PURPOSE:
To define eligibility, application and approval processes for Financial Assistance. Financial Assistance is offered to uninsured, underinsured, and medically indigent patients who indicate an inability to pay for emergency and other medically necessary care provided at Vanderbilt University Medical Center.

SCOPE:
This policy adheres to the common element Scope statement presented in Finance and Revenue Cycle Policy on Policies.

DEFINITIONS:
Adjusted Gross Income: Adjusted gross income (AGI) is gross income minus adjustments to income. AGI is a measure of income calculated from your gross income and used to determine how much of your income is taxable.

Amounts Generally Billed (AGB): IRS Section 501(r) requires hospitals to limit the amounts charged for emergency and other medically necessary care provided to individuals eligible for financial assistance to no more than the amounts generally billed (AGB) to insured individuals. The AGB calculation is updated by May 1st of each year.

Application Process: A process by which a patient or their appropriate representative completes a paper or an electronic form that provides VUMC with information on the patient's income, family size and assets. All applications will be evaluated on a case-by-case basis by appropriate VUMC representatives taking into consideration medical condition, employment status, and potential future earnings.

Bad Debt: Uncollected patient financial liabilities that have not been resolved at the end of the patient billing cycle and for which there is no documented inability to pay.

Discharge Medications: Broadly defined as patient prescriptions or patient use items sold by VUMC’s Retail Pharmacy and necessary for the continued care of the patient after discharge from a VUMC hospital, physician office or other clinical location.

Eligible Health Care Services: Services which are emergent and other medically necessary care. Eligible Health Care Services exclude:
- Any contractual allowances;
- Cosmetic services or elective services that are not medically necessary;
- Write-offs of amount due from third party payers;
- Shortfall between reimbursement from government programs for the uninsured and the cost of services provided;
- Write-offs of patients' balances when there is not an indication that the patient is unable to pay;
- Experimental Services;
- Transplant Service; and,
- Retail and Specialty Pharmacy items.
Estimated Patient Liability: The estimated patient financial responsibility that is due to VUMC for professional and technical charges for health care services the patient received. This amount is determined in compliance with the patient’s insurance benefits for the specific scheduled service and includes deductibles, co-payments, co-insurance, and non-covered services.

Extraordinary Collection Actions (ECAs): Actions which require a legal or judicial process, involve selling a debt to another party or reporting adverse information to credit agencies or bureaus. VUMC will determine charity eligibility prior to taking any extraordinary collection action. Written notice must be provided at least 30 days in advance of initiating specific ECAs and meet informational requirements. As defined under IRS Codes Section 501(r), such actions that require legal or judicial process include:

- Certain liens;
- Foreclosure on real property;
- Attachment or seizure of a bank account or other personal property;
- Commencement of a civil action against an individual;
- Actions that cause an individual’s arrest;
- Actions that cause an individual to be subject to body attachment; and,
- Wage garnishment.

Family: The patient, the patient’s married or common-law spouse (regardless of whether s/he lives in the home) and all of the patient’s children (natural or adoptive) under the age of eighteen (18) who live at home. If the patient is under the age of 18, “Family” includes the patient, his or her natural or adoptive parents (regardless of whether they live in the home), and the parent’s other children (natural or adoptive) under the age of 18.

Financial Assistance or Financial Assistance Discounts: Discounts or elimination of payment for health care services provided to eligible patients with documented and verified financial need. Financial Assistance Discounts provided under this policy include:

- Financial Assistance: Discounts provided to patients for medical bills based on income guidelines; and,
- Catastrophic Financial Assistance: Discount provided to patients when VUMC unreimbursed eligible medical expenses incurred in a one-year period exceed their annual household income.

Financial Counselor: VUMC representatives responsible for assessing a patient’s liability, identifying and assisting with public funding options (Medicare, Medicaid, etc.), determining if patient is eligible for financial assistance, and establishing payment plans.

Federal Poverty Guidelines (FPG): Federal Poverty Guidelines published annually by the U.S. Department of Health and Human Services and in effect at the date(s) of service for which financial assistance may be available.

