



Patient Aid Policy and Associated Procedures

Purpose

The Hazelden Betty Ford Foundation (“Hazelden Betty Ford”) has served patients and their families by supplementing their personal resources in order that suffering alcoholics and addicts and their family members may obtain treatment and other related services at Hazelden Betty Ford. Providing financial assistance (“patient aid”) is congruent with and fundamentally important to the non-profit mission, vision and values of Hazelden Betty Ford. Because there is a wide disparity in available resources to pay for the treatment of addiction, Hazelden Betty Ford provides patient aid to maximize access to treatment while balancing the need to sustain the organization and its mission for generations beyond our own. In addition, accepting personal responsibility to overcome addiction and find recovery is fundamental to the Hazelden Betty Ford Treatment Model, as it the firm belief that addiction is a family disease. Accordingly, to the extent possible, payment for services is primarily a responsibility of individual patients and their families, if they are willing and able to assist.

Hazelden Betty Ford will continue to play a leadership role in the public policy arena to promote access to treatment and equal funding of treatment for this disease. Hazelden Betty Ford also will continue to raise money from its many friends specifically for patient aid needs. In keeping with our effective stewardship, patient aid is budgeted annually.

Scope

This policy is to be used for programs and services received at the Betty Ford Center, a chemical dependency recovery hospital, in Rancho Mirage, California (“Betty Ford Center”), a part of Hazelden Betty Ford. This policy does not apply to other Hazelden Betty Ford sites, programs, or services that are not delivered at the Betty Ford Center.

Policy

- 1. Annual Budget; Key Considerations.** The Board of Trustees of the Hazelden Betty Ford will annually approve a significant sum for patient aid, which is calculated on a percentage basis of adjusted patient service revenue (total patient service revenue less contractual adjustments). Patient aid levels will typically be defined in conjunction with the Board of Trustee’s approval of the capital and operating budgets of Hazelden Betty Ford. In accordance with generally accepted accounting principles, the first source of funds for patient aid will be funds donated specifically for patient aid, which in some cases may have specific restrictions imposed by the donor.
Patient aid resources are limited and will be used primarily for those who meet our clinical standards for admission and who are most in need of residential care and secondarily for outpatient services and other areas of the continuum of care. Before determination of eligibility for patient aid, prospective patients must meet Hazelden Betty Ford’s applicable clinical standards for admission, and admission is also subject to bed availability as determined by facility management.
- 2. Determination of Eligibility.** This patient aid policy applies to all emergency and medically necessary care provided at the Betty Ford Center. Nonemployee third-party providers who deliver emergency or other medically necessary care at the Betty Ford Center are listed in Exhibit A to this Policy. Exhibit A explains whether care provided by these providers is covered by this Policy. In order to promote the health and well-being of the patients and communities we serve, uninsured, underinsured and individuals with limited financial resources will be eligible for

discounted treatment services on a program by program basis, based on Hazelden Betty Ford-established means criteria. To be considered for patient aid, the patient and all other persons willing and able to participate in paying for a person's services must cooperate with Hazelden Betty Ford to provide the information and documentation necessary in order to determine eligibility for patient aid as set forth below. Hazelden Betty Ford has adopted standard application procedures for use by patients and other payers, which will be co-located with this policy and the plain language summary for ease of use. Eligible individuals include patients who do not have insurance and patients who have insurance but are underinsured. Patients must cooperate with any insurance claim submission and exhaust their insurance or potential insurance coverage before any final financial assistance award is determined.

