



Carolinah HealthCare System

James E.S. Hynes
Chairman

Michael C. Tarwater, FACHE
Chief Executive Officer

Joseph G. Piemont
President & COO

Via email.

October 12, 2012

The Honorable Charles E. Grassley
Ranking Member
Committee on the Judiciary
United States Senate
135 Hart Senate Office Building
Washington D.C. 20510-6275

Dear Senator Grassley:

I am writing on behalf of Carolinas Medical Center ("CMC") in response to your September 28, 2012 letter to Michael C. Tarwater regarding CMC's participation in the 340B program.

CMC, an unincorporated operating division of The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas HealthCare System, is one of the largest public safety net hospitals in the region, and is committed to providing quality health care to all citizens, regardless of ability to pay. CMC consistently sustains a Medicare disproportionate share hospital ("DSH") adjustment percentage well in excess of the 11.75% required for participation in the 340B program. For example, the 2011 DSH percentage for CMC was 23.57%, more than double the threshold set under the 340B program. In addition, in 2011, CMC provided more than 122,000 emergency department visits, including 14,000 visits provided at the region's only behavioral health emergency department.

As explained in our enclosed responses, CMC provides millions of dollars in free and unreimbursed outpatient care to at-risk patient populations every year. These outpatient services are provided at significant financial outlay by CMC, but result in lower health care costs to payers by supporting healthier patients who avoid expensive inpatient care. Contrary to any concerns otherwise, savings associated with CMC's participation in the 340B program have been used to sustain and expand many medical and pharmaceutical services for the direct benefit of uninsured and underinsured outpatients. In sum, CMC uses the savings it achieves through the 340B program to support quality treatment and pharmaceutical services for all patients, regardless of ability to pay.

We appreciate your interest in ensuring access to quality health care for all patients and for the opportunity to provide you with information about CMC. We are proud of CMC's history of affording access and providing care to all patients, and are grateful for the assistance that participation in the 340B program has provided for these efforts. We welcome the opportunity to demonstrate how we have used, and continue to use, the 340B program to benefit our community in a variety of ways.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Piemont', written over a horizontal line.

Joseph G. Piemont
President and Chief Operating Officer
Carolinas HealthCare System

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CMC submits the following Responses and Exhibits to the Committee on the Judiciary (“Committee”) pursuant to your request as Ranking Member of the Committee and pursuant to Rule XXIX of the Standing Rules of the Senate. Accordingly, CMC requests that this non-public, confidential and proprietary information be treated with the maximum confidentiality protections available to materials provided to the Committee. CMC has marked its responses with the legend “CMC - CONFIDENTIAL TREATMENT REQUESTED.” CMC respectfully requests that appropriate safeguards be employed to limit access to this information outside of formal Senate proceedings. The intentional or inadvertent disclosure of information that CMC has expressly designated as confidential and proprietary may cause substantial and irreparable harm to CMC.

* * *

RESPONSES

CMC provides the information below in response to your request to better understand CMC’s participation in the 340B program.

- 1. Please provide a summary of all revenue received from participating in the 340B program from 2008, broken down by year.***

For purposes of summarizing the revenue received from CMC’s participation in the 340B program, CMC has calculated an estimated dollar amount of total savings and included those amounts in the table below.¹ The total savings amount equals the difference between CMC’s acquisition cost for pharmaceuticals purchased through the 340B program and the estimated acquisition cost if CMC had purchased the same pharmaceuticals through normal and customary purchasing channels. We do not yet have complete data for 2012, as the year has not closed.

Summary of Total Savings by Year for CMC				
	2008	2009	2010	2011
Total savings*	\$12,970,123	\$16,697,500	\$16,910,956	\$21,065,620

*Total savings amounts are good faith estimates derived from vendor-archived purchase history and prices.

To put the above numbers in context, CMC has provided, on average, more than \$293 million per year in community benefit over the past four years.² This includes \$68 million in charity

¹ CMC recognizes that, in its September 2011 report, the GAO defined 340B revenue “as all monies received by covered entities for drugs they purchase at the 340B price, whether or not the revenue meets or exceeds the costs paid for the drugs.” See GAO-11-836, 340B Drug Pricing Program, at 2, footnote 5 (Sept. 23, 2011). It is very difficult, however, to accurately calculate gross or net revenues from outpatient pharmaceuticals due to many factors, including the complicated reimbursement models for pharmaceuticals. To the extent available, we have provided “revenue” data in our response to Question 3. For Question 1, we are providing you with information regarding the total savings CMC has realized from participating in the 340B program, which information we believe reflects the direct benefits afforded to CMC through its participation in the 340B program.

² For purposes of this letter, the term “community benefit” is used in accordance with the North Carolina Hospital Association Guidelines for Reporting Hospital Community Benefits (September 30, 2010), available at <https://www.ncha.org/doc/75>.

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care provided by CMC annually, which represents the actual cost of providing unreimbursed care to indigent, uninsured and underinsured patients. Far from realizing record operating margins in recent years, Carolinas HealthCare System had an operating margin of 4.2% in 2011, which is lower than its Aa bond-rated peer group average of 4.4%. The savings generated from paying lower drug prices to drug manufacturers under the 340B program are not “subsidizing” CMC’s “bottom line operating margins,” or generating a profit for CMC; rather, the savings cover only a portion of the millions of dollars of cost that CMC incurs to support and expand health services to a population that few others serve.

2. Please explain whether, to what extent, and how Carolinas Medical Center has reinvested those savings for the benefit of uninsured patients.

CMC uses savings from the 340B program in many ways that directly benefit uninsured patients. As the Health Resources and Services Administration specifically states, “The purpose of the 340B program is to enable [covered] entities to stretch scarce federal resources, reaching more eligible patients and providing more comprehensive services.”³ In keeping with this purpose and with CMC’s own longstanding mission, CMC uses savings associated with the 340B program to provide free or reduced cost drugs and other important services to those in need. Specific examples of how CMC uses 340B savings for the benefit of uninsured and underinsured patients are detailed below.

CMC Community Clinics

CMC operates, at a deficit, several provider-based outpatient community clinics that primarily serve Medicaid, low-income Medicare, and uninsured patients. Through its outpatient community clinics, CMC provides primary and specialty medical and dental care, including family medicine, internal medicine, OB/GYN, pediatrics, urology and orthopedics. To better serve the comprehensive needs of their patients, the outpatient community clinics deliver care through a trained multi-disciplinary staff that includes physicians, nurses, pharmacists, lactation consultants, clinical case managers, dietitians, social workers, interpreters and behavioral health specialists. These clinics serve as a medical home for many at-risk patients in the area, and we are proud that they have been nationally recognized as Level III Patient Centered Medical Homes.⁴

The need being met by CMC outpatient community clinics is significant: during 2011, these community clinics handled more than 273,000 patient visits. Because the services are offered for free or on a reduced, sliding fee scale, the CMC outpatient community clinics are operated at a substantial loss. The savings from the 340B program help support the valuable services offered patients by these community clinics.

³ <http://www.hrsa.gov/opa/introduction.htm>. There are no specific requirements as to how savings required to be given by private drug manufacturers under the 340B program are to be used.

⁴ National Committee for Quality Assurance (2011).

Free and Low Cost Medications

Among the services offered within the outpatient community clinics are four in-house pharmacies serving community clinic patients. The cost of drugs purchased under the 340B program and dispensed at these in-house pharmacies averages \$4.5 million annually. The vast majority of the prescriptions filled at these locations are for Medicaid patients (approximately 13%) and uninsured patients (approximately 72%). For the drugs dispensed to Medicaid patients, Medicaid reimburses CMC an amount equal to the 340B acquisition cost of the drugs, plus a small dispensing fee. For uninsured patients, CMC charges an amount ranging from \$0 to \$10 per prescription, based on individual patient financial resources. These negligible patient payments and low Medicaid reimbursements do not cover the total direct and indirect costs of operating the outpatient community clinic in-house pharmacies; in fact, CMC operates the outpatient community clinic in-house pharmacies at a \$9.8 million average annual deficit to the hospital. CMC clearly upholds the “intent and design of the program” you cite by using the 340B program “to help lower outpatient drug prices for the uninsured.”

Pharmaceutical Care Services

CMC also uses savings from the 340B program to expand its outpatient pharmaceutical care services and medication management services to the poor. In doing so, CMC has been able to support an outpatient population that is healthier, and avoids unnecessary consumption of health care services. For example, CMC has used the 340B savings to offer clinical pharmacy services to patients with asthma, diabetes and anti-coagulation disorders. Despite evidence that the services provided by pharmaceutical care clinics improve patient care,⁵ an increasing number of payers refuse to reimburse for such services, and, consequently, many providers have stopped offering them.

CMC recognizes that pharmaceutical care services are of great benefit to patients and their providers and has implemented pharmaceutical care clinics at its unreimbursed expense. At its cost, CMC has dedicated multiple clinical pharmacists to the community clinics to provide intensive management of diabetes, asthma, HIV, anticoagulation and heart failure. These pharmacists have been instrumental in improving patient care and reducing hospitalizations and emergency visits at CMC. For example, since an intensive shared decision-making asthma pilot program has been put in place in the CMC outpatient community clinics, hospitalizations and emergency visits for asthma patients dropped from 14.5% to 9.3%.⁶ In this same asthma pilot program, emergency department visits and hospitalizations reduced Medicaid average cost by an estimated 11% over usual care. Patients with asthma make up a significant portion of the North Carolina Medicaid population; therefore, any reduction in hospitalizations or additional care ultimately benefits the State Medicaid program. Pharmacists also provide valuable medication therapy management consultations to assist patients in optimizing their medication regimens and to reduce the possibility of preventable adverse drug events. All of these pharmaceutical care

⁵ As recognized by the United States House of Representatives in H.R. 891 (2011), “[s]tudies have clearly demonstrated that community-based medication therapy management (MTM) services provided by pharmacists improve health care outcomes and reduce spending.” The Bill is currently pending in the House Subcommittee on Health.

⁶ Ponomarenko N, Tapp H, Taylor Y et al. Impact of shared decision-making on emergency and inpatient costs for patients within Carolinas HealthCare System, North Carolina USA. Agency for Health Research and Quality grant #1R18HS019946-01. Poster presentation at 2012 Annual Primary Care Conference: Royal College of General Practitioners and the Society for Academic Primary Care, Glasgow, United Kingdom, October 3-6, 2012.

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services are provided at no cost to patients at the CMC outpatient community clinics and are provided regardless of whether patients choose to access their medications through the in-house pharmacies or elsewhere. The savings that CMC realizes from the 340B program help support these much needed services and ensure that they continue to be offered.

Safety Net Cancer Resources

Another example of how CMC uses the 340B program to benefit patients is through cancer infusion centers. CMC provides access to its cancer infusion centers for Medicare, Medicaid and uninsured patients who cannot access private freestanding infusion options in the region. Pharmacists are integrated at these CMC sites to ensure that complex and potentially dangerous cancer chemotherapy infusions are properly prepared and compounded for patients. Savings from the 340B program are used to pay for the pharmacists so that high quality and safe care can be delivered to all patients, regardless of payer status.

The above examples clearly demonstrate that CMC upholds the same 340B program principles articulated by the Office of Pharmacy Affairs: ensuring access to comprehensive and quality pharmacy services to advance successful patient care.⁷ CMC has been, and continues to be, an excellent steward of the 340B program, and its role as a valuable and quality community health care provider is well-established and widely recognized.

