DAYTON CHILDREN'S HOSPITAL
FINANCIAL ASSISTANCE POLICY

PURPOSE:

Dayton Children's Hospital's (DCH) Financial Assistance Policy is consistent with DCH's mission and values and is reflective of the organization's commitment to the communities it serves. The purpose of this policy is to define the Dayton Children's Hospital financial assistance program and to establish standards for the determination of financial assistance to patients of DCH. This policy applies to all Dayton Children's locations.

The services covered by this policy include all emergency and other Medically Necessary Care provided by Dayton Children's Hospital and its Substantially Related Entities.

Dayton Children's Hospital will provide, without discrimination, care for emergency medical conditions to individuals regardless of whether they are eligible for financial assistance or ability to pay. DCH shall comply with the Emergency Medical Treatment and Labor Act (EMTALA) by providing medical screening examinations and stabilizing treatment and referring or transferring an individual to another facility when appropriate. DCH prohibits any actions that would discourage individuals from seeking emergency medical care, such as by demanding that emergency department patients pay before receiving treatment for emergency medical conditions or by permitting debt collections activities that interfere with the provision, without discrimination, of emergency medical care.

DEFINITIONS:

Amount Generally Billed (AGB): The amount generally billed to uninsured and insured patients after insurance pays for emergent or medically necessary care. The method used to calculate the AGB is a historical look-back method based on actual paid claims from Medicare fee for service together with private health insurers including portions paid by insured individuals.

Application Period: means the period during which DCH must accept and process an application for financial assistance, submitted by an individual, under its Financial Assistance Policy (FAP) in order to have made reasonable efforts to determine whether the individual is eligible for financial assistance under the FAP. The Application Period begins on the date the care is provided and ends on the latter of the 240th day after the date that the first post-discharge billing statement for the care is provided or at least 30 days after DCH provides the individual with a written notice that sets a deadline after which Extraordinary Collection Activities (ECA) may be initiated.

Charges Billed: Those charges for which a patient/family is responsible. For uninsured patients, that is the price associated with services provided by DHC.

Extraordinary Collection Actions (ECAs) mean a list of collection actions, as defined by the Department of Treasury, Internal Revenue Service (IRS) that DCH may only take against an individual to obtain payment for care after reasonable efforts have been made to determine whether the individual is eligible for financial assistance. ECAs against the patient include obtaining payment for care against any other individual who has accepted or is required to accept responsibility for an individual's hospital bill for the care (also known as a guarantor). ECAs include, but are not limited to:

a. In some circumstances, selling a patient's debt to another party;

Reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus;

b. Deferring, denying, or requiring payment before providing, medically necessary (but non-emergent) care because of an individual's nonpayment of one or more bills for previously provided care covered under DCH's FAP (collectively referred to as "Deferred Care");

c. Actions requiring legal or judicial process, including commencing a civil action against an individual and placing a lien on an individual's property (although exceptions include filing a proof of claim in bankruptcy and hospital liens on personal injury judgments/settlements); garnishing an individual's wages; attaching or seizing an individual's bank account or any other personal property; causing an individual to be subject to a writ-of-body attachment; and causing an individual's arrest.

The act of placing a patient's account with a collection agency is not an ECA.

External Vendors: Companies hired to act as agents with respect to billing and collections.

Federal Poverty Guidelines (FPG): Poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2).

Federal Poverty Level (FPL): A measure issued annually by the Department of Health and Human Services based on annual income and household size to indicate poverty threshold.

Financial Assistance Policy (FAP): The hospital policy that considers income and family size to determine a discount from billed charges.

Financial Assistance Application Form (FAA or Application) means a document that must be completed by the patient/guarantor and accompanied by proof of residency (residency required only for the HCAP Program) and income, in order to qualify a patient for financial assistance under the Charity Program or HCAP Program.

Gross Income: Total income before any deductions are taken.

Financial Assistance: Healthcare services provided which are not expected to result in cash inflows; medically necessary services rendered without expected payment to individuals meeting established criteria.

Hospital Care Assurance Program (HCAP): A State and Federal program administered by the Ohio Department of Medicaid which provides funding to hospitals that have a disproportionately high share of uncompensated care costs for services to indigent and uninsured Ohioans. HCAP offers Ohioans, with family incomes at or below 100% of the current Federal Poverty Guidelines and ineligible for Ohio Medicaid, help with unpaid hospital bills.

