



**capitahealth**

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Owner Layne Gambol:  
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Area Corporate  
Compliance  
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References CCP-FI-006

## Hospital Collections and Financial Assistance Policy

### I. PURPOSE

To establish standards for fair and equitable billing, collection and financial assistance practices that reflect Capital Health Medical Center – Hopewell's and Capital Health Regional Medical Center's (collectively "Capital Health") status as a not-for-profit healthcare provider and which promote its mission to provide access to high quality healthcare services to residents of its service area, regardless of ability to pay.

### II. FORMS/ATTACHMENT

Capital Health Confidential Financial Worksheet

Capital Health Provider Listing

### III. EQUIPMENT/SUPPLIES

None

### IV. POLICY

In connection with its Mission Statement, Capital Health, and any substantially related entity as defined by the Internal Revenue Service, maintains fair and equitable billing practices that treat all patients with dignity, respect and compassion. Capital Health serves the emergency and other medically necessary healthcare needs of everyone, regardless of ability to pay in accordance with its policy on Emergency Care (Policy No. CCP-PC-002) and the Emergency Medical Treatment and Labor Act (EMTALA). Capital Health facilitates assistance to patients with an inability to pay for part or all of the care that they receive in a manner that is consistent with the mission and values of Capital Health and which takes into

account each individual's ability to contribute to the cost of his/her care.

Please refer to Appendix B for a listing of all providers that are providing emergency or other medically necessary healthcare services at Capital Health Medical Center - Hopewell and Capital Health Regional Medical Center and whether or not they are covered by the Financial Assistance Policy ("FAP"). This listing will be reviewed on a quarterly basis and updated, if necessary.

## V. WIDELY PUBLICIZING

The FAP, the Capital Health Confidential Financial Worksheet ("Application") and the Plain Language Summary ("PLS") are all available in English and in the primary language of populations with limited proficiency in English that constitute the lesser of 1,000 individuals or 5% of the community served by each hospital facility's primary service area. Every effort will be made to ensure that the FAP documents are clearly communicated to patients whose primary languages are not included among the available translations. The PLS is a written statement that notifies an individual that the hospital facility offers financial assistance and provides information regarding this FAP in a language that is clear, concise and easy to understand.

Capital Health makes reasonable efforts to inform patients of the potential availability of financial assistance. When a patient inquires about financial assistance, staff will advise the patient that financial assistance may be available but only under the criteria set forth in this policy and that for further information, the patient or physician should contact the Credit and Collections Manager in the Patient Accounts Department.

The FAP, Application and PLS will be conspicuously displayed in the following manner:

- A. The FAP, Application and PLS are widely available on Capital Health's website: [www.capitalhealth.org](http://www.capitalhealth.org);
- B. Paper copies of the FAP, Application and PLS are available upon request without charge by mail and in public locations of each hospital facility (this includes at a minimum the emergency room and admissions areas) located at the following addresses:

Capital Health Medical Center – Hopewell  
One Capital Way  
Pennington, NJ 08534

Capital Health Regional Medical Center  
750 Brunswick Avenue  
Trenton, NJ 08638

- C. Inform and notify members of the community served by each hospital facility about the FAP in a manner which will reach members of the community who are most likely to require financial assistance;
- D. Notify and inform members who receive care from the hospital facilities about the FAP by:
  - 1. Offering a paper copy of the PLS to inpatients as part of the intake process;
  - 2. Including conspicuous written notice which informs patients about the availability of

financial assistance on all billing statements;

3. Displaying conspicuous signs that notify and inform patients about the availability of financial assistance in public locations in each hospital facility.

## VI. FINANCIAL ASSISTANCE PROGRAMS AND ELIGIBILITY CRITERIA

### A. Uninsured Patients:

An uninsured patient is defined as a patient that has no insurance coverage for their medically necessary services and is not eligible for any State, Federal and local programs. If the patient meets this definition and the criteria defined at "a" and "b" below; the patient will qualify for a State Mandated Uninsured Discount that will adjust their patient liability to no more than 115% of Medicare reimbursement (*NJ Public Law 2008, c.60*). No application is required for this discount.

This discount is calculated as follows:

1. For all inpatient services use the 115% of the Medicare DRG amount; and
2. For all outpatient services use 115% of the Medicare amount.

Capital Health reserves the right to equitably apply discounts based on individual patient's financial circumstances.

### B. New Jersey Hospital Care Payment Assistance Program ("Charity Care"):

Charity Care assistance is free or reduced charge care which is available to patients who receive inpatient and outpatient services at acute care hospitals throughout the State of New Jersey.

Charity Care is a State program available to New Jersey residents who:

1. Have no health insurance coverage or have coverage that pays only for part of the bill;
2. Are ineligible for any private or government sponsored coverage; and
3. Meet both the income and assets eligibility criteria established by the State.