3. *Please provide the payer mix for all 340B drugs from 2008-2012. Please list the price at which Carolinas Medical Center purchased each 340B drug, and the price at which it sold the drug, per payer mix.*

Payer mix

CMC uses the standard hospital billing method to bill 340B drugs administered as part of a hospital outpatient visit and uses a separate billing method for 340B drugs dispensed at the outpatient community clinic in-house pharmacies, as further explained below. The Office of Pharmacy Affairs has repeatedly confirmed that non-Medicaid patients may receive discounted drugs from a participating provider under Section 340B.⁸ Covered entities participating in the 340B program, therefore, are permitted to provide medications purchased through 340B to outpatients with private insurance who satisfy the criteria for 340B eligible patients, as set forth by the Health Resources and Services Administration.⁹

⁷ “In all of its activities, OPA emphasizes the importance of comprehensive pharmacy services being an integral part of primary health care. The 340B program is a way in which eligible safety-net organizations can ensure access to medications, a key component of clinical pharmacy services and the continuum of care. Comprehensive pharmacy services include patient access to affordable pharmaceuticals, application of ‘best practices’ and efficient pharmacy management and the application of systems that improve patient outcomes through safe and effective medication use. For more information, please visit <http://www.hrsa.gov/opa/>.”

⁸ <http://www.hrsa.gov/opa/faqs/dsh.htm>; see also GAO-11-836, *340B Drug Pricing Program*, at 11 (Sept. 23, 2011).

⁹ See 61 Fed. Reg. 55,156 – 58 (Oct. 24, 1996).

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Payer mix information is provided both for hospital outpatient visits and for outpatient community clinic in-house pharmacies in the tables below. We do not have complete data for 2012, as the year has not yet closed.

Payer Mix at CMC's Outpatient Locations (Excluding In-House Pharmacies)				
Payer	2008	2009	2010	2011
Commercial	45.2%	42.2%	42.6%	41.9%
Medicare	21.9%	24.2%	24.4%	25.6%
Medicaid	17.2%	18.5%	18.2%	18.3%
Uninsured	12.1%	11.5%	11.3%	11.3%
All other	3.6%	3.6%	3.5%	2.9%
Grand total	100%	100%	100%	100%

Payer Mix at CMC's Outpatient Community Clinic In-House Pharmacies				
Payer	2008	2009	2010	2011
Commercial	None	None	None	None
Medicare Pt D	18.3%	16.0%	14.3%	13.4%
Medicaid	12.8%	13.1%	13.3%	12.7%
Uninsured	68.9%	70.9%	72.4%	73.9%
Grand total	100%	100%	100%	100%

Acquisition cost for 340B drugs and prices at which drugs are “sold”

The sample tables below and the expanded tables attached as **Exhibit A** show the acquisition cost for 340B drugs and an estimate of the amounts collected by CMC for the drugs, per payer. The information provided by CMC, and by all hospitals, is best understood in the context of the overall operational cost and reimbursement structure for health care goods and services, an extremely complicated structure that is highly regulated and in which charges do not necessarily correlate to acquisition cost. We provide, therefore, the following clarifications:

- The 340B prices displayed on **Exhibit A** and the tables below are prices available as of October 10, 2012. Please be aware that the 340B prices are updated by drug manufacturers each quarter, and may fluctuate widely from quarter to quarter.
- We have interpreted your request for acquisition cost and the prices at which CMC sold the drug, per payer mix, to mean the 340B acquisition cost and the CMC charge. However, as you may know, the charge for a drug is not the amount at which the drug is actually sold (i.e., the reimbursement amount).¹⁰ We have, therefore, included, to the extent possible, the

¹⁰ The setting of charges for drugs (and any hospital service for that matter) is a complex process intended to account for a variety of factors, including financial, regulatory, community services and competitive pressures. Charges, therefore, are not intended only to recoup the acquisition cost of drugs (or services). When hospitals dispense drugs, there are many oversight safeguards, safety mechanisms, quality controls and licensed experts in place to make sure that each drug is properly and safely administered. The cost of these safeguards and other quality controls is included in the charge for the drug. For example, the outpatient drug charge includes the cost of the drug, the costs of employing trained and licensed pharmacy personnel to oversee

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reimbursement amounts CMC receives for the identified drugs, which amounts are far less than the charge amount. For 2010, the most recent year for which complete data is available, CMC collected approximately 2% of its gross charges for outpatient services rendered to uninsured patients, 20% for Medicare, 31% for Medicaid and 49% for managed care patients.

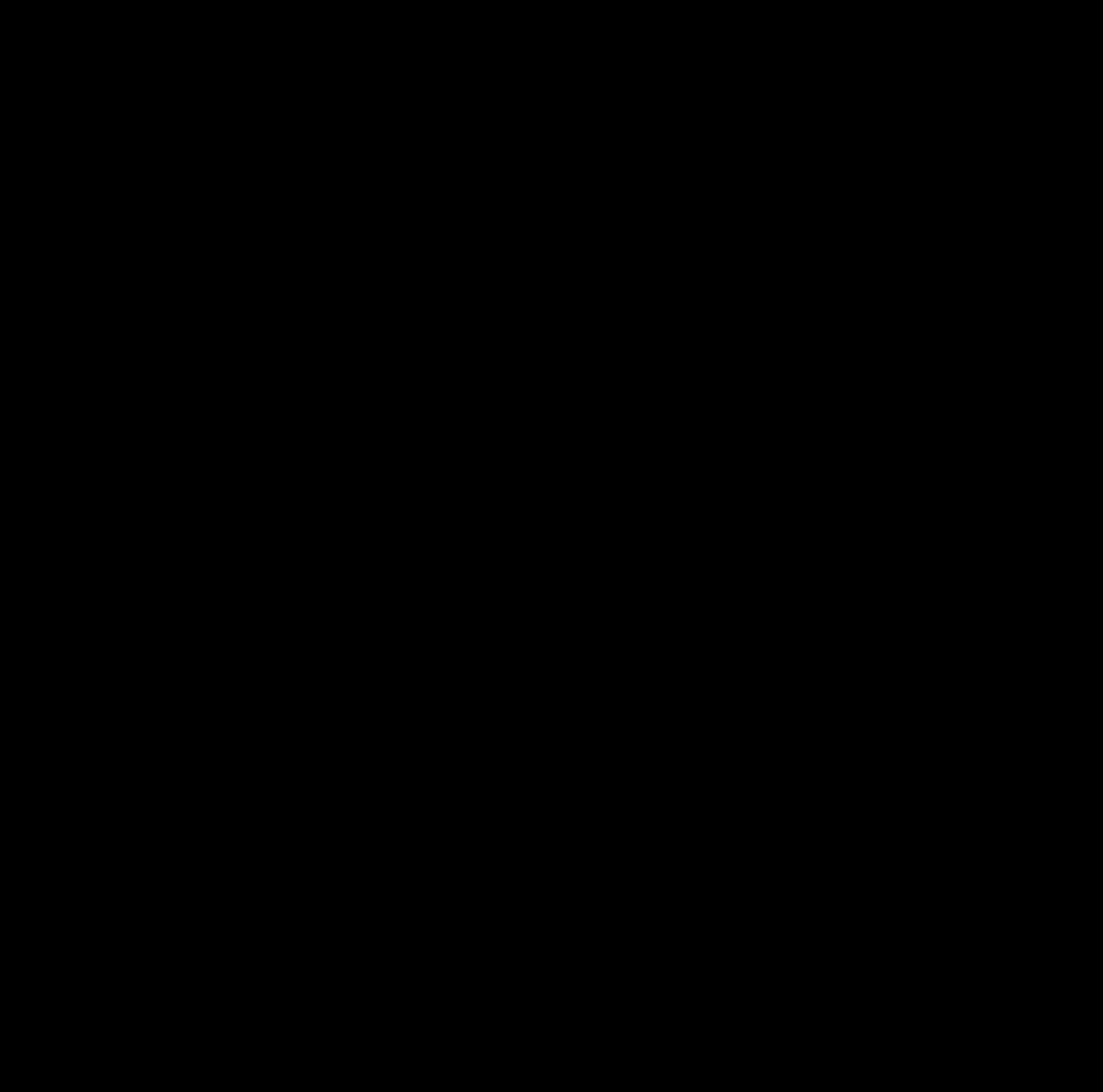
- Due to confidentiality restrictions in pharmaceutical vendor contracts, we are only able to display multi-source generic drug names. We have redacted drug names that come from a single source or that are known only by a brand name.
- Most payers reimburse hospitals on a per encounter basis rather than line-item by line-item; therefore, it is not possible to extract reimbursement for individual medications from other aspects of care provided during a single visit, such as labs, diagnostic tests, procedures and supplies. In addition, there are multiple variables at play, as payers pay differently in different outpatient settings. In order to provide a more accurate response, we are listing the average reimbursement received from certain payers, including the uninsured, and providing a representative list of drugs and “sales prices” on **Exhibit A**. The drugs listed on **Exhibit A** constitute the most frequently dispensed drugs in the outpatient clinical and in-house pharmaceutical settings, including the most frequently dispensed chemotherapy and adjunct drugs.
- Under Medicare’s Outpatient Prospective Payment System, Medicare directly reimburses health care providers for only a small subset of pharmaceuticals (typically chemotherapy drugs) at a fee schedule ambulatory payment classification (“APC”) amount. Payment for all other drugs, including fluids required for administration, is incorporated into the APC payment for the associated clinical procedures; that is, the drug is not separately reimbursable. As a result, it is not possible to determine the reimbursement for an individual drug under Medicare.
- The majority of patients using the outpatient community clinic in-house pharmacies are either uninsured or covered by Medicaid. A small percentage of patients using the community clinic in-house pharmacies participate in Medicare Part D.
- Medicaid base payments for drugs are calculated differently depending on the site of service:
 - For Medicaid patients in the hospital outpatient settings, North Carolina Medicaid reimburses clinical services, including pharmaceuticals, by applying the relevant cost-to-charge ratio to the gross charge, so as to convert the charge to the Medicaid cost. The resulting Medicaid cost is then multiplied by 80% to obtain the payment amount.
 - For Medicaid patients in the CMC community clinics, the drugs dispensed from the in-house pharmacies are paid for by North Carolina Medicaid at the actual 340B acquisition cost, plus a nominal dispensing fee allowed by Medicaid.
- Uninsured outpatients are offered discounts and charity care write-offs, as explained in our response to Question 4.
- Due to confidentiality restrictions in managed care contracts, we are prohibited from releasing reimbursement information from managed care payers.