Family Size: A "Family" shall include the patient, the patient's spouse, and all the patient's children, natural or adoptive, under the age of 18 who lives in the home (step children are not included). If the patient is under the age of 18, the "Family" shall include the patient, the patient's natural or adoptive parent(s), and the parent(s)' children, natural or adoptive under the age of 18 who live in the home. (Stepparents are not included). If the patient is the child of a minor parent who still resided in the home of the patient's grandparents, the "Family" shall include only the parent(s) and of the parent(s)' children, natural or adoptive who reside in the home (grandparents are not included).

Household Income: Includes earnings, unemployment compensation, workers' compensation, Social Security, supplemental security income, public assistance, veterans payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources. Non-cash benefits (such as food

stamps and housing subsidies) do not count. Income is calculated before any deductions and excludes unrealized capital gains or losses. It can include other unearned income which is countable gross cash received from sources other than employment.

Gross Income: Total family gross income from all sources.

Emergent or Medically Necessary Care: Hospital services as defined in Ohio Administrative Code Chapter 5101:3-2 which includes inpatient and outpatient services covered under the Medicaid program and is defined as services to treat a medical condition that without medical attention places the health of the individual in serious jeopardy and/or causes serious impairment to bodily functions or serious dysfunction to a bodily organ. No provider of emergency or medically necessary care in the DCH Facilities listed in this policy, other than the facilities themselves is covered by this policy.

Emergency Care: Immediate care which is necessary to prevent serious jeopardy to a patient's health; serious impairment to bodily functions, and/or serious dysfunction of any organs or body parts.

Medically Necessary Care: Health-care services or supplies rendered to a patient, both inpatient and outpatient, in order to diagnose, alleviate, correct, cure, or prevent the onset or worsening of conditions that endanger life, cause suffering or pain, cause physical deformity of malfunction, threaten to cause or aggravate a handicap, or result in overall illness or infirmity.

Notification Period means the period of 120 days after the date of the first post-discharge billing statement for the applicable medically necessary or emergency medical care.

Prompt Pay means paying an expected financial liability prior to or at the time of service.

Public Assistance: Medicaid or other government funded assistance.

Eligible Services
Services eligible under this financial assistance policy includes:

- Trauma and emergency medical services provided in an emergency setting.
- Services for a condition that if not treated promptly would lead to an adverse change in the health status of a patient.
- Non-elective services provided in response to a medical emergency in a non-emergency room setting.
- Other medical necessary services scheduled and approved at the discretion of DCH.

Services not eligible under this financial assistance policy includes Physician Fees, Copays, and certain elective procedures, such as cosmetic surgery made not be covered. Anesthesiology fees, Radiology interpretation fees are separate from hospital charges and may not be eligible for reductions. A listing of providers that are NOT covered under this FAP is maintained separately. Members of the public can readily obtain it free of charge at the DCH website.

POLICY:

Any patients receiving or seeking to receive emergency or other Medically Necessary Care at Dayton Children's Hospital may apply for financial assistance; however, the criteria used to evaluate eligibility may differ based on where the patient resides in the event a patient is seeking non-emergent care.

Patients/families who seek financial assistance under this policy must complete a Financial Assistance Application. Ohio residents requesting financial assistance must also apply for the Ohio Hospital Care Assurance Program (HCAP) and may be required to apply for Ohio Medicaid (Healthy Start and Healthy Families). Ohio residents exempt from Social Security and Medicare taxes must supply a completed form 4029 "Application for Exemption from Social Security and Medicare Taxes and Waiver of Benefits" with their financial assistance application in

order to waive this requirement. Parents who are an Ohio resident but are not eligible for coverage under these programs and patients who are not Ohio residents that receive emergency medical care at DCH may be eligible for financial assistance based on total Gross Income and Family Size as follows:

- Family Income at or below 100% of the Federal Poverty Level (FPL) will be written off at 100% of the patient's responsibility.
- Family Income between 101% and 200% of the FPL will be written off at 80% of the patient's responsibility.
- Family Income between 201% and 300% of the FPL will be written off at 60% of the patient's responsibility.
- Family Income between 301% and 400% of the FPL will be written off at 15% of the patient's responsibility.
- Uninsured patients with family income greater than 400% of the Federal Poverty Level may qualify for a 15% discount.

