

Allina Hospitals & Clinics System-Wide Policy

Department: Finance	Policy Title: Uninsured Discount Program
Page 1 of 3	Effective Date: 07-01-07 – January 2013
Approved by: Audit and Compliance Committee of the Board	Review Date: January 2011
Reference Number: 401-08	Revised: January 7, 2010

Scope:

This policy applies to services provided by Allina hospitals, hospital-based clinics, and ambulatory surgery centers that are wholly-owned by Allina. This policy also applies to the following joint ventures: the St. Francis Regional Medical Center, and the Day Surgery Center of United Hospital and Children's Hospital - St. Paul. This policy does not cover services provided by other Allina entities, including but not limited to, Allina Medical Clinic, Metropolitan Heart and Vascular Institute, Aspen Medical Group, New Ulm and Owatonna Home Care and Hospice, ANW OB Home Care, Allina Homecare, Hospice and Palliative Care Services, Allina Home Oxygen and Medical Equipment ("HOME"), Allina Community Pharmacies or Allina Transportation.

Purpose:

The purpose of this policy is to provide a discount on billed charges to uninsured patients, and insured patients who receive uninsured treatment, for medically necessary care received from any Allina hospitals, hospital-based clinics and wholly-owned ambulatory surgery centers.

Definitions:

Metro Hospitals – Abbott Northwestern, Mercy, United, Phillips Eye Institute, and Unity Hospitals.

Regional Hospitals – Buffalo Hospital, Cambridge Medical Center, New Ulm Medical Center, Owatonna Hospital, River Falls Area Hospital, and St. Francis Regional Medical Center.

Hospital-Based Clinics- Includes clinics in which the physicians are employed by a hospital and either provides services in the hospital or through a hospital based clinic. The hospital based clinic is included under the hospital's license. See Attachment 1 for the list of hospital based clinics and employed physicians that are included in this policy.

Uninsured – Patients without medical insurance. Patients who register as "self pay" or become "self pay" during the billing process and remain "self pay" at the conclusion of the billing and collection process.

Medically Indigent – Patients whose health insurance coverage does not provide full coverage for all medically necessary care and who, due to their financial resources and in some instances due to the size of their medical bills, are not able or expected to pay the full amount charged.

Uninsured Discount – A discount to an uninsured patient's billed charges for medically necessary inpatient/outpatient hospital services and hospital-based clinic services in accordance with the guidelines of this policy.

Most Favored Insurer- The most favored insurer is the non-governmental third party payer that provided the most revenue during the previous calendar year. There is one most favored insurer identified for Allina Hospitals and Clinics.

This policy supersedes all prior policies of the same or similar subject except to the extent it is inconsistent with the express terms of a collective bargaining or individual agreement.

Uninsured Treatment- Any medically necessary treatment or service not covered by a government or non-government insurer excluding cosmetic care and LASIK.

Policy:

In support of our values of integrity, trust, respect, compassion and stewardship, Allina Hospitals and hospital based clinics are providing a discount on billed charges to patients for medically necessary care delivered to those who are uninsured and ineligible for government programs, or are otherwise medically indigent.

Allina Hospitals and hospital based clinics strive to ensure that the financial capacity of people who need medically necessary services does not prevent them from seeking or receiving care. The discount program is not considered to be a substitute for personal responsibility, and patients are expected to cooperate with the procedures to obtain the discount 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, as a means of assuring access to health care services, for their overall personal health and protection of their individual assets.

Procedure:

- A. Eligibility for Discount – Uninsured patients and insured patients who receive uninsured treatment will be eligible for a discount based upon their income level and the location of the services provided. All patients with an annual income at or below \$125,000 are eligible for a discount. A business unit may extend the discount to patients with an annual income above \$125,000. There are two discounts established, one for Metro hospitals and their hospital-based clinics and one for Regional hospitals and their hospital-based clinics.
- B. Discount to Billed Charges- Discount levels will be established at the beginning of each year by the Vice President of Revenue Strategy. The discount will recognize the differences in the fee schedules between the Metro and Regional Hospitals. The discount will be based on the average reimbursement rate among each group of hospitals provided to Allina's most favored insurer.
 1. The site Finance Lead, the Vice President of Revenue Cycle Management or their designee, must approve decisions outside of the guidelines established, following a thorough review of the presumptive circumstances in each case.
 2. Allina Hospitals and Clinics will update the Federal Poverty level information on an annual basis.
- C. Determination of Financial Threshold
 1. All uninsured patients will be asked during the pre-registration, registration, or admission process, or at other points in the billing and collections process, if their annual household income is below \$125,000. Documentation of this response will be considered means testing and will support reporting of discounts for Community Benefit purposes.
 2. Hospital, hospital-based clinic or business office personnel will give patients information about the discount program once the patient is identified as uninsured. If the patient indicates that their income is 275% of the Federal Poverty Level (FPL) or less, Allina staff will inform that patient that he/she may qualify for free care and will urge the patient to complete a Financial Assistance Application. (A copy of the Application is available on the AKN as an attachment to the Allina Partners Care Policy, Financial Procedure 401-02).
 3. Patients who do not qualify for free care through Allina's Partners Care Policy, but whose annual household income is below \$125,000, will receive a discount on charges for medically necessary services as provided above if they are uninsured, or insured but receive uninsured treatment.