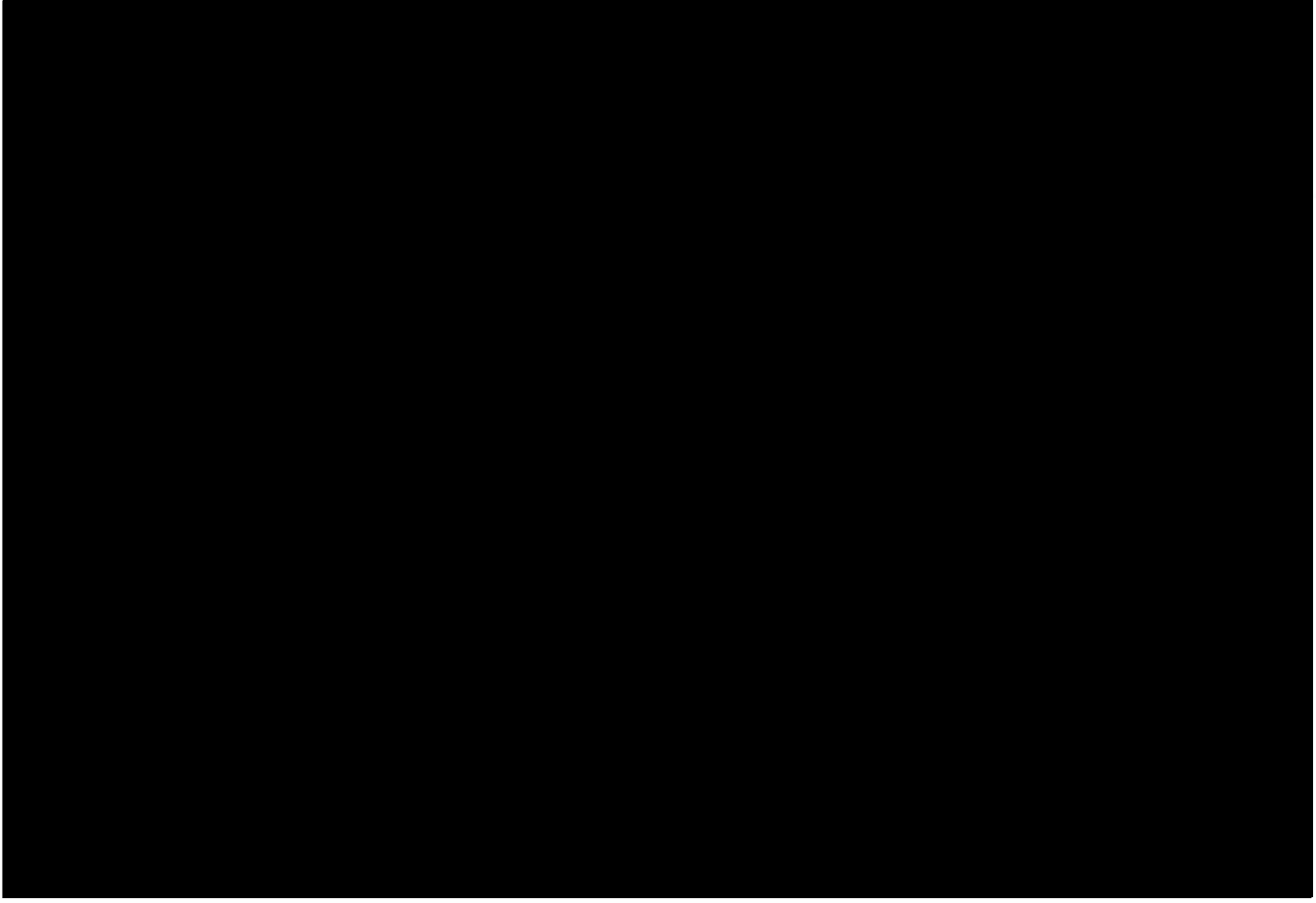
the drug, the costs of properly storing the drug, the costs of accurately dispensing the drug, the costs of safely handling the drug and the costs of counseling patients on proper use of the drug.

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Data

The tables on **Exhibit A** list the average 340B acquisition costs (i.e., “the price at which Carolinas Medical Center purchased each 340B drug”), the patient charges and the 2012 reimbursement amounts for the most frequently dispensed drugs in CMC’s outpatient settings (including the cancer center) and in the community clinic in-house pharmacies from June – August 2012. The drugs listed in the following tables are excerpts from **Exhibit A**.





4. *Please describe and provide documentation on Carolinas Medical Center's indigent care population and composition. What is Carolinas Medical Center's policy on charitable care? Please provide documents on Carolinas Medical Center's charitable care policies.*

Indigent Care Population and Composition

As stated above, CMC provided more than \$68 million in charity care in 2011 and, with a DSH percentage of 23.57%, treats a disproportionately high number of uninsured and Medicaid patients. Based on data calculated by the North Carolina Division of Medical Assistance ("DMA"), which manages the North Carolina Medicaid program, the following is provided to show that CMC is a leader in the State in providing care to uninsured and underinsured patients:

- CMC ranks 1st in the State for Medicaid discharges. It provided approximately 14,800 Medicaid discharges during 2010.
- CMC ranks 2nd in the State for Medicaid inpatient day utilization, at 33.89% of total patient days.
- In 2010, CMC's uninsured and underinsured costs were 30.2% as a percentage of total costs, placing CMC in the 91st percentile of over 100 hospital providers in the State based on uninsured costs. For further context, the 75th percentile of uninsured cost as a

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percentage of total cost is 26.8%, and the average uninsured cost percentage is 22.6% in North Carolina.

Charitable Care Policies

It is CMC's policy to provide financial assistance to every person who is in need of medically necessary treatment, and demonstrates an inability to pay, regardless of their insurance status. Financial assistance is achieved through two primary vehicles: (i) a sliding fee schedule at the CMC outpatient community clinics, and (ii) financial assistance, or "charity care," at all other outpatient sites. In addition, all uninsured patients, regardless of eligibility for charitable care discounts, receive a 40% discount off gross charges. This 40% discount is in addition to, not *in lieu of*, any applicable financial assistance.

Financial Assistance/Charity Care

For outpatient services provided in locations other than the CMC outpatient community clinics, charitable care discounts ranging from 25% to 100% are applied based on a patient's financial need. Key elements used to determine eligibility for financial assistance include a patient's demonstrated inability to pay based on family size and household income, relative to Federal Poverty Guidelines.

- 100% of all charges are waived for patients whose household financial resources place them at or below 200% of the Federal Poverty Guidelines.
- Patients whose household financial resources place them between 201% and 300% of the Federal Poverty Guidelines are eligible for a discount of 75%.
- Patients who place between 301% and 400% of the Federal Poverty Guidelines are eligible for a discount of 60%.
- Patients who place above 400% of the Federal Poverty Guidelines are eligible for a discount of 25%.

The financial assistance policies for CMC are attached as **Exhibit B**.

Sliding Scale Program

For its community clinics, CMC has implemented a sliding scale program. Under this program, patients who qualify for services at the clinics¹¹ are provided outpatient clinic and emergency services as well as pharmaceuticals, on a sliding scale fee schedule, ranging from \$0 to a maximum of \$150.¹² A copy of the "Acknowledgement of Sliding Scale Fee Eligibility" showing these ranges is attached as **Exhibit C**. As evidence of its commitment to facilitating access to health care for the poor, CMC employs a panel of full-time staff at the clinic sites who screen patients for eligibility (based on income) for the sliding fee scale program and all available prescription drug resources, such as patient assistance programs.

¹¹ Examples of criteria for qualification for sliding fee scale include lack of (and ineligibility for) public or private health insurance, a family income of < 200% of the Federal Poverty Level (based on household size) and documented residency in Mecklenburg County. Eligibility for the sliding fee scale program is evaluated annually.

¹² The upper fees are for outpatient hospital services such as cardiac catheterizations or CT scans. For clinic, emergency and pharmaceutical services, the range is between \$0 and \$60.

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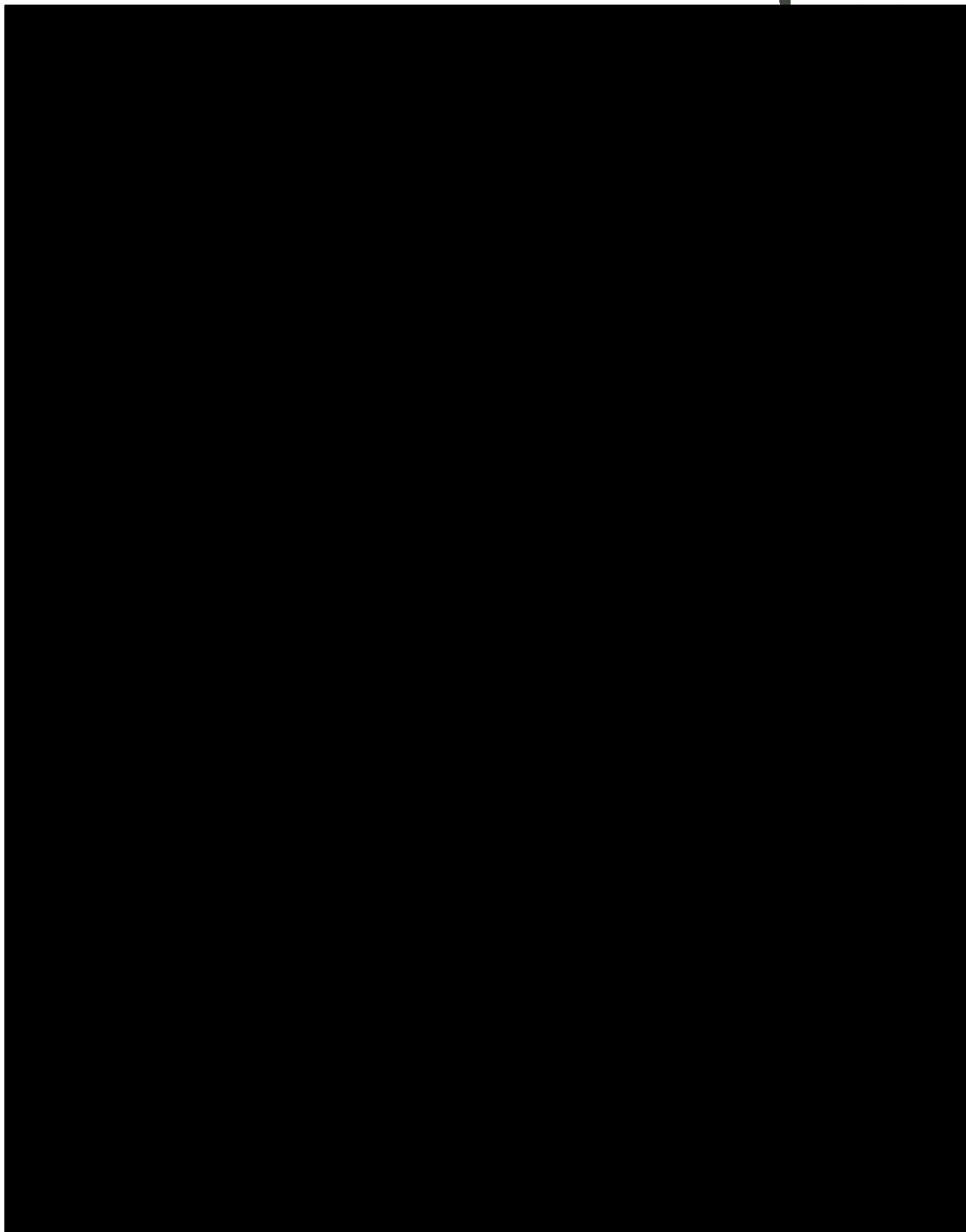
CMC is committed to providing access to high quality services for all patients - the same mission as the 340B program - and offers a wide range of financial assistance options. Neither the financial assistance program nor the sliding scale program provides financial benefit to CMC. Instead, CMC offers these programs at significant cost to itself, particularly in light of the extensive uninsured and underinsured population it serves.

