



STATE OF NEW YORK DEPARTMENT OF HEALTH

433 River Street, Suite 303, Troy, New York 12180-2299

Richard F. Daines, M.D.
Commissioner

June 22, 2007
DPACS: 07-09

Dear Chief Executive Officer:

As you know, Subdivision 9-a of Section 2807-k of the Public Health Law required all hospitals to implement financial aid policies and procedures by the effective date of January 1, 2007. In addition, Section 9-a(c) requires general hospitals to develop a summary of its financial policies and procedures that must be made publicly available. This letter and its attachment will outline the Department's expectations and provide a template that should be used in the creation of the summaries. The Department will collect the summary and the hospital's financial aid policies and procedures by **August 1, 2007**.

A hospital's summary must be clear and understandable and publicly available. At a minimum, the summary must include:

- Specific information as to income levels used to determine eligibility for assistance,
- A description of the primary service area of the hospital, and
- The means of applying for assistance.

For all hospitals, the financial assistance summary must be publicly available in the Emergency Department and during the intake and registration process. In addition, for hospitals with 24-hour emergency departments, conspicuous posting of language appropriate information is required in public areas such as waiting rooms, outpatient clinics, billing and Medicaid offices. For specialty hospitals, posting of language appropriate information is strongly encouraged. To meet this posting requirement, the Department has developed a sign that announces the availability of financial aid in multiple languages. This sign is available on the Department's Health Provider Network (HPN) at the following link: <https://commerce.health.state.ny.us/hpn/hco/hospitalguide.shtml>. In addition, CD-ROMs of the sign file are available by contacting Ruth Leslie at rw101@health.state.ny.us. If a hospital has independently developed a sign for this purpose, the use of such sign does not need to be discontinued in favor of the Department's, as long as it notifies the public of the availability of financial assistance in multiple languages and is displayed in public areas. For those hospitals who will use their own sign, the Department will request that the sign file be submitted to the Department with the financial assistance summary and policies and procedures by **August 1, 2007**. Hospitals that do not currently have a sign may use the Department's version to notify the public of its available financial assistance. Signs should be posted within two weeks from the receipt of this letter. Hospitals are reminded that notifications must also be printed on bills and statements.

A summary template has been attached to this letter that hospitals should use to create their hospital-specific financial assistance summary. If a hospital has already created a financial aid summary, there is no need to recreate another one using this template. For those hospitals without an existing template, it may be modified by replacing the red text with hospital-specific information about your financial assistance policies. It is also acceptable to add additional information, but the basic template should not be changed. Once the summary is complete, hospitals must submit it and a copy of its full financial aid policies and procedures to the Department by **August 1, 2007**. Please submit documents in .pdf format, if possible. Each summary will be posted as part of the financial assistance section of the Department's enhanced Hospital Profile website. It is also required that the summary will be made available in the languages spoken by 1% or more of the population of the hospital's service area, as identified by the hospital's annual language needs assessment.

It has come to the Department's attention that some hospitals are requiring all financial assistance applicants to receive a denial for Medicaid or other public insurance before allowing applicants to apply for financial assistance. While hospitals are within their rights under the statute to require patients who are potentially eligible for Medicaid or other publicly sponsored insurance programs to apply for such coverage as a condition of being considered for financial aid, the hospital must have a reasonable, good-faith basis for believing that the patient may be eligible for such coverage and should document the reason for that conclusion in the patient's records. An across-the-board requirement that all applicants for financial aid apply for Medicaid or other programs, even when it is clear they will not qualify, is not an acceptable procedure.

Further, in any case where a hospital requires the patient to apply for Medicaid or other public insurance, the Department strongly encourages hospitals to process financial aid applications concurrently to minimize delays in making financial aid available. To assist with the eligibility screening process, the Department is preparing a document that will outline recommended procedures. Once complete, this document will be available on the HPN at the following link:
<https://commerce.health.state.ny.us/hpn/hco/hospitalguide.shtml>.

