every attempt to make charity care determinations within 20 days of receiving a completed Financial Assistance Application.
- f) Acceptable verification of income includes the following
 - i) Most recent federal tax return or W-2
 - ii) Recent payroll check stub or any verification of income
 - iii) Copies of any pension, alimony or other sources of income
 - iv) Copies of Social Security earnings if applicable
 - v) Any other information that may be pertinent
- g) Charity care may be denied if the application is not completed and returned to The William W. Backus Hospital Patient Accounts Department within 20 days of receipt by the responsible party.
- h) Charity care will not be considered without a completed Financial Assistance application unless sufficient like information can be obtained that allows for a final determination without an application. In extenuating circumstances, where it can support a financial hardship exists, The William W. Backus Hospital may offer charity care at its own determination.

- i)* Charity Care Guidelines
 - i)* To be eligible for 100% reduction from the patient portion billed charges, a financially indigent patient's family income must be at or below 250% of the current Federal Poverty Guidelines.
 - ii)* To be eligible for 25% to 75% reduction of the patient portion of billed charges, a financially indigent patient's family income must be within 275% to 400% of the Federal Poverty Guidelines.
 - iii)* The Charity Care Committee will consider applications for financial assistance on a case-by-case basis.
 - iv)* Individuals who are deemed eligible by the State of Connecticut to receive assistance under the Violent Crime Victim's Compensation Act or the Sexual Assault Victims Compensation Act shall be deemed eligible for charity care at a level to be determined on a case-by-case basis by the Charity Care Committee.
 - v)* Charity Care applications will be considered for 1 year or until a change in patient financial status is determined.
 - vi)* After the charity care adjustment has been computed the remaining balance will be treated in accordance with Patient Financial Services policies regarding self-pay balances. Payment terms will be established on the basis of disposable income. No interest charges will accrue to the account balance while established payments are being made.
- j)* Charity care may not be granted for some procedures, such as elective procedures or some special situations, such as that of an individual who is eligible for insurance but has refused to apply or funds are available through another source for payment (i.e. settlements, State Funded programs).
- k)* Falsification of application or refusal to cooperate will result in the denial of charity care benefits. The patient will be deemed "insured" and will be transferred to the self-pay collection process.
- l)* The William W. Backus Hospital reserves the right to change benefit determination if financial circumstances change.

5) Appeals

Responsible parties may appeal a charity care determination by providing additional information, such as insurance verification or an explanation of extenuating circumstances to Patient Accounts within 30 days of receiving notification of the appeals outcome. Collection follow-up on account balances will be pended during the appeal process.



Free Bed Funds and other financial assistance programs

The William W. Backus Hospital provides Free Bed Funds and other financial assistance programs for certain qualified patients who are unable to pay all or part of their bill for inpatient, outpatient and emergency services rendered at the hospital.

The Free Bed Funds originate from gifts made to The William W. Backus Hospital. The interest earned on these funds enables the Hospital to provide some services at no cost or a reduced cost. If you are coping with a financial hardship, and are facing debts owed to The William W. Backus Hospital, free bed funds may be available to you.

You may request to have your case presented to a Financial Counselor at The William W. Backus Hospital. The Hospital's Patient Accounts Department has the authority to grant free bed funds based on financial and personal need. To obtain further information, including an application, please contact our customer service representatives using the contact information below.

INCOME GUIDELINES — 2011

Family Size	ADJUSTED GROSS INCOME
1	\$27,225
2	\$36,775
3	\$46,325
4	\$55,875
5	\$65,425
6	\$74,975
7	\$84,525
8	\$94,075

For more dependents, add to adjusted gross income for each additional member: \$ 9,550

You will receive written notice of the outcome of your case, including reason(s) if your case is rejected. You may reapply for bed funds at any time. Additional funds may become available on an annual basis.

Other financial assistance options, such as a sliding scale discount, may also apply to your situation. The financial counseling process will indicate if there are available options to assist you with your outstanding balance.

How to contact us:

- ❑ **Customer Service at** (860) 823-6394, Monday through Friday from 9:00 a.m. to 4 p.m.
- ❑ **Walk-in at the Patient Accounts office**, 113 Salem Tpk., Norwich, CT, Monday through Friday from 7:30 a.m. to 4 p.m.

The William W. Backus Hospital does not discriminate in the determination of charitable care eligibility on the basis of race, color, ethnic origin, sexual orientation, marital status, creed, age, gender, or disability.

➤ **Esta información está en español en el otro lado. →**



Fondos Para Camas Gratis (“Free Bed Funds”) y otros programas de asistencia financiera

The William W. Backus Hospital provee Fondos Para Camas Gratis (“Free Bed Funds”) y otros programas de asistencia financiera a determinados pacientes que reúnen ciertos requisitos y que no pueden pagar la totalidad o una parte de su cuenta de gastos de internación, atención ambulatoria y servicios de emergencia prestados en el hospital.

Los fondos del programa *Free Bed Funds* provienen de las donaciones efectuadas a The William W. Backus Hospital. Los intereses generados por estos fondos permiten al Hospital brindar algunos servicios en forma gratuita o con aranceles reducidos. Si tiene problemas financieros y afronta deudas con The William W. Backus Hospital, puede contar con el programa *Free Bed Funds*.

Usted puede solicitar que su caso sea presentado ante el Asesor Financiero de The William W. Backus Hospital. El Departamento de Cuentas del Paciente del Hospital está autorizado a destinar los fondos del Programa *Free Bed Funds* de acuerdo con las necesidades financieras y personales. Para obtener más información, incluida una solicitud, tenga a bien contactarse con nuestros representantes de atención a clientes en las direcciones y teléfonos consignados más adelante.

Usted recibirá una notificación escrita acerca del resultado de su caso, incluida(s) la(s) razón(es) en el supuesto de rechazo. Podrá presentar una nueva solicitud para ser acreedor del programa *Free Bed Funds* en cualquier momento. Anualmente podrán ponerse a su disposición fondos adicionales.

También se podrán aplicar a su situación otras opciones de asistencia financiera, tales como descuentos de escala móvil. El proceso de asesoramiento financiero indicará si existen opciones disponibles para ayudarlo con su saldo pendiente.

Como contactarnos:

- Por favor llame** al (860) 823-6394, de lunes a viernes en el horario de 9:00 a.m. a 4 p.m.
- Mediante una cita o presentación espontánea** en la oficina del Asesor Financiero ubicada en 113 Salem Tpk., Norwich, CT, de lunes a viernes en el horario de 7:30 a.m. a 4 p.m.

DIRECTRICES — 2011

Tamaño de la familia	INGRESO BRUTO AJUSTADO
1	\$27,225
2	\$36,775
3	\$46,325
4	\$55,875
5	\$65,425
6	\$74,975
7	\$84,525
8	\$94,075

Para más dependientes, se suma al ingreso bruto ajustado para cada miembro adicional: \$9,550.

Al determinar si usted cumple con los requisitos para recibir asistencia caritativa, The William W. Backus Hospital no discrimina sobre la base de raza, color, origen étnico, orientación sexual, estado civil, credo, edad, género o discapacidad.

➤ **This information is in English on the other side** ➔