POLICY

Policy Name:	Erlanger Western Carolina Medical Debt Mitigation: Financial Assistance and Payment Plan Policy				
Policy #:		**Policy Dept.:**	Patient Financial Services	**Population:**	☒ **Adult** ☒ **Peds**
Approval Authority:	Chief Financial Officer		**Originally Effective:** 1/01/2025	**Revised Effective:**	7/1/2025
Responsible Executive:	Chief Financial Officer		**Revised:**	3/6/2025, 6/26/2025	
Responsible Office:	Patient Financial Service		**Contact:**	Vice President, Revenue Cycle	

1. **Policy Statement:**

It is the policy of Erlanger Western Carolina Hospital **(Erlanger)** to grant our patients access to essential or non-elective care, regardless of their ability to pay, through a fair and equitable system for determining financial assistance with established guidelines.

2. **Who Should Read This Policy?**

All Erlanger Staff who regularly have patient or guarantor contact, particularly those staff members working in Patient Financial Services and Patient Access.

All individuals who may be eligible or would like to apply for financial assistance pursuant to this policy.

3. **Purpose**

The purpose of this policy is to explain the financial assistance available to patients, describe the application process, and highlight payment plans.

4. **Definitions**

Amounts Generally Billed (AGB): The amounts generally billed for emergency or other Medically Necessary care to individuals who have insurance covering such care. For purposes of this policy, Erlanger uses the prospective Medicare method to determine AGB. Using the prospective Medicare method, an individual who qualifies for financial assistance will never pay more than the AGB because an individual eligible for financial assistance pursuant to this policy is not charged for Medically Necessary care or care for an Emergency Medical Condition.

Application Period: A patient or guarantor may apply for financial assistance for Medically Necessary care up to 240 days **after** the date the first post-discharge billing statement for that care is provided.[1] For example, an individual receives Medically Necessary care on February 1st and is discharged in mid-February. The billing statement for that care is provided on March 2nd. The individual may apply for

[1] In the case of any billing statement that is mailed, the date of mailing is when it is "provided." The date that a billing statement is provided can also be the date such communication is sent electronically or delivered by hand.

financial assistance up to 240 days **after** March 2nd (which would result in a deadline of October 28th). This deadline may be extended in certain circumstances defined by applicable law. Once a timely application for financial assistance has been submitted, processed and approved, the determination of eligibility for financial assistance from that application will apply to all dates of service for a term of 240 days from the date of service to which financial assistance was first applied, unless otherwise specified. Erlanger may accept applications for prospective care. Any determinations made for prospective care purposes may also be used in assessing eligibility for financial assistance regarding dates of service for which the first billing statement was provided 240 days prior to the date the application was received.

Emergency Medical Condition: A medical condition manifesting itself by severe, acute symptoms such that the absence of immediate medical attention could reasonably be expected to result in: placing the health of an individual in serious jeopardy, serious impairment to bodily functions, or serious dysfunction of any bodily organ or part. Despite any limitations or expansions contained the foregoing language, this policy explicitly adopts the definition of emergency medical condition contained in 42.U.S.C. § 1395dd.

Family: A group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the patient claims someone as a dependent on an income tax return, that person may also be considered Family for purposes of the provision of financial assistance.

Family Income: Income for all Family members residing in the same household, including earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the Family, and other miscellaneous sources of funds, including other income such as prizes, awards, and gambling winnings.

Income for the purposes of this policy is determined on a pre-tax basis, and it **does not** include: non-cash benefits (such as food stamps and housing subsidies); or income of non-Family, except to the extent that it is used for the benefit of Family members (assistance). If a Family member operates or has an ownership interest in a business, the gross receipts, deductions, income, profit and loss statements and business operations of that business will also be evaluated in determining Family Income.

Federal Poverty Guidelines (FPG): A measure of income issued every year by the Department of Health and Human Services (HHS) based on household size. It can be accessed at https://aspe.hhs.gov/poverty-guidelines. Eligibility for some of the financial assistance available in this policy is based on Family Income in relation to the applicable FPG.

