



# Atlantic Health System

## Administrative Policy & Procedure

**Subject:** Billing and Collection Policy/Financial Assistance for Low-Income, Uninsured and Underinsured Patients

**Effective Date:** 02/08/2024

**Primary Responsibility:** Director – Patient Financial Services

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### I. Purpose:

To ensure all patients receive essential emergency and other medically necessary health care services provided by Atlantic Health System, Inc.’s (“Atlantic Health System”) hospital facilities regardless of their ability to pay. This policy shall apply to any Atlantic Health System hospital, including Morristown Medical Center, Overlook Medical Center, Chilton Medical Center, Newton Medical Center, Hackettstown Medical Center and any Atlantic Health System facility that is designated as provider-based pursuant to 42 C.F.R. 413.65.

### II. Policy:

It is the policy of Atlantic Health System to ensure patients receive essential emergency and other medically necessary health care services provided by its hospital facilities regardless of a patient’s ability to pay. Financial assistance is available through a variety of programs as described in Section IV below to those low-income, uninsured and underinsured patients who do not otherwise have the ability to pay all or part of their hospital bill. This policy shall apply to any Atlantic Health System hospital facility, as noted above, and any Atlantic Health System facility that is designated as provider-based pursuant to federal regulations governing provider-based status at 42 C.F.R. 413.65.

Financial assistance and discounts are available only for emergency or other medically necessary health care services. Some services, including but not limited to, physician fees, anesthesiology fees, radiology interpretation and outpatient prescriptions are separate from hospital charges and may not be eligible for financial assistance through Atlantic Health System. A list of all providers, other than the hospital facility itself, providing emergency or other medically necessary care in the hospital facility, by facility, specifying which providers are covered by this Financial Assistance Policy (“FAP”) and which are not can be found at Appendix A to this FAP. The provider listings 2 will be reviewed quarterly and updated if necessary.

### III. General:

- A. Atlantic Health System will render health care services, inpatient and outpatient, to all New Jersey residents who are in need of emergency or medically necessary care, regardless of the ability of the patient to pay for such services and regardless of whether and to what extent such patients may qualify for financial assistance pursuant to this FAP.
- B. Atlantic Health System will not engage in any actions that discourage individuals from seeking emergency medical care, such as by demanding that emergency department patients pay before receiving treatment or by permitting debt collection activities in the emergency department or other areas where such activities could interfere with the provision of emergency care on a non-discriminatory basis.
- C. Atlantic Health System's FAP, application for financial assistance and Plain Language Summary ("PLS") are all available online at the following website: <http://www.atlantichealth.org/financialassistance>
- D. Atlantic Health System's FAP, application for financial assistance and PLS are available in English and in the primary language of populations with limited proficiency in English that constitute the lesser of 1,000 individuals or 5% of the community served by each hospital facility's primary service area. Translations of the FAP, application for financial assistance, and PLS are available in the languages set forth on Appendix B to this FAP. Every effort will be made to ensure that the FAP, application for financial assistance, and PLS are clearly communicated to patients whose primary languages are not included among the available translations.
- E. Paper copies of the FAP, application for financial assistance, and PLS are available upon request by mail, without charge, and are provided in various areas throughout the hospital facilities including admissions departments, emergency departments, and financial counseling offices listed below. Applications for financial assistance can be submitted in person, by mail, by fax, or by e-mail.