Look-Back Method: The methodology specified by IRS Code Section 501(r) and selected by VUMC to determine AGB. A hospital facility determining AGB under the Look-Back method may use claims for all medical care allowed during a prior 12-month period for the calculation of AGB. VUMC utilizes the 12
month period ending December 31 each year to determine AGB as defined in this policy under Amounts Generally Billed.

**Private Pay:** Patient identified as having no insurance coverage or opting out of their insurance coverage for specific services/events.

**Retail Pharmacy:** A VUMC-contracted pharmacy licensed as a retail pharmacy by the State of Tennessee to sell or distribute medications to patients. The provision of medications from a retail location is a separate, point-of-sale patient transaction subject to its own billing process separate and apart from a clinic visit or hospital encounter.

**Presumptive Eligibility:** A patient’s eligibility for VUMC Financial Assistance determined by criteria demonstrating financial need other than information provided by the patient’s family. Additional information received after qualifying for presumptive eligibility may not change the determination.

**Screening Process:** A process to determine if a patient qualifies for VUMC Financial Assistance that does not involve completing a financial assistance application. The screening process may be in person or on the telephone and utilizes a Third Party Vendor.

**Underinsured:** Insured patients who receive Eligible Health Care Services that are determined to be non-covered services or have limited benefit coverage by the insurance provider.

**Uninsured Discount:** A discount on charges for medical services for patients identified as having no insurance coverage. The Uninsured Discount, as documented in the VUMC Discount Policy, is determined based upon the look-back method by determining the average discount provided by VUMC hospitals to Medicare and all other insurers.

**POLICY:**

I. Introduction

II. Eligibility Criteria

III. Basis for Calculating Patient Charges and Amounts Generally Billed

IV. Method for Applying for Financial Assistance

V. Actions that may be taken in the event of nonpayment

VI. Use of Extraordinary Collection Actions

VII. Eligibility information obtained from other sources

VIII. Other Information

I. Introduction

VUMC is committed to providing Eligible Health Care Services regardless of a patient’s ability to pay. Patients who demonstrate an inability to pay and who meet this policy’s financial criteria for qualification will be covered under the Financial Assistance Policy. Patients are informed of VUMC’s Financial Assistance Policy primarily through the VUMC website, Financial Counselors, Admitting and ED Registration staff, Patient Financial Services Customer Service, signage, and brochures distributed in VUMC clinic and hospital locations. The website information is listed on all billing statements with a link to a plain language summary of this policy. For patients without internet access, this policy is available when
II. Eligibility Criteria

VUMC utilizes two possible processes for determining if a patient is eligible for Financial Assistance, either a Screening Process or an Application Process. In the Screening Process, VUMC utilizes estimated annual adjusted gross income data from a third party vendor to assess proactively without application and determine if a patient is eligible for Financial Assistance for any balances greater than $1,000. Once information is received in the Screening Process, VUMC will provide a Financial Assistance Discount to that patient without any additional information or action taken by the patient. The Financial Assistance Discount is calculated based upon the estimated annual adjusted gross income data and then applied to the patient’s Estimated Patient Liability balance.

In the Application Process, which is available to patients in addition to the Screening Process, patients complete an electronic or paper form and provide documentation to support the patient’s income, family size, and assets. VUMC may also utilize data received in the Screening Process to validate information received in the Application Process.

The qualification for Financial Assistance will be based on only on the combination of family size and the annual adjusted gross income of the patient (or the patient’s household if filing jointly) for the most recent year available based on either the most recently filed tax returns, income data received in the Screening Process, or from the most current documents noted below. Calculation of annual adjusted gross income and family size are based on information taken from recent family tax returns and must be provided to verify income and family size.

If an applicant does not have current tax returns or if no information is received in the Screening Process, VUMC may accept W9, 1099, food stamp adjudication letters, disability award letters, other official government documentation of income, three months of pay stubs, or bank statements for one year. If a patient does not have these alternatives, VUMC may accept a written and signed affidavit documenting family size and income.

