KEDREN COMMUNITY HEALTH CENTER, INC.

Kedren Community Care Clinic

Primary Care Services

KEDREN FINANCIAL ASSISTANCE POLICY

AND

BILLING AND COLLECTION POLICIES

2019-2021

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KCCC FINANCIAL ASSISTANCE POLICY

Policy#: 2.1A	**Policies & Procedures**	**Approved By:** BOD
Policy Title: Kedren Financial Assistance Policy	***Kedren Community Care Clinic***	**Effective Date:** December 1, 2020
		Date Revised/Reviewed: **October 2020**
Distribution: All Staff		**Manual: Financial**

Policy:

It is the policy of Kedren Community Care Clinic ("KCCC") to have a Financial Assistance Policy (Sliding Fee Discount Program) that is provided to all eligible patients with incomes at or below 200% of the current federal poverty guidelines, based solely on household size and income, and no other criteria. This policy is intended to adjust charges based on the patient's ability to pay in order to address financial barriers to care and is consistent with HRSA's most current Health Center Compliance Manual.

Purpose:

To assure the establishment of a Financial Assistance Policy and a sliding fee scale in conformity with federal poverty guidelines and requirements based upon patient's income and household size, whether the patient is insured or uninsured and to ensure KCCC has a sliding fee discount program that applies to all patients for all services within its HRSA-approved scope of project for which there are distinct charges.

Definitions:

For the purpose of this policy, the terms below are defined as follows:

A. **Family (Household) size:** Using the Census Bureau definition, a group of two or more people who reside together and are related by birth, marriage, or adoption, or legally recognized domestic partner.

B. **Family Income:** Family is determined using the Census Bureau definition, which uses the following income when computing Federal Poverty Guidelines:

    a. Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor from

estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources.

b. Capital gains or losses, noncash benefits (such as food stamps and housing subsidies), and tax credits do not count (determined on a before-tax basis);

c. If a person lives with a family, includes the income of all family members (non-relatives, such as housemates, do not count).

C. **Uninsured:** The patient has no level of insurance or third-party assistance to assist with meeting their payment obligations.

D. **Underinsured:** The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed their financial abilities.

E. **Sliding Fee Application Form:** The document used in the collection of information used to determine eligibility for the applicable fee according to the sliding fee scale.

F. **Eligibility period:** is one year from the time the sliding fee funding form is approved or sooner if there is a change in family size or income. The patient is required to notify the health center of any such changes.

G. **The Sliding fee discount is structured** to ensure that patient charges are adjusted based on ability.

H. to pay. The nominal charge(s) is less than the fee that would be paid by patients in the first sliding fee discount pay level above 100% of FPG.

I. Federal Poverty Guidelines (FPG) and Levels are updated and published in the Federal Register annually.

J. The **current FPG** are those which are always used in the calculations for all of the discounts pay levels.

K. **Nominal amount** is a flat nominal charge(s) for patients at or below 100% of Federal Poverty Level. The nominal amount is determined in a manner that ensures it is nominal from the patient's perspective and is not a barrier to care and it does not reflect the true cost of the service being provided.

L. **Setting the flat nominal** charge(s) for patients at a level that would be nominal from the perspective of the patient will occur using in one or more of the following methods: a) based on input from patient board members, b) patient surveys, c) advisory committees, d) review of co-pay amount(s) associated with Medicare and Medicaid for patients with comparable incomes e)utilization rates by sliding fee discount levels/tiers, collection rates by sliding fee discount

levels, etc.

M. **Sliding fee scale is updated annually** once the federal poverty levels are published and is approved by the Board of Directors. KCCC will also update all electronic systems and those patient information forms affected by the change in the Federal Poverty Level.

N. **Sliding fee discount program evaluation** occurs at a minimum once every three years or more often if deemed necessary.

O. **Self-Declaration** is allowed for patients that do not have any proof of income.

P. **The Kedren Community Health Center Board of directors approves** the sliding fee discount program.

Q. **Patients with third party** coverage may also be eligible for sliding fee discount program since eligibility is based on income and family size and no other criteria. Accordingly, a patient who has third party coverage and is eligible for sliding fee discount will pay the lower of the nominal flat amount/sliding fee discount charge or their deductible, co-pay, share of cost, etc.

R. **Services Covered** include all in scope service as identified in the KCCC's HRSA form SA.

S. There shall be at least three sliding fee levels between 100% and 200% of the FPL.

T. **Acceptable forms of proof of income include:** a recent (within 15 months) W-2 forms or the most recent pay stub(s) (within 2 months), most current income tax return (modified adjusted gross income (MAGI) amount. Additional verification includes unemployment letter, letter from parent or caretaker or employer, or other income from domestic partner or spouse, social security earnings, other retirement or VA benefits, child support, court orders, welfare checks, workman's compensation checks, etc. and self-declaration (Affidavit of Income/No Income form).

