THE CHILDREN'S INSTITUTE

FINANCIAL ASSISTANCE AND BILLING AND COLLECTION POLICY

The Children's Institute ("Institute") provides family-centered care and coordination of services for children and youth with special needs and for any children needing rehabilitation services. The Institute serves patients in difficult financial circumstances and offers financial assistance to those who have established need to receive medically necessary services and meet the criteria for assistance.

I. PURPOSE

This policy serves to establish and ensure a fair and consistent method for uninsured and under-insured patients to apply and be considered for financial assistance related to medically necessary care. Reductions in patient financial responsibility involves financial assistance or discounted care based upon financial need as substantiated by satisfaction of the eligibility criteria. Please note that not all medical services qualify for assistance under this Policy.

II. SCOPE

This policy applies to all medically necessary care provided by the Institute at all of its locations. The Institute refers to the Commonwealth of Pennsylvania statutory and regulatory authority and third-party payor guidelines, including the definition used in connection with Medicaid, to define "medically necessary care."

The Institute is a specialty, pediatric rehabilitation hospital. Accordingly, the Institute does not have a dedicated emergency department, nor does it have specialized capabilities that make it appropriate to accept transfers of individuals who need stabilizing treatment for an emergency condition.

The Institute will provide the care for emergency medical conditions that the Institute is required to provide under Subchapter G of Chapter IV of Title 42 of the Code of Federal Regulations ("CFR"). The Institute has a separate clinical protocol to determine how emergencies should be appraised, and provides for initial treatment, immediately followed by transfer of the individual to an appropriate facility in a manner that complies with 42 CFR 482.12(f)(2).

III. POLICY STATEMENT AND GUIDELINES

It is the policy of the Institute to offer financial assistance to patients who are unable to pay their bills due to difficult financial situations and meet the criteria for assistance. The Institute will evaluate financial liability for those patients without the financial resources to pay for medically necessary healthcare services. Said consideration will be based upon the information set forth in a completed Financial Assistance Application ("Assistance Application").

IV. PROCEDURES

A. Publication of the Policy

The Institute's Assistance Application, along with a copy of this policy and the Financial Assistance Policy's plain language information page shall be posted, and available for download, on the Institute's website www.amazingkids.org. The Institute will conspicuously post notification of its Financial Assistance Policy in all of the Institute's facilities. In addition, paper copies of the Financial Assistance Policy, the Assistance Application and the Financial Assistance Policy's plain language summary will be made available upon request and without charge, both by mail and in person at public locations in the Institute's facilities, including the Admissions Office.

The Institute's Financial Assistance Application will also be offered, and can be submitted, prior to admission, at the time of admission, during the patient's stay, at the time of discharge or post-discharge. The Institute will include a conspicuous notice on billing statements that notifies patients of the availability of financial assistance and a telephone number where additional information concerning financial assistance can be obtained.

B. Eligibility Criteria Considered for Financial Assistance

The Director of Patient Access, or another individual appointed by the Institute, will review individual cases including insurance coverage or other sources of payments and make a determination regarding financial assistance that may be offered. Depending upon the applicant's demonstrated financial need and satisfaction of the eligibility criteria, either financial assistance or discounted patient financial obligations may be offered. Factors affecting eligibility for financial assistance include, but are not limited to, the following: income, family size, and citizenship. The Institute will also review any special circumstances that the patient would like to submit for consideration.

Eligible applicants include patients who do not have insurance and patients who have insurance, but are underinsured. The applicant must cooperate with any insurance claim submission and exhaust their insurance or potential insurance coverage before becoming eligible for financial assistance.

Eligibility is also contingent upon the patient's cooperation with the Assistance Application process and submission of all requested information including application to Medicaid if eligible, and where applicable, signed authorization forms allowing claims to be submitted to third-party insurers.