#### Financial Counseling Offices:

Morristown Medical Center: 100 Madison Avenue, Morristown, New Jersey 07960, Financial Counseling Office, Phone # 973-971-4967

Overlook Medical Center: 99 Beauvoir Avenue, Summit, New Jersey 07901, Financial Counseling Office, Phone # 908-522-4689

Chilton Medical Center: 97 West Parkway, Pompton Plains, New Jersey 07444, Financial Counseling Office, Phone # 973-831-5435

Newton Medical Center: 175 High Street, Newton, New Jersey 07860, Financial Counseling Office, Phone # 973-579-8407

Hackettstown Medical Center: 651 Willow Grove Street, Hackettstown, New Jersey 07840, Financial Counseling Office, Phone # 908-850-6902

- F. If patients need assistance obtaining paper copies of the FAP, application for financial assistance, or PLS, or if they need other assistance, they can reach the Customer Service Department at 1-800-619-4024 or visit or contact the Financial Counseling Offices listed above.
- G. Signs or displays will be conspicuously posted in public hospital locations including admissions areas, emergency departments, and Financial Counseling Offices that notify and inform patients about the availability of financial assistance.
- H. The PLS will be offered to all patients as part of the intake process.
- I. Atlantic Health System is committed to offering financial assistance to eligible patients who do not have the ability to pay for emergency and other medically necessary healthcare services in whole or in part. In order to accomplish this charitable goal, Atlantic Health System will widely publicize this FAP, the application for financial assistance, and the PLS in the communities it serves through collaborations with local social service and non-profit agencies.
- J. Patients or their representatives may request financial assistance. Patients or their representatives may be referred to financial counselors by Atlantic Health System employees, referring physicians, or others. Financial counselors will explain the requirements for the available financial assistance programs and will determine whether a patient is eligible for an available financial assistance program. Those patients requesting financial assistance will be required to complete the Atlantic Health System application for financial assistance (including the certification pages) and to provide the supporting documentation set forth in the application in order to be considered for financial assistance. Translated materials and interpreters will be used, as required, to allow for meaningful communication with individuals who have limited English proficiency.
- K. An uninsured patient has up to 365 days after the first post-discharge billing statement to submit a completed application for financial assistance. An insured or underinsured patient has up to 365 days from the first post-discharge billing statement reflecting processing by an insurer to submit a completed application for financial assistance.

#### IV. **Financial Assistance Programs:**

Patients of Atlantic Health System may qualify for free or discounted care under the various programs described below. In each case, Atlantic Health System will be deemed to have provided financial assistance in an amount equal to the gross charges for services provided, net of amounts paid by the patient or the patient's insurer (if any), and any governmental reimbursement or payment for such services. Atlantic Health System will report such net amounts (subject to application of a cost-to-charge ratio, in cases where financial assistance is appropriately reported based on costs rather than charges) as

financial assistance provided by the organization.

**A. New Jersey State Programs:**

**1. Charity Care:**

This program covers only acute care hospital charges for medically necessary services that would be covered under the State's Medicaid program if the patient were eligible for Medicaid. The Financial Counseling Office will make a determination of whether the applicant is eligible no later than ten (10) working days from the day the completed initial application was received. If the application is incomplete (e.g., a request for income/asset proof is not provided or is inadequate), a written denial will be issued, which will provide detail of the additional documentation needed to obtain approval. An uninsured applicant has up to 365 days from the date of the first post-discharge billing statement to re-apply for Charity Care with the required documentation. An insured or underinsured applicant has up to 365 days from the date of the first post-discharge billing statement reflecting processing by an insurer to re-apply for Charity Care with the required documentation. A patient eligible for Charity Care will receive free care or a discount off of gross charges, in accordance with the guidelines set forth at **Appendix C**.

Applicants who are ineligible may re-apply at a future date when they present for services and their financial circumstances have changed.

Charity Care is a State program available to New Jersey residents who:

- a. Have no health insurance coverage or have coverage that pays only for part of the bill,
- b. Are ineligible for any private or government-sponsored coverage (such as Social Security (retired and disability); Supplemental Social Security Income (SSI) accompanied by Medicaid; or Medicaid), and
- c. Meet both the income and assets eligibility criteria established by the State.

