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 is applicable to patients receiving Eligible Health Care Services at Vanderbilt University Medical Center (VUMC) including the following VUMC Divisions:

- Vanderbilt University Hospital (VUH)
- Monroe Carell Junior Children’s Hospital at Vanderbilt (MCJCH)
- Vanderbilt Psychiatric Hospital (VPH)
- Vanderbilt Health Services Entities (VHS):
  - Including:
    - Vanderbilt Home Care Services LLC
    - Cool Springs Surgery Center, LLC
    - New Light Imaging, LLC
    - Vanderbilt Imaging Services, LLC
    - Cool Springs Imaging, LLC
    - Belle Meade Imaging, LLC
    - One Hundred Oaks Imaging, LLC
    - Spring Hill Imaging, LLC
- Vanderbilt Integrated Providers (VIP)
  - VIP Mid-South, LLC
  - Hopkinsville Pediatric Association (HPA)
- Vanderbilt Maury Radiation Oncology, LLC
- Vanderbilt Health and Williamson Medical Center Clinics and Services, LLC
- Gateway Vanderbilt Cancer Treatment Center, GP
- School of Medicine Physicians practicing as the Vanderbilt Medical Group (VMG)
- School of Nursing (SON) Clinical Practitioners

DEFINITIONS:

Amounts Generally Billed (AGB): The amount generally billed to a VUMC patient who has insurance coverage as defined in IRS Section 501(r)(5).

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.

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**: Financial help with medical bills based on income standards
- **Catastrophic Financial Assistance**: Discount provided to patients when VUMC unreimbursed eligible medical expenses incurred in a one-year period exceed their annual household income

Eligible Health Care Services: Services which are emergent and other medically necessary care. Eligible Health Care Services exclude:

- Charges disallowed through utilization reviews or denials
- 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

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 Collections Actions: 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:

- A lien
- 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
- Wage garnishment

Family: The patient, the patient’s 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.
**Policy Description:** Financial Assistance

**Applicability:** VUMC Finance, VUMC Revenue Cycle

**Approved By:** Finance and Revenue Cycle Policy Committee

**Policy Number:** RC 1.0

**Effective Date:** 10/01/2013

**Approval Date:** 12/19/2014

**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 Codes Section 501(r) and selected by VUMC to determine AGB which uses past payments from Medicare or a combination of Medicare and commercial insurer payments.

**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 will not change the determination.

**Screening Process:** A process to determine if a patient qualifies for 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 Amounts Charged to Patients

IV. Method for Applying for Financial Assistance

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

VI. Eligibility information obtained from other sources

VII. 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 http://www.vanderbilthealth.com/FinancialAssistance, Financial Counselors, Patient Financial Services Customer Service, signage, and brochures distributed in VUMC clinic and hospital locations and specifically provided to patients prior to discharge as part of an inpatient admission. 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 as disclosed via a phone call to VUMC Patient Financial Services. These communications are available in English, Spanish, and Arabic.

II. Eligibility Criteria

The qualification for Financial Assistance will be based on the annual adjusted gross income of the patient (or patient’s household if filing jointly) for the current or prior year. 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.

Patients will have one hundred twenty (120) days from the date 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 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

Amounts charged to patients by VUMC will be calculated in accordance with RC 3.0 – Patient Discount Policy. This policy outlines the use of the Look-Back Method in determination of AGB and its effect on patient pricing.

IV. Method for Applying for Financial Assistance

Financial Assistance applications can be obtained at www.vanderbilthealth.com/FinancialAssistance/Application, by calling customer service at
Policy Description: Financial Assistance

Applicability: VUMC Finance, VUMC Revenue Cycle

Approved By: Finance and Revenue Cycle Policy Committee

Policy Number: RC 1.0

Effective Date: 10/01/2013

Approval Date: 12/19/2014

888-274-7849, contacting any VUMC inpatient registration locations, or by visiting the VUMC Financial Business Office at 719 Thompson Lane in Nashville, TN.

To apply for financial assistance a formal application may not be required. There are informational questions that a patient will need to answer for VUMC to complete the determination for Financial Assistance.

Complete Financial Assistance applications should be submitted to VUMC Customer Service at 719 Thompson Lane Suite 303, Nashville, TN 37204 for review and determination of eligibility. The percentage of the Financial Assistance adjustment is determined by using a sliding scale based on income and family size compared to the Federal Poverty Guidelines. Determinations are normally completed within thirty (30) business days after receipt.

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 be contacted via 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.

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 application or Screening Process before any Extraordinary Collections Actions are taken.

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.

VI. 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. This process may result in a reclassification of a received discount to Financial Assistance. All third party vendors will comply with applicable regulations during the Screening Process.

VII. Other Information

Uninsured patients will be provided an Uninsured Discount as outlined in RC 3.0 – Patient Discount Policy. This Uninsured Discount is given regardless of financial status. It may be
**Policy Description:** Financial Assistance

**Applicability:** VUMC Finance, VUMC Revenue Cycle

**Approved By** Finance and Revenue Cycle Policy Committee

<table>
<thead>
<tr>
<th>Policy Number</th>
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<tbody>
<tr>
<td>RC 1.0</td>
<td>10/01/2013</td>
<td>12/19/2014</td>
</tr>
</tbody>
</table>

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.