- D. Communication of the Discount Program to Patients and the Public
1. Information about available financial assistance shall, at a minimum, include a toll free contact number, the publication of notices on collection letters and by posting notices in the Emergency and Admitting Departments.
 2. Such information shall be provided in the primary languages spoken by the populations served by the site.
 3. Referral of patients for evaluation of eligibility for financial assistance and the Uninsured Discount Program may be made by any member of the staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, etc.
 4. The patient, or a family member, a close friend or other person assisting the patient may make a request for evaluation of eligibility for financial assistance and the Uninsured Discount Program.
- E. Joint Ventures- Each Allina leader of a joint venture in which Allina has an interest that operates an Ambulatory Surgery Center should discuss with the joint venture partners whether to adopt this policy at its site.
- F. Regulatory Requirements –Allina will track all discounts provided to patients pursuant to this policy to ensure accurate reporting to regulatory agencies.
- G. Policy Changes – This policy may be revised at any time as business needs require. The actual discount levels are established at the beginning of each year.

References:

Allina Partners Care Policy, Finance 401-02
Discounting for Health Services Policy, Finance 401-01
Account Adjustment-Customer Service Policy, Finance 401-04

ATTACHMENT 1

Professional Fees –Included in AG Agreement Uninsured Discount Program Last Update: 11/11/08

Clinic or Physicians	Who bills?	Notes
Buffalo <input type="checkbox"/> CRNA's	HBS	
Owatonna <input type="checkbox"/> BHS Inpatient	RCM	
River Falls		CRNA's are not employed therefore no discount.
Cambridge		No discounts, all providers are employed by AMC.
St. Francis- Shakopee <input type="checkbox"/> CRNA's <input type="checkbox"/> Chaska Urgent Care	HBS RCM	STF Urgent Care physicians are not employed therefore STF Urgent Care will not be included in the discount program.
PEI <input type="checkbox"/> Vision Rehab <input type="checkbox"/> CRNA's	RAD/HBS HBS	
New Ulm		RCM bills around 60 contracted providers and 5 employed physician and non physician providers. Systems do not allow us to separately discount the employed physicians therefore we will not discount any of the New Ulm providers billed through RCM.
Mercy <input type="checkbox"/> Midwest Internal Medicine <input type="checkbox"/> Midwest Internal Medicine Hospitalist <input type="checkbox"/> ABHS Northtown Clinic <input type="checkbox"/> ABHS Northtown Inpatient <input type="checkbox"/> Mercy Geriatrics <input type="checkbox"/> MN Perinatal (Contract but employed at ANW) <input type="checkbox"/> Neonatal Nurse Practitioners <input type="checkbox"/> Pediatric Hospitalists <input type="checkbox"/> Pain Care Nurse Practitioners	RCM RCM RCM RCM RCM RCM RCM RCM RCM RCM RCM	
United <input type="checkbox"/> Geri-Psych <input type="checkbox"/> MN Perinatal <input type="checkbox"/> ED Physicians <input type="checkbox"/> Pain Center <input type="checkbox"/> BHS Outpatient Clinics <input type="checkbox"/> Menopause Clinic (Nurse Practitioner)	RCM RCM RCM RCM RCM RCM	
ANW <input type="checkbox"/> ANGMA <input type="checkbox"/> VPCI Outreach (1 physician) <input type="checkbox"/> VPCI Surgical (1 physician) <input type="checkbox"/> EKG/Holter (ANGMA) <input type="checkbox"/> Sister Kenny Rehab Associates <input type="checkbox"/> Intra-operative Monitoring (2 Physicians, 1 of which is an AMC physician as well) <input type="checkbox"/> Pain Rehab <input type="checkbox"/> ANW Intensivists (4 physicians) <input type="checkbox"/> ANW Medical Associates (Sartell- 4 physicians) <input type="checkbox"/> ANW Hospitalists (St. Cloud- 3 physicians) <input type="checkbox"/> Palliative Care at ANW (2 physicians) <input type="checkbox"/> ABHS OP clinic (4 physicians)	RCM RCM RCM RCM RCM RCM RCM RCM RCM RCM RCM RCM RCM RCM RCM	MNSI physicians are not employed by the hospital and will not be included in the discount program. EKG/Holter- discount only reads by ANGMA physicians

This policy supersedes all prior policies of the same or similar subject except to the extent it is inconsistent with the express terms of a collective bargaining or individual agreement.

<input type="checkbox"/> ABHS Inpatient Providers (7-8) <input type="checkbox"/> MN Perinatal <input type="checkbox"/> Park House (physician & psychologist) <input type="checkbox"/> Wound Clinic (1 NP) <input type="checkbox"/> International Travel Clinic <input type="checkbox"/> Minneapolis Heart Institute (formerly MCA) <input type="checkbox"/> SAOS	RCM RCM RCM RCM RCM RCM	
Unity <input type="checkbox"/> Unity Geriatrics <input type="checkbox"/> Pain Management Clinic	RCM RCM	

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