Additional criteria required to be eligible for Charity Care:

- a. Patients will be screened for the Charity Care program which covers (i) 100% of charges for patients with family gross income less than or equal to 200% of the federal poverty level; and (ii) a portion of charges for patients with family gross income greater than 200% but less than or equal to 300% of the federal poverty level in accordance with the guidelines set forth at **Appendix C**.
- b. The Charity Care eligibility limits are an individual asset limit of \$7,500 and family asset limit of \$15,000. For purposes of this Section, family members whose assets must be considered are defined in N.J.A.C. 10:52-11.8(a) as follows. Family size for an adult applicant includes the

applicant, spouse, any minor children whom he or she supports, and adults for whom the applicant is legally responsible. The family size for a minor applicant includes both parents, the spouse of a parent, minor siblings, and any adults in the family for whom the applicant's parent(s) are legally responsible. If an applicant documents that he or she has been abandoned by a spouse or parent, that spouse or parent shall not be included as a family member. A pregnant female counts as two family members.

Documentation required per the Charity Care Section of the Hospital Services Manual, N.J.A.C. 10:52 et seq., includes:

- a. Proper patient and family identification documents. This can include any of the following: driver's license, social security card, alien registry card, birth certificate, paycheck stub, passport, visa, etc.
- b. Proof of New Jersey residence as of the date of service (note: under certain circumstances, emergency care is an exception to the residency requirement). This can include any of the following: driver's license, voter registration card, union membership card, insurance or welfare plan identification card, student identification card, utility bill, federal income tax return, state income tax return, or an unemployment benefits statement.
- c. Proof of gross income. This should include the detail required by the hospital to determine the patient's gross income (one of the following):
  - i. Actual gross income for the 12 months preceding services.
  - ii. Actual gross income for the 3 months preceding services.
  - iii. Actual gross income for the month immediately preceding services
- d. Proof of assets as of the date of service. These are items which are readily convertible into cash such as stocks, bonds, IRAs, CDs, checking and savings accounts, or equity in a non-primary residence.

2. **Eligibility for Discounted Care Under N.J.S.A. 26:2H-12.52:**

Uninsured patients who are New Jersey residents with family gross income below 500% of the federal poverty level will be eligible to receive discounted care in accordance with Section IV.C. of the FAP. Documentation requirements applicable to Charity Care and set forth in Section A.1. above apply to eligibility determinations under this Section, except that the individual and family asset thresholds shall not apply to eligibility for discounted care under this Section.

3. **Catastrophic Illness in Children Relief Fund Program:**

The State of New Jersey's Catastrophic Illness in Children Relief Fund Program provides financial assistance to families of children with a catastrophic illness. Information about eligibility, eligible expenses, and applying for assistance can be found at <http://www.state.nj.us/humanservices/cicrf/home/>.

4. **New Jersey Victims of Crime Compensation Office:**

The State of New Jersey has established New Jersey Victims of Crime Compensation Office to compensate victims of crime for losses and expenses, including certain medical expenses, resulting from certain criminal acts. Information about eligibility, eligible expenses, and applying for assistance can be found a <https://www.njoag.gov/vcco>

B. **Self-Pay:**

1. **New Jersey Residents**

Uninsured patients who do not qualify for Charity Care or any other type of Federal or State funded financial assistance programs will be charged as follows:

- a. Inpatients: Patients receiving medically necessary inpatient treatment will be charged the appropriate Medicare DRG rate plus 15% for the service received.
- b. Outpatients: Patients receiving outpatient services at Atlantic Health System will be charged 115% of the appropriate Medicare rate.

2. **Out of State and Foreign Patients**

- a. Inpatients: Patients receiving medically necessary inpatient treatment will be charged the appropriate Medicare DRG plus 25% for the services received.
- b. Outpatients: Patients receiving outpatient services at Atlantic Health System will be charged 115% of the appropriate Medicare rate.

C. **Amounts Generally Billed**

Uninsured patients who are New Jersey residents with family gross income below 500% of the federal poverty level, who do not qualify for Federal, or State funded financial assistance programs (with the exception of Charity Care) will have a discount applied to their account in accordance with Section IV. Upon submission of an application for financial assistance and a determination that a patient is eligible for financial assistance under this Section, they will be charged the lesser of AGB or the appropriate Medicare rate plus 15%.