Hospitals should use separate application forms and documentation checklists, if applicable, for Medicaid and financial assistance. In applying policies in this area, hospitals should recognize and take into account the fact that Medicaid will pay for services provided to Medicaid eligible patients for a period of ninety days prior to the patient's enrollment in Medicaid. Under these circumstances hospitals have the option of voiding the discounted bill, returning any money actually collected from the patient and billing Medicaid for the services provided.

The intent of the financial assistance law is to reduce the financial and socioeconomic barriers that deter uninsured individuals from receiving healthcare. In keeping with this goal, a hospital's application and approval process should be reasonable and straightforward, so that the process itself does not become an obstacle to obtaining health care services. The following list of Performance Guidelines, while not mandated under law, should be considered by each hospital to assist in streamlining and improving its current process.

Performance Guidelines

- If a hospital requires deposits prior to providing medical care, the hospital must take into consideration the income level of the applicant and adjust the deposit to be commensurate with the patient's ability to pay;

- To the extent possible, make information available on what patients can expect to pay, as this will encourage patients to seek preventative care;
- Hospitals should notify patients about separate billing from various parties that patients may encounter in the hospital setting, i.e. providers, laboratory services, etc., if applicable.
- Streamline documentation requirements for potential applicants to those that are necessary for the process e.g. one form of ID, one proof of residency, and one proof of income;
- In requesting documentation, hospitals should take into account the patient's individual circumstance and consider alternative forms of verification, which may include self-attestation;
- Develop training for staff, particularly financial assistance staff, on the requirements and intent of the financial assistance law and a hospital's specific policies and procedures;
- Review the provisions of PHL 2807 (9-a)(d) to ensure that interest charges for unpaid hospital bills are consistent with this provision of law;
- Consider a simplified, one page application form, such as the one enclosed in Attachment B;
- To alleviate the potentially duplicative application process for repeat admissions within a defined period of time and eliminate undue burden on applicants for repeated application submissions, an approved application should be effective for a specified period of time. For example, if an approved application was in effect for a 12-month period, re-application would not be necessary for each patient contact with the hospital during that period, assuming patient income status remains the same;
- Consider establishing a financial assistance hotline or work-friendly hours for the purposes of submitting a financial assistance application; and
- Materials and discussions with prospective applicants should encourage, not discourage, patients to apply for financial assistance, if they meet income requirements. Patients cannot be denied medically necessary care because they are eligible for financial assistance.

Should you have any questions about the content of this letter or attachment, wish to submit a summary and policies and procedures, or request the financial aid sign file, please contact Ruth Leslie at 518-402-1003 or rw101@health.state.ny.us.

Sincerely,

Martin J. Conroy
Director
Division of Primary and Acute Care Services

Attachments

[HOSPITAL NAME]

Financial Assistance Summary

[Hospital Name] recognizes that there are times when patients in need of care will have difficulty paying for the services provided. **[Name of Hospital's financial assistance program]** provides discounts to qualifying individuals based on your income. In addition, we can help you apply for free or low-cost insurance if you qualify. Just contact our Financial Counselor at **[Phone number]** or go to Room **[Room Number]** for free, confidential assistance.

Who qualifies for a discount?

Financial Assistance is available for patients with limited incomes and no health insurance. **[If your hospital has voluntarily extended financial assistance to under-insured patients, please indicate your policy here.]**

Everyone in New York State who needs emergency services can receive care and get a discount if they meet the income limits.

Everyone who lives in **[list counties in PSA or statewide]** can get a discount on non-emergency, medically necessary services at **[Hospital Name]** if they meet the income limits. You cannot be denied medically necessary care because you need financial assistance.

You may apply for a discount regardless of immigration status.

What are the income limits?