The Statement of Financial Condition, DCH Financial Assistance application is used to document the individual's overall financial situation. Financial Assistance will be given only after applicable insurance coverage has been exhausted and may require families to apply for government assistance programs. Credit reports, may be used, when appropriate, to verify an individual's financial situation. DCH will determine whether a patient qualifies for financial assistance under this policy based on total gross income and family size as follows in the Discount Percentage section. When determining patient eligibility, Dayton Children's Hospital does not take into account race, gender, age, sexual orientation, religious affiliation, and social or immigrant status. Dayton Children's Hospital Patient Accounts Department shall have the final authority for determining eligibility for financial assistance under this policy.

For Discounted care of less than 100% Assistance, no patients determined to be FAP-eligible will be charged more for emergency or medically necessary care than the Amounts Generally Billed (AGB) for emergency or medically necessary care. AGB means the amounts generally billed for emergency or other medically necessary care to individuals who have insurance covering such care. To calculate the AGB, DCH uses the "look-back" method. Under this method, DCH uses data based on claims sent to Medicare, Medicaid fee-for-service, and private health insurers for emergency and medically necessary care over the most recent 12-month, divided by the associated gross charges for those claims, to determine the percentage of gross charges typically allowed by these insurers. This is called the AGB Percentage. Associated portions for these claims paid by insured individuals in the form of co-payments, co-insurance or deductibles are included in AGB Percentage calculation. The AGB Percentage is then multiplied by gross charges for emergency or/and medically necessary care to determine AGB. DCH re-calculates the AGB Percentage annually and updates this Policy annually to reflect the same. Currently, DCH uses the following AGB Percentages as determined above at 52%.

Patients residing in the United States, but outside of Ohio or DCH Primary Service Area, will receive a 15% discount on Charges Billed for medically necessary services.

Professional services provided by any of Dayton Children's providers will be covered under this policy.

Any patient who is eligible for financial assistance under this policy will be charged only the amount that he or she is personally responsible for paying, after all deductions and discounts have been applied and less any amounts reimbursed by insurers.

Determinations for Financial Assistance will require patients to submit a completed financial assistance application (including any documentation that maybe requested) and may require appointments or discussion with hospital Financial Advocates. Dayton Children's Hospital reserves the right to request copies of paychecks, W-2's and Income Tax Returns.

Dayton Children's Hospital will notify the applicant within 30 days of receipt of the completed application as to approval or denial of the application for financial assistance.

Upon approval of the completed financial assistance application, financial assistance is granted for 90 days from the date of the initial eligibility determination, unless over the course of that 90 day period the individual's household income or insurance status changes to such an extent that the individual becomes ineligible for financial assistance. Dayton Children's Hospital reserves the right to ask the individuals to re-verify their income status before discounting patient accounts. Decisions regarding Financial Assistance are documented in the billing system. A patient's eligibility will extend to the end of the month in which eligibility will expire. In cases where prior payment has been made no refund will be issued unless, approved by the Hospital Care Assurance Program.

Eligibility Criteria

a. Federal Poverty Limit Guidelines and definitions of family size and household income will apply to determining an individual's income.
b. The amount charged to any Financial Assistance eligible individual for emergency or medical necessary care will be based on amounts generally billed (AGB) to individuals who have insurance covering such care at any DCH. Individuals can contact a member of the DCH Patient and Family Financial Advocate team to obtain written information stating the AGB percentage and an explanation of how the AGB percentage was determined.
c. Dayton Children's Financial Assistance- the individual's household income must be between 101% and less than 300% FPL to be eligible for a reduction of applicable gross charges for services down to the Amount Generally Billed (AGB). This results in a partial adjustment to billed charges for individuals with no insurance or a partial adjustment to billed charges for individuals with insurance with a remaining patient responsibility after insurance pays.

d. Dayton Children's HCAP- the individual's household income must be at or below 100% of the current Federal Poverty Limits (FPL) to be eligible for 100% reduction from applicable charges. This results in a full adjustment to billed charges for individuals with no insurance or a full adjustment to billed charges for individuals with insurance with a remaining patient responsibility after insurance pays.
e. Financial assistance application forms will be considered up to 120 days after the first post discharge billing statement. A financial application will be considered valid up to 90 days after the last date of application approval.