3. **Non-Discrimination.** The determination of eligibility for patient aid will be based on the patient's and participating family members' or other responsible payer's ability to pay. Patient aid awards will not be abridged on the basis of age, sex, race, creed, disability, sexual orientation or national origin.
4. **Communication on Patient Aid.** Hazelden Betty Ford will include notices regarding the availability of patient aid on its website, and in marketing and program-related materials, and in locations where there is a high volume of admission and or registration related activity. All public information and/or forms regarding the provision of patient aid will use languages that are appropriate to the facility's service area. The amount of patient aid awarded annually will be reported in the Community Benefit footnote to the audited financial statements of Hazelden Betty Ford, and the accounting for patient aid shall comply with all accounting standards for charity care issued by the American Institute for Certified Public Accountants. In addition, this policy will be made available to the public, and will be published on the Hazelden Betty Ford website.
5. **Confidentiality.** Consistent with Hazelden Betty Ford's overall policies on confidentiality with respect to our patients, the need for patient aid may be a sensitive and deeply personal issue for recipients. Confidentiality of information and preservation of individual dignity will be maintained for all who seek patient aid. No information obtained in the patient aid application process may be released unless the person providing the information gives express written permission.
6. **Responsible Staff.** Financial case managers and other Hazelden Betty Ford employees in patient accounting and billing areas will be fully versed in the patient aid policy, have access to the application forms, and be able to answer questions regarding patient aid. All Hazelden Betty Ford staff with public and patient contact will be trained to understand the basic information related to the patient aid policy and procedures and provide patients with printed material explaining the patient aid program.
7. **Uniformity.** All Betty Ford Center programs and services will use the same patient aid application process and criteria for eligibility.
8. **Collection Activity.** Consistent with Hazelden Betty Ford's values and mission, patient billing accounts will not be sent to collection agencies without giving the patient and any other responsible payer the opportunity and adequate time to develop an alternative payment arrangement. If a patient aid determination allows for a percentage reduction but leaves the patient with a self-pay balance, payment terms will be on an interest-free basis. In addition, Hazelden Betty Ford will not garnish wages or use liens on primary residences as a means of collecting unpaid bills.
9. **Definitions.** For policy implementation purposes, patient aid is defined in the following manner:

"Patient aid" is that portion of residential and outpatient treatment and all other programs in the continuum of care provided by Hazelden Betty Ford for which a third-party payer is not responsible

and for which a patient (and his or her other payers) or program participant has the inability to pay. "Patient aid" does not include bad debt or contractual adjustments or allowances. Patient aid may include unpaid coinsurance, deductibles and non-covered services if the person meets the patient aid eligibility criteria. Patient aid may be provided from funds that have been received by Hazelden Betty Ford from third parties and specifically designated for "patient aid" or be provided from the operating cash flow of Hazelden Betty Ford.

"Bad debt" means expenses resulting from treatment for services provided to a patient and/or other guarantor or payer who, having the requisite financial resources to pay for treatment services, has demonstrated by his/her actions an unwillingness to pay a bill.

10. **Emergency Services.** The Betty Ford Center does not have an emergency department, and is not equipped to service a wide-range of emergency services. However, in the event of a medical emergency, the most qualified medical team members will respond and emergency services (i.e. an ambulance) will be called to respond. The Betty Ford Center medical team will provide necessary emergency services regardless of a patient's ability to pay for such services.
11. **Review.** This policy will be reviewed annually by the Board of Trustees of Hazelden Betty Ford.

Procedures for Financial Assistance

Identification of Patients Who May Be Eligible

Prior to receiving services, there are a number of ways a patient can be identified and evaluated for financial assistance prior to, during or following care. Following is a non-exhaustive list of examples for identification prior to receiving services:

- Patients or their representatives may request financial assistance.
- Hazelden Betty Ford staff may refer patients to a Financial Case Manager or a Business Office representative who can provide a preliminary estimate based on information provided by the patient.
- Referring physicians may refer patients.
- Local government agencies may refer patient.

During or following services, patients can be referred for financial assistance in a number of ways. Following is a non-exhaustive list of examples:

- Patients or their representatives may request financial assistance.
- Hazelden Betty Ford staff may refer patients to a Business Office representative.
- Collection agencies or attorneys may refer patients back to Hazelden Betty Ford.
- The Business Office/Patient Account department may identify financial need through conversations with patients regarding billing and payment options.
- Referring physicians may refer patients.
- Local government agencies may refer patients.