5. Has the Health Resources and Services Administration ever audited Carolinas Medical Center's 340B program?

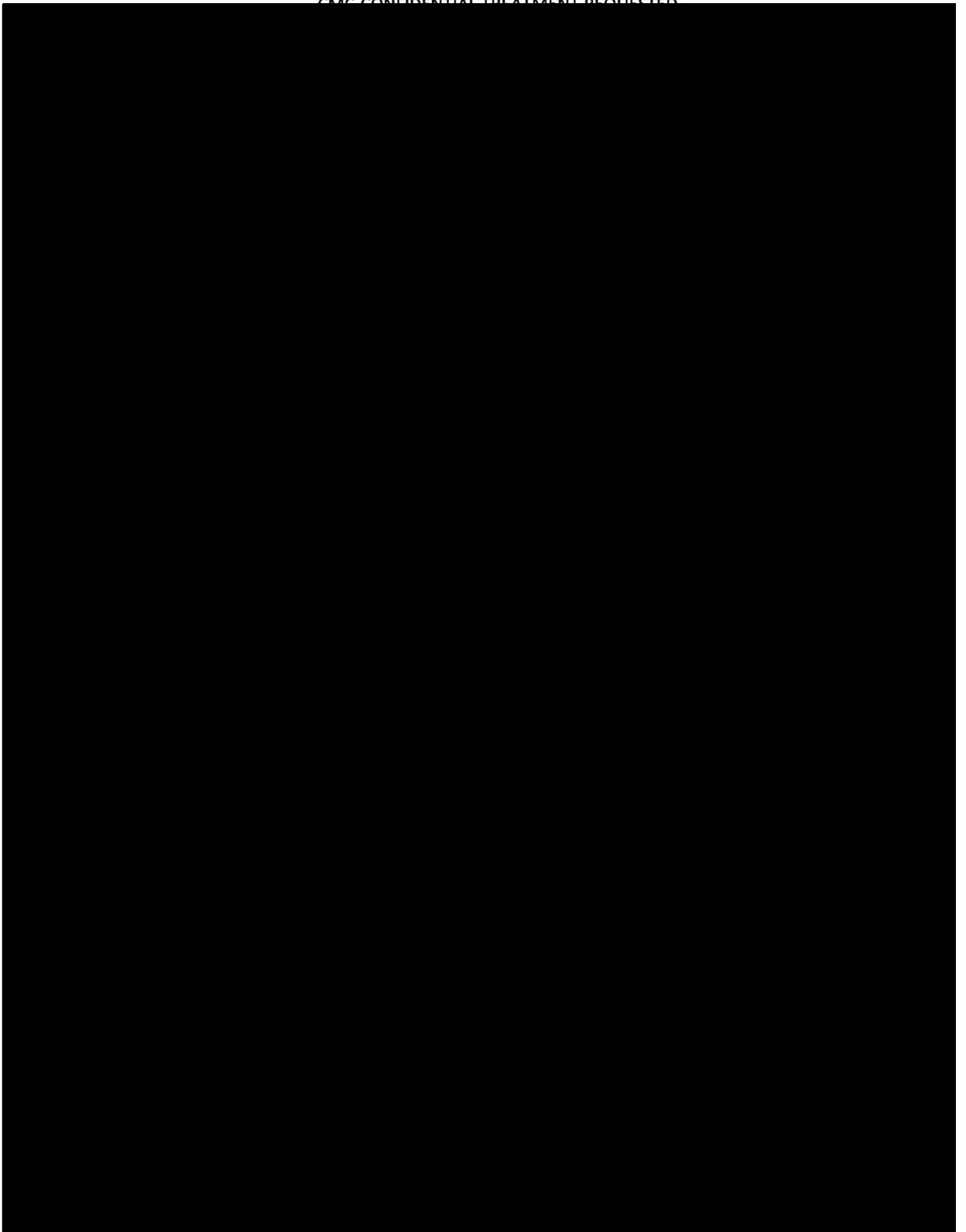
CMC has not been audited by HRSA.

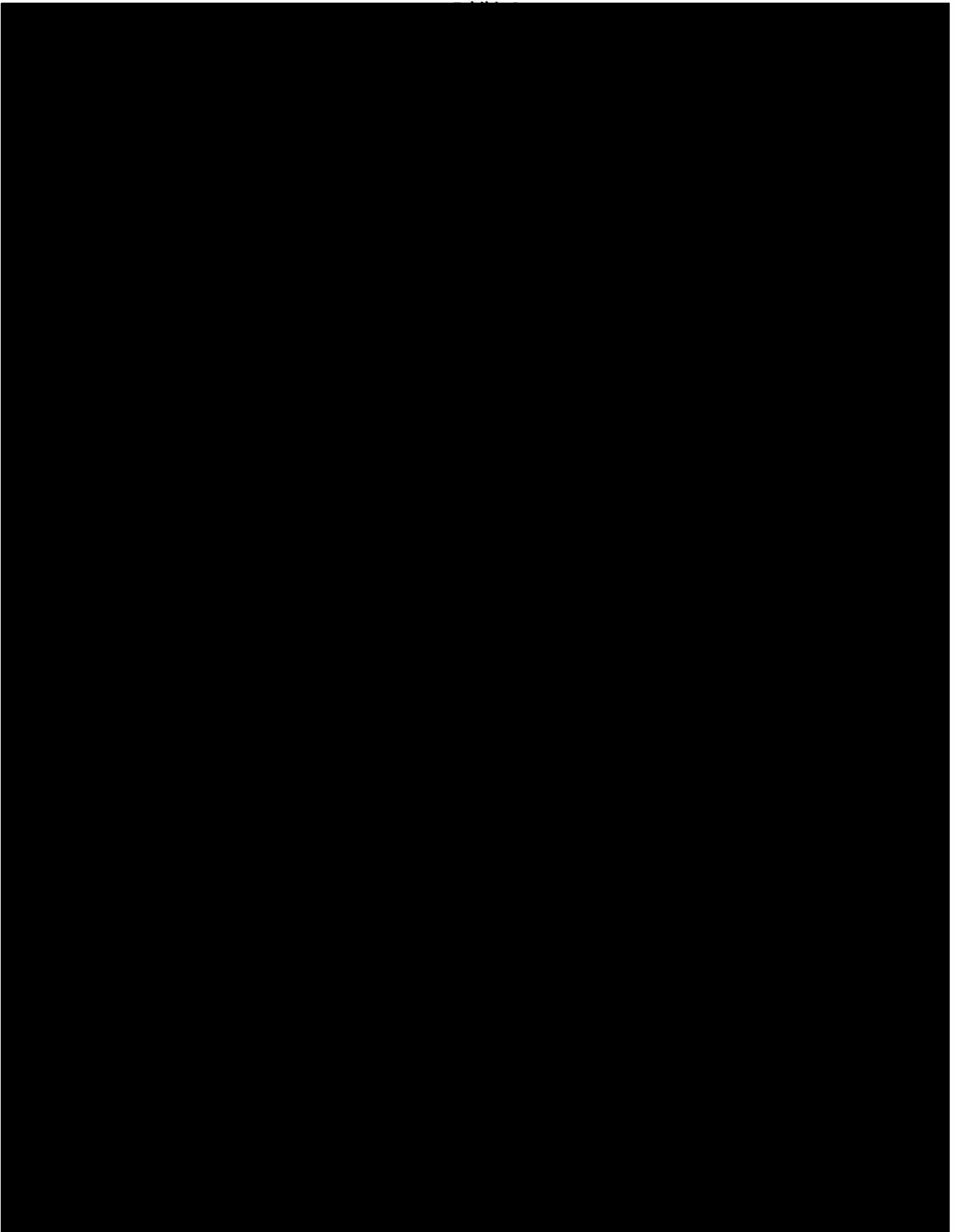
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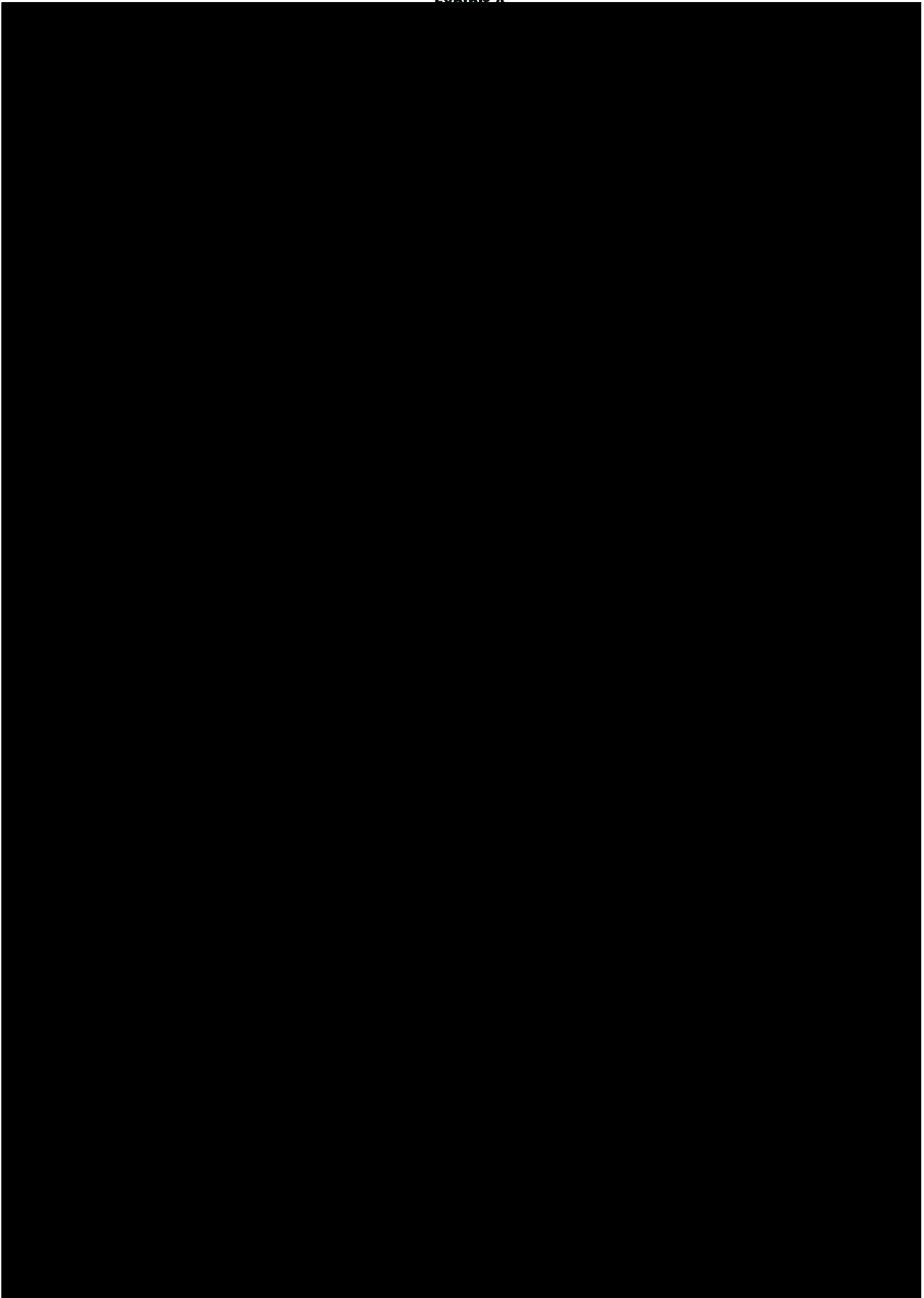
The enclosed responses are based on CMC's current information and belief and its understanding of the terms used in your September 28, 2012 letter. In responding to your letter, CMC does not waive, nor does it intend to waive, any of its rights or privileges with respect to this inquiry, including any applicable attorney-client, work product or other evidentiary privilege, or any objection to your letter.