Atlantic Health System has chosen to use the Look-Back method for each respective hospital facility. The AGB percentages (by hospital facility) are:

Morristown Medical Center: 26.7%  
Overlook Medical Center: 26.0%  
Chilton Medical Center: 20.6%  
Newton Medical Center: 14.4%  
Hackettstown Medical Center 20.3%

In accordance with Internal Revenue Code Section 501(r), each hospital facility utilized

the Look-Back Method to calculate its respective AGB percentage. The AGB percentages were calculated based on all claims allowed over a 12-month period divided by the gross charges associated with these claims. The following payer mix was selected for all of the hospital facilities: Medicare fee-for-service + All Private Health Insurers.

The AGB percentages will be updated annually within one hundred and twenty (120) days of the calendar year-end. If the calculated AGB percentage results in an amount **less than** the amount the patient owes, the patient will only be responsible for the amount calculated under AGB.

If the calculated AGB percentage results in an amount **more than** the amount the patient owes, the patient will be responsible for the amount calculated under the financial assistance programs described above.

## **V. Billing and Collection Policy**

This Section sets forth the billing and collection policies and procedures of Atlantic Health System and explains the actions that may be taken if a bill for medical care, including a bill for a remaining balance after financial assistance discounts are applied, is not paid. Collection agencies and attorneys acting on behalf of Atlantic Health System will be provided with a copy of this FAP.

Each billing statement will include a conspicuous notice regarding the availability of financial assistance, along with a telephone number for the specific hospital facility's Financial Counseling Office where a patient can receive information about the FAP and assistance with the application for financial assistance. The billing statement will also include the website address where copies of the FAP, application for financial assistance, and PLS can be obtained.

- A. Notification period: Atlantic Health System will bill patients for any outstanding balance as soon as the patient balance is confirmed. For uninsured patients, the first post-discharge billing statement will mark the beginning of the 120-day notification period in which no extraordinary collection actions ("ECA") (defined below) may be initiated against the patient. For insured or underinsured patients, the first post-discharge billing statement reflecting processing by an insurer will mark the beginning of the 120-day notification period in which no ECAs may be initiated against the patient (the "120-day notification period").
- B. When a patient is delinquent in payment, a notice will be sent to the patient offering to discuss the billing statement to determine if financial assistance or a new or revised payment plan is needed. Atlantic Health System may accommodate patients who request and establish payment plans.
- C. When no payment has been received at the end of the 120-day notification period and a patient has not applied for financial assistance or arranged with the hospital facility's Financial Counseling Office or the hospital facility's Customer Service Office for an alternate payment plan, the patient's account will be turned over to a collection agency. Atlantic Health System will inform the patient in writing that the patient's account will be turned over to a collection agency if no payment is

received within 10 days (the “Final Notice”). The Final Notice will inform the patient that financial assistance is available for eligible patients and will include a telephone number for the specific hospital facility’s Financial Counseling Office where a patient can receive information about the FAP and assistance with the financial assistance application process. The billing statement will also include the website address where copies of the FAP, application for financial assistance and PLS can be obtained.

- D. Atlantic Health System may authorize collection agencies and attorneys working on Atlantic Health System’s behalf (a “Third Party”) to initiate ECAs on delinquent patient accounts after the 120-day notification period. Once an account has been referred to a Third Party, the Third Party will confirm that reasonable efforts have been taken to determine whether a patient is eligible for financial assistance under the FAP and that the following actions have been taken prior to initiating an ECA:
1. The patient has been provided with written notice (the “30-Day Letter”) which: (a) indicates that financial assistance is available for eligible patients; (b) identifies the ECA(s) that the Third Party intends to initiate to obtain payment for the care; and (c) states a deadline after which such ECAs may be initiated (which deadline is no earlier than 30 days after date that notice is provided);
  2. The 30-Day Letter included a copy of a plain-language summary of the FAP; and
  3. Atlantic Health System and/or the Third Party have taken reasonable efforts to orally notify the patient about the FAP and how the patient may obtain assistance with the financial assistance application process.
- E. Once it has been confirmed that reasonable efforts have been taken to determine whether a patient is eligible for financial assistance under the FAP, Third Parties may initiate the following ECAs against a patient to obtain payment for care:
1. Actions that require a legal or judicial process, including but not limited to:
    - a. Placing a lien on a patient’s property, except as otherwise provided in I.R.C. Section 501(r).
    - b. Commencing a civil action against a patient.