To meet the income requirements, the adjusted gross income of the patient (or the patient’s household) for the current or prior year may not exceed 2.5 times the Federal Poverty Guideline. For patients with adjusted gross income of less than or equal to 2 times the FPG, a 100% Financial Assistance Discount will be applied. For patients with adjusted gross income above 2 times but less than or equal to 2.5 times FPG for the most recent year, a sliding scale discount will be applied in percentage increments based upon income and family size.

If the adjusted gross income of the patient exceeds 2.5 times FPG, the patient may still be eligible for Catastrophic Financial Assistance if the patient’s un-reimbursed medical
expenses at VUMC during a one year period exceed 100% of the responsible party’s annual household income as described in the Patient Discount Policy.

Please refer to Appendix A for current discount amounts provided relative to the most current year available Federal Poverty Guidelines.

Patients will have one hundred twenty (120) days from the date VUMC sends the first “post discharge” billing statement to complete the Application or Screening Process before any Extraordinary Collection Actions are taken by VUMC. If the patient begins the Application or Screening Process during the 120 day period but cannot complete this Application Process, the patient will be provided at least another 120 days after the date of application to complete the Application Process before Extraordinary Collection Actions are taken by VUMC.

III. Basis for Calculating Patient Charges and Amounts Generally Billed

Patients who meet the eligibility criteria defined in this policy will not be charged more for emergency or other medically necessary care than the AGB to individuals who have insurance covering such care. All Uninsured Patients will be provided an Uninsured Discount prior to the first billing statement. This Uninsured Discount is given without consideration of patient financial status. This Uninsured Discount may be ultimately classified as a Financial Assistance Discount if the patient meets the income-based criteria identified through either the Screening or Application Process. In accordance with the Tennessee regulations, uninsured patients are not to pay for services in an amount that exceeds one hundred seventy-five percent (175%) of the cost for the services provided (calculated using the cost to charge ratio in the most recent joint annual report). VUMC has chosen to use the discount calculated from the IRS 501(r) regulatory guidance pertaining to AGB as the discount to be applied to uninsured and underinsured patients who have received eligible healthcare services.

In accordance with Internal Revenue Code Section 501(r) requirements, VUMC utilizes the “Look Back Method” to determine the AGB percentage based on claims from the prior 12 month period ending Dec 31 of each year. The AGB percentage is determined by using the calculated expected reimbursement from all claims allowed by Medicare fee-for-service and all private health insurers and dividing that total reimbursement by total charges for the same claims. The resulting percentage represents the AGB for Medicare and private insurers. VUMC includes hospital and physician claims which occur in both the hospital and hospital based clinic settings in the AGB calculation. VUMC removes from the calculation all claims 100% denied by the applicable insurers and claims which are in a credit balance status. The AGB percentage is then updated as of May 1 of each fiscal year based on the analysis described above.
Therefore, patients who are eligible for an Uninsured Discount are not expected to pay more than the AGB. Please see Appendix E for the current AGB percentage.

IV. Method for Applying for Financial Assistance
Patients may obtain Financial Assistance applications via the following website: www.vanderbilthealth.com/FinancialAssistance; by calling customer service at (888) 274-7849, by contacting VUMC inpatient registration locations, or by visiting the VUMC Financial Business Office at 719 Thompson Lane in Nashville, TN.

Inpatient locations:
VUMC Admitting 1107
1211 Medical Center Drive
Nashville, TN 37232
615-322-5000

MCJCHV Business Center, 1st floor
2200 Children’s Way
Nashville, TN 37232
615-936-1000

Patients should mail complete financial assistance to VUMC Customer Service at 719 Thompson Lane Suite 30330, Nashville, TN 37204 for program eligibility determination. Determinations are normally completed within thirty (30) business days after receipt.

The Financial Assistance Policy applies to VUMC-employed providers of emergency and other medically necessary care in its facilities. All providers of emergency and medically necessary care in VUMC hospital facilities are VUMC-employed providers.