Eligibility must be determined separately for each **inpatient admission**. Eligibility determination for **outpatient** is effective for 90 days from the initial service date. Recipients of disability assistance program must be verified on a monthly basis. If patient is eligible DA, eligibility for HCAP is assumed.

Fees not included in write-offs include:

- Patient Convenience Items (e.g. slippers, admission kits, deodorant, lotion, TV, telephone etc.)
- Durable Medical equipment (e.g. splints, brace, crutches etc.)
- Take home Prescription
- Infertility Services

Financial Assistance applications are available upon request or identification of uninsured status. Patient and Family Financial Advocates are available to assist patients and families and are located at both Main and South Campus' and can be contacted via telephone at (937) 641-5727 The application is available for download from Dayton Children's Hospital website http://www.childrensdayton.org/cms/our_services/index.html Financial Assistance Applications will be listed on the back of the guarantor patient statement. Patient and Family Financial Advocates are available to assist families with the application process. Completed applications should be returned in person to the cashier's office at the main campus or mail to: Dayton Children's Hospital, Attention Patient and Family Financial Advocates -1A, One Children's Plaza, and Dayton, Ohio 45404. Paper copies are available upon request at no charge to the patient.

If an incomplete application is submitted, a letter will be generated to the guarantor asking for additional information necessary to complete the application. Appropriate contact information will be included, if the

guarantor has questions regarding their application. Guarantor shall provide a current mailing address at the time of service or upon moving.

A guarantor is responsible for balances billed by Dayton Children's Hospital. DCH will make every attempt to collect on the debt and make reasonable efforts to determine if an individual is eligible for Financial Assistance. Collections efforts will include sending guarantor statements, making phones and using an external vendor to assist in debt collection. Dayton Children's Hospital will not initiate any extraordinary collection actions for at least 120 days (one hundred and twenty days) from the date of the first guarantor statement sent by the hospital. A payment plan (not to exceed six months) may be approved by the Patient Accounts Department. Dayton Children's Hospital may use the services of an external vendor to assist in debt collection. When a guarantor or responsible party fails to pay their portion of the amount due the account can be referred to an agency for collections. Guarantor will receive four statements prior to account being placed with collection agency and a minimum of two telephone calls.

Patient and Family Financial Advocate instructions on how to apply and document discount:

1. Have parent, guarantor, or patient (if guarantor) complete the financial assistance application.
2. Determine family size.
3. Verify income according to guidelines set forth under Income.
4. Scan application (If the patient is later found to be eligible for Medicaid, the write-off should be reversed – assuming the applicable cost report is still open—and the account is billed to ODJFS).

1) Upon Receipt of Application
- **a.** Review EPIC for all applicable accounts. May use accts 90 days prior to application.
- **b.** Note guarantor accounts that you have received HCAP application.
- **c.** Must have separate applications for all INPT accounts.

2) Review for Eligibility
- **a.** Verify Name and demographic information is completed
- **b.** Verify all questions are answered
- **c.** Verify Family information. Do not include family members 18 years old and older. If patient is 18 they will be considered individually.
- **d.** Verify relationships.
- **e.** Verify Signature. Must be original signature and must be dated.

3) Review Income
- **a.** Verify Income based on the Federal Poverty Guidelines. Can use 3 months or 12 months to determine eligibility. Does not have to qualify in both areas.
- **b.** If Income is zero verify the support statement is completed on application
- **c.** Cannot have information in both Income section and support statement section.

4) If HCAP application is approved
- **a.** List all eligible account numbers, Date of Service, Balance on the application.
- **b.** Attach itemized bill and Medicaid RTE screen to application.
- **c.** Sign and date application
- **d.** Write off all eligible charges to ADJ code 8005017-HCAP write off, if past charges adjustments will be processed by patient account staff. For future balances, up to 90 days, system will complete auto adjustment
- **e.** If guarantor made any previous payments complete a refund request for payment to be sent back to payee.
- **f.** Send HCAP approval letter to guarantor, if requested
- **g.** Update guarantor notes and appropriate action code

5) If HCAP application is denied.
- **a.** Guarantor will be notified upon application completion

Revised Date (s): 12/00, 4/1/05, 5/2/11, 5/16, 12/16, 2/19