U. The KCCC will collect data to evaluate the effectiveness of its Sliding Fee Discount program at least once every three years.

Procedures:

1. **Establishing Discounts.** The KCCC has established a sliding fee schedule for all eligible patients whose annual individual or family incomes do not exceed 200% of the most current Federal Poverty Guidelines.
2. **Publicizing Discounts.** The KCCC will inform all patients of the availability of discounts through such means as notifications on intake forms, notices in public spaces, etc.
3. **Eligibility Documentation Assistance.** The Enrollment Specialist or other assigned health center

staff will assist patients in completing a sliding fee discount application and will collect relevant income verification documentation from patients. Whenever possible, completion of the sliding fee discount application and collection of income verification documentation will occur prior to Health Center rendering health care services to the patient, or as soon thereafter as is reasonable, but always prior to the application of the discount.

4. Under no circumstances will services be withheld or denied on account of delay of the eligibility documentation process. New Sliding Fee discount funding applications and collections of income verification documentation will be required of patients on an annual basis or more frequently (e.g., upon change in the patient's income status or change is family size).
5. Copies of all income verification forms and documentation will be added to the patient's electronic Health record.
6. **Application of Discounts.** Patients who have completed an application and have submitted income verification documentation, and who have been found based on their application and income verification documentation to be eligible for a discount will be charged in accordance with the sliding fee scale or nominal fee as applicable.
7. **Collections.** The KCCC will make a reasonable effort to collect all charges for health care services rendered, regardless of whether discounted charges or standard changes are applied. A reasonable effort may include, but is not limited to, requesting payments at time of a health care service being rendered. A patient's refusal to pay does not equate to an inability to pay. KCCC will maintain statements within the patient's health care record to keep track of charge balance. If balance is not paid, KCCC will write-off patient account balances more than 120 days past due as uncollectible, with the approval of the CEO or his/her designee.
8. No Denial of Services for Inability to Pay. Regardless of whether a patient qualifies for a discount, patient would not be denied services due to inability to pay.
9. Health Center shall ensure that patients are informed about availability of the Sliding Fee Discount Program (SFDP)
10. New patients requesting appointments or other services are informed of the availability of the sliding fee discount program. At the time of all telephonic appointment scheduling, all patients requiring documentation to qualify for the SFDP will be informed of the required documents.

11. An informational brochure/handout about the discount program is given to each new patient at the time of initial registration.
12. The KCCC shall post a notice about the Sliding Fee Discount Program at the reception area/intake desk and with Enrollment Specialist and/or other assigned staff. All shall provide reminders to patients regarding the availability of the sliding fee through printed displays.
13. Sliding Fee Discount Program will be provided in language and literacy level that accommodates KCCC's patients served.
14. KCCC shall maintain a uniform process for accessing and re-assessing for the sliding fee discount program applications and will verify patient eligibility no less than annually.
15. As part of the registration process, patients are asked their income and family size and if they are interested in financial assistance in paying for health services. If so, patients given the sliding fee application and are assessed for eligibility for the sliding fee discount program.
16. Patients applying for the Sliding Fee Discount Program are asked to provide a government issued photo identification card, household size and written verification of monthly income.
17. Temporary eligibility will be granted for those patients who have stated that they have written verification of monthly income but did not bring it to the appointment. Patients are advised to bring verification of monthly income to the clinic at their next visit. The patient will be asked to sign the Affidavit of Income/No Income form until verification is brought in.
18. Self-Declaration of Income form may also be used when income cannot be reasonably documented. Patients who are unable to provide written verification must submit, a signed statement of income with an extraordinary reason why independent verification cannot be provided.
19. If a patient qualifies for the Sliding Fee Discount program or receives temporary eligibility, the appropriate sliding scale discount shall be granted. To determine the sliding scale appropriate for each qualified patient, the total household income and family size shall be compared to the sliding fee scale chart.
20. Patients applying for the Sliding Fee Discount Program will be informed that they are obligated to contact KCCC if their income or household status changes at their next visit. Patients will be asked to verify their income annually for the sliding fee to apply.
21. KCCC will maintain uniform minimum payment terms for Sliding Fee Discount Program Services.
22. KCCC will request a nominal fee from patients at or under 100% of the federal poverty guidelines.

23. Sliding fee discounts apply to patient visits and related procedures.

24. When a sliding fee scale patient needs x-ray, pharmacy or other services not provided directly by KCCC, and not in the approved scope of project, the patient is responsible for paying for the service in accord with the discount provided in the sliding fee schedule of said service not provided directly by KCCC.