V. Actions that may be Taken in the Event of Nonpayment
Patients will receive monthly bill(s) for amounts greater than $5 that VUMC determines are their responsibility, after any insurance plan payments have been applied.

Patients will receive billing statements or phone calls during a one hundred twenty (120) day period reminding them of their bill(s). During this period, patients will be expected to pay their bill(s) in full, establish a payment plan, or apply for Financial Assistance.

VI. Use of Extraordinary Collection Actions (ECAs)
VUMC strives to assist all patients prior to enlisting the assistance of a collection agency. Patients will have one hundred twenty (120) days from the date the first billing statement is generated to complete the Financial Assistance Application or Screening Process before any Extraordinary Collections Actions are considered or taken. See the Revenue Cycle policy - Patient Collections Policy for a description of the reasonable efforts VUMC and its collection
agencies take to determine an individual’s FAP eligibility before engaging in ECAs against that individual.

In select cases, VUMC may choose to engage an attorney in a collection action. This step would occur only after VUMC has thoroughly reviewed your account and determined that a patient is not eligible for financial assistance or other form of assistance.

VII. Eligibility Information Obtained from Other Sources
Patients that are unresponsive to inquiries by VUMC may be screened through a third party vendor for Financial Assistance eligibility prior to placement with a collection agency.

As noted above, if a patient’s account has an outstanding balance that exceeds $1,000, and no other party is responsible for the bill, VUMC will submit the patient’s information to a third party vendor, Search America, before sending it to collections, and will automatically apply the appropriate discount if the patient qualifies. VUMC provides patient name, address, SSN, DOB, and phone number to the vendor as part of this determination process.

VIII. Other Information
Uninsured patients will be provided an Uninsured Discount which is equal to the AGB Discount as outlined in Patient Discount Policy. This Uninsured Discount is given regardless of financial status. It may be ultimately reclassified as a Financial Assistance Discount if the patient subsequently meets the qualifications described in this policy.

If a patient submits a complete Financial Assistance application and is determined to be eligible, VUMC will refund any amounts the patient has paid for care that exceed the amount they are determined to be personally responsible for paying.

VUMC Patient Financial Services staff makes the final determination about financial assistance. An appeals process is available to individuals and requires completion of the appeals application. The application and instructions for submission are included in Appendix C.

Any exceptions to this policy must be approved by the VUMC Chief Executive Office and / or the VUMC Chief Financial Officer

Financial Assistance is calculated according to the Federal Poverty Guidelines set forth in Appendix A.
Contact Information
If you need assistance with completing a Financial Assistance application or have questions about financial assistance in general or the eligibility process, patients may call the VUMC Financial Counseling Hotline: (615) 936-3938; email financepolicy@vanderbilt.edu; or visit:

VUMC Customer Service
One Hundred Oaks
719 Thompson Lane Suite 30330
Nashville, TN 37204

Phone: (888) 274-7849
(615) 936-0910

EXHIBITS:
- Appendix A: 2018 Vanderbilt University Medical Center Charity Guidelines
- Appendix B: Rapid Charity Care Financial Assistance Application
- Appendix C: Financial Assistance Appeal Application
- Appendix D: Catastrophic Care Guidelines
- Appendix E: Amounts Generally Billed (AGB)

REFERENCES:
Revenue Cycle policy - Patient Discounts
Revenue Cycle policy - Patient Collections Policy

APPROVAL:

<table>
<thead>
<tr>
<th>Committee/Title</th>
<th>Chairperson/Designee</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>VUMC Finance and Revenue Cycle Policy Committee</td>
<td>Cecelia Moore, Associate Vice Chancellor, VUMC Dr. David Raiford, Associate Vice Chancellor for Health Affairs, VUMC</td>
<td>02/01/2018</td>
</tr>
</tbody>
</table>
### APPENDIX A: 2018 VANDERBILT UNIVERSITY MEDICAL CENTER CHARITY GUIDELINES