Financial Advocate: An Erlanger representative responsible for assisting patients and guarantors with identifying and applying for public fund options (Medicare, Medicaid, etc.). These representatives also assist in the financial assistance application and determination process.

Gross Charges: The total charges at Erlanger's full established rates for the provision of patient care services before deductions from revenue are applied.

Healthcare Share Program (HSP): A program in which an individual pays a membership fee, premium, or other amount to join or remain active in the program, but the individual is not contractually entitled or guaranteed to have medical services covered and paid by the healthcare share program. Rather, the program relies upon voluntary contributions to satisfy any medical debt of its members and is not contractually obligated to make any payment towards its members' covered medical services. These programs are not managed as a traditional insurance plans. These programs are not flexible spending or health savings accounts (commonly known as FSAs and HSAs). As a courtesy to members of these programs, Erlanger may allow 30 to 90 days to receive payment from the HSP before an account is billed to the next responsible party.

Health Insurance Market Place: Organization set up to facilitate the purchase of health insurance in every state of the United States in accordance with Patient Protection and Affordable Care Act. Marketplaces provide a set of government-regulated and standardized health care plans from which individuals may purchase health insurance eligible for federal subsidies.

Medically Necessary: Services or supplies that: (1) are proper and needed for the diagnosis or treatment of a medical condition; (2) are provided for the diagnosis, direct care, and treatment of a medical condition; (3) meet the standards of good medical practice in the local area; and (4) aren't mainly for the convenience of the patient or his or her doctor. Medically Necessary care specifically does not include cosmetic services as described in North Carolina Department of Health Benefits Clinical Coverage Policy No: 1-O-1.

Uninsured: A person is uninsured if he or she has no health insurance and no third-party liability/recovery (such as legal claim or lawsuit against someone else) or other assistance in meeting his or her medical payment obligations. In other words, an uninsured person is a person who is solely responsible for the full balance of his or her own medical bills without any discounts or reductions due to a contractual relationship with an insurance company or government benefit plan and without an enforceable obligation against another person or entity for the payment of such medical bills. When insurance coverage for a specific service is denied because of a lack of coverage, a person may be considered uninsured for purposes of that service where the denial was not due to the fault of the insured.

5. Scope

This policy applies to the following Erlanger facilities and Erlanger-employed physicians providing services at:

Erlanger Western Carolina Hospital
3990 E U.S. Highway 64 Alt
Murphy, NC 28906

This policy is NOT applicable to the following Erlanger facilities:

Erlanger Community Health Centers
All Erlanger ExpressCare locations
The Walk-in-Clinic at Volkswagen Drive
Erlanger Behavioral Health Hospital
Erlanger Rural Health Clinics
Erlanger Western Carolina Health Clinics
Erlanger Retail Specialty Pharmacy
Erlanger facilities located in Tennessee

The Rural Health Clinics, Erlanger Western Carolina Health Clinics and the Erlanger Community Health Centers offer financial assistance pursuant to their individual sliding scale policies. Please see those sliding scale policies for further information about financial assistance available at those clinics and centers. Erlanger Behavioral Health Hospital and Erlanger Hospital Facilities located in Tennessee offer financial assistance in accordance with their financial assistance policies.

6. Financial Assistance

It is the policy of Erlanger to provide Medically Necessary and emergency medical care to all individuals without discrimination and regardless of their ability to pay or eligibility for financial assistance. Additionally, pursuant to the Emergency Medical Treatment and Labor Act (EMTALA) and billing and collections policies, Erlanger does not demand or require payment prior to rendering emergency medical services. Furthermore, as outlined in Erlanger's billing and collections policy, Erlanger does not engage in collection practices that interfere with the provision of any emergency medical care.

Erlanger provides financial assistance for Medically Necessary or emergency inpatient and outpatient care provided by Erlanger to those who qualify, as described more fully below. A list of providers covered by

this financial assistance policy, and a list of providers who are excluded from this policy, can be found by clicking on the link for "Providers Covered by Financial Assistance" at www.erlanger.org/westernpolicies. Note, that because this policy does not cover services provided in the Western Carolina Health Clinics or Rural Health Clinics, this policy does not apply to any providers while providing services at those clinics, even if they are listed as a covered provider. A paper copy of this list is also available for free from Ambassadors/PSRs or by contacting Patient Financial Services (PFS) in person or by mail or telephone at:

Patient Financial Services (PFS)
3990 E. US Hwy. 64 Alt.
Murphy, NC 28906
828-835-3662

Part I. Financial Assistance Available

Erlanger offers free or discounted Medically Necessary care and care for Emergency Medical Conditions covered by this policy to those individuals who qualify for financial assistance.

