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Section: Routine Operations - Finance

Policy Number: HS-130.4

Last Reviewed Date:

1/26/2021

Title: Financial Assistance – Patient Financial Services

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CORPORATE ENTITY:

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> All | <input type="checkbox"/> Non-Contracted Services, LLC | <input type="checkbox"/> Sheppard Pratt Physicians, P.A |
| <input type="checkbox"/> Alliance, Inc. | <input type="checkbox"/> Sheppard and Enoch Pratt Foundation, Inc. | <input type="checkbox"/> Sheppard Pratt Properties, LLC |
| <input type="checkbox"/> Family Services, Inc. | <input type="checkbox"/> Sheppard Pratt Health System, Inc. | <input type="checkbox"/> Way Station, Inc. |
| <input type="checkbox"/> Mosaic Community Services, Inc. | | <input type="checkbox"/> Other: _____ |

DEPARTMENT:

- | | | |
|---|--|---|
| <input type="checkbox"/> Administrative | <input type="checkbox"/> Facilities Engineering | <input type="checkbox"/> Infection Control |
| <input type="checkbox"/> All | <input checked="" type="checkbox"/> Finance | <input type="checkbox"/> Information Technology |
| <input type="checkbox"/> Clinical | <input type="checkbox"/> Food Services | <input type="checkbox"/> Marketing |
| <input type="checkbox"/> Compliance | <input type="checkbox"/> Health Information Management | <input type="checkbox"/> Medical Staff |
| <input type="checkbox"/> Corporate Governance | <input type="checkbox"/> Human Resources/Occupational Health | <input type="checkbox"/> Public Safety |
| <input type="checkbox"/> Environmental Services | | <input type="checkbox"/> Transportation |

PROGRAM AND SERVICES:

- | | | |
|---|--|--|
| <input type="checkbox"/> Care Coordination & In-Home Services | <input type="checkbox"/> Developmental Disability Services | <input type="checkbox"/> Residential & Structured Day Services |
| <input type="checkbox"/> Community & Family Supports | <input type="checkbox"/> Employment & Job Training | <input type="checkbox"/> Schools & School-Based Services |
| <input type="checkbox"/> Crisis & Admission | <input type="checkbox"/> Housing & Homelessness Services | <input type="checkbox"/> Therapy & Medication Management |
| | <input type="checkbox"/> Inpatient & Specialty Services | <input checked="" type="checkbox"/> Not Program Related |

PURPOSE:

To establish the eligibility criteria and process for application/approval of charitable assistance for Sheppard Pratt consumers.

POLICY STATEMENT:

It is the policy of Sheppard Pratt to provide patients with the highest quality of care and services. To assist our patients, financial assistance will be provided to patients who are unable to pay for services rendered and who meet the criteria established in this financial assistance policy ("FAP") regardless of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, gender identity, genetic information or on the basis of disability.

DEFINITIONS:

Amounts Generally Billed (AGB): The amounts generally billed for emergency or other medically necessary care to individuals who have insurance covering such care, as further explained in Section 3 herein.

Code Section 501(r): Section 501(r) of the Internal Revenue Code and the regulations promulgated thereunder, as amended from time to time.

Emergency Care: Immediate care that is necessary to prevent putting the patient's health in serious jeopardy, serious impairment to bodily functions, and/or serious dysfunction of any organs or body parts.

Financial Hardship: Medical debt (out-of-pocket expenses, excluding copayments, coinsurance, and deductibles, for medical costs billed by a hospital) incurred by a family over a 12-month period that exceeds 25% of family income.

Gross Charges: The full amount charged by Sheppard Pratt for services before any discounts, contractual allowances, or deductions are applied.

Household: In determining the family/household income of a patient, a household shall consist of the patient and any of the following individuals: (i) a spouse, regardless of whether the patient and spouse expect to file a joint federal or state tax return; (ii) biological children, adopted children, or stepchildren; and (iii) anyone for whom the patient claims a personal exemption in a federal or state tax return. For a patient who is a child, the household shall consist of the child and the following individuals: (i) biological parents, adopted parents, or stepparents or guardians; (ii) biological siblings, adopted siblings; or (iii) stepsiblings; and (iii) Anyone for whom the patient's parents or guardians claim a personal exemption in a federal or state tax return.

Medically Necessary Care: Services or care that is (i) directly related to diagnostic, preventive, curative, palliative, rehabilitative, or ameliorative treatment of an illness, injury, disability, or health condition; (ii) consistent with accepted standards of good medical practice; and not primarily for the convenience of the patient, the patient's family, or the provider.