Income Eligibility Criteria - Patients with family gross income less than or equal to 200% of the Federal Poverty Guidelines ("FPG") are eligible for 100% Charity Care coverage. Patients with family gross income greater than 200% but less than or equal to 300% of FPG are eligible for discounted care under the Charity Care program. Income eligibility criteria is based on income immediately preceding date of service.

Asset Eligibility Criteria - A patient's individual assets cannot exceed \$7,500 and family assets cannot exceed \$15,000 as of the date of service in order to be eligible.

For purposes of this section, family members whose assets must be considered are all legally responsible individuals as defined in N.J.A.C. 10:52-11.8(a).

Free care or partially covered charges will be determined by use of the New Jersey Department of Health Care for the Uninsured Income Criteria.

**C. Underinsured Discount:**

Capital Health provides a discount for all eligible underinsured patients that cannot afford to pay for all or part of their hospital bill. This discount is available to underinsured patients who meet the following income eligibility criteria.

Income Eligibility Criteria - Patients with family gross income less than or equal to 400% of the Federal Poverty Guidelines ("FPG") are eligible for 100% coverage. Patients with family gross income greater than 400% but less than or equal to 600% of FPG are eligible for discounted care.

Free care or partially covered charges will be determined by doubling (2x) the amounts included on the New Jersey Department of Health Care for the Uninsured Income Criteria.

## **VII. AMOUNTS GENERALLY BILLED ("AGB")**

In accordance with Internal Revenue Code §501(r)(5), in the case of emergency or other medically necessary care, patients eligible for financial assistance under this FAP will not be charged more than an individual who has insurance covering such care.

Capital Health utilized the Look-Back Method, Medicare fee for service plus private health insurers to calculate an AGB percentage for each of its hospital facilities. The AGB percentage is calculated annually based on all claims allowed by Medicare fee for service plus private health insurers over a prior 12-month period, divided by the sum of associated gross charges for those claims. The applicable AGB percentage will be applied to gross charges to determine the AGB.

The resultant AGB percentages are as follows:

***Capital Health Regional Medical Center***

- Inpatient Services – 7.58%
- Outpatient Services – 10.58%

***Capital Health Medical Center – Hopewell***

- Inpatient Services – 6.41%
- Outpatient Services – 8.72%

Any patient eligible for financial assistance will always be charged the lesser of AGB or any discounted rate available under this FAP.

## **VIII. METHOD FOR APPLYING FOR FINANCIAL**

# ASSISTANCE – CHARITY CARE AND UNDERINSURED

- A. Patients who meet the eligibility criteria for Charity Care must submit a completed New Jersey Hospital Assistance Program Application for Participation.

This Application includes certain documentation required per the Charity Care Section of Hospital Services Manual N.J.A.C. 10:52. The following document is required for eligibility consideration:

1. Proper patient and family identification documents:  
This can include any of the following: driver's license, social security card, alien registry card, birth certificate, passport, visa, state issued identification, etc.
2. Proof of New Jersey Residence as of the date of service: This can include any of the following: driver's license, welfare plan identification card, utility bill, Federal income tax return, state income tax return, or an unemployment benefits statement (note: emergency care is an exception to the residency requirement).
3. Proof of gross income:  
This can include pay stubs, W-2's, unemployment benefit statements, etc.
4. Proof of assets as of the date of service:  
These are items which are readily convertible into cash. They include bank statements, investment statements, etc.

Occasionally, additional documentation may be requested depending on the individual applicant's circumstances. An individual may apply for Charity Care up to two years (730 days) from the date of service.

- B. Patients who meet the eligibility criteria for the Underinsured Discount must submit a completed Capital Health Confidential Financial Worksheet to be considered for eligibility. No additional documents are required with this submission.

Typically, patients in need of financial assistance will initially submit a Confidential Financial Worksheet. Based on the information provided, Capital Health's Credit and Collections Department will inform the patient whether or not they may be eligible for financial assistance.

Once a completed Application has been submitted, a Credit and Collections staff member will review the Application in order to determine financial eligibility. Patients, or the financially responsible individual, will be notified in writing of all determinations. Capital Health reserves the right to equitably apply discounts based on individual patient's financial circumstances.

If Capital Health receives an incomplete Application, written notice will be provided to the patient, or the financially responsible individual, outlining the additional information and/or documentation needed in order to determine FAP-eligibility. Patients, or the financially responsible individual, will be given the greater of 30 days or amount of days remaining in the Application Period (two years or 730 days from the date of service) to submit a completed Application including any additional information requested by Capital Health. Additionally,

patients will be provided a PLS.

Please refer to Part V for where the Application is available for free and upon request.