Actions may be initiated only if the balance owed is \$800 or more in the Aggregate.
  2. ECAs do not include liens on proceeds of personal injury judgments, settlements, or compromises, nor claims filed in bankruptcy.
- F. If an incomplete application for financial assistance is received, Atlantic Health System will provide the patient with written notice that describes the additional information or documentation required to make a FAP-eligibility determination.



Atlantic Health System will inform Third Parties that an incomplete application for financial assistance was submitted and Third Parties will suspend any ECAs to obtain payment for care for a 30-day period.

- G. If a completed application for financial assistance is received, Atlantic Health System will ensure that the following will take place:
  - 1. ECAs against the patient will be suspended.
  - 2. An eligibility determination will be made and documented in a timely manner.
  - 3. Atlantic Health System will notify the patient in writing of the determination and the basis for the determination.
  - 4. An updated billing statement will be provided which will indicate the amount owed by the FAP-eligible patient (if applicable), how that amount was determined and the applicable AGB percentage.
  - 5. Any amounts paid in excess of the amount owed by the FAP-eligible patient will be refunded accordingly (if applicable); and
  - 6. Third Parties will take all reasonable available measures to reverse any ECAs taken against the patients to collect the debt such as vacating a judgment or lifting a levy or lien.
  
- H. If any of the hospital facilities make presumptive eligibility determinations the following is required:
  - 1. If a patient is presumptively determined to be eligible for less than the most generous assistance available under the FAP, then Atlantic Health System will:
    - a. Notify the patient regarding the basis for the presumptive FAP-eligibility determination and explain how to apply for more generous assistance.
    - b. Give the patient a reasonable period of time to apply for more generous assistance before authorizing the initiation of ECAs to obtain the discounted amount calculated.
    - c. Re-determine the patient's FAP-eligibility status if a completed application for financial assistance is received.

References:

Internal Revenue Service, 26 CFR Parts 1, 53, and 602, Additional Requirements for Charitable Hospitals; Community Health Needs Assessments for Charitable Hospitals; Requirement of a Section 4959 Excise Tax Return and Time for Filing the Return; Final Rule; N.J.S.A. 26:2H-12.52; N.J.A.C. 10:52

Review/Approval Summary: AHS Policy Oversight Committee (APOC) and AHS Board of Directors			
Origination Date:	11/08/2004	APOC Approval Date:	02/07/2024
Last Revision Date:	03/01/2023	AHS Board Approval Date:	01/30/2024

## APPENDIX A

### PROVIDER LIST

The Atlantic Health System, Inc. (“Atlantic Health System”) Financial Assistance Policy (“FAP”) shall apply to emergency or other medically necessary care provided at an Atlantic Health System hospital or provider-based outpatient facility that is billed by AHS Hospital Corp., a subsidiary of Atlantic Health System.

The FAP shall also apply to emergency or other medically necessary inpatient care provided at an Atlantic Health System hospital by Practice Associates Medical Group, P.A. d/b/a Atlantic Medical Group (“AMG”) physicians. The FAP shall not apply to the professional fees billed by AMG physicians for care provided outside of an Atlantic Health System hospital.