Patient: Those persons who receive emergency or medically necessary care at Sheppard Pratt and the person who is financially responsible for the care of the patient.

Persons Receiving Care: clients, patients, residents or students

Presumptive Eligibility: The process by which Sheppard Pratt may use previous eligibility determinations and/or information from sources other than the individual to determine eligibility for financial assistance.

Uninsured: Patients with no insurance or third-party assistance to help resolve their financial liability to healthcare providers.

Underinsured: Patients who have limited healthcare coverage, or coverage that leaves the patient with an out of pocket liability and therefore may still require financial assistance.

Responsible Party: With respect to services provided by Sheppard Pratt, the patient, account guarantor or other person(s) responsible for paying for such services.

GUIDELINES:

I. General Criteria

Services eligible for financial assistance include those services determined by Sheppard Pratt to be emergency care or medically necessary care.

Certain services that are not otherwise considered emergency or medically necessary care, as determined by Sheppard Pratt at its sole discretion, are not eligible for financial assistance under this FAP. Excluded services include, but are not limited to, elective

services, Education Program(s), the Retreat, and related transitional living services, as well as any ancillary services relating to the aforementioned categories.

In addition, the Quaker population may be eligible for separate and/or additional assistance under Sheppard Pratt's separate Quaker Financial Assistance Policy. For further information regarding the Quaker Financial Assistance Policy, please contact the Patient Financial Services Department.

Absent extenuating circumstances, as determined by Sheppard Pratt, financial assistance provided by Sheppard Pratt under this FAP is secondary to all other third parties and financial resources available to the patient, including but not limited to worker's compensation insurance, Medicaid, and other local, state, or federal programs ("Third-Party Assistance"). Any patient who fails or refuses to provide requested information to Sheppard Pratt may be deemed ineligible for financial assistance under this FAP at Sheppard Pratt's sole discretion. Similarly, a patient who furnishes false or misleading information in connection with this FAP may be deemed ineligible for financial assistance under this FAP at Sheppard Pratt's sole discretion.

II. Financial Criteria

Patients who are uninsured or underinsured may be eligible for financial assistance based on certain financial criteria, limitations, and exceptions, as provided below:

- A. Free Care. Patients who have a household income at or below 200% of the Federal Poverty Guidelines, calculated at the time of service or updated, as appropriate, to account for any change in financial circumstances of the patient that occurs within 240 days after the initial hospital bill is provided, may receive free care (a 100% discount).
- B. Reduced-Cost Care. Patients who have a household income below 300% of the Federal Poverty Guidelines, calculated at the time of service or updated, as appropriate, to account for any change in financial circumstances of the patient that occurs within 240 days after the initial hospital bill is provided, may receive reduced-cost care from the patient's out-of-pocket expenses for the regulated hospital service pursuant to the following sliding scale:
 - 1. For a patient with family income of at least 201% but not more than 250% of the Federal Poverty Guidelines, a 75% discount.
 - 2. For a patient with family income of more than 250% but not more than 300% of the Federal Poverty Guidelines, a 60% discount.
- C. Reduced-Cost Care For Financial Hardship. Patients who are experiencing a financial hardship and who have a family income of more than 300% but not

more than 500% of the Federal Poverty Guidelines may receive reduced-cost care from the patient's out-of-pocket expenses for the regulated hospital service pursuant to the following sliding scale:

1. For a patient with family income of at least 201% but not more than 250% of the Federal Poverty Guidelines, a 75% discount.
 2. For a patient with family income of more than 250% but not more than 300% of the Federal Poverty Guidelines, a 60% discount.
 3. For a patient with family income of more than 300% but not more than 350% of the Federal Poverty Guidelines, a 50% discount.
 4. For a patient with family income of more than 350% but not more than 400% of the Federal Poverty Guidelines, a 45% discount.
 5. For a patient with family income of more than 400% but not more than 450% of the Federal Poverty Guidelines, a 40% discount.
 6. For a patient with family income of more than 450% but not more than 500% of the Federal Poverty Guidelines, a 35% discount.
- D. If a patient has received reduced-cost care due to a financial hardship as provided above, the patient or any immediate family member of the patient living in the same household:
1. Shall remain eligible for reduced-cost care when seeking subsequent care during the 12-month period beginning on the date on which the reduced-cost care was initially received; and
 2. To avoid an unnecessary duplication of Sheppard Pratt's determination of eligibility for free and reduced-cost care, shall inform Sheppard Pratt of the patient's or family member's eligibility for the reduced-cost care.