25. KCCC shall maintain consistent expectations for payment on outstanding balances and clearly communicate these expectations.

26. KCCC shall request and expect payment at the time of visit. Patients that cannot make their payment at the time of service will be asked to bring payment to the next visit.

27. The sliding fee scale is available to insured patients with payment responsibilities, who meet the income requirements, the patient will be charged no more than the discounted pay level for which she/he is eligible.

28. For patients without revenue (income) at the time of visit, or cannot make payment for nominal services, labs, or medication, Health Center will make every effort to facilitate care on behalf of the patient, despite their immediate inability to pay. The CEO or his/her designee will have discretion over financial decisions most beneficial to the patient, including adjusting payments.

BILLING AND COLLECTION POLICIES

KEDREN COMMUNITY HEALTH CENTER, INC.

Kedren Community Care Clinic

Primary Care Services

- BILLING AND COLLECTION POLICIES –

PATIENT BILLING COMMUNICATION

Policy: Relevant billing and collection policies are communicated to patients through either verbal or written means.

Purpose: To improve client relations and decrease confusion.

Procedures:

1. All new patients receive a written summary of relevant billing and collection policies; a verbal summary is given when appropriate.
2. When major revisions in policies occur, these changes are mailed to all active patients with an outstanding balance. A sign is posted in the waiting room stating that the practice is following a new collection policy (when this occurs).
3. Upon patient request, the practice provides a complete copy of the financial policies, including the fee schedule.
4. Sliding fee policy notice is located in each waiting room area and each patient is assessed for eligibility based on income and family size. Kedren assists all patients without any payor source determine if they are eligible for any third- party coverage and Sliding fee discounts program (Sliding fee applies to all patients with or without insurance- criteria is only for eligibility is only income and family size). See Kedren's sliding Fee Discount Program P & P.
5. No patient is denied service due to inability to pay.

REVENUE CYCLE MAXIMIZATION

Policy: Kedren will seek to maximize reimbursement through billing, charging, and coding accurately.

Purpose: To maximize the revenue cycle.

Procedures:

1. Kedren generates encounters timely and reconciles the encounter count to the patient visits. No encounters are to be maintained open for more than 72 hours.
2. Kedren enters all encounters in the practice management/billing system (ECW) timely.
3. Kedren's has a two-level claim scrubbing (editing and verification) process. The first level is an in-house built claim editing system and the second is through a third party who performs a second edit and verification process and then submitters the claims (third party billing vendor)
4. Month outstanding AR balance reports are run and all unpaid claims over 30 days are followed up by either a call or resubmission as deemed appropriate.
5. Month denied claim are reviewed and corrected and resubmitted for payment. Claims are re-filed within two weeks of receiving a denial. Kedren's COO and Senior Accountant/Financial Analyst are tracking the denied claims monthly. All denied claims are worked and resubmitted to ensure reimbursement is maximized.
6. The encounter forms are reviewed annually typically in December in order to reflect changes in CPT codes effective in January of each year. The practice updates its encounter forms on an annual basis for sooner if deemed necessary. All changes are made in the practice management system.

CREDIT BALANCES

Policy: To review credit balances and ensure they are truly overpayments and not incorrect postings or other system errors. Patient credit balances are limited to a dollar maximum determined by the CEO for all patients except those covered by Medicare. Medicare credit balances are reviewed quarterly and processed in accordance with the Medicare Credit Quarterly report requirements.

Purpose: To accurately reflect revenues and receivable balances and to comply with all government regulations.

Procedures:

1. Credit balances are reviewed by the COO or Senior Accountant/Financial Analyst for appropriateness.
2. Accounts with less than $l0 in credit balance are not issued a refund. The credit is applied to outstanding balances unless otherwise requested.
3. Accounts with greater than $l0 in credit balance are issued a refund check at the end of the month within which the balance was determined and requested by the patient or insurance carrier.
4. Medicare patients with a credit balance on their account of any amount are issued a refund check by the end of the month in which the balance was determined.
5. Patient Accounting staff will provide copies of each patient's account on which a credit balance is due to the Accounting Staff for processing.
6. Medicare Credit reports are generated quarterly and any overpayments from Medicare are refunded immediately.
7. Medi-Cal overpayments identified will be processed through the Medi-Cal track back system, in order to ensure that duplicate payment does not occur. Medi-Cal will take back the funds directly through subsequent RA's to Kedren.