All eligible patients of the Institute will be provided the opportunity to apply for financial assistance from the Institute. The following eligibility criterion, which is not all-inclusive, is considered in the determination of eligibility for financial assistance:

- The patient does not have any third-party insurance.
- The patient does not meet the eligibility requirements for Medicaid.
- The services are not covered by a third-party payer or benefits are limited.
- The patient requests relief from patient responsibility balances.
- The patient completes and submits an application for financial assistance.
- The patient indicates that he/she does not have the financial resources necessary to meet his/her financial obligation.
- The patient must be a citizen of the United States, Canada or Mexico in order to be eligible for financial assistance under this policy. Applicants who are not a citizen of any of these countries should refer to the Institute's International Patient Policy for further guidance.

Noncompliance with insurance policy guidelines or failure to pursue available government assistance programs may prevent participation in the financial assistance program. Financial assistance will be provided only after applicable insurance coverage and government assistance programs have first been explored and applied to the extent possible. The Institute may request a new Financial Assistance Application on an annual basis depending upon the length of stay, discharge and possible readmission.

C. Method of Applying for Financial Assistance

The amount that a patient is expected to pay and the amount of financial assistance offered depends on the patient's insurance coverage and income and other factors set forth in the eligibility section of this Policy. The Federal Income Poverty Guidelines will be used in determining the amount of financial assistance and the amount charged to patients, if any, after an adjustment.

To apply, the patient must complete an Assistance Application and submit all of the requested information. The following supporting documentation should be submitted with the completed Assistance Application where applicable:

- Proof of household income, such as Social Security 1099 forms or award letters, unemployment or workers' compensation award letters, pay stubs for the last three months, or a copy of Schedule C from the most recent Form 1040 or a

profit and loss statement. If the applicant has no income, the person who provides support for the applicant should provide a signed letter as to the amount of support provided.

- If the applicant applies for and / or is granted medical assistance, applicants must provide the following: a copy of the confirmation notice of an online medical assistance application or proof of a hard copy of the medical assistance application (if applicable). If medical assistance is granted, the medical assistance identification number must be provided.

- Any other information the applicant wishes to include with the Assistance Application.

The Institute reserves the right to process an Assistance Application without a determination from a third-party payor including medical assistance, if there is sufficient information to make an accurate assessment of the patient's financial situation. The Institute will not deny financial assistance based on information that is NOT requested in this policy or in the Assistance Application.

Completed applications should be forwarded to the Billing and Enrollment Specialist who will correspond with the family and request any missing information. The Billing and Enrollment Specialist will forward the completed Assistance Application package to the Director of Patient Access or designee for consideration.

Once a determination has been made for financial assistance, a letter is sent to the applicant advising them of the decision.

D. Basis for Calculating the Amounts Charged

Under this policy, the Institute limits the amount of patient financial responsibility[1] for care that it provides to any individual who is eligible for financial assistance under this policy to the following:

1) *For medically necessary care*, the Institute will not charge more than the amounts generally billed (AGB) to individuals who have insurance covering such care;[2]

2) *For all other medical care* covered under this Financial Assistance Policy, the Institute will charge less than the gross charges for such care.

E. When the Applicant is Eligible for Financial Assistance

The amount that a patient is expected to pay and the amount of financial assistance offered depends upon the patient's insurance coverage and income as set forth in the

[1] "Patient financial responsibility" is the amount the Institute bills the patient.
[2] The Institute calculates multiple AGB percentages for separate categories of medically necessary care.

Eligibility Criteria described above. Note that a patient may be eligible for financial assistance if the individual has limited or no health insurance and is not eligible for government assistance, such as Medicare or Medicaid. To qualify, the patient must demonstrate financial need as outlined herein and provide the Institute with all requested information.

The Federal Income Poverty Guidelines will be used in determining the amount of the financial assistance and the amount charged to Financial Assistance Policy eligible patients, if any, after an adjustment. Financial eligibility is based on a multiple of the current year's Federal Poverty Guidelines, household income and family size. If a patient's household gross income falls at or below the thresholds established by these guidelines, he/she will be eligible for financial assistance.

