



## Financial Assistance Policy

### Purpose Statement:

Covenant Health is committed to providing measurable quality health services in a caring environment, which fulfill the needs of our patients, physicians, employers, employees, and community. It is the express philosophy of Covenant Health that no one should be denied necessary medical care because of the inability to pay. In conjunction with this philosophy, the financial assistance protocol and procedures will provide guidance to the hospital personnel in determining financial assistance.

### Scope:

Entities covered under policy are:

Parkwest Medical Center	Fort Sanders Regional Medical Center
Fort Loudoun Medical Center	LeConte Medical Center
Methodist Medical Center	Morristown - Hamblen Healthcare System
Roane Medical Center	Peninsula (a Division of Parkwest)
Cumberland Medical Center	Claiborne Medical Center

### Policy:

#### Covered Services

All emergency and other medically necessary care, including care provided in the facility by a substantially-related entity, shall be eligible for financial assistance with the following exceptions:

1. The portion of services currently covered by other programs.
2. Those services which would be covered by insurance or governmental payers had the individual followed the requirements of the applicable policy.
3. Non-emergent emergency department services, services that are not medically necessary, elective inpatient services, elective outpatient services, and/or services not covered by third party insurers (e.g., solely cosmetic surgery, teeth extractions in an outpatient setting, etc.).

#### Eligibility for Assessment

Patients who demonstrate an inability to pay and have exhausted all sources of payment assistance may be screened for financial assistance eligibility. In addition, patients who are deceased and verification of probate, or lack thereof, reveals that the estate contains no assets to cover their outstanding debt are eligible for financial assistance (see Covenant Health Patient Account Services Policy 3500.500 "Deceased/No Estate Verification Process). To be eligible for financial assistance consideration; the patient/guarantor must complete a financial disclosure using the Hospital Financial Assistance Application (**Attachment A**), except in cases where no survivors of a deceased patient can be located (see Procedure). The patient/guarantor first must meet income criteria as indicated within the financial assistance policy. If the patient/guarantor meets the income test for financial assistance consideration, then the patient/guarantor's financial disclosure will be screened to determine qualification for financial assistance based upon assets/holdings.

No eligible individual will be charged more for emergency or other medically necessary care than the amounts generally billed (AGB) to insured individuals. The AGB is calculated by using the "look-back" method. An annual calculation of each facility's AGB using a 12month "look-back" method of all payers exclusive of Medicaid and Self Pay will be performed for determination of applicable adjustments to the AGB discount percentage. The AGB percentage applicable for each facility is disclosed in Covenant Health Patient Account Services Fair Charges Policy 3500.580, Table II. This policy is available free of charge by contacting the Knoxville Business Office Services, 1420 Centerpoint Blvd., Building C, Knoxville, TN, 37932, or by telephone at 865-374-3000.

#### Income Limitations

To qualify for financial assistance, the patient/guarantor must have anticipated future annual income, as calculated under this policy, at or below 300% of the current federal poverty limits, as set forth by the United States Department of Health and Human Services. The federal poverty limits are as follows:

**2023 HHS (United States Department of Health & Human Resources)**

Persons in Family Unit	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$14,580.00	\$18,210.00	\$16,770.00
2	\$19,720.00	\$24,640.00	\$22,680.00
3	\$24,860.00	\$31,070.00	\$28,590.00
4	\$30,000.00	\$37,500.00	\$34,500.00
5	\$35,140.00	\$43,930.00	\$40,410.00
6	\$40,280.00	\$50,360.00	\$46,320.00
7	\$45,420.00	\$56,790.00	\$52,230.00
8	\$50,560.00	\$63,220.00	\$58,140.00
For each additional person, add	\$5,140.00	\$6,430.00	\$5,910.00

Income shall include, but is not limited to, adjusted gross income plus non-taxable retirement income (i.e., Social Security), child support, unemployment compensation and "in-kind" payments (for example, use of property rent free). The value of food stamps will be excluded from "in-kind" payment consideration. In addition, 10% of the patient/guarantor's net assets, as determined by reducing the market value of assets less any outstanding debt, will be added to income for determination of total annual income (see Asset Limitations).

