



**Policy:**

C12-A - Financial Hardship Discounts / Prohibition Against Waivers of Co-pays and Deductibles (LTACH, Inpatient Rehabilitation Hospitals, and Provider Based Outpatient Clinics, excluding Baylor Joint Venture locations)

**Issue Date:** 11/06/2000

**Revised Date:** 2/18/2016

**Approved By:** Compliance and Audit Committee

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## POLICY

### Waivers of Co-Payments and Deductibles

It is the policy of Select Medical that co-payments and deductible amounts relating to payment for services shall be collected to the full extent required by Federal and state laws and private payor agreements. In accordance with the Select Medical Compliance Program, Select Medical does not allow routine waiver of insurance co-payments or deductibles under any circumstances. In limited circumstances, patients may qualify for a financial hardship discount.

### Financial Hardship

Select Medical providers may provide discounts on payment for services or may waive or reduce co-payment or deductible amounts to patients who demonstrate financial hardship and who qualify for such discounts, based on inability to pay. Financial hardship will be determined in accordance with this policy based on the US Department of Health and Human Services Poverty Guidelines. The percentage discount will vary based on the patient's income level.

## PROCEDURES

### Waivers of Co-Payments and Deductibles

1. Waiver of co-payments or deductibles may be offered to patients who demonstrate financial hardship and who qualify for such discounts, based on inability to pay in accordance with this policy and the US Department of Health and Human Services Poverty Guidelines (see Attachment A). Such waivers are considered financial arrangements of last resort and proper documentation **must** accompany all requests (see Attachment B).
2. In accordance with Federal and state law, Select Medical providers may not "balance bill" patients for covered services rendered to patients.

## Financial Hardship

1. It is the responsibility of the Central Business Office Supervisor or Manager to determine the need for financial hardship discounts and determine the amount of the discount (as outlined in #3). At no time is inability to pay determined by the patient, i.e. a patient's signed declaration of his/her inability to pay his/her medical bills cannot be considered proof of financial hardship.
2. The patient's ability to pay may be reviewed at any time during the course of treatment. Typically, the patient's financial responsibility and ability to pay is determined before admission.
3. The following steps should be completed when considering and processing financial hardship discounts:
  - I. Determine if the pay source meets one of the following criteria for financial hardship eligibility:
    - a. Medicaid beneficiary with no co-pay requirements in plan,
    - b. Private pay, uninsured
    - c. Private pay, insurance will not cover treatment
    - d. Patient responsibility; insurance has paid and the remaining patient responsibility amount is under consideration for a financial hardship discount.
  - II. Medicaid beneficiaries, unless they have co-pay requirements, automatically qualify for financial hardship with a 100% waiver and do not need to complete the Personal Financial Disclosure form. However, a copy of the patient's Medicaid card or proof of eligibility must be obtained in order to qualify.
  - III. Assist the patient in completing a Financial Hardship Disclosure Form (see Attachment B). Determine if the income is for an individual or family. If for a family, determine the family size.
  - IV. Use the Sliding Scale Schedule (see Attachment A) to determine the patient's ability to pay.
  - V. Inform the patient that you will need proof of income. This can include, but is not limited to pay stubs and income tax returns.
  - VI. Forward the Financial Hardship Disclosure Form to the Central Business Office Supervisor or Manager who will determine the amount of the discount and approve.
  - VII. When a patient qualifies for a financial hardship discount, unless otherwise specified, the discount should consistently apply to all services rendered until the financial status is reconsidered, updated and documented.
  - VIII. Financial hardship discounts are considered financial arrangements of last resort. Proper documentation **must** accompany all requests for discount arrangements.

## Notes

- If patients inquire how financial hardship discount amounts are determined, you may tell them they are determined in accordance with Federal Poverty Guidelines, which are based on monthly gross income and number of dependents
- Please be aware that all government and most managed care contracts forbid *routine* waiver of co-pay and deductibles.
- Baylor Joint Venture locations must follow the Baylor Health Care System Charity Policy.