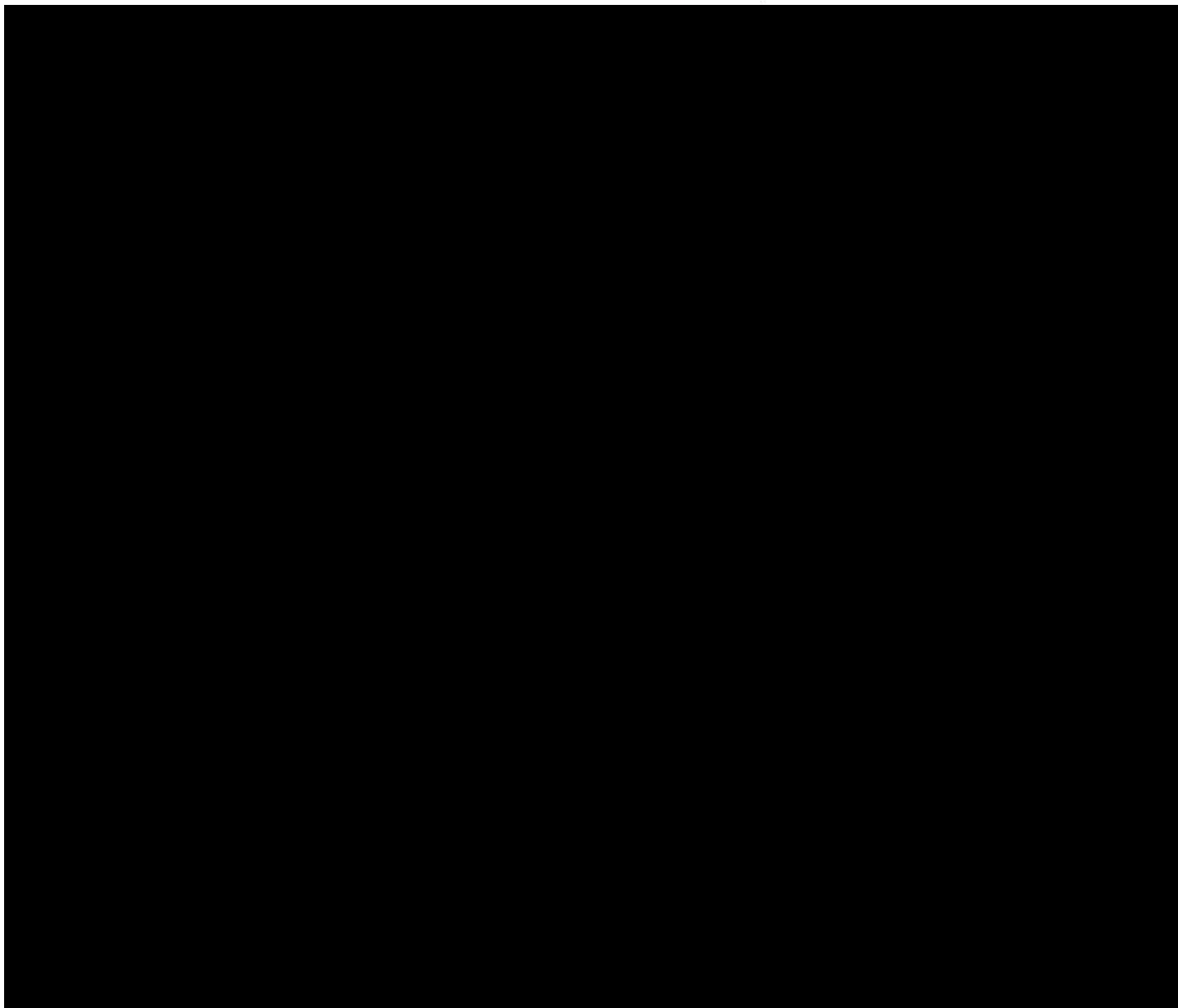












PFS 1.01 CHS STANDARD FINANCIAL ASSISTANCE

Created:	11/01/01	Approved Version:	000
		Revised:	10/03/11

I. Objective

This policy aligns with Carolinas HealthCare System's (CHS) Community Benefit Goal, "To promote healthy living and wellness across the community we serve and provide appropriate levels of charity care, medical education and research commensurate with our resources and the community needs." CHS is committed to providing financial assistance to every person in need of medically necessary treatment even if that person is uninsured, ineligible for other government programs, or unable to pay based on their individual financial situation. CHS strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

II. Policy

Financial Assistance is not considered to be a substitute for personal responsibility. Patients must exhaust all other third-party payer options and third-party liability options prior to being considered for CHS Financial Assistance. Patients are expected to cooperate fully with CHS' procedures for evaluating other forms of payment for financial assistance and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so. Patients who opt out of available insurance coverage are not eligible for Financial Assistance. The patient's willingness to discuss his/her account and disclose pertinent financial information will be relied upon to make the distinction between inability and unwillingness to pay.

The granting of financial assistance shall be based on determination of financial need. CHS will provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility for financial assistance or for government assistance. CHS adheres to all requirements set forth in the Emergency Medical Treatment and Labor Act (EMTALA). CHS will uphold confidentiality of information and maintain the dignity for all patients seeking financial assistance.

III. How to Apply

Applications for Financial Assistance are completed at or after time services are rendered. CHS registrars and financial counselors attempt to interview all patients unable to pay for services and work with patients to complete a questionnaire or financial statement to determine resources. Patients may request an application by calling 704/512-7000.

IV. Definitions

The terms used within this policy are to be interpreted as follows:

1. **Financial assistance:** The inability of a patient to pay for medical care. Financial assistance is designed to assist those patients who are unable to pay for all, or part, of their health care expenses.
2. **Bad Debt:** Bad debt is an unwillingness of a patient to pay for medical care.
3. **Elective:** Those services that, in the opinion of a physician, may be safely postponed.
4. **Medically Necessary:** Hospital services, both inpatient and outpatient, provided to a patient 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 or malfunction, threaten to cause or aggravate a handicap, or result in overall illness or infirmity.
5. **Emergency Care:** Immediate care which is necessary to prevent putting the patient's health in serious jeopardy, serious impairment to bodily functions and serious dysfunction of any organs or body parts.
6. **Uninsured:** The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.

7. **Underinsured:** Patients covered by a source of third party funding, but at risk of high out-of-pocket expenditures due to their plan's benefit package. This may include, but is not limited to, high deductible plans, high coinsurance/copay plans, low per diem policies, etc.
8. **Household Financial Resources:** Household Financial Resources as measured against annual Federal Poverty Guidelines are determined from a sum of annual household income plus any bank balances for checking and savings accounts. Sources of household financial resources include, but are not limited to, the following:
 - a. Annual household pre-tax job earnings
 - b. Personal and business checking and savings balances
 - c. Unemployment compensation
 - d. Workers' compensation
 - e. Social Security and Supplemental Security Income
 - f. Veteran's payments
 - g. Pension or retirement income
 - h. Other applicable income to include, but not limited to, rents, alimony, child support, and any other miscellaneous sources
9. **Equity Value:** (primary or secondary residences) is the difference between the tax value(s) and the balance owed on mortgages.

V. Eligibility Guidelines

1. Services Eligible:

- Emergency medical services provided in an emergency room setting
- Services for a condition which, if not promptly treated would lead to an adverse change in the health status of a patient.
- Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting
- Medically necessary services, evaluated on a case-by-case basis at CHS' discretion.

Services Ineligible:

- Elective and cosmetic services are not eligible for financial assistance.

2. Patients Eligible:

- Uninsured
- Underinsured
- Unable to pay for their care based upon a determination of financial need.

Patients Ineligible:

- Patients with access to available insurance coverage but opt not to participate
- Accounts covered by other Clinic Sliding Scale and Pharmacy Sliding Scale are not also eligible for Financial Assistance.

3. Determination of Financial Need:

- Eligibility for Financial Assistance is based on a patient's total Household Financial Resources reported at the time of evaluation.
 - Total Household Financial Resources must be less than 400% of FPG.
 - Real property (primary and secondary residences) with < \$150,000 in equity.
 - Patients who state that they have no source(s) of income must provide a statement of support indicating how they obtain/sustain food and shelter.
- Financial need will be determined by comparing total Household Financial Resources to Federal Poverty Guidelines (FPG) in effect at the time of determination.
 - Patients who can demonstrate that their total Household Financial Resources are at or below 200% of FPG are eligible for 100% discount.
 - Patients with total Household Financial Resources between 201% & 400% of FPG are eligible for partial discounts.
 - Patients with total Household Financial Resources greater than 400% of FPG and/or equity value of greater than \$150,000 may be eligible for catastrophic financial assistance (refer to PFS 1.02 CHS Catastrophic Financial Assistance Policy).
 - Income scale and adjustment percentages as a percentage of FPG are updated annually to correspond with Federal Poverty Guidelines published in the Congressional Federal Register.

CHS Financial Assistance Scale

*Max Income Range	0-200% FPG	201-300% FPG	301-400% FPG	≥401% FPG
Adjustment%	100%	75%	60%	0%
# in Household	Plan 955605	Plan 955612	Plan 955613	
1	0-22,340	22,341-33,510	33,511-44,680	≥44,681
2	0-30,260	30,261-45,390	45,391-60,520	≥60,521
3	0-38,180	38,181-57,270	57,271-76,360	≥76,361
4	0-46,100	46,101-69,150	69,151-92,200	≥92,201
5	0-54,020	54,021-81,030	81,031-108,040	≥108,041
6	0-61,940	61,941-92,910	92,911-123,880	≥123,881
7	0-69,860	69,861-104,790	104,791-139,720	≥139,721
8	0-77,780	77,781-116,670	116,671-155,560	≥155,561
For families with more than 8 members, add \$3,960 for each additional member.				

*Max income ranges based on 2012 Federal Poverty Guidelines

4. **Verification of Household Financial Resources and Eligibility Period:**

Typically, applications for financial assistance are completed at or after time services are rendered. CHS registrars and financial counselors attempt to interview all patients unable to pay for services and complete a questionnaire or financial statement to determine resources. CHS will utilize, where appropriate, an external third party income/asset verification system to validate information provided by the patient on their questionnaire/financial statement.

- **Emergency Department (ER) Accounts** – financial assistance is approved based on the patient's response to an ED questionnaire (*Attachment A*).
- **Inpatient and Outpatient Accounts (IP, IDT, IPR)** – eligibility will be validated through use of a third party scoring vendor and information provided by the patient on the Financial Statement (*Attachment B*). If there is a significant discrepancy between the patient's statement of total household financial resources and the third party vendor score, documentation from employers and banking institutions will be required.
- **Verification Period** - Total Household Financial Resources will be based on a look-back period of the prior 90 days from the admit date of service.
- **Eligibility Duration** - Once approved, the eligibility period for Financial Assistance is 90 days from the date of approval. Any changes in financial standing (e.g. income, insurance, etc.) within that six month period may result in changes to the initial eligibility status, including ineligibility. Eligibility for financial assistance may also be applied retrospectively to any other eligible inpatient, outpatient and/or emergency accounts not placed with a third party collection agency and as specified by specific facility policy.
- **Documentation** from financial statements and verification of assets and third party vendor documentation will be retained by CHS for a period of 10 years or as required by law or regulation.

VI. **Public Awareness/Access to Policy**

CHS communicates the availability of its financial assistance program to all patients through means which include, but are not limited to:

- CHS' website
- Billing statements
- Designated staff knowledgeable on the financial assistance policy to answer patient questions.

VII. Patient/Guarantor Responsibilities

A patient or guarantor's failure to comply with the following guidelines will result in ineligibility for financial assistance:

- Prior to evaluation for financial assistance eligibility, apply for and follow-through with all third party funding agencies as directed by financial counselors. These include, but are not limited to a health insurance policy, third party liability, Medicare, Medicaid, Mecklenburg County Indigent Hospitalization Funds, Sliding Scale or Physician Reach Out.
- If the patient is determined to be ineligible for third party funding agencies, the patient must cooperate fully with CHS in the determination of eligibility for financial assistance. Full cooperation includes responding to verbal and/or written requests for information prior to the account being referred for Bad Debt or Collection Agency Referral.
- Patients who qualify for a partial discount are expected to cooperate with the hospital in establishing a reasonable payment plan.
- Falsification of financial information including withholding information will be reason for denial of financial assistance.

VIII. Collections Process

Patients who are found ineligible, or who qualify for partial discounts, are required to make a good faith effort to pay remaining balances. Patients are permitted to make monthly payment arrangements for amounts owed if specific criteria are met. However, efforts will be made by the hospital to collect balances in full either by cash, check or credit card prior to establishing monthly payment arrangements. CHS will not pursue legal action (small claims/liens/judgments) on balances after a financial assistance discount has been approved. However, these balances will be submitted to collection agencies for bad debt collections.

Patient balances that remain unpaid will be referred to collection agencies and attorneys for bad debt collections. All collection activities conducted by CHS or its third-party agents will be in conformance with all federal and state laws governing debt collection practices. The following activities are permitted:

- Collection agency activity in the form of letters, telephone calls, and credit reporting.
- Liens attached to insurance proceeds for auto, liability, life and health.
- Small claims and judgments filed against real property. CHS will not cause action to have patient removed from their property, but where appropriate will seek judgment for amount owed upon initiation of a financial transaction involving the real property.