In its determination of a reasonable and fair level of assistance, the Institute applies a sliding scale based upon the following:

At or below 200 percent of the federal poverty guidelines –	The patient is eligible for 100 percent financial assistance. The Institute's charges covered under this policy are completely waived.
Between 201 and 250 percent of the federal poverty guidelines -	The patient is eligible for an 80 percent reduction in charges from the Institute.
Between 251 and 300 percent of the federal poverty guidelines -	The patient is eligible for a 60 percent reduction in charges from the Institute.
Between 301 and 350 percent of the federal poverty guidelines -	The patient is eligible for a 40 percent reduction in charges from the Institute.

If a patient's household does not meet the eligibility guidelines, the patient may qualify by demonstrating that medical expenses and/or related catastrophic events have resulted in a financial burden that threatens the financial well-being of the patient and his or her family. The Institute must be able to validate these expenses and circumstances. Following a determination of FAP-eligibility, a FAP-eligible individual may not be charged more than AGB for emergency or other medically necessary care as required by Treasury regulations 1. 501 (r) – 4 (b) (2) (c).

F. When the Applicant is NOT Eligible for Financial Assistance

A patient may be eligible for discounted service, regardless of financial need, if the patient has limited or no health insurance, or has exhausted his/her benefits, or medical benefits are paid from a trust fund.

- For outpatient and physician services, a percentage of charge based on the Institute's AGB is used to calculate the discounted amount a patient can be awarded if the patient is not Financial Assistance Policy eligible and is responsible for full charges.

- For inpatient services provided to patients who are not Financial Assistance Policy eligible, a per diem, based on the Institute's AGB is used to calculate the charges a patient can be billed. This average may vary, at a minimum, based upon the nature of services provided for example, acute services, sub-acute services and respite services.

G. When an Assistance Application is NOT Submitted

If a Financial Assistance Policy application is not submitted, the patient is not billed gross charges, but rather, the patient receives a 20% discount on the gross charges. The discount does not include any deductible or co-insurance.

Once all third-party payments and contractual adjustments have been posted according to the Third-Party Accounts Receivable Liquidation Policy, the account balance is identified as Self-Pay and may be eligible for the discount.

The Institute reserves the right to further apply discounts; accordingly, the discount can be further lowered on a case-by-case basis jointly by the Vice President of Finance and Director of Patient Access.

V. BILLING AND COLLECTION

The Institute's billing and collection policies shall comply with federal and state regulations and laws governing healthcare billing and collections. No Extraordinary Collection Actions ("ECA") will be pursued against any patient within 120 of issuing the initial post discharge bill for inpatients or within 120 days of the monthly billing cycle for outpatients and without first making reasonable efforts to determine whether the patient is eligible for financial assistance.

Reasonable efforts shall include, but not be limited to, the following:

- Validating that the patient owes the unpaid amount and that all sources of third-party payments have been identified and billed by the Institute
- Prohibiting collection actions against an uninsured patient until the patient has been made aware of the Institute's Financial Assistance Policy
- Notifying the patient in writing of missing information or documentation required for the determination of financial assistance
- Confirming whether the patient submitted an application for health coverage under Medicaid or other publicly sponsored health care program.

A. Permitted Collection Actions in the Event of Nonpayment

In the event of nonpayment, the Institute's collection policy and procedures will be applied consistently within federal, state, and contract regulations and in accordance with Section 501(r) of the Internal Revenue Code. The Institute will not engage in an ECA before it makes a reasonable effort to determine whether a patient is eligible for financial assistance under this policy based upon receipt of a completed application.

B. ECA

The Institute or its third-party collector will not engage in an ECA against a patient whose financial assistance status is undetermined before 120 days after the post-discharge billing statement for inpatients and 120 days after the monthly billing cycle for outpatients . If it has not determined whether an individual is eligible for financial assistance, the Institute will accept an Assistance Application for another 120 days. The total period during which the Institute will accept and process an Assistance Application is 240 days from the date of the post-discharge billing.