Erlanger, as a part of the financial assistance available, also offers outstanding medical debt relief to certain FAP-eligible individuals as described more fully in Part VI below.

Part II. Eligibility

To be eligible for financial assistance, a patient must also be ineligible for full coverage under Medicare, Medicaid or insurance available under the Health Insurance Market Place or employer-sponsored plan. If a patient has insurance, an HSP, or a potential claim for third party liability, the patient must first exhaust these sources for payment, which may include seeking care from in-network providers, prior to the application of any financial assistance to medical bills. Please see the table below for financial assistance available.

	Patient Population	**Amount of Discount**
A	All Patients who are Presumptively Qualified	100% after any insurance or third-party payments
B	All Patients with Family Income at or below 250% FPG	100% after any insurance or third-party payments
C	North Carolina Residents with Family Income between 250%-300% FPG**	50% of co-insurance amount for insured individuals, or 50% of AGB for uninsured individuals

**Note that discounts for this patient population (C) does not apply to co-pay amounts.

In addition to assets and information that the patient or guarantor self-reports, Erlanger may rely upon its own records, real estate records, bankruptcy filings, probate filings, credit reports, and other searchable and publicly available data to validate and evaluate an application for financial assistance. Erlanger will also consider temporary factors, such as short-term layoff, unemployment, disability or other demonstrated hardships.

Because those who qualify for free care under category A or B above will not pay any covered charges associated with an Emergency Medical Condition or Medically Necessary care after application of insurance/third-party payments, they will not pay more than the Amounts Generally Billed for those covered services. For insured persons who qualify for financial assistance under category C above, they will pay the lesser of the discounted co-insurance amount plus any co-pay amounts **or** 100% of AGB.

If the patient is deceased, a Family member or estate executor may apply for financial assistance on behalf of a deceased patient. Erlanger may rely upon prior credit reports, probate filings, bankruptcy filings, real estate records, prior tax returns and all other available data to evaluate the appropriateness of the application of financial assistance in such cases. The application and supporting documentation should reflect the decedent's circumstances prior to death, including household members, Family Income, and assets, including real estate.

Part III. How to Apply for Financial Assistance

Patients can qualify for financial assistance through two pathways: (a) presumptive eligibility process or (b) the application process.

A. Presumptive Eligibility Process

The presumptive eligibility process is only available to:

- Uninsured patients whose Family Income FPG is equal to or less than 200% as determined by Erlanger;
- Deceased patients for whom no probate estate is opened or for whom no muniment of title has been filed, if Erlanger us unable to locate a liable party or significant assets to probate;
- Patients enrolled in Medicaid; or
- North Carolina Residents who are:
    - Homeless;
    - Mentally incapacitated with no one to act on his/her behalf;
    - In a household with a child enrolled in Medicaid; or
    - Enrolled in another means-tested public assistance program, such as but not limited to Women, Infants and Children Nutrition Program or Supplemental Nutrition Program.

Individuals who fall within one of these presumptive eligibility categories will not pay for Medically Necessary Care after application of any third-party/insurance payments. All other patients must apply for financial assistance using the application process.

An Uninsured patient may presumptively qualify for free care if their Family Income is at or below 200% FPG as determined by third-party software used by Erlanger at or near the time of treatment. If a patient is determined to be presumptively qualified, they will not be billed for the Medically Necessary care or care for an Emergency Medical Condition covered by this policy. Erlanger, however, will seek payment from insurance policies as well as other appropriate third-parties. Erlanger reserves the right to deny or reverse financial assistance based on a presumptive review of Family Income FPG if it becomes aware of significant income available to pay for medical care, such as assets or income disclosed in probate or bankruptcy proceedings, for example.