Notwithstanding the criteria above, Patients who have accumulated household monetary assets shall be limited to the lesser of the discount provided above or a 50% discount. For purposes of this asset test, the following assets shall be excluded from the aforementioned threshold: retirement assets that the Internal Revenue Service has granted preferential tax treatment as a retirement account, including deferred-compensation plans qualified under the Internal Revenue Code or nonqualified deferred-compensation plans.

A patient whose income and assets exceed the established eligibility guidelines but state they are unable to pay all or part of their account balance(s) may be further evaluated on a case-by-case basis. Eligibility for full or partial financial assistance will be determined after giving consideration to the patient's total financial situation as well as a consideration of extenuating circumstances. Additional criteria used to determine eligibility status includes employment status, future earnings capacity, and other financial resources. Patients who are not eligible for financial assistance shall be eligible

for a payment plan pursuant to Sheppard Pratt's separate billing and collections policy (See Section 9 below).

When determining patients' eligibility, Sheppard Pratt does not take into account a patient's citizenship or immigration status. Furthermore, Sheppard Pratt will not withhold financial assistance or deny a financial assistance application on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, gender identity, genetic information, or disability.

III. Eligibility Determination Process

When reviewing a submitted financial assistance application, Sheppard Pratt shall: (i) determine whether the patient has health insurance; (ii) determine whether the patient is presumptively eligible for free or reduced-cost care under Maryland law; (iii) determine whether uninsured patients are eligible for public or private health insurance; (iv) to the extent practicable, offer assistance to uninsured patients if the patient chooses to apply for public or private health insurance; (v) to the extent practicable, determine whether the patient is eligible for other public programs that may assist with health care costs; and (vi) use information in the possession of Sheppard Pratt, if available, to determine whether the patient is qualified for free or reduced-cost care under the Sheppard Pratt's FAP.

IV. Determining the Financial Assistance Amount

Once eligibility for financial assistance is established, Sheppard Pratt will not charge patients who are eligible for financial assistance more than the amounts generally billed, or AGB, to insured patients for emergency or medically necessary care (the "AGB limitation"). To the extent applicable, the maximum patient payment for Reduced-Cost Care shall be no greater than an amount equal to Sheppard Pratt's charges less the Sheppard Pratt's mark-up for such care (see next paragraph for information concerning mark-up).

Pursuant to Maryland law, the charges to which a discount will apply are set by Maryland's rate regulation agency known as the Health Services Cost Review Commission ("HSCRC") and are the same for all payers. Thus, to the extent applicable, AGB is determined under the prospective method and is based on the rates established by HSCRC for the Health System. Furthermore, the Health System does not apply a mark-up or other fee on the rates established by HSCRC.

V. Applying for Financial Assistance

Determinations for financial assistance eligibility will require patients, including responsible parties, to submit a complete financial assistance application including all

supporting documentation required by the application and may require appointments or discussion with a representative of the Sheppard Pratt's Patient Financial Services Department. Patients will be required to provide necessary information and documentation when applying for financial assistance. The information required is specified in the application and instructions thereto.

Financial assistance applications on file at Sheppard Pratt may be used for a period of up to 12 months after the date of submission if financial circumstances have not changed. Additionally, Sheppard Pratt will consider for eligibility all accounts (including bad debt) at the time of service or 240 days after the initial bill is provided.

Applications are accepted for financial assistance at any point in the billing cycle, including after placement with a collection agency or other third party. However, patients who have, or are eligible for, Third-Party Assistance must first apply for and exhaust such Third-Party Assistance before an application for financial assistance under this FAP will be processed/considered, as determined at the sole discretion of Sheppard Pratt.

VI. Notification of Approval or Denial for Assistance

The Patient Financial Services department will notify the patient in writing within 14 days of the receipt of a completed financial assistance application as to whether the application was approved or denied and will suspend any billing or collections actions while eligibility is being determined. If the application is approved, the letter will include the amount of assistance approved. If the application was denied, the denial reason will be provided in this letter. For incomplete applications, patients will be provided with a list in writing of the information and/or documentation still needed to complete the financial assistance application and where to submit the missing information.

Reasons for denial include:

- Incomplete application information.
- Excess income or resources.

VII. Appeals

All patients determined to be not eligible for financial assistance or eligible for less than the most generous amount of assistance (100%) available under this Financial Assistance Policy (FAP) will be given 30 days to submit an appeal to request further financial assistance. The patient can present additional information at this time to support his or her request.