IX. Hospital

CHS reserves the right to reverse financial assistance adjustments provided by this policy if the information provided by the patient during the information gathering process is determined to be false or if CHS obtains proof that the patient has received compensation for services from other sources. CHS reserves the right to grant financial assistance to patients in extraordinary circumstances.

X. Compliance and Quality Assurance:

To ensure compliance, all documentation verifying eligibility for financial assistance will be scanned to a document imaging system.

CHS employees are prohibited to make recommendations and/or process charity care adjustments for family members, friends, acquaintances, and co-workers. If these circumstances arise, the account(s) will be submitted to a member of Management for determination and completion.

The PFS Quality Assurance Department conducts monthly audits of accounts processed for charity care adjustments to ensure the appropriate documentation is on file (SBO Policy 3.01). The results shall be distributed to designated members of Patient Access, Customer Service and Financial Counseling Management for review. Upon review, it is the responsibility of each management team to ensure instances of non-compliance are addressed in an appropriate and timely manner.

Appendix A

CHS Self-Pay Outpatient Flow Sheet
(Do not delay emergency screening and stabilization to ask these questions)

place patient label here

Patient Name _____ Patient Account Number _____

ANSWER ALL QUESTIONS IN EACH SECTION UNLESS DIRECTED TO DO DIFFERENTLY BY THE FORM.

I. CLINIC SLIDING SCALE PARTICIPANT

Is the patient participating in the Sliding Scale program through our clinics?

- If "Yes" – Load clinic charge plan code & ask for co-pay using box below. Do not proceed with form.
- If "No" – Proceed to Section II.

	Plan Code 951651 Sliding Scale Lvl I	Plan Code 951659 Sliding Scale Lvl II	Plan Code 951656 Sliding Scale Lvl III
Clinic Co-Pay	\$0	\$15	\$30
ER Co-Pay	\$20	\$40	\$60
OP Hospital Co-Pay	\$50	\$100	\$150

II. REQUEST PAYMENT FROM PATIENT

The initial payment amount we request for a non-insured outpatient visit is \$300. We accept debit, credit, check &/or cash. What method of payment would you like to use today?

- If patient pays at least half of requested deposit, do not proceed with form.
- If patient pays less than half of requested deposit, proceed to Section III.

III. MEDICAID POTENTIAL ELIGIBILITY

We'd like to ask some questions to determine the patient's potential for financial assistance with today's visit.

1. Is the patient a US Citizen?	If Yes, go to question 2	If No, go to Section IV
2. Is the patient pregnant?	Yes	No
3. Is the patient 20 years old or younger?	Yes	No
4. Is the patient the primary caretaker for, and related to, a child 18 years old or younger?	Yes	No
5. Is the patient 65 years or older?	Yes	No
6. Is the patient disabled?	Yes	No

IV. CHS CHARITY ELIGIBILITY REVIEW

1. Is the patient married? (If No, complete questions for patient only. If Yes, complete for patient and spouse)	Patient	Spouse
2. How many dependents live at the patient's home (including the patient)?		
3. What is the patient's/ the pt's spouse's income/hourly rate?		
4. How many hours does the patient/ patient's spouse work on average per week?		
5. How often is the patient/patient spouse paid?	Weekly Biweekly	Weekly Biweekly

V. FORM CONCLUSION – For Staff Use Only. Scan completed form to account regardless of outcome.

If "Yes" was circled for <u>any</u> of the boxes above, enter standard note #6058 & refer to Financial Counseling for follow up. Inform the patient that the Financial Counseling department will follow up with their account to review for any <u>potential</u> financial assistance.	If "No" was circled <u>for all</u> the boxes above, reference the CHS Charity Determination guidelines and add the appropriate plan code into STAR.
---	---

CHS Employee Acknowledgement: I understand that it is prohibited to make recommendations and/or process charity care adjustments for family members, friends, acquaintances, and co-workers and if these circumstances arise, this form will be submitted to a member of Management for determination and completion.

Patient Acknowledgement: I attest that the information provided is complete and accurate. In the event third party coverage becomes available, CHS reserves the right to review/revoke Charity Assistance.

Patient Signature _____

Date _____

Registrar Signature _____

Effective 11.16.2004 Revised 11.22.2010

Account# Nº de Cuenta	
Date(s) of Service Fecha(s) de Servicio	

The purpose of this form is to provide the Financial Counseling Department with the information required to determine the patient's eligibility for financial assistance with their CHS hospital bill(s). To ensure a complete and thorough evaluation, please complete this form in its entirety.

El propósito de este formulario es proporcionar al Departamento de Asesoría Financiera la información necesaria para determinar si el paciente califica para la ayuda financiera con su(s) factura(s) del hospital CHS. Para asegurar una evaluación completa y exhaustiva, por favor, llene este formulario en su totalidad.

Patient Demographics Datos Demográficos del Paciente				
Patient's Full Name Nombre Completo del Paciente		Date of Birth Fecha de Nacimiento	Social Security# Nº de Seguro Social	Marital Status Estado Civil
Physical Address Dirección de Correos		City, State and Zip Code Ciudad, Estado y Código Postal	Months/Yrs at This Address Meses/Años en esta dirección	County Condado
If the address where you live is different from your mailing address, please complete the 'mailing address' information below Si la dirección donde usted vive es diferente de su dirección de correo, por favor complete la información de la 'dirección de correo' abajo				
Mailing Address Dirección de Correos		City, State and Zip Code Ciudad, Estado y Código Postal	Months/Yrs at This Address Meses/Años en esta dirección	County Condado
Home Phone# Nº de Teléfono del Hogar	Mobile Phone# Nº de Teléfono Móvil	Emergency Contact Name Nombre de Contacto en el Caso de una Emergencia		Phone# Nº de Teléfono
City and State of Birth Ciudad y Estado de Nacimiento		Citizenship Status estatus de ciudadanía	Lived in U.S. Since Vive en E.U. desde	Copies of Your Documents? ¿Copias de sus Documentos? <input type="checkbox"/> Yes (Sí) <input type="checkbox"/> No (No)

Health Insurance Information Información de Seguro Médico				
Provider - Primary Coverage Proveedor - Cobertura Primaria	Policy Holder Name Nombre del Poseedor de la Póliza	Policy# Nº Póliza	Group# Nº de Grupo	Effective Date Fecha de Vigencia
Provider - Secondary Coverage Proveedor - Cobertura Secundaria	Policy Holder Name Nombre del Poseedor de la Póliza	Policy# Nº Póliza	Group# Nº de Grupo	Effective Date Fecha de Vigencia

Please list all household members below Listar miembros de Familia que viven con usted						
Name Nombre	Date of Birth Fecha de Nacimiento	Place of Birth Lugar de Nacimiento	SSN# Número de Seguro Social	Relation to Patient Relación/Parentesco al Paciente	Sex Género	Race Raza
1						
2						
3						

Please list all household members below (continued from page 1)

Listar miembros de Familia que viven con usted (continuación de página 1)

Name Nombre	Date of Birth Fecha de Nacimiento	Place of Birth Lugar de Nacimiento	SSN# Número de Seguro Social	Relation to Patient Relación/Parentesco al Paciente	Sex Género	Race Raza
4						
5						
6						
7						

If there are more than 7 members of the household, please list in the 'notes' section on page 6 of this form

Si hay más de 7 miembros de la familia en su hogar, por favor enumere en la sección "notas" de la página 6 de este formulario

Education, Employment and Military Background <i>Educación, Empleo y Servicio Militar</i>		Patient (mother if patient is a minor) <i>Paciente (madre si el paciente es menor)</i>	Spouse (father if patient is a minor) <i>Cónyuge (padre si el paciente es menor)</i>
Education <i>Educación</i>	Highest Grade Completed in School <i>Grado más alto que haya cursado en la escuela</i>		
	Technical Skills <i>Destrezas técnicas</i>		
Current Employment <i>Empleo Actual</i>	Currently Unemployed (check box if yes) <i>Actualmente desempleado (elijá la caja si es si)</i>	<input type="checkbox"/> Fill-out 'past employment' section <i>Llene la sección 'empleo pasado'</i>	<input type="checkbox"/> Fill-out 'past employment' section <i>Llene la sección 'empleo pasado'</i>
	Company Name and Address <i>Nombre y Dirección de la Compañía</i>		
	Job Title / Type of Work Performed <i>Título del empleo / Tipo de trabajo realizado</i>		
	Work Phone# <i>Número de Teléfono del Trabajo</i>		
	Boss/Supervisor's Name <i>Nombre del Jefe/Supervisor</i>		
	Dates of Employment <i>Fechas de empleo</i>		
	Income and Pay Structure <i>(Ingreso y Forma de Pago)</i>	____ hrs/wk (hrs/semana) \$ ____/hr (por hora) ____ days/wk (dias/semana) \$ ____/day (por día) Commission (Comisión) \$ ____/mo (al mes) Annual (Anuales) \$ ____	____ hrs/wk (hrs/semana) \$ ____/hr (por hora) ____ days/wk (dias/semana) \$ ____/day (por día) Commission (Comisión) \$ ____/mo (al mes) Annual (Anuales) \$ ____
Past Employment <i>Empleo Pasado</i>	Company Name and Address <i>Nombre y Dirección de la Compañía</i>		
	Job Title / Type of Work Performed <i>Título del empleo / Tipo de trabajo realizado</i>		
	Dates of Employment <i>Fechas de empleo</i>		
	Income and Pay Structure <i>(Ingreso y Forma de Pago)</i>	____ hrs/wk (hrs/semana) \$ ____/hr (por hora) ____ days/wk (dias/semana) \$ ____/day (por día) Commission (Comisión) \$ ____/mo (al mes) Annual (Anuales) \$ ____	____ hrs/wk (hrs/semana) \$ ____/hr (por hora) ____ days/wk (dias/semana) \$ ____/day (por día) Commission (Comisión) \$ ____/mo (al mes) Annual (Anuales) \$ ____

COBRA <i>Cobertura bajo COBRA</i>	Has a member of the household lost their job within the past 60 days? <i>¿Algún miembro de la familia ha perdido su empleo en los pasados 60 días?</i>		<input type="checkbox"/> Yes (Sí) <input type="checkbox"/> No (No)		
	Did he/she receive a COBRA election notice? <i>¿Ha recibido él/ella una notificación de elección COBRA?</i>		<input type="checkbox"/> Yes (Sí) <input type="checkbox"/> No (No)		
	Did he/she elect COBRA coverage? <i>¿Seleccionó él/ella cobertura bajo COBRA?</i>		<input type="checkbox"/> Yes (Sí) <input type="checkbox"/> No (No)		
	If he/she did not elect COBRA coverage, please check one: <i>Si él/ella no seleccionó cobertura bajo COBRA, favor de seleccionar una:</i> <input type="checkbox"/> premiums too expensive <input type="checkbox"/> new coverage <i>primas muy costosas nueva cobertura</i>				
Military Service <i>Servicio Militar</i>	Branch <i>Rama</i>	Dates Enlisted <i>Fechas Enlistado/Reclutado</i>	Rank <i>Rango</i>	Serial# <i>Número de Serie</i>	

Insurance Information <i>Información de Seguro</i>					
Life Insurance <i>Seguro de Vida</i>	Company <i>Compañía</i>	Policy Holder <i>Tenedor de Póliza</i>	Face Value <i>Valor Nominal</i>	Policy Type <i>Tipo de Póliza</i>	Cash Value <i>Valor Efectivo</i>
Burial Insurance/Contract <i>Seguro/Contrato Fúnebres</i>	Company <i>Compañía</i>	Policy Holder <i>Poseedor de la Póliza</i>	Face Value <i>Valor Nominal</i>	Cash Value <i>Valor Efectivo</i>	Revocable? <i>¿Revocable?</i>