North Carolina Residents will be screened for Presumptive Eligibility under the non-FPG-based standards listed above at or near the time of check-in and will be informed of the outcome of that review prior to discharge. This screening will include not only information provided by the patient on the screening form, and review of the medical record, where appropriate, but also information available through third-parties, including governmental and commercial databases.

If there is a conflict between information provided by the patient and that available in third-party databases, which may include but is not limited to the presence of significant assets which raise questions regarding Family Income or indicate a conflict on residence, the patient will not be presumptively qualified for financial assistance and may apply for financial assistance.

Any person who does not qualify for financial assistance under the presumptive method may apply for financial assistance using the application process described below. For persons that are determined to be presumptively eligible for Financial Assistance, no documentation will be required aside from the Presumptive Eligibility Screening form used for North Carolina residents.

B. Application Process

Any person may qualify for financial assistance through the application process by: (1) completing the application form and providing the documents outlined below; and (2) having a Family Income at or below 250% of the FPG (or 300% for North Carolina Residents).

To apply for financial assistance, a patient must complete the financial assistance application form and provide required documentation within the Application Period. The following documents are required for a

complete application:

- The most recent tax returns for all Family members. This includes tax returns for both spouses who do not file jointly and tax returns for any related person who is required to file a tax return and who resides in the same household as the patient. If any member of the family is self-employed or the owner of a business, he or she must also provide Schedule C, Schedule F, and Schedule K-1 as applicable. A Family member may also submit a recent pay-stub instead of a tax return if he or she has no other source of income other than the job reflected on the paystub. If a Family member has an ownership interest in a business entity, tax returns for that entity must be provided if the entity separately files.

AND

- Most recent statements for any and all bank, checking, savings, investment or other depository accounts in which a Family member has an ownership interest or withdrawal, signing or check writing authority.

AND

- A list of any potential claims or pending lawsuit that may result in the recovery of money or property for a patient or Family member.

A patient may also include a hardship letter with his or her application to justify the inability to pay. A hardship letter, however, is not required. The application form and the supporting documentation should be sent to:

Patient Financial Services (PFS)
3990 E. US Hwy. 64 Alt.
Murphy, NC 28906
828-835-3662

An application for financial assistance, this financial assistance policy, and a plain language summary of this policy can be found online at www.erlanger.org/westernpolicies or requested by contacting Patient Financial Services in person, by mail or telephone at the addresses and numbers listed above. These documents are also available upon request at admission/registration areas of Erlanger. These documents are available in Spanish at the website listed and upon request.

Generally, the application form and all supporting documents must be provided. If a patient does not have one of the required documents, the patient should provide a written statement with the application form explaining why the patient is not including the required document with the application form. In appropriate circumstances, Erlanger will work with the patient to determine alternative supporting documentation.

If eligibility for financial assistance cannot be determined due to missing information or documents in the application packet, the patient will receive a written notice indicating the information or documents needed and providing a time period for that required information or documentation to be submitted. Failure to provide the requested information in the time allowed may result in a denial of financial assistance.

An individual may apply for financial assistance during the Application Period. Applications for assistance are reviewed as soon as practical after receipt of the completed form and all required documentation. However, the determination of whether a patient qualifies for financial assistance may be delayed until resolution of pending claims with other potential payment sources – such as lawsuits or insurance/other benefit programs.

Financial assistance may be denied under this policy if there is reasonable suspicion of the accuracy of an application. If the patient or guarantor supplies the needed documentation and/or information requested to clarify the application within in the time provided, the financial assistance application will be reconsidered and evaluated considering the new information. Reconsideration will be reviewed and handled on a case-

by-case basis.

Erlanger has Financial Advocates available to assist with obtaining, completing and/or submitting the financial assistance application. To reach a Financial Advocate, please contact PFS at the address and phone number listed above.

Part IV. Other Sources Used to Determine Eligibility and Use of Financial Assistance Applications

In addition to the third-party software used for presumptive eligibility and the application packet provided in the application process, Erlanger may conduct asset and other financial or credit investigations on individuals as part of the eligibility screening. If it is determined that assets exist or that the patient otherwise may be able to pay for care, financial assistance may be denied.