#### 2018 Vanderbilt University Medical Center Charity Guidelines

<table>
<thead>
<tr>
<th>Family Size</th>
<th>2018 Poverty Guideline</th>
<th>100% off Chgs Household Income Between</th>
<th>80% off Chgs Household Income Between</th>
<th>70% off Chgs Household Income Between</th>
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<tbody>
<tr>
<td>1</td>
<td>$12,140</td>
<td>$0 &amp; $24,280</td>
<td>$24,281 &amp; $27,315</td>
<td>$27,316 &amp; $30,350</td>
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<tr>
<td>2</td>
<td>$16,460</td>
<td>$0 &amp; $32,920</td>
<td>$32,921 &amp; $37,035</td>
<td>$37,036 &amp; $41,150</td>
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<tr>
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<td>$20,780</td>
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<tr>
<td>4</td>
<td>$25,100</td>
<td>$0 &amp; $50,200</td>
<td>$50,201 &amp; $56,475</td>
<td>$56,476 &amp; $62,750</td>
</tr>
<tr>
<td>5</td>
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<td>$66,196 &amp; $73,550</td>
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<td>8</td>
<td>$42,380</td>
<td>$0 &amp; $84,760</td>
<td>$84,761 &amp; $95,355</td>
<td>$95,356 &amp; $105,950</td>
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Each additional family member, add $4,320 $0 & $8,640 $8,641 & $9,720 $9,721 & $10,800

VUMC’s 2018 Charity Guidelines are based on the 2018 U.S. Department of Health and Human Services Poverty Guidelines

(whicn were published in the Federal Register on January 18, 2018)
### APPENDIX B: FINANCIAL ASSISTANCE APPLICATION

Vanderbilt University Medical Center Financial Assistance Application

#### PATIENT INFORMATION

<table>
<thead>
<tr>
<th>Today’s Date: ________</th>
<th>Patient Full Name: ________________________________________________</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Last                     First                     Middle</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date of Birth: ________</th>
<th>Is patient a minor? Yes or No</th>
<th>Phone Number: (______) - ________</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Area Code     Number</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Account # (s): ________________________________________________</th>
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</thead>
</table>

<p>| Address: ____________________________________________________ |
|                                                             |</p>
<table>
<thead>
<tr>
<th>Street Address</th>
<th>Apartment/Unit #</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
</tr>
</thead>
</table>

#### RESPONSIBLE PARTY INFORMATION

Check here if same as patient [ ]

<table>
<thead>
<tr>
<th>Guarantor Name: ____________________________</th>
<th>Phone Number: (______) - ________</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Last                     First                     Middle</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Relationship to Patient: ___________________</th>
<th>Date of Birth: ___________________________________________</th>
</tr>
</thead>
</table>
**VANDERBILT UNIVERSITY MEDICAL CENTER**

**Policy Description:** Financial Assistance  
**Applicability:** VUMC Finance, VUMC Revenue Cycle  
**Approved By:** Finance and Revenue Cycle Policy Committee

**Policy Number** RC 2.0  
**Effective Date** February 2018  
**Approval Date** February 2018

Address:  
Street Address:  
Apartment/Unit #:  
City:  
State:  
Zip Code:  

**HOUSEHOLD INFORMATION**

1. Number of People in Household:  
2. Total Yearly Household Income (AGI): $__________

We need your permission to check your credit report information during the processing of your application to determine if you are qualified for financial assistance. Our search will not affect your credit score. Other lenders will not see this request. If you review your credit report, you will see the inquiry by Vanderbilt and Search America.

*Please sign below if you give your permission to review your credit report for application for financial assistance.*

Guarantor Signature  
Today’s Date

**PROOF OF INCOME**

☐ Include copy of most recent IRS tax return (Please do not send originals. We cannot return document.)