It is routine and customary for VUMC patients to receive scripts for pharmaceuticals to facilitate their care post discharge as a component of their on-going care plan. The nature of the discharge process is transitional and designed to effectively and efficiently arrange for the patient’s care in the next venue. Discharge Medications to be obtained at a Retail Pharmacy are a key component of the patient care transition. However, Retail Pharmacies follow a point of sale model requiring settlement of obligations prior to dispensing of the drugs which is a potential barrier to patient care transitions. Thus VUMC allows professionals involved in a patient’s clinical care to deem a patient as eligible for financial assistance so as to receive Discharge Medications without expectation of payment. Discharge Medications can be provided free of charge to patients for a specific time period at the request of Social Services, Physicians, Nurses, Pharmacist, Case managers or other licensed clinicians.

Any exceptions to this policy must be approved by the VUMC Chief Executive Office and / or the AVC/CFO.

Financial Assistance is calculated according to the Federal Poverty Guidelines set forth in Appendix A.

**Contact Information**

Questions regarding the interpretation of this policy should be directed to:

Email: financepolicy@vanderbilt.edu

**EXHIBITS:**

- Appendix A: 2017 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
Policy Description: Financial Assistance

Applicability: VUMC Finance, VUMC Revenue Cycle

Approved By: Finance and Revenue Cycle Policy Committee

Policy Number: RC 1.0
Effective Date: 10/01/2013
Approval Date: 12/19/2014

REFERENCES:

- RC 3.0 – Patient Discount 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, Chief Financial Officer and Treasurer</td>
<td>12/19/2014</td>
</tr>
<tr>
<td></td>
<td>Dr. David Raiford, Associate Vice Chancellor for Health Affairs, VUMC</td>
<td></td>
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<tr>
<td>VUMC Finance and Revenue Cycle Policy Committee</td>
<td>Cecelia Moore, Chief Financial Officer and Treasurer</td>
<td>04/13/2015</td>
</tr>
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<td></td>
<td>Dr. David Raiford, Associate Vice Chancellor for Health Affairs, VUMC</td>
<td></td>
</tr>
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</table>
## APPENDIX A: VANDERBILT UNIVERSITY MEDICAL CENTER CHARITY GUIDELINES

### 2017 Vanderbilt University Medical Center Charity Guidelines

<table>
<thead>
<tr>
<th>Family Size</th>
<th>2017 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>$12,060</td>
<td>$0 &amp; $24,120</td>
<td>$24,121 &amp; $27,135</td>
<td>$27,136 &amp; $30,150</td>
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<tr>
<td>2</td>
<td>$16,240</td>
<td>$0 &amp; $32,480</td>
<td>$32,481 &amp; $36,540</td>
<td>$36,541 &amp; $40,600</td>
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<tr>
<td>3</td>
<td>$20,420</td>
<td>$0 &amp; $40,840</td>
<td>$40,841 &amp; $45,945</td>
<td>$45,946 &amp; $51,050</td>
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<tr>
<td>4</td>
<td>$24,600</td>
<td>$0 &amp; $49,200</td>
<td>$49,201 &amp; $55,350</td>
<td>$55,351 &amp; $61,500</td>
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<tr>
<td>5</td>
<td>$28,780</td>
<td>$0 &amp; $57,550</td>
<td>$57,561 &amp; $64,753</td>
<td>$64,756 &amp; $71,950</td>
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<tr>
<td>6</td>
<td>$32,960</td>
<td>$0 &amp; $65,920</td>
<td>$65,521 &amp; $74,160</td>
<td>$74,161 &amp; $82,400</td>
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<tr>
<td>7</td>
<td>$37,140</td>
<td>$0 &amp; $74,280</td>
<td>$74,281 &amp; $83,565</td>
<td>$83,566 &amp; $92,850</td>
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<tr>
<td>8</td>
<td>$41,320</td>
<td>$0 &amp; $82,640</td>
<td>$82,641 &amp; $92,970</td>
<td>$92,971 &amp; $103,300</td>
</tr>
<tr>
<td>Each additional family member</td>
<td>$4,180</td>
<td>$0 &amp; $8,360</td>
<td>$8,361 &amp; $9,405</td>
<td>$9,405 &amp; $10,450</td>
</tr>
</tbody>
</table>

*VUMC’s 2017 Charity Guidelines are based on the 2017 U.S. Department of Health and Human Services Poverty Guidelines (which were published in the Federal Register on January 24, 2017)*
APPENDIX B: RAPID FINANCIAL ASSISTANCE APPLICATION

Vanderbilt University Medical Center Financial Assistance 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: (_____) ____ - ______ Area Code Number

Last __________ First __________ Middle

Relationship to Patient: __________ Date of Birth: __________

Address: ________________________________________________________________ Street Address Apartment/Unit #

City State Zip Code

HOUSEHOLD INFORMATION

1. Number of People in Household: __________

2. Total Yearly Household Income: $ __________

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 __________

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.)

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:

☐ Most recent pay stubs for all household members (90 days)
☐ Social Security/Disability benefit letter
☐ Food stamp letter

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>
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</tbody>
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