**ATTACHMENT A**  
**Select Medical Financial Hardship Schedule**  
**Sliding-Scale Schedule based on**  
**2016 US Dept. of Health and Human Services Poverty Guidelines**

**175% of Poverty Guidelines**

<b>Number of Dependents</b>	<b>Annual Gross Income</b>	<b>Monthly Gross Income</b>	<b>Hourly Rate, if Full-time</b>	<b>Waiver %</b>
1	\$20,790	\$1,733	10.00	100%
2	\$28,035	\$2,336	13.48	100%
3	\$35,280	\$2,940	16.96	100%
4	\$42,525	\$3,544	20.44	100%
5	\$49,770	\$4,148	23.93	100%
6	\$57,015	\$4,751	27.41	100%
7	\$64,278	\$5,356	30.90	100%
8	\$71,558	\$5,963	34.40	100%

**200% of Poverty Guidelines**

1	\$23,760	\$1,980	11.42	80%
2	\$32,040	\$2,670	15.40	80%
3	\$40,320	\$3,360	19.38	80%
4	\$48,600	\$4,050	23.37	80%
5	\$56,880	\$4,740	27.35	80%
6	\$65,160	\$5,430	31.33	80%
7	\$73,460	\$6,122	35.32	80%
8	\$81,780	\$6,815	39.32	80%

**225% of Poverty Guidelines**

1	\$26,730	\$2,228	12.85	50%
2	\$36,045	\$3,004	17.33	50%
3	\$45,360	\$3,780	21.81	50%
4	\$54,675	\$4,556	26.29	50%
5	\$63,990	\$5,333	30.76	50%
6	\$73,305	\$6,109	35.24	50%
7	\$82,643	\$6,887	39.73	50%
8	\$92,003	\$7,667	44.23	50%

**250% of Poverty Guidelines**

1	\$29,700	\$2,475	14.28	25%
2	\$40,050	\$3,338	19.25	25%
3	\$50,400	\$4,200	24.23	25%
4	\$60,750	\$5,063	29.21	25%
5	\$71,100	\$5,925	34.18	25%
6	\$81,450	\$6,788	39.16	25%
7	\$91,825	\$7,652	44.15	25%
8	\$102,225	\$8,519	49.15	25%

**Attachment B**  
**FINANCIAL HARDSHIP DISCLOSURE FORM**  
(Based on monthly gross income and dependents)

**Patient's Name:** \_\_\_\_\_  
Last First MI

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City State Zip Code

\_\_\_\_\_  
Date of Birth Social Security Number

**Monthly Household Gross Income**

\$

**Total Number of Household Members**

Insurance Plan: \_\_\_\_\_

Copay/Coinsurance/Deductible: \_\_\_\_\_

**INCOME DOCUMENTATION MUST BE INCLUDED TO MAKE A DETERMINATION. PLEASE FURNISH A COPY OF THE 3 MOST RECENT PAYSTUBS FOR ALL HOUSEHOLD INCOME REPORTED AND A COPY OF MOST RECENT INCOME TAX RETURN. IF NOT REQUIRED TO FILE A FEDERAL TAX RETURN, MEDICARE PATIENTS MAY SUBMIT A COPY OF THEIR SOCIAL SECURITY LETTER FOR THE YEAR SHOWING THE GROSS MONTHLY AMOUNT RECEIVED. PLEASE NOTE THAT ADDITIONAL INFORMATION MAY BE REQUESTED IF NEEDED TO ASSIST IN MAKING A DETERMINATION.**

**I the undersigned, certify that the above information is true and accurate.**

\_\_\_\_\_  
SIGNATURE DATE

\_\_\_\_\_  
WITNESS/TITLE

**Spouse's Name (if applicable):** \_\_\_\_\_  
Last First MI

**Amount of Waiver Based on Financial Hardship [To be completed by CBO]**

%

\_\_\_\_\_  
CBO Supervisor Approval Signature Printed Name Date

\_\_\_\_\_  
Patient Account Number Database Center