If an Assistance Application is not received, the Institute will notify an individual about financial assistance by providing the individual with a written notice 30 days prior to initiating an ECA. The notice will include request for payment and provide a deadline after which an ECA will be initiated. Such notice will also include a plain language summary of the Institute's Financial Assistance Policy. The Institute will make a reasonable effort to orally notify the individual about the Institute's Financial Assistance Policy and the Assistance Application process.

The Institute will suspend an ECA while an Assistance Application is under review for determination as to eligibility. No collection agency, law firm, or individual may initiate legal action against a payment for non-payment of the Institute's bill without the written approval of an authorized officer or employee of the Institute.

C. Completed Assistance Application

If an ECA is initiated and subsequently a completed Assistance Application is received, the Institute will suspend any ECA, make a determination whether the individual is Financial Assistance Policy eligible, and notify the individual of its determination. If the individual is eligible for assistance other than financial assistance, the Institute will provide a billing statement that indicates the amount owed and how the amount was determined. The Institute will refund any amount paid that is in excess of the amount the individual is responsible for and reverse any ECA.

D. Incomplete Assistance Application

If an ECA is initiated and subsequently an incomplete Assistance Application is received, the Institute will suspend any ECA and notify the individual about how to complete the Assistance Application. Such written notification will outline the missing

information. If a completed Assistance Application is subsequently submitted, the Institute will process it as though it was received in a timely manner.

E. Third-Party Collections

If a collection agency identifies a patient as meeting the financial eligibility criteria as outlined herein, the patient's account will be considered for financial assistance. Any collection activity will be suspended on the account, and the Institute will review the Assistance Application. If the entire account balance is adjusted, the account will be returned to the Institute. If a partial adjustment is made, or the patient fails to cooperate with the financial assistance process, or if the patient is not eligible for financial assistance, the collection activity will resume.

VI. PROVIDER LIST

Refer to Appendix A which is attached to this policy for a list of providers covered under this policy.

VII. DEFINITIONS

- *Amount Charged* - The amount charged to an individual eligible under this Financial Assistance Policy is the amount that the individual is personally responsible for paying after all adjustments, discounts, financial assistance and insurance reimbursements have been applied.

- *Amount General Billed, or AGB* - The discount to gross charges applied to all patient accounts potentially eligible for financial assistance. The AGB is determined on an annual basis. The Institute utilizes the "Look Back" method, which provides that a hospital use data for the last 12 months from all insurances and the generally allowable amounts to determine the AGB rate for the year. The public may obtain the Institute's AGB and a description of the calculation by contacting Director of Patient Access.

  The AGB is calculated by multiplying the Institute's gross charges for the care by a percentage determined by dividing the sum of all of its claims that have been allowed by "health insurers" by the sum of gross charges for such claims. The term "health insurers" includes Medicare fee for service and all private health insurers that pay claims to the Institute. The amount of claims allowed include the full amount allowed by the health insurers, including the amount the individual is personally responsible for paying in the form of copayments, coinsurance or deductibles.

- *Discount* - The term "discount" means the adjustment from gross charges for services by eligibility based on qualification criteria.

- *Emergency Medical Care* - Care provided for emergency medical conditions as defined in Section 1867 of the Social Security Act (42 U.S.C. 1395dd). An emergency medical condition is defined as a medical condition manifesting itself by acute symptoms of sufficient severity such that the absence of immediate medical attention could reasonably be expected to result in (1) placing the health of the individual in serious jeopardy, (2) serious impairment to bodily functions, or (3) serious dysfunction of any bodily organ or part.