## IX. BILLING AND COLLECTION PRACTICES

- A. All accounts who are contractually left with a financial liability by their insurer or who fail to have third party liability coverage are considered self-pay patients. These patients will be offered information on financial assistance at time of registration.
- B. Self-pay patients receive a series of four data mailers and one urgent notice over a period of 135 days from the date of the first billing statement for care. This urgent notice must be sent to patients providing them with a minimum of 30 days to satisfy the outstanding balance due before the debt is referred to a collection agency. This notice will:
  - indicate that financial assistance is available for eligible patients;
  - include a telephone number where individuals may obtain information about the FAP and assistance with the Application process;
  - include the organization's website address where copies of the FAP, Application and PLS can be obtained;
  - identify the Extraordinary Collection Actions ("ECA") that the Third Party intends to initiate to obtain payment for the care;
  - state a deadline after which such ECAs may be initiated (which deadline is no earlier than 30 days after date that notice is provided); and
  - include a copy of the PLS.

Capital Health will make reasonable efforts to orally notify the individuals about the FAP and how the individual may obtain assistance with the Application process.

- C. In addition to the data mailers and urgent notice, the patient accounts department makes telephone calls on accounts with a balance greater than \$750.00 to try to resolve the outstanding balance. When unforeseen circumstances arise, reasonable efforts will be made to make telephone calls, but cannot be guaranteed. Examples, power interruption, National pandemic.
- D. If a self-pay liability is not resolved within 135 days, the account is then written off as a bad debt and transferred to one of two outside primary collection agencies dependent on the patient's last name (alpha split).
- E. The primary collection agency has 270 days to work the account. At the end of 270 days, if there is still an outstanding balance, the account is taken back in an automated fashion and then reassigned to a secondary collection agency. Only one secondary collection agency is utilized.
- F. An individual has two years (730 days) from date of service to apply for financial assistance.
- G. If a completed Application is received, Capital Health will ensure that the following will take place:
  - ECAs against the patient will be suspended;

- An eligibility determination will be made and documented in a timely manner;
  - Capital Health will notify the patient in writing of the determination and the basis for the determination, how that amount was determined and the applicable AGB percentage;
  - An updated billing statement will be provided which will indicate the amount owed by the FAP-eligible patient (if applicable); and
  - Any amounts paid in excess of the amount owed by the FAP-eligible patient will be refunded accordingly (if applicable and greater than \$5).
- H. If an incomplete Application is received, Capital Health will provide the patient with written notice that describes the additional information or documentation required to make a FAP-eligibility determination. Third Parties will suspend any ECAs to obtain payment for care until Capital Health makes a FAP-eligibility determination.
- I. The secondary collection agency is the only agency authorized to pursue legal recourse on an account placed into bad debt. Aside from any accounts that are being pursued legally by the secondary collection agency, the secondary collection agency also has 270 days to work the account.
- J. At the end of the 270-day period with the secondary collection agency the account is then taken back in an automated fashion by the patient accounting system and assigned an agency code of "TB" (Take back).
- K. An account with agency code TB is assured to have been in the self-pay collection cycle for 135 days, with a primary collection agency for 270 days and with a secondary collection agency for another 270 days.
- L. All accounts are treated the same regardless of payer.

When a patient expresses an inability or difficulty in meeting the financial obligation to Capital Health associated with his or her care, Capital Health works with the patient to determine whether financial assistance is available to satisfy the patient's obligation. Financial assistance may include:

- A. Establishment of a reasonable payment plan, not to exceed remaining days left in billing cycle prior to referral to primary collection agency;
- B. Identification of financial assistance available through programs such as Medicaid, Charity Care or other third party charitable organization;
- C. A partial discount on, or complete waiver of, charges associated with the patient's care in accordance with the terms and conditions of this policy.

Capital Health requires its collection agencies to adhere to this policy. To facilitate compliance with this policy, Capital Health includes in all arrangements with collection agencies:

- A. Requirements that the collection agency refrain from any activity that violates the Fair Debt Collections Practices Act (15 U.S.C. Section 1692 et. seq.).
- B. An acknowledgment on the part of the collection agency of Capital Health's nonprofit status and mission and an agreement on the part of the agency to refrain from collection practices that are contrary to that status or in violation of this policy.

Capital Health only takes legal action in an effort to obtain satisfaction of a patient's financial obligation where there is reasonable cause to believe that the patient or responsible party has income and/or assets sufficient to satisfy the obligation without undue hardship. Capital Health does not seek the sale or foreclosure of a patient's primary residence to satisfy a patient's financial obligation.

## X. REFERENCES

United States Department of Health and Human Service, Office of Inspector General's Compliance Guidance to Hospital, March 1998

American Hospital Association and New Jersey Hospital Association Statement of Principles and Guidelines for Hospital Billing and Collection Practices

New Jersey Assembly Bill, A 2609

## Approval Signatures

Step Description	Approver	Date
CEO approval	Alireza Maghazehe: Chief Executive Officer	Feb 2025
CFO approval	Shane Fleming: Chief Financial Officer	Feb 2025
Chief Compliance Officer approval	Laura McGuire: Chief Compliance Officer	Dec 2024
Policy owner	Layne Gambol: Dir Patient Accounts	Dec 2024

## Standards

No standards are associated with this document