Erlanger routinely uses data provided by outside agencies to verify information provided and evaluate applications, such as credit-type reports and scores, assets searches, public records etc. This outside information (combined with the information provided by a patient or guarantor) is used in deciding whether the patient is eligible for financial assistance, determining medical indigence, screening for other funding and programs as well as assessing the viability of collection on the patient's account.

Any individual misrepresenting his or her income or assets will be disqualified for consideration for financial assistance and may be denied the benefit of any previously provided financial assistance. In the event the applicant makes significant misrepresentations, the account balance will be billed to the responsible party, rather than being written off as free care.

Part V. Term of Financial Assistance Eligibility

If a patient is determined to be presumptively eligible for financial assistance at or near the time of service, the charges for **that** service date will be written off or discounted as provided under this financial assistance policy. Furthermore, a presumptively-qualified individual may receive financial assistance under this policy for a period of 240 days after a presumptive eligibility determination, assuming all requirements listed under Part II and Part III continue to be met. If a person who is presumptively-qualified becomes covered by insurance, he or she must apply for financial assistance through the application process to receive any further financial assistance, unless he or she falls within one of the other categories eligible for presumptive eligibility.

If a patient is qualified for financial assistance through the **application process**, financial assistance will be provided for a term of 240 days from the date of service to which the assistance was first applied, despite the actual date a timely application was received within the Application Period. At the end of that 240-day period, the patient may re-apply for financial assistance using the processes described above.

Part VI. Additional Extension of Financial Assistance

Erlanger reserves the right to extend financial assistance to individuals outside of the guidelines identified above, including expanding the medical services covered, extending the time period to apply for financial assistance or offering financial assistance to those to whom payment of medical debt would be a particular hardship, despite having Family Income above the FPG guidelines listed above. Any such extension of financial assistance is within the discretion of the Vice President of Revenue Cycle or his or her designee; however, such discretion shall not be used to discriminate against persons on the basis of race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, or political beliefs.

For current North Carolina Medicaid enrollees, Erlanger will extend financial assistance in the form of a write off of outstanding patient liability for services covered by this policy with dates of service from January 1, 2014 to the present. Although Erlanger has reviewed the accounts of known Medicaid enrollees, to further implement this extension of financial assistance, beginning July 1, 2025, Erlanger will:

- Inform North Carolina Medicaid enrollees about this debt relief program through signage posted in registration areas and on Erlanger's website;
- Evaluate the records of North Carolina Medicaid enrollees for this extension of

financial assistance within 60 days of an encounter at Erlanger, if such a review has not already been completed;

- Evaluate the records of North Carolina Medicaid enrollees for this extension of financial assistance when any such enrollee contacts Erlanger about medical debt relief; and
- Provide written notification to enrollees within 30 days of this extension of financial assistance via electronic means (or by letter when requested).

Part VII. Billing and Collections

The actions Erlanger may take in the event of nonpayment are described in its billing and collections policy, which can be accessed at www.erlanger.org/westernpolicies. Individuals may also request a free paper copy of that policy from Ambassadors/PSRs or by contacting Patient Financial Services at the address or telephone numbers provided.

Payment Plans

Erlanger does not typically provide payment plans directly. It does, however, partner with a third-party vendor that provides interest-free financing for Erlanger patients with low monthly repayment options. If a patient decides to take advantage of the payment plans offered by that vendor, the vendor will invoice the patient directly. Patients can learn more about payment plans and request that their accounts be transferred to the payment plan vendor by contacting Patient Financial Services. The payment plan vendor strives to provide plans with affordably monthly payments. Generally, these payment plans will require a monthly payment that is far less than 5% of monthly household income for a period of up to 60 months for patient convenience. North Carolina Residents with Family Income at or less than 300% FPG cannot be required to pay more than the equivalent of 5% of their monthly household income for a period of 36 months. If you are a North Carolina Resident who believes that the offered payment plan requires a total payment amount that exceeds 5% of monthly household income for a period of 36 months, please contact PFS at the numbers listed above so that we can review your account, household income and address any concerns.

Authorized Executive

4/24/25
Date