CHARGE MASTER (FEE SCHEDULE)

Policy: Kedren maintains one fee schedule, which is reviewed at least once every three years and looked at annually and if necessary, updated by the COO/CFO/CEO once approved by the board. The fee schedule/charge master is designed to reflect closely the Center's total costs and to reflect reasonable and customary charges for the Center's service area (prevailing rates).

Purpose: To maximize revenues and to treat all the patients equally.

Procedures:

1. Kedren's fee schedule is reviewed and revised at least once every three years and if necessary, more often. The Center will also review current charges in its market and ensures that charges are comparable. In addition, the Center maintains fees which are above Medicare and Medicaid fee schedule amounts. Determination of Fee schedule based on health center costs and locally prevailing rates. As much as possible, fees reflect the cost of providing care.
2. The COO/ Senior Accountant/Financial Analyst with the CEO's approval may make minor changes to the fee schedule if a need is determined prior to the annual review. These would have to be considered minor such as incorporating new CPT codes etc. and would not require board approval.
3. All services listed on the fee schedule/charge master are coded correctly, based on the current edition of CPT codes.
4. Kedren may also use a consultant to perform a detail review of the charge master to determine the Center's cost per RVU and evaluate if the charge master reflects the center's cost as required by HRSA.
5. Kedren's Charge Master will be approved by the Board of Directors.

PATIENT BALANCES AND WRITE-OFFS

Policy: It is an expectation that patients will pay amounts they are responsible for at the time of the visit.

Purpose: To maximize revenues and ensure no patient is denied care due to inability to pay.

Procedures:

1. At the time of the patient visit the staff will make every effort to collect the appropriate payment from the patient.
2. Kedren staff members discuss financial matters with patients in a way that ensures privacy.
3. For billing and collection purposes, the receptionist obtains or verifies telephone, address, and insurance information for each patient at each visit. The receptionist explains that payment is expected at the conclusion of their visit.
4. If a patient expresses difficulty in paying the entire amount owed, the receptionist tries to obtain a partial payment.
5. If a patient does not have primary care insurance, staff referrers patient to an eligibility outreach staff to help the patient obtain coverage they may be eligible for. In addition, all patients are assessed for Kedren's sliding fee program.
6. Patient account balances more than 120 days past due are written off as uncollectible with the approval of the CEO or his/her designee.

CONTRACTING WITH THIRD PARTY PAYORS

Policy: Kedren will make all efforts to contract with third party payors and is a Medicare and Medical provider.

Purpose: To ensure that the Center's patient can be seen, and their coverage is excepted as form of payment. COO makes sure that the Center is contracted and credentialed with the majority payors for which patients have coverage.

Procedures:

1. COO makes sure Kedren is contracted with Medicare
2. COO makes sure Kedren is contracted with Medi-Cal
3. COO makes sure Kedren is contracted with any other public program that would benefit the Center's patients.
4. Any new payor's that currently are not contracted will be brought to the attention of the CEO and an evaluation will be performed to determine if a contract is needed.

SLIDING FEE PROGRAM & PATIENT ACCOUNTS

Policy: Kedren offers a Sliding Fee Scale Program (the Kedren Sliding Fee Program) to all patients. The Sliding Fee Policy is approved by the Board of Directors and staff is trained on Kedren's sliding fee process.

Purpose: To meet federal requirements and ensure access to care to all eligible patients.

Procedures:

1. Staff is trained on Kedren's sliding fee program and process.
2. Sliding Fee notices are posted in the waiting areas in both English and Spanish
3. Only patients with income below 200% of the current federal poverty guidelines will be eligible to participate in the Kedren sliding fee program (eligibility criteria are only income and family size). Patient at or below 100% of the Federal poverty level will only be charges a nominal amount which is flat and does not reflect the true cost of the services.
4. The Kedren Discount Plan is updated each year based on revisions to the federal poverty guidelines and is submitted to the Board of Directors for approval.
5. Patients, who qualify for the sliding fee program, will have their account balances adjusted for all amounts except the nominal fee/discount amount based on Kedren's sliding fee discount scale.
6. Refer to Kedren's Sliding Fee Policy for specific detail.

CODING (CPT AND ICD CODES)

Policy: Coding practices are reviewed annually.

Purpose: To maximize revenues.

Procedures:

1. Kedren purchases up-to-date copies of CPT and ICD coding books.
2. A profile of each provider's coding practices is performed annually or as needed. This information is shared with the profiled provider.
3. Medical records, claim forms, and encounter forms are reviewed to ascertain whether all of the documentation is consistent. This documentation must match for auditing, reimbursement and medical-legal purposes. Inconsistent documentation is reviewed with the provider and relevant office staff.
4. Kedren's ECW system is ICD10 compliant.