

## Allina Health-wide Policy: Uninsured Discount Program

Updated: January 2018

### **SCOPE:**

This policy applies to services provided by Allina Health hospitals, hospital-based clinics, and ambulatory surgery centers that are wholly-owned by Allina Health. 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 Health entities, including but not limited to, Allina Medical Clinic, Metropolitan Heart and Vascular Institute, Aspen Medical Group, Allina Home and Community Services including Home Oxygen & Medical Equipment, Hospice and Palliative Care, and Allina Health Home Care, Allina Community Pharmacies or Allina Health Emergency Medical Services.

### **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 Health 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, Regina Hospital, District One Hospital

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.

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 Health.

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 Health 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 Health 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 three discounts established, one for Metro hospitals, one for Regional hospitals, and one for hospital-based clinics.
- B. Discount to Billed Charges- Discount levels will be established at the beginning of each year by the Vice President of Payor Contracting. 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 Health'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 Health 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 Health 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 and AllinaHealth.org as an attachment to the Allina Health Partners Care Policy, Financial Procedure 401-02).
  3. Patients who do not qualify for free care through Allina Health'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 Health leader of a joint venture in which Allina Health 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 Health 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.