**Asset Limitations**

The guidelines for determining assets include, but are not limited to, primary dwelling (and attached land), automobiles, liquid assets, investments, farm land, business property, rental property, farm and/or business equipment including livestock and crops. All real property will be considered at fair market value. The values of both real and personal property will be reduced by any existing liabilities incurred by the applicant in obtaining the assets (net assets) with the exception of primary dwelling. The primary dwelling net asset will be the amount of equity above \$100,000. Actual or potential third party liability to the patient, hospital or the guarantor by common law, contract, statute or otherwise shall be considered an asset and must be listed on the Hospital Financial Assistance application.

**External Sources Used for Assessment**

The following websites are used in the processing of the financial assistance application:

Kelley Blue Book – Used to find values of vehicles owned by the patient.

<http://www.kbb.com/>

Accurint – Used for skip tracing addresses (Return Mail) or Date of Death <https://secure.accurint.com/app/bps/main>

The following are examples of websites used to locate the correct value of the applicant's properties if they do not provide a copy of their tax assessment from the county they own property.

Knox County Property Search  
<https://knoxcounty.org/property/>

State of Tennessee Property Search  
[http://www.assessment.cot.tn.gov/RE\\_Assessment/](http://www.assessment.cot.tn.gov/RE_Assessment/)

**Catastrophic Exceptions**

For catastrophic illness, exceptions to income and asset limitations may be made on a case-by-case basis. The amount considered for financial assistance will be based upon the facility's evaluation of the patient's and/or guarantor's ability to pay all or a percentage of gross charges, taking into consideration the patient's and/or guarantor's assets, liabilities, liquidity, and future earning capacity.

**Procedure**

Upon referral from Pre-Admission and/or Emergency Patient Registration, the patient will be assigned a Financial Counselor. The Financial Counselor shall initiate Credit Screening of the patient and/or guarantor and work with appropriate hospital and agency staff to ensure that all efforts of coverage have been exhausted before consideration of hospital financial assistance. If, as stipulated by the financial assistance policy, all payment sources have been exhausted and the patient/guarantor meets the income/asset limitations, the patient/guarantor may complete a Hospital Financial

Assistance Application (see **Attachment A**) for all patient balances. **The patient/guarantor may also receive a Hospital Financial Assistance Application by:**

- Obtaining an application at any Covenant Health Facility registration area.
- Requesting to have an application mailed by calling 865-374-3000.
- Requesting an application by mail at Knoxville Business Office Services, 1420 Centerpoint Blvd. Building C, Knoxville, TN, 37932.
- Downloading an application through the Covenant Health website: [www.covenanthealth.com](http://www.covenanthealth.com).
- A list specifying which providers are covered by the facility’s Financial Assistance policy (in addition to the facility and those delivering emergency and other medically necessary care in the facility) and which providers are not covered is available on the Financial Assistance page on each facility’s website.

**The patient may receive assistance with completing the application and submitting the required documentation by contacting Knoxville Business Office Services at 865-374-3000.** This application must include verification of the applicant’s disclosed income and assets, as listed in **Attachment B**.

Upon completion of the application process, it will be the responsibility of the Director of Patient Accounting or Collections Manager to review all applications with the Financial Counselor for the recommendation of granting financial assistance. For procedures pertaining to uninsured discounts, refer to Covenant Health Patient Account Services Fair Charges policy 3500.580. All eligible applicants authorized for financial assistance will be afforded a discount on a sliding scale based on income limitations as follows:

**Annual Household Income**

Family Size	Federal Poverty Limits	200% of Poverty Limits	300% of Poverty Limits
1	\$14,580.00	\$29,160.00	\$43,740.00
2	\$19,720.00	\$39,440.00	\$59,160.00
3	\$24,860.00	\$49,720.00	\$74,580.00
4	\$30,000.00	\$60,000.00	\$90,000.00
5	\$35,140.00	\$70,280.00	\$105,420.00
6	\$40,280.00	\$80,560.00	\$120,840.00
7	\$45,420.00	\$90,840.00	\$136,260.00
8	\$50,560.00	\$101,120.00	\$151,680.00
For each add’ l person, add	\$5,140.00	\$10,280.00	\$15,420.00

**Amount of Patient Responsibility / Out-of-Pocket Expense:**

Financial Assistance Percentage for Income Categories Above	
0 – 200% of Poverty Limits	201 – 300% of Poverty Limits
100.0%	90.0%

Financial assistance may take the form of the hospital writing off part or all of the payment due for covered services for eligible patients. Prior to authorizing a financial assistance discount under the hospital financial assistance policy, the Business Office Manager/Director or Collections Manager will be required to obtain approvals from the Director of Patient Accounting, Vice President Revenue Cycle, Facility CFO, Facility CAO, and Executive Vice President/CFO, as noted below:

**WRITE-OFF AMOUNT**

\$0.00- \$9,999.99

\$10,000.00- \$49,999.99

\$50,000.00- Above

**APPROVAL REQUIREMENTS**

Hospital Collections Mgr. & Dir of Patient Acct.