The Maryland Health Education and Advocacy Unit (HEAU) is available to assist patients in filing and mediation of a reconsideration request. The HEAU contact information is:

HEAU Hotline:

Mon-Fri 9am-4:30pm 410-528-1840

Toll free: 1-877-261-8807

FAX: 410-576-6571

heau@oag.state.md.us

www.marylandattorneygeneral.gov/pages/cpd/heau/default.aspx

Complaints concerning alleged violations of Maryland Code Sec. 19-214.1 or 19-214.2 can be filed by a patient or her/his authorized representative jointly with the HSCRC (Health Services Cost Review Commission) and the HEAU (Health Education and Advocacy Unit) via email at hscrc.patient-complaints@maryland.gov.

VIII. Presumptive Eligibility

In certain circumstances deemed reasonable and understandable, the lack of a financial assistance application and supporting documentation will not necessarily result in a denial for assistance. If a patient fails to supply sufficient information to support financial assistance eligibility, the Health System may refer to or rely on external sources and/or other program enrollment resources to determine if the patient qualifies for presumptive eligibility. Except as provided below, presumptive eligibility shall only cover the patient's specific date of service. A determination of presumptive eligibility will be based on the following criteria:

- Medicaid Eligible Patients. Balances for a patient who is currently eligible for full Medicaid coverage, but was not on the date of service.
- Patient is homeless.
- Patient with an adverse credit report or other third-party financial information.
- Deceased patient with no estate assets.
- Patient with out of state Medicaid eligibility currently residing outside of Maryland.

In addition, a patient who is not eligible for the Maryland Medical Assistance Program or Maryland Children's Health Program will qualify for presumptive eligibility if any of the following criteria apply

- Lives in a household with a child who is enrolled in the free and reduced-cost meal program and is eligible for the program based on the household's income.
- Receives benefits through the federal Supplemental Nutrition Assistance Program.
- Receives benefits through the State's Energy Assistance Program.
- Receives benefits through the federal Special Supplemental Food Program for Women, Infants, and Children.

- Receives benefits from any other social service program as determined by the Maryland Department of Health and the HSCRC.

IX. Publication of Financial Assistance Policy

Sheppard Pratt's FAP, financial assistance application, and plain language summary (including translations) are available to patients upon request and free of charge. In addition, translation services for Spanish, Russian, Korean, Mandarin (Chinese), Tagalog, Urdu, Vietnamese, and French, as well as other languages can be requested for patients in need of language assistance (subject to availability and scheduling).

The FAP, financial assistance application form, and the plain language summary are available upon request in the following Sheppard Pratt locations:

- Patient Registration and Admission Locations
- Psychiatric Urgent Care
- Patient Financial Services Department (Towson, Maryland)

During patient registration for inpatient hospital services, patients receive a packet with the plain language summary of the FAP.

The FAP, financial assistance application, and the plain language summary are distributed by mail when requested by telephone at the following numbers:

- Patient Financial Services Department – (410)-938-3370 or toll free at 1-(800)-264-0949
- Each collection agency with which Sheppard Pratt places accounts

Patients can also find the FAP, the financial assistance application, and the plain language summary online at the Health System web site:

- www.sheppardpratt.org/patient-care-and-services/resources/financial-support/

In addition, Sheppard Pratt communicates the availability of financial assistance in the following ways:

- Notification on all patient billing statements
- Signage posted in registration and admission areas
- Signage posted in the Psychiatric Urgent Care
- Patient brochures summarizing the FAP and how to apply for assistance offered at hospitalization
- Additional public engagement efforts

X. Actions in the Event of Non-Payment

The collection actions Sheppard Pratt may take if a financial assistance application and/or payment are not received are described in a separate billing and collections policy. In brief, Sheppard Pratt will make certain efforts to provide patients with information about the FAP before certain actions are taken to collect a bill. Balances placed with a collection agency are still eligible for a financial assistance reduction if eligibility criteria are met. The billing and collections policy (including translations) can be obtained as in the same manner and the same locations provided in Section VII above.

XI. Eligible Providers

Care delivered by Sheppard Pratt includes all emergency and medically necessary care delivered by any providers listed below and are also covered by this FAP:

Sheppard Pratt Health System, Inc.

Sheppard Pratt, P.A.

Mosaic Community Services, Inc.

Way Station, Inc.

Family Services, Inc.

REFERENCES:

N/A

ATTACHMENTS:

Patient Financial Assistance Policy – Plain Language Summary