**OTHER PROVIDERS MAY PARTICIPATE IN YOUR CARE AT ATLANTIC HEALTH SYSTEM HOSPITALS AND OUTPATIENT FACILITIES. IF THOSE PROVIDERS ARE NOT SPECIFICALLY LISTED ABOVE, THEY DO NOT FOLLOW THE ATLANTIC HEALTH SYSTEM FINANCIAL ASSISTANCE POLICY. YOU WILL BE BILLED SEPARATELY BY THOSE PROVIDERS AND WILL NEED TO MAKE PAYMENT ARRANGEMENTS ACCORDINGLY.**

This Provider List will be reviewed and updated quarterly, if necessary. For assistance with questions regarding the FAP or this Provider List, please call the Customer Service Department at 1-800-619- 4024.

## APPENDIX B

Translations of the FAP, application for financial assistance and PLS are available in English and the following languages:

Arabic  
Armenian  
Chinese  
French Creole  
Greek  
Gujarati  
Hindi  
Italian  
Japanese  
Korean  
Polish  
Portuguese  
Russian  
Serbo-Croatian  
Spanish  
Tagalog

**INCOME CRITERIA**  
**CHARITY CARE AND REDUCED CHARITY CARE ELIGIBILITY CRITERIA**  
**Effective: March 15, 2024**

Patient Must Meet Both the Income and Assets Criteria

**INCOME CRITERIA**

Percentage of Charges Paid by Patient When Gross Annual Income is Within the Following Ranges

	<b>Patient Pays 0% of Charges</b>	<b>Patient Pays 20% of Charges</b>	<b>Patient Pays 40% of Charges</b>	<b>Patient Pays 60% of Charges</b>	<b>Patient Pays 80% of Charges</b>	<b>Patient Pays 100% of Charges</b>
<b>Family Size</b>	<b>&lt;=200%</b>	<b>&gt;200&lt;=225%</b>	<b>&gt;225&lt;=250%</b>	<b>&gt;250&lt;=275%</b>	<b>&gt;275&lt;=300%</b>	<b>&gt;300%</b>
1	\$30,120 or less	\$30,121 to \$33,885	\$33,886 to \$37,650	\$37,651 to \$41,415	\$41,416 to \$45,180	\$45,181 or more
2	\$40,880 or less	\$40,881 to \$45,990	\$45,991 to \$51,100	\$51,101 to \$56,210	\$56,211 to \$61,320	\$61,321 or more
3	\$51,640 or less	\$51,641 to \$58,095	\$58,096 to \$64,550	\$64,551 to \$71,005	\$71,006 to \$77,460	\$77,461 or more
4	\$62,400 or less	\$62,401 to \$70,200	\$70,201 to \$78,000	\$78,001 to \$85,800	\$85,801 to \$93,600	\$93,601 or more
5	\$73,160 or less	\$73,161 to \$82,305	\$82,306 to \$91,450	\$91,451 to \$100,595	\$100,596 to \$109,740	\$109,741 or more
6	\$83,920 or less	\$83,921 to \$94,410	\$94,411 to \$104,900	\$104,901 to \$115,390	\$115,391 to \$125,880	\$125,881 or more
7	\$94,680 or less	\$94,681 to \$106,515	\$106,516 to \$118,350	\$118,351 to \$130,185	\$130,186 to \$142,020	\$142,021 or more
8	\$105,440 or less	\$105,441 to \$118,620	\$118,621 to \$131,800	\$131,801 to \$144,980	\$144,981 to \$158,160	\$158,161 or more
For families with more than 8 members, add the following amounts to the highest amount in each column for each additional family member.						
	\$10,760	\$12,105	\$13,450	\$14,795	\$16,140	
* A pregnant woman is counted as 2 family members.						
If patients on the 20% to 80% sliding fee scale are responsible for qualified out-of-pocket paid medical expenses in excess of 30% of their gross annual income (i.e. bills unpaid by other parties), then the amount in excess of 30% is considered hospital payment assistance (charity care).						

**ASSETS CRITERIA**

Individual assets cannot exceed \$7,500 and family assets cannot exceed \$15,000.