

Allina Hospitals & Clinics

System-wide Policy

Department: Finance	Policy Title: Discount for Uninsured Patients
Page 1 of 3	Effective Date: September 2004-August 2007
Approved by: Finance Council	Review Date:
Reference Number: 401-08	Revised:

Scope:

Allina Hospitals & Medically Necessary Inpatient and Outpatient Services Billed on a UB92

Purpose:

This policy governs the provision of discounts on billed charges to patients for medically necessary care received from any Allina Hospital.

This policy does not cover services delivered by these hospitals if the service is priced for the “retail” market (for example, cosmetic procedures and Lasik). This policy does not cover services provided by other Allina entities, including but not limited to, Allina Medical Clinics or Professional Services provided by Allina Hospital Based Clinics, New Ulm and Owatonna Home Care and Hospice, ANW OB Home Care, Allina Hospice and Palliative Care Services, Allina Home Oxygen and Medical Equipment (“HOME”), Allina Community Pharmacies or Allina Transportation.

This policy may govern the provision of discounts on expected payments to patients who receive medically necessary care from joint ventures in which Allina is a partial “owner”, depending on whether the governing documents of the joint venture incorporate this policy or whether the governing board of the joint ventures chooses to adopt this Allina policy as a joint venture policy.

Definitions:

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 in an uninsured patient’s billed charges for medically necessary inpatient and outpatient hospital services in accordance with the guidelines of this policy

Policy:

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

Allina Hospitals 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.

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.

Please contact Linda Barnier, Allina Hospitals and Clinics, Consolidated Business Office, (612) 775-9023 with questions or requests for additional information.

In order to be good stewards of resources and to maximize the support provided to those in need, the following guidelines have been established for the provision of discounts to patients under this policy.

Procedure:

- A. Medically Necessary Services – The following are decision-making guidelines to assist in the determination of what constitutes a medically necessary service:
 1. Emergency medical services provided in an emergency room setting.
 2. Services for a condition which, if not treated on a timely basis, would lead to an adverse change in the health status of an individual.
 3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting.
 4. May be defined as “covered items or services” and shall include at a minimum those items and services covered by Medicare.
 5. This policy only applies to inpatient, outpatient or emergency department services and is not applicable to professional fees.
- B. Eligibility for Sliding Scale Discount – Eligibility will be considered for those individuals who are uninsured and ineligible for any government health care benefit program, medically indigent and who are unable to pay for their care, based upon a determination of financial need in accordance with this policy. The granting of a discount to billed charges shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, socio-economic or immigrant status, sexual orientation or religious affiliation.
- C. Determination of Financial Need
 1. Financial need will be determined in accordance with procedures that:
 - (a) Involve an individual assessment of financial need.
 - (b) Include an application process in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation necessary to make the determination of financial need.
 - (c) Include reasonable efforts to explore appropriate alternative sources of payment and coverage from public and private payment programs and to assist patients to apply for such programs.
 - (d) Take into account the patient's liquid assets and all other financial resources available to the patient.
 2. Hospital or business office personnel will give patients information about the discount program and the financial evaluation form once the patient is identified as uninsured. The timing of delivery of the financial evaluation form will depend upon whether the identification is made at the time of service, during the billing process or during collection. The uninsured patient will provide the hospital with supporting documentation of income level. It is preferred but not required that a request for financial assistance and determination of financial need occur prior to rendering of services.
 3. The financial evaluation shall be completed at least annually and updated at any time additional information relevant to the eligibility of the patient for financial assistance becomes known.
 4. Allina's values of integrity, respect, trust, compassion and stewardship shall be reflected in the application process and in determining the level of discount applied.
- D. Sliding Scale Discount Structure – Services eligible under this policy will be made available to the patient in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination, as follows:
 1. Patients whose net income is at or below 275% of the FPL are eligible to receive free care as per Allina Hospitals and Clinics' Community Benefit Care Policy.
 2. Patients whose net income is above 275% but not more than 350% of the FPL are eligible to receive services with expected payments discounted by fifty percent.
 3. Patients whose net income is above 350% but not more than 400% of FPL are eligible to receive services with expected payments discounted by thirty percent.
 4. Patients whose net income exceeds 400% of the FPL are eligible to receive services with expected payments discounted by twenty percent.

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5. The site Finance Lead or the Vice President of Patient Financial Services, or their designee, must approve decisions outside of the guidelines established, following a thorough review of the presumptive circumstances in each case.
 6. Allina Hospitals and Clinics will update the Federal Poverty level information on an annual basis. (Attachment 1)
- E. Communication of the Discount Program to Patients and the Public
1. Information about available financial assistance and the Uninsured Sliding Scale Discount Program shall, at minimum, include a toll free contact number, the publication of notices on patient bills 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 Sliding Scale 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 Sliding Scale Discount Program.
- F. Relationship to Collection Policies – Policies and procedures are established for internal and external collection practices that take into account the extent to which the patient qualifies for the Uninsured Sliding Scale Discount Program and financial assistance, a patient's good faith effort to apply for a governmental program or for financial assistance from Allina and the patient's good faith effort to comply with his/her payment agreements. Allina will offer extended payment plans to eligible patients and will not impose liens on primary residences.
- G. Regulatory Requirements – Allina Hospitals and Clinics shall comply with all federal, state and local laws, rules and regulations and reporting requirements that may apply to activities conducted pursuant to this policy. This policy requires that Allina track all financial assistance provided to ensure accurate reporting.
- H. Policy Changes – This policy may be revised at any time as business needs require.

References:

[Community Benefit Care Policy, Finance 401-02](#)
[Discounting for Health Services Policy, Finance 401-01](#)
[Account Adjustment-Customer Service Policy, Finance 401-04](#)

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