



Category: Patient Accounting

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Hospital Hardship Settlement Policy

Objective

The Hospital Hardship Settlement Policy provides an opportunity for patients to request discounts on balances due to the hospital in excess of \$1,000.00. The purpose of this policy is to recognize that even after the administration of the hospital's automatic discount for all uninsured patients, there could still be situations where the patient is experiencing a financial hardship to pay the balance due in full. This policy also applies to insured patients who may also experience a financial hardship when paying their balance after all third party payments.

Wilkes Regional Medical Center (WRMC) has the following objectives for the hardship settlement process:

- **To model at all times WRMC's core value of "Caring"**
- **To provide settlements based on the patient's ability to pay**
- **To establish a process that minimizes the burden on the patient and is cost efficient to administer**

Definitions

The terms used within this policy are to be interpreted as follows:

- **Assets:** Includes real property equity and checking, savings, and investment account balances.
- **Bad Debt:** Accounts that have been categorized as uncollectible because the patient has been unable to resolve the outstanding medical debt.
- **Elective:** Those services that are, in the opinion of a physician, not needed or can be safely postponed.
- **Emergency Care:** Immediate care which is necessary in the opinion of a physician to prevent putting the patient's health in serious jeopardy, serious impairment to bodily functions or serious dysfunction of any organs or body parts.
- **Financial assistance:** Financial assistance is designed to assist qualifying patients who are unable to pay for all or part of their health care expenses.
- **Household Financial Resources:** Household Financial Resources as measured against annual Federal Poverty Guidelines are determined from a sum of annual household income plus any bank balances for checking and savings accounts. Sources of household financial resources include, but are not limited to, the following:
 - Annual household pre-tax job earnings
 - Personal and business checking, savings, and investment balances in excess of \$10,000.00
 - 50% of home equity in excess of \$100,000
 - Unemployment compensation
 - Workers' Compensation
 - Social Security and Supplemental Security Income
 - Veteran's payments
 - Current pension or retirement income
 - Future retirement assets currently available

- Other applicable income to include, but not limited to, rents, alimony, child support, and any other miscellaneous source
- Medically Necessary: Hospital services provided to a patient in order to diagnose, alleviate, correct, cure or prevent the onset or worsening of conditions that endanger life, cause suffering or pain, cause physical deformity or malfunction, threaten to cause or aggravate a handicap, or result in overall illness or infirmity.
- Underinsured: Patients covered by a source of third party funding, but at risk of high out-of-pocket expenditures due to their plan's benefit package. This may include, but is not limited to, high deductible plans, high coinsurance/copay plans, low per diem policies, etc.
- Uninsured: Patients who are not covered under an insurance health plan, an ACA subsidized insurance plan, Workers' Compensation, governmental plans such as Medicare and Medicaid, State/Federal Agency plan, Victim's Assistance, etc., or third-party liability resulting from automobile or other accidents.

Policy

Patients who do not qualify for financial assistance under the guidelines of the Hospital Financial Assistance policy may request to be reviewed for a hardship settlement.

The granting of a hardship settlement shall be based on a request from a patient and on the determination of financial need. Financial need will be determined by comparing a patient's total household financial resources and assets to the patient's total remaining hospital balance after payment by all third parties. To be eligible for a hardship settlement, the following criteria must be met:

- The remaining hospital balance after all third party payments must be greater than \$1,000.00 and has not been categorized as bad debt.
- The remaining hospital balance after all third party payments must be greater than 10% of the patient's total household financial resources and has not been categorized as bad debt.

WRMC will uphold confidentiality of information and maintain the dignity for all patients seeking a hardship settlement.

Eligibility Guidelines

- **Services Eligible:**
 - All medically necessary (as determined by a physician) inpatient services
 - All medically necessary (as determined by a physician) outpatient services
 - All hospital emergency medical services provided in an emergency room setting
- **Services Ineligible**
 - Elective and cosmetic services
 - Outpatient pharmacy services
 - Accounts categorized as bad debt
- **Patients Eligible**
 - North Carolina and South Carolina residents
 - Patients who properly and truthfully complete a Hardship Settlement Application
- **Patients Ineligible**
 - Patients provided assistance based on the Hospital Financial Assistance policy
 - Uninsured patients who did not cooperate with the process under the Hospital Financial Assistance policy.
 - Patients who do not reside in North Carolina or South Carolina
 - Patients who provide false information
- **Balances Eligible**
 - Remaining hospital balances after all third party payments in excess of \$1,000.00 that have not been categorized as bad debt.
 - Remaining hospital balances after all third party payments in excess of 10% of a patient's total household financial resources that have not been categorized as bad debt.

Eligibility Determination

If a patient cooperated with but is ineligible for the Hospital Financial Assistance process, they may choose to apply for a hardship settlement by downloading a Hospital Hardship Settlement application from the Hospital website. Patients can also request an application via mail by contacting the Hospital Business Office Customer Service department at 336-667-0408. Only completed applications will be reviewed.

Completed applications will be reviewed upon receipt and must be submitted within two weeks after requesting an application. Eligibility is based on a patient's total household financial resources and assets for the prior 90 days reported at the time of evaluation. Household financial resources and assets may be verified using a third party vendor. If there is a discrepancy between what the patient reported and what the third party vendor reported, additional documentation from employers and banking institutions may be required. The patient must fully cooperate with this process to be eligible for a hardship settlement.

Patients who can demonstrate that their remaining balance is at least 10% of their total household resources and the balance is greater than \$1,000.00 will be eligible for a discount outlined in the table below.

Hardship Settlement Discounts

Balance Due	Discount
Balance Due is equal to or greater than 50% of the patient's total Household Financial Resources	75%
Balance Due is equal to or greater than 35% and less than 50% of the patient's total Household Financial Resources	50%
Balance Due is equal to or greater than 10% and less than 35% of the patient's total Household Financial Resources	25%

Example: If a patient's outstanding obligation is \$20,000 and the patient's total household financial resources is \$50,000, they would qualify for a 50% discount and the balance due would be \$10,000.

Payment plans may be required to assist in payment of balances after financial assistance discounts.

WRMC reserves the right to reverse hardship settlements provided by this policy if the information provided by the patient during the information gathering process is determined to be false or if the Hospital obtains proof that the patient has received compensation for services from other sources.

APPROVALS

Policy Coordinator	Donna McClung, PFS Director
Vice President (or above)	Barry Wald, VP Finance and CFO