Dir of Patient Acct., Vice President Revenue Cycle, & Facility CFO

Dir of Patient Acct., Vice President Revenue Cycle, Facility CFO, Facility CAO, Executive Vice President/CFO

Once financial assistance has been granted to a patient and applied to the patient’s account, the application and supporting documentation will be scanned into the patient’s financial folder. Financial information pertinent to financial assistance granted and remaining patient balances,

if applicable, will be so noted on the patient's "system" billing record. For all denied applications, a financial transaction will be applied to patient's account indicating non-eligibility.

A letter of notification will be sent to the patient informing of the final outcome of the application for financial assistance.

## **Billing and Collections**

Should the patient fail to complete and submit the required application and documentation for financial assistance or fail to setup an agreed payment arrangement, further collection efforts may occur. Covenant Health will not engage in any extraordinary collection actions before it makes reasonable efforts to determine whether an individual who has an unpaid bill is eligible for financial assistance under this policy. Reasonable efforts to determine whether the individual who has an unpaid bill is eligible for financial assistance include notification to the individual of the financial assistance policy, contacting individuals who have submitted incomplete financial assistance applications regarding how to complete the FAP and allowing a reasonable time period to do so, and reviewing completed financial assistance applications for financial assistance eligibility. The actions Covenant Health may take in the event of nonpayment and the process and timeframes for taking these actions are more fully described in the Covenant Health Patient Services Bad Debt Policy 3500.040. A free copy of this policy may be obtained by calling the Business Office at 865-374-3000 or by writing to Knoxville Business Office Services, 1420 Centerpoint Blvd., Building C, Knoxville, TN, 37932.

For purposes of this policy, "extraordinary collection actions" (ECAs) include notification to credit bureaus and legal or judicial actions leading to garnishment of wages. Covenant Health notifies the patient of the financial assistance policy before initiating any ECAs and refrains from initiating any ECAs for at least 120 days from the date of the first post-discharge billing statement. At least 30 days prior to the ECA, Covenant Health provides notice informing the individual of potential ECA if the individual does not submit or complete a financial assistance application or pay the amount due by a deadline specified in the notice. Depending on dollar amounts as specified in the Covenant Health Patient Services Bad Debt Policy 3500.040, the Business Office Director, Vice President of Patient Revenue Cycle, Chief Financial Officer, or President and Chief Administrative Officer will have final authority for determining whether all reasonable efforts have been made to determine if an individual is eligible for financial assistance before any ECAs are pursued.

At least 30 days prior to initiating one or more ECAs, the hospital will provide the individual with a written notice stating that financial assistance is available for eligible individuals, identifying the ECAs that the hospital intends to initiate, and stating a deadline after which the ECA will be initiated that is at least 30 days after the date of the notice. This notification will include a plain language summary of the FAP and how the individual may obtain assistance with the FAP application process. Reasonable efforts will also be made to notify the patient by telephone or orally of the FAP and how to obtain assistance with the FAP application process. All ECAs will be halted if a financial assistance application is received and will remain on hold until a determination is made by Covenant Health and communicated in writing to the responsible party. If the financial assistance application is approved, all actions taken on the account will be reversed and any amounts paid above the amount required will be refunded.

Covenant Health does not sell any accounts receivable accounts to outside firms. All accounts remain property of and under the policies set by Covenant Health.

## **Copies of Referenced Policies**

For copies of any policies referenced within this policy, please call 865-374-3000 and submit your request. A copy will be mailed free of charge to the address provided.

## **References:**

*Federal Register / Vol. 88, No.12 / Thursday, January 19, 2023 / pp. 3424 - 3425*  
*Annual Update of the HHS Poverty Guidelines, available at <https://aspe.hhs.gov/poverty-guidelines>*  
*26 C.F.R. § 1.501(r)*