If recently unemployed, also provide:  
☐ Last Date and Place of Employment  
☐ Position Title/Supervisor’s Name  
☐ Letter of work separation

If you did not file taxes or if you have had a change in your household income since your most recent return, you can also send copies of any of the following for review:

☐ W9, 1099, other government forms  
☐ Social Security/Disability benefit letter  
☐ Food stamp letter  
☐ Most recent pay stubs for all household members (90 days)
In 4 to 6 weeks, you will receive a letter to inform you if you are eligible for financial assistance for an approved service. If you receive an approval letter, it does not mean that all services at Vanderbilt are approved or that future services will be approved for financial assistance. You will need to reapply each time you receive a new bill. For faster service, please call our Vanderbilt Patient Billing Customer Service Team at 888-274-7849 to reapply. You can also mail in a new application.

If you receive a letter informing you are not eligible for financial assistance and wish to appeal the decision, you can appeal the decision by mailing or faxing a completed Vanderbilt Financial Assistance Appeal Application attaching proof of income.

**Mail or Fax Application:**

Fax # 615-936-0620

Vanderbilt Patient Billing
Financial Assistance
One Hundred Oaks
719 Thompson Lane, Suite 30330
Nashville, TN 37204

**Questions?**

Call 888-274-7849
Monday-Friday 8am-5pm
APPENDIX C: FINANCIAL ASSISTANCE APPEAL APPLICATION

Vanderbilt University Medical Center Financial Assistance Appeal Application

PATIENT INFORMATION

Today’s Date: __________ Patient Full Name: ________________________________________________

                                    Last                        First                        Middle

Date of Birth: __________ Is patient a minor? Yes or No  Phone Number: (_____) ______ - ______

                                    Area Code                        Number

Account # (s): ______________________________________________________

Address: ______________________________________________________________

                                    Street Address                        Apartment/Unit #

                                    City                        State                        Zip Code

RESPONSIBLE PARTY INFORMATION

Check here if same as patient

Guarantor Name: ______________________ Phone Number: (_____) ______ - ______

                                    Last                        First                        Middle                        Area Code                        Number

Relationship to Patient: ______________ Date of Birth: ________________________________
Address: ___________________________________________________________

Street Address                                                     Apartment/Unit #

City                                                                State          Zip Code

PROOF OF INCOME

☐ Include copy of most recent IRS tax return (Please do not send originals. We cannot return document.) Also include an explanation on why you are asking for an appeal of your financial assistance application.

If recently unemployed, also provide:

☐ Last Date and Place of Employment
☐ Position Title/Supervisor’s Name
☐ Letter of work separation

If you did not file taxes or if you have had a change in your household income since your most recent return, you can also send copies of any of the following for review:

☐ W9, 1099, other government forms
☐ Social Security/Disability benefit letter
☐ Food stamp letter
☐ Most recent pay stubs for all household members (90 days)

Mail or Fax Appeal Application:

Fax # 615-936-0620
Vanderbilt Patient Billing
Financial Assistance Appeals
One Hundred Oaks
719 Thompson Lane, Suite 30330
Nashville, TN 37204

Questions?

Call 888-274-7849
Monday-Friday 8am-5pm
**APPENDIX D: CATASTROPHIC CARE GUIDELINES**

<table>
<thead>
<tr>
<th>Income Level for Household</th>
<th>Payment Requirement</th>
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<tbody>
<tr>
<td>Up to $50,000 annually</td>
<td>15% of annual gross income</td>
</tr>
<tr>
<td>$50,001 - $75,000 annually</td>
<td>20% of annual gross income</td>
</tr>
<tr>
<td>$75,001 - $100,000 annually</td>
<td>25% of annual gross income</td>
</tr>
<tr>
<td>Over $100,000 annually</td>
<td>30% of annual gross income</td>
</tr>
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</table>
APPENDIX E: AMOUNTS GENERALLY BILLED (AGB)

IRS Section 501(r) requires hospitals to limit the amounts charged for emergency and other medically necessary care provided to individuals eligible for financial assistance to no more than the amounts generally billed (AGB) to insured individuals. The AGB calculation is updated by May 1st of each year.

As of May 1st, 2017 the AGB is 34% of total billed charges for Eligible Health Care Services, resulting in an Uninsured Discount of 66%. 