Income (3 month history) <i>Ingreso (historial de 3 meses)</i>	Patient (mother if patient is a minor) <i>Paciente (madre si el paciente es menor)</i>			Spouse (father if patient is a minor) <i>Cónyuge (padre si el paciente es menor)</i>		
	Last month <i>Último mes</i>	2 months ago <i>2 meses atrás</i>	3 months ago <i>3 meses atrás</i>	Last month <i>Último mes</i>	2 months ago <i>2 meses atrás</i>	3 months ago <i>3 meses atrás</i>
Wages <i>Salarios</i>						
Pension/Retirement <i>Pensión/Jubilación</i>						
Social Security Retirement <i>Jubilación del Seguro Social</i>						
Social Security Disability <i>Discapacidad del Seguro Social</i>						
Supplemental Security Income <i>Ingreso de Seguridad Suplementario</i>						
VA Benefits <i>Beneficios de Veteranos</i>						
Unemployment <i>Desempleo</i>						
Child Support <i>Pensión de Menores</i>						
Food Stamps <i>Estampillas de Alimentos</i>						
Other (Workfirst, etc.) <i>Otro (Workfirst, etc.)</i>						
Statement of Verification <i>Verificación de Declaración</i>	Do you have pay stubs/verification to confirm pay? <i>¿Tiene recibos/verificación de ingreso para confirmar paga?</i> <input type="checkbox"/> Yes (Sí) <input type="checkbox"/> No (No)			Do you have pay stubs/verification to confirm pay? <i>¿Tiene recibos/verificación de ingreso para confirmar paga?</i> <input type="checkbox"/> Yes (Sí) <input type="checkbox"/> No (No)		

Expenses <i>Gastos</i>	Payments for (name) <i>Pagos para (nombre)</i>	Payment Amount <i>Cantidad del Pago</i>	Paid to (name and address) <i>Pagado a (nombre y dirección)</i>
Child Support/Care <i>Cuido/Pensión de Menores</i>			
Alimony <i>Pensión Alimenticia</i>			

Statement of Support <i>Declaración de Apoyo</i>	<p>I certify that I have been unemployed for the last _____ <input type="checkbox"/> months <input type="checkbox"/> years. As a result of being unemployed, I receive food, shelter and clothes from _____, relationship, _____.</p> <p><i>Yo certifico que he estado desempleado durante los últimos _____ meses / años. Como resultado de estar desempleado, recibo alimentos, refugio y ropa de _____, relación/parentesco, _____.</i></p>
--	--

Property <i>Propiedad</i>	Address <i>Dirección</i>	Ownership <i>Propietario</i>	Tax Value <i>Valor de Impuesto</i>	Loan Balance <i>Valor Prestatario</i>	Mortgage Co <i>Co. Hipotecaria</i>
Primary Residence <i>Residencia Primaria</i>		<input type="checkbox"/> own <i>propia</i> <input type="checkbox"/> rent <i>alquiler</i>			
Other Property <i>Otra Propiedad</i>		<input type="checkbox"/> own <i>propia</i> <input type="checkbox"/> rent <i>alquiler</i>			
Other Property <i>Otra Propiedad</i>		<input type="checkbox"/> own <i>propia</i> <input type="checkbox"/> rent <i>alquiler</i>			
Other Property <i>Otra Propiedad</i>		<input type="checkbox"/> own <i>propia</i> <input type="checkbox"/> rent <i>alquiler</i>			

Assets <i>Activos</i>		Make/Model <i>Marca/Modelo</i>	Ownership <i>Propiedad</i>	Tax Value <i>Valor de Impuesto</i>	Loan Balance <i>Saldo Crediticio</i>	Bank/Lender <i>Banco/Prestatario</i>
Automobiles <i>Automóviles</i>	1		<input type="checkbox"/> own <i>propia</i> <input type="checkbox"/> rent <i>alquiler</i>			
	2		<input type="checkbox"/> own <i>propia</i> <input type="checkbox"/> rent <i>alquiler</i>			
	3		<input type="checkbox"/> own <i>propia</i> <input type="checkbox"/> rent <i>alquiler</i>			
Motorcycles <i>Motocicletas</i>	1		<input type="checkbox"/> own <i>propia</i> <input type="checkbox"/> rent <i>alquiler</i>			
	2		<input type="checkbox"/> own <i>propia</i> <input type="checkbox"/> rent <i>alquiler</i>			
Boats <i>Botes</i>	1		<input type="checkbox"/> own <i>propia</i> <input type="checkbox"/> rent <i>alquiler</i>			
	2		<input type="checkbox"/> own <i>propia</i> <input type="checkbox"/> rent <i>alquiler</i>			
Trailers/RVs <i>Tractores/RVs</i>	1		<input type="checkbox"/> own <i>propia</i> <input type="checkbox"/> rent <i>alquiler</i>			
	2		<input type="checkbox"/> own <i>propia</i> <input type="checkbox"/> rent <i>alquiler</i>			

If there are additional assets within the categories listed above, please include these in the notes section on page 6 of this form.
Si hay otros activos dentro de las categorías mencionadas anteriormente, por favor incluílos en la sección de notas en la página 6 de este formulario.

Banking/Investments <i>Banca/Inversiones</i>	Institution <i>Institución</i>	Balance <i>Saldo</i>	Account# <i>Número de Cuenta</i>	Account Holder(s) <i>Poseedor(es) de Cuenta</i>
Checking <i>Cheques</i>	1			<input type="checkbox"/> Patient <input type="checkbox"/> Spouse <input type="checkbox"/> Joint <i>Paciente Cónyuge Conjunta</i>
	2			<input type="checkbox"/> Patient <input type="checkbox"/> Spouse <input type="checkbox"/> Joint <i>Paciente Cónyuge Conjunta</i>
Banking/Investments (cont) <i>Banca/Inversiones (cont)</i>	Institution <i>Institución</i>	Balance <i>Saldo</i>	Account# <i>Número de Cuenta</i>	Account Holder(s) <i>Poseedor(es) de Cuenta</i>
Savings <i>Ahorros</i>	1			<input type="checkbox"/> Patient <input type="checkbox"/> Spouse <input type="checkbox"/> Joint <i>Paciente Cónyuge Conjunta</i>
	2			<input type="checkbox"/> Patient <input type="checkbox"/> Spouse <input type="checkbox"/> Joint <i>Paciente Cónyuge Conjunta</i>
CDs <i>CDs</i>				
401K / IRA <i>401K / IRA</i>				
Stocks/Bonds <i>Acciones/Bonos</i>				
Other (trust fund, etc.) <i>Otros (fondos fiduciarios, etc.)</i>				

Medical Bills <i>Facturas Médicas</i>	Does the patient have old medical bills within two years? <i>¿El paciente tiene cuentas médicas atrasadas dentro de un margen de dos años?</i>	<input type="checkbox"/> Yes (Si) <input type="checkbox"/> No (No)	Total Amount <i>Cantidad Total</i>
--	---	--	---------------------------------------

Acknowledgement and Signatures				
<p>I hereby certify that the information provided in this Patient Financial Statement is true, accurate and complete to the best of my knowledge. I hereby authorize the Hospital to contact any person, firm or organization to verify any of the information given and I hereby authorize any such person, firm or organization to release to the Hospital any financial information it may request.</p> <p><i>Por la presente certifico que la información proporcionada en esta Declaración Financiera del Paciente es verdadera, exacta y completa según mi leal saber y entender. Por este medio autorizo al Hospital a comunicarse con cualquier persona, empresa u organización para verificar cualesquiera de la información proporcionada y por la presente autorizo a cualquier persona, empresa u organización a comunicar al Hospital cualquier información financiera que pueda solicitar.</i></p>				
Signature: <i>Firma</i>	Relationship to Patient: <i>Relación con el Paciente</i>		Date <i>Fecha</i>	
Witness Signature: <i>Firma del Testigo</i>	Relationship to Patient: <i>Relación con el Paciente</i>		Date <i>Fecha</i>	

For Financial Counseling Personnel <i>Para uso del departamento de Asistencia Financiera unicamente</i>	
Form Completed By (name) Date	Form Completed via: <input type="checkbox"/> Bedside Interview <input type="checkbox"/> Phone Interview <input type="checkbox"/> Mail-in
Based on the information provided, the patient may be eligible for the following program(s): <input type="checkbox"/> COBRA <input type="checkbox"/> Victim's Assistance <input type="checkbox"/> Medicaid - program(s) _____ <input type="checkbox"/> IHF <input type="checkbox"/> Financial Assistance	Assigned to Financial Counselor (name):

Appendix C

PFS Financial Counseling Charity Care Eligibility Checklist

*for use in electronic format

Account Summary

Patient Name	
# in the Household	
Approval %	0%
#Accounts Adjusted	
Total Adjustment(s)	\$0
Patient Responsibility	\$0

Accounts Evaluated for Assistance

Account#	PI Type	Dates of Service	Account Balance	Adjustment Amount
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0

Section 1. Eligibility for Financial Sponsorship

Based on a review of demographic, financial and/or clinical information, the patient was determined ineligible for the sources of financial sponsorship listed below.

The following have reviewed/provided consult on program eligibility:

☐ Attorney/Paralegal ☐ MD Appeals Specialist ☐ MD Disability Specialist

Insurance		Program 1011	
COBRA		Cancer Grant	
Medicaid		Liability	
Victim's Assistance		CHF	

Section 2. Income, Assets and Reserves

Income		Patient/Parent	Spouse/Parent
Salary	Annual		
	Hourly Rate		
	Hrs/Week		
Unemployment	Monthly		
	Monthly		
	Monthly		
TransUnion	Monthly		
Income reported/verified by:			

Bank Reserves	Checking	Savings	Total
Balance			\$0
Bank balances reported/verified by:		Financial Statement	

Equity	Tax Value	Balance	Equity
Primary Residence			\$0
Other Property			\$0
Total Equity			\$0
Property value reported/verified by:		Register of Deeds	

Section 3. Reported Income

Reported Income	Annual	*Adjustment %
Income + Bank Reserves	\$0	0%
TransUnion	\$0	0%
*%Variance		0%

*using the charity scale in section 4 - equal to the adjustment% corresponding to 1) number in the household and 2) reported income

Action on Reported Income

X	%Variance <40% - TransUnion income used to determine charity eligibility
	%Variance ≥40% - requires verification of income and bank balances
	Have income and bank balances been verified?

Section 4. Eligibility Determination

1. Equity Value

Total Equity	\$0
Meets Charity Guidelines?	YES
X	<\$150,000 - Proceed to #2
	>\$150,000 - Evaluate for Catastrophic

2. Income

# in the household	0
Reported Income	\$0
Adjustment %	
Meets Charity Guidelines?	NO
	<400%FPG - Approved for charity
X	>400%FPG - Evaluate for catastrophic
	requires income verification

CHS Charity Scale

*Max Income Range	0-200% FPG	201-300% FPG	301-400% FPG	≥401% FPG
Adjustment%	100%	75%	60%	0%
# in Household	Plan 955805	Plan 955812	Plan 955813	
1	0-21,780	21781-32670	32671-43560	≥43561
2	0-29,420	29421-44130	44131-58840	≥58841
3	0-37080	37061-55590	55591-74120	≥74121
4	0-44700	44701-67050	67051-89400	≥89401
5	0-52340	52341-78510	78511-104680	≥104681
6	0-59980	59981-89970	89971-119960	≥119961
7	0-67620	67621-101430	101431-135240	≥135241
8	0-75260	75261-112680	112681-150520	≥150521

for families with more than 8 members, add \$3,740 for each additional member.

*max income ranges based on 2011 Federal Poverty Guidelines

Approved by _____

Date _____

Updated/Revised 2/11



PFS 1.02 CHS CATASTROPHIC FINANCIAL ASSISTANCE

Created:	11/01/04	Approved Version:	000
		Revised:	10/03/11

I. Objective

This policy works in conjunction with the 'CHS Standard Financial Assistance' policy. Refer to the PFS 1.01 CHS Standard Financial Assistance policy for all other guidelines not mentioned here-in.