The amount of the discount varies based on your income and the size of your family. If you have no health insurance, these are the income limits: **[If your hospital has voluntarily expanded the income limits, please indicate here.]**

Family size	Annual Family Income	Monthly Family Income	Weekly Family Income
1	Up to \$30,630	Up to \$2,553	Up to \$589
2	Up to \$41,070	Up to \$3,423	Up to \$790
3	Up to \$51,510	Up to \$4,293	Up to \$991
4	Up to \$61,950	Up to \$5,163	Up to \$1,191
5	Up to \$72,390	Up to \$6,033	Up to \$1,392
6	Up to \$82,830	Up to \$6,903	Up to \$1,593

* Based on the 2007 Federal Poverty Guidelines

What if I do not meet the income limits?

If you cannot pay your bill, **[Hospital Name]** offers a payment plan to those patients that meet the income limits. The amount you pay depends on the amount of your income. **[If you extend your payment plans to others that exceed income limits, please indicate your policy here.]**

Can someone explain the discount? Can someone help me apply?

Yes, free, confidential help is available. Call **[person or department]** at **[DIRECT PHONE]**.

If you do not speak English, someone will help you in your own language.

The Financial Counselor can tell you if you qualify for free or low-cost insurance, such as Medicaid, Child Health Plus and Family Health Plus.

If the Financial Counselor finds that you don't qualify for low-cost insurance, they will help you apply for a discount.

The Counselor will help you fill out all the forms and tell you what documents you need to bring.

What do I need to apply for a discount?

[Indicate materials needed to apply such as a form of picture ID, a bill indicating his/her address, paystub or W-2, etc.]

If you can not provide any of these, you may still be able to apply for financial assistance.

What services are covered?

All medically necessary services provided by [Hospital Name] are covered by the discount. This includes outpatient services, emergency care, and inpatient admissions.

Charges from *private doctors* who provide services in the hospital may not be covered. You should talk to private doctors to see if they offer a discount or payment plan.

How much do I have to pay?

The amount for an outpatient service or the emergency room starts from \$0 for children and pregnant women, depending on your income. The amount for outpatient service or the emergency room starts from \$15 for adults, depending on your income.

Our Financial Counselor will give you the details about your specific discount(s) once your application is processed.

[If your hospital requires a deposit prior to providing services, please clearly indicate how it is fairly applied to eligible patients. Hospitals are encouraged not to set lump sum deposits at a level that would discourage patients from obtaining care.]

How do I get the discount?

You have to fill out the application form. As soon as we have proof of your income, we can process your application for a discount according to your income level.

You can apply for a discount before you have an appointment, when you come to the hospital to get care, or when the bill comes in the mail.

Send the completed form to [Hospital Name and address] or bring it to Room [room number]. You have up to 90 days after receiving services to submit the application.

How will I know if I was approved for the discount?

[Hospital Name] will send you a letter within 30 days after completion and submission of documentation, telling you if you have been approved and the level of discount received.

What if I receive a bill while I'm waiting to hear if I can get a discount?

You cannot be required to pay a hospital bill while your application for a discount is being considered. If your application is turned down, the hospital must tell you why in writing and must provide you with a way to appeal this decision to a higher level within the hospital.

What if I have a problem I cannot resolve with the hospital?

You may call the New York State Department of Health complaint hotline at 1-800-804-5447.

**Attachment B
Sample Application**

Name _____

Address _____

Phone _____

Family size / number in household _____

	Patient Income	Spouse Income
Wages		
Social Security payment		
Unemployment compensation		
Disability		
Workers compensation		
Alimony/child support		
Dividends/interest/rentals		
All other income		
Total		

I affirm that the above information is true, complete, and correct to the best of my knowledge.

Signed _____ Date _____

If you have questions or need help completing this application, call **[PERSON OR DEPARTMENT]** at **[DIRECT NUMBER]**.

If you have received a bill or bills from the hospital, check here: _____

You do not have to make any payment to the hospital until the hospital sends you a letter with its decision on your application.

Please send completed form and attachments to:

[DEPARTMENT]

[HOSPITAL]

[ADDRESS]