- *Extraordinary Collection Actions ("ECA")* - ECAs, as defined by the Internal Revenue Code Section 501(r) and related treasury regulations include the following:

    - Selling debt to another party, except under certain exceptions;
    - Reporting adverse information to consumer credit reporting agencies or credit bureaus;
    - Deferring or denying, or requiring a payment before providing medically necessary care;
    - Taking actions that require a legal or judicial process.[3]

- *Financial Assistance Policy Eligible* - The term "Financial Assistance Policy Eligible" means eligible for financial assistance under the Institute's Financial Assistance Policy for care covered by the Financial Assistance Policy, without regard to whether an individual has applied for assistance under the Financial Assistance Policy.

- *Financial Assistance* - The term "financial assistance" means the deduction from charges based on income eligibility/charity care criteria.

- *Gross Charges* - A hospital facility's full, established price for medical care that the hospital facility consistently and uniformly charges patients before applying any contractual allowances, discounts or deductions.

- *Medically Necessary Care* - The Institute refers to the applicable statutory and regulatory authority of the Commonwealth of Pennsylvania and third-party guidelines, including the definition provided for in connection with Medicaid, to define "medically necessary care."

[3] Including, but not limited to, the following:

- Placing a lien on property (subject to exception outlined in Section 501(r) of the Internal Revenue Code)
- Foreclosing on real property
- Attaching or seizing a bank account or any other personal property
- Commencing a civil action
- Causing an individual's arrest
- Subjecting an individual to a writ of body attachment
- Wage garnishments

- *Reasonable Efforts* - The Institute will have made reasonable efforts if it notifies the individual about the Financial Assistance Policy before initiating an ECA and refrains from initiating any ECA for at least 120 days from the date of the discharge billing statement. If an individual submits an incomplete Assistance Application, the Institute will notify the individual about how to complete the Assistance Application and give the individual reasonable opportunity to do so. If the individual submits a complete Assistance Application during the application period, the Institute will determine whether the individual is Financial Assistance Policy eligible in accordance with this policy.

- *Self-Pay* - The amount due to the Institute after services are rendered and all contractual, other payment options and reimbursements are exhausted. After all third-party payments and contractual adjustments have been posted according to the Third-Party Accounts Receivable Liquidation Policy, the account is identified as Self-Pay. The automatic discount on full charges for Self-Pay is 20%, which is posted to the account balance prior to sending a bill. This discount does not apply to charges that have been applied to the patient's deductible.

This policy may be reviewed and revised at any time as business needs require. The Institute's Board of Directors must approve any changes to this policy.

This Policy has been approved by:

The Board of Directors, an authorized body of the Children's Institute

on June 16, 2016.

The Children's Institute

Medical Staff

FY'18

Active Staff		
Justin Berthold, DO	Physical Medicine & Rehabilitation	2017 - 2019
Timothy Burg, DO	Physical Medicine & Rehabilitation	2017 - 2019
Scott Faber, MD	Pediatrics/subspecialties: neurodevelopmental disabilities, developmental-behavioral pediatrics	2016 - 2018
Howard N. Ferimer, MD	Pediatrics/subspecialty: critical care	2017 - 2019
Tania Kannadan, MD	Psychiatry	2016 - 2018
Glenn Kashurba, MD	Psychiatry	2016 - 2018
Andrew Lobl, MD	Family Medicine	2016 - 2018
Melvin Melnick, MD	Psychiatry	2017 - 2019

Mickey Merringer, MD	Family Medicine	2017 - 2019
Aileen Oandasan, MD	Psychiatry	2017 - 2019
Duke Ruktanonchai, MD	Psychiatry	2017 - 2019
Mary Louise Russell, MD	Pediatrics/Physical Medicine & Rehabilitation	2016 - 2018
Bethany Ziss, MD	Pediatrics/subspecialty: developmental-behavioral pediatrics	2016 - 2018
Allied Health Professionals		
Kara Malagise, PA-C	Physician Assistant	2017 - 2019
Alexandra Zambanini Kristobak, PA-C	Physician Assistant	2017 - 2019