II. Policy

Patients who do not qualify for financial assistance under the guidelines of PFS 1.01 CHS Standard Financial Assistance policy may be eligible to receive catastrophic financial assistance.

The granting of catastrophic financial assistance shall be based on determination of financial need. CHS adheres to all requirements set forth in the Emergency Medical Treatment and Labor Act (EMTALA). CHS will uphold confidentiality of information and maintain the dignity for all patients seeking catastrophic financial assistance.

III. Definitions

The terms used within this policy are to be interpreted as follows:

1. Financial assistance: The inability of a patient to pay for medical care. Financial assistance is designed to assist those patients who are unable to pay for all, or part, of their health care expenses.
2. Bad Debt: Bad debt is an unwillingness of a patient to pay for medical care.
3. Elective: Those services that, in the opinion of a physician, may be safely postponed.
4. Medically Necessary: Hospital services, both inpatient and outpatient, provided to a patient 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 or malfunction, threaten to cause or aggravate a handicap, or result in overall illness or infirmity.
5. Emergency Care: Immediate care which is necessary to prevent putting the patient's health in serious jeopardy, serious impairment to bodily functions and serious dysfunction of any organs or body parts.
6. Uninsured: The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.
7. Underinsured: Patients covered by a source of third party funding, but at risk of high out-of-pocket expenditures due to their plan's benefit package. This may include, but is not limited to, high deductible plans, high coinsurance/copay plans, low per diem policies, etc.
8. Household Financial Resources: Household Financial Resources as measured against annual Federal Poverty Guidelines are determined from a sum of annual household income plus any bank balances for checking and savings accounts. Sources of household financial resources include, but are not limited to, the following:
 - a. Annual household pre-tax job earnings
 - b. Personal and business checking and savings balances
 - c. Unemployment compensation
 - d. Workers' compensation
 - e. Social Security and Supplemental Security Income
 - f. Veteran's payments
 - g. Pension or retirement income
 - h. Other applicable income to include, but not limited to, rents, alimony, child support, and any other miscellaneous sources
9. Equity Value: (primary or secondary residences) is the difference between the tax value(s) and the balance owed on mortgages.

V. Eligibility Guidelines

1. Services Eligible:

- a) Emergency medical services provided in an emergency room setting
- b) Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of a patient.
- c) Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting
- d) Medically necessary services, evaluated on a case-by-case basis at CHS' discretion.

Services In -eligible

- e) Elective and cosmetic services are not eligible for financial assistance.

2. Patients Eligible

- a) Uninsured
- b) Underinsured
- c) Unable to pay for their care based upon a determination of financial need.

Patients In-eligible

- Patients with access to available insurance coverage, but opt not to participate
- Accounts covered by other Clinic Sliding Scale and Pharmacy Sliding Scale are not also eligible for Financial Assistance.

V. Eligibility Determination

- d) Patients ineligible for standard financial assistance may be eligible for catastrophic financial assistance when the following are determined:

- 1) Total Household Financial Resources greater than 400% of FPG and/or
- 2) Real property (primary and secondary residences) with >\$150,000 in equity.

Patients who state that they have no source(s) of income must provide a statement of support indicating how they obtain/sustain food and shelter.

- e) Financial need will be determined by comparing total Household Financial Resources to Federal Poverty Guidelines (FPG) in effect at the time of determination.
 - Patients who can demonstrate that their total Household Financial Resources are at or below 200% of FPG are eligible for 75% discount.
 - Patients with total Household Financial Resources between 201% & 400% of FPG are eligible for a 50% discount
 - Patients with total Household Financial Resources greater than 400% of FPG are eligible for a 25%.
 - Income scale and adjustment percentages as a percentage of FPG are updated annually to correspond with Federal Poverty Guidelines published in the Congressional Federal Register.

CHS Catastrophic Financial Assistance Scale

*Max Income Range	0-200% FPG	201-400% FPG	≥401% FPG
Adjustment%	75%	50%	25%
1	0-21,780	21781-43560	≥43561
2	0-29,420	29421-58840	≥58841
3	0-37060	37061-74120	≥74121
4	0-44700	44701-89400	≥89401
5	0-52340	52341-104680	≥104681
6	0-59980	59981-119960	≥119961
7	0-67620	67621-135240	≥135241
8	0-75260	75261-150520	≥150521
For families with more than 8 members, add \$3,740 for each additional member.			

*max income ranges based on 2011 Federal Poverty Guidelines

3. Verification of Household Financial Resources and Eligibility Period

Typically, applications for financial assistance are completed at or after time services are rendered. CHS registrars and financial counselors attempt to interview all patients unable to pay for services and complete a questionnaire or financial statement to determine resources. CHS will utilize, where appropriate, an external third party income/asset verification system to validate information provided by the patient on their questionnaire/financial statement.

- a) Inpatient and Outpatient Accounts - eligibility will be validated through use of a third party scoring vendor and information provided by the patient on the Financial Statement (refer to PFS 1.01 CHS Standard Financial Assistance Policy, Attachment B). If there is a significant discrepancy between the patient's statement of total household financial resources and the third party vendor score, documentation from employers and banking institutions will be required.
- b) Verification Period. Total Household Financial Resources will be based on a look-back period of the prior 90 days from the admit date of service.
- c) Eligibility Duration. Once approved, the eligibility period for Financial Assistance is 90 days from the date of approval. Any changes in financial standing (e.g. income, insurance, etc.) within that six month period may result in changes to the initial eligibility status, including ineligibility. Eligibility for financial assistance may also be applied retrospectively to any other eligible inpatient, outpatient and/or emergency accounts not placed with a third party collection agency and as specified by specific facility policy.
- d) Documentation from financial statements and verification of assets and third party vendor documentation will be retained by CHS for a period of 10 years or as required by law or regulation.

VIII. Hospital

CHS reserves the right to reverse catastrophic financial assistance adjustments provided by this policy if the information provided by the patient during the information gathering process is determined to be false or if CHS obtains proof that the patient has received compensation for services from other sources. CHS reserves the right to grant catastrophic financial assistance to patients in extraordinary circumstances.

Catastrophic Financial Assistance Approval Levels:

Catastrophic financial assistance or financial assistance adjustment applied to balances after insurance are processed through use of the Staffware application and require management/administrative approval. The approval levels in Staffware are as follows:

Staffware Charity Adjustment Approval Levels	
Financial Counseling Supervisor	\$0 - \$19,999
Financial Counseling Manager	\$20,000 - \$49,999
AVP	\$50,000 - \$99,999
VP	\$100,000 and above

Appendix A

Carolinas HealthCare System Catastrophic Charity Assistance Determination Worksheet

Patient Name _____ # in household _____
Account Number _____ Account Balance _____

I. Catastrophic Eligibility Determination

Patient has been determined ineligible for CHS Standard Charity Care due to:

☐ total income/resources exceeds 400% FPG

☐ total equity value exceeds \$150,000

Income/Resources

Household Annual Income	
Checking Account Balance	\$0
Savings Account Balance	\$0
Total Income/Resources	\$0

Real Property

Tax Value	
(less loan balance)	
Total Equity Value	\$0

II. Catastrophic Adjustment Determination

Catastrophic Adjustment Scale

# in the Household	Up to 200% FPG	201 - 400% FPG	≥401% FPG	Tot Income/Resources
Adjustment %	75%	50%	25%	
1	0-21,780	21781-43560	≥43561	FALSE
2	0-29,420	29421-58840	≥58841	
3	0-37060	37061-74120	≥74121	
4	0-44700	44701-89400	≥89401	
5	0-52340	52341-104680	≥104681	
6	0-59980	59981-119960	≥119961	
7	0-67620	67621-135240	≥135241	
8	0-75260	75261-150520	≥150521	

Using the scale above, the adjustment% is determined based on the number in the household and income/resources:

Total Financial Resources	\$0
Number in the Business Unit	0
Catastrophic Adjustment % (based on the scale above)	

Account Balance	\$0
Less catastrophic adjustment	\$0
Patient Balance	\$0

Approved by _____

Date _____

Updated/Revised 2/11

**CMC AMBULATORY CARE PRACTICES
ACKNOWLEDGEMENT OF SLIDING SCALE FEE ELIGIBILITY SCREENING**

- ☐ I _____ understand that, having provided the required documentation, that I currently qualify for the below sliding scale fee dollar amount. I also understand that if any of the documentation I have provided is found to be incorrect or fraudulent, that my sliding scale fee eligibility will be revoked and I may not be considered for future enrollment.

☐ \$0 clinic
\$50 outpatient hospital
\$20 ER visit
\$0-3 pharmacy pre-pay

☐ \$15 clinic
\$100 outpatient hospital
\$40 ER visit
\$3-7 pharmacy pre-pay

☐ \$30 clinic
\$150 outpatient hospital
\$60 ER visit
\$5/10 pharmacy pre-pay

I understand that the sliding scale fee covers my outpatient clinic visit. I understand that I will be required to pay the above amount at each clinic visit.

I also understand that the sliding scale fee may cover certain outpatient hospital visits performed at Carolinas Medical Center, CMC University, CMC Mercy and CMC Pineville. I also understand that my co-pay for an outpatient hospital visit will be a different amount from the amount I pay for my clinic visit. I understand that my sliding scale fee may not cover certain outpatient visits at Carolinas Medical Center, CMC University, CMC Mercy and CMC Pineville, and certain prescription medications. I understand that I will be required to pay the above amount at each outpatient hospital visit. I understand that I may be required to sign up for Patient Assistance Programs at the pharmacy and that if I qualify for the sliding scale fee, I will not receive a bill for the remaining cost of the medications. I understand that I will report any changes to my income or insurance status that may or may not adversely affect my qualifications for the sliding scale program.

I also understand that the sliding scale fee covers Emergency Room visits at Carolinas Medical Center, CMC University, CMC Mercy and CMC Pineville. I also understand that my co-pay for an Emergency Room visit will be a different amount from the amount I pay for my clinic. I understand that I will be required to pay the above amount at each Emergency Room visit.

- ☐ I _____ understand that I currently do not qualify for the sliding scale fee due to my current financial situation. I understand that if my financial situation were to change, that I am encouraged to return and attempt to qualify for the sliding scale fee. I also understand that, due to my current status, I will be required to bring at least \$50 to each outpatient clinic visit and that I will be billed for the remainder of what I owe.

I authorize the Financial Counseling staff of the Hospital to assist me in the processing of any benefits application, including Medical Assistance, Aid to Families with Dependent Children, or Special Assistance, initiated for the Patient within six months of the date of this authorization. The Financial Counselor may have access to and copy any records or information to which I would be entitled. I authorize and direct the County Department of Social Services to provide such information to the Financial Counselor orally via telephone. I authorize and consent to referral to the County for benefits by use of an appropriate referral form. I request that if my benefits are approved or denied, a copy of the approval or denial be attached to and returned with the referral form. The consent has been explained to me. I acknowledge that this consent is voluntary and that it may be revoked by me at any time except to the extent that action has already been taken in reliance on it. Unless otherwise revoked, this consent shall be valid for (1) one year. I authorize the printing of my name and date of birth on my Sliding Scale Fee Patient Identification card for purposes of identification of my Sliding Scale Fee Program benefits. I understand that my documentation may be accessed for internal or external audit purposes. I also understand that my financial information and patient identifiers will remain confidential. **I am unable to supply a previous year's tax return as income documentation because I 1) Did not file a tax return ; 2) I filed a tax return but am unable to obtain or locate a copy; or 3) I have dissolved my business and am no longer self-employed.** (Circle correct response) (Applicant's initials) _____

X

Patient or responsible party

Date

Relation to patient

Central Enrollment/Sliding Scale

Comments

Witness

Expiration date of Sliding Scale Fee

UNIT #:

ACCOUNT #