Method of Applying for Financial Assistance

Patients who want to apply for financial assistance or who have been identified as potentially eligible for financial assistance will be informed of the application process either before receiving services if the facts suggest potential eligibility or after the billing and collection process has begun. The application process may be waived or suspended due to medical necessity, including timing and urgency of care. Patients or their representatives can obtain a financial assistance application by mail by contacting the Patient Account Services at 651-213-4286, or downloading and printing the application <http://www.hazeldenbettyford.org/rancho-mirage> at no charge from our website.

To the fullest extent possible, financial assistance can be estimated prior to services based on verbal information provided but must be verified by submission of the financial assistance application within ten (10) days before final financial assistance is awarded.

All patients/guarantors who receive a financial assistance application must complete and return the application within ten (10) working days (unless the patient provides a legitimate reason to extend the deadline), along with the following documents that serve as the minimum information necessary to process an application for financial assistance. Hazelden Betty Ford reserves the right to request additional documentation before finalizing a request for assistance, which could include any of the following (if applicable):

1. Proof of household income (pay stubs for the past ninety days for all individuals who live in the household).
2. Evaluation of assets – the patient's (guarantor's) household savings, checking, investment assets, real property assets, and overall financial position will be considered. A copy of the 3 most recent bank statements from all banking or credit union institutions of the household.
3. Number of dependents living in the household – this includes (but is not limited to): patient, spouse or significant other, children (both minor and adult), parents, siblings. This is not necessarily what is on the tax return, but represents the potential patient's living situation and what contributes toward living expenses.
4. A copy of the 2 most recent tax returns, including all schedules of patient, spouse, or any person who claims the patient as a tax dependent.
5. Debts – Written documentation of debt associated with major assets such as mortgages and loans, used for determining total net worth (asset value less debt).
6. Written documentation of other major monthly debt payments, such as credit cards, medical bills, etc. showing patient's monthly debt outflow, used for determining Debt to income ratio (monthly debt payments divided by monthly household income).
7. A copy of any and all trust documents, including recent accounting of such trust account(s) (or in lieu of an accounting if no recent accounting has been performed, then a copy of the bank or brokerage statements and/or real estate grand deeds, general or limited partnership agreements, limited liability company operating agreements, which identify the trustee or the trust as the owner, general or limited partner, or LLC member), in which patient is a beneficiary or grantor identifying the name, date of trust, grantor, trustee, address, and tax payer identification number (if any) of such trust(s).

A Financial Case Manager or Business Office Representative will review all financial assistance applications and supporting documents for completeness. The staff will consult the financial assistance authorization guidelines and a decision will be made regarding the amount of financial assistance to be awarded if applicable. Patients earning between 201 and 400 percent of the Federal Poverty Income Guidelines will be given priority for financial assistance, depending on the circumstances in each case.

Provided that this policy and its associated procedures only apply to services at the Betty Ford Center, Hazelden Betty Ford may share patient financial assistance information across our locations for the benefit and ease of administering financial assistance to patients seen at multiple locations. No information will be shared outside of Hazelden Betty Ford unless authorized or required by law.

Basis for calculating the amounts charged to patients

The amount that a patient is expected to pay and the amount of financial assistance offered depends on the patient's insurance coverage and income and assets as set forth in the eligibility section of this policy. The Federal Income Poverty Guidelines will be used in determining the amount of the write off and the amount charged to patients after an adjustment.

Following a determination of patient aid eligibility, a patient will not be charged more than the amount generally billed to individuals who have insurance for emergency or medically necessary care. Betty Ford Center calculates the amount generally billed by multiplying the gross charges for any emergency or other medically necessary care it provides to a patient aid eligible individual by a percentage calculated based upon all claims paid in full to the hospital facility by private health insurers and the individuals they insured over a specified 12-month period, divided by the associated gross charges for those claims. An information sheet stating the hospital facility's amount generally billed percentage and a description of the

calculation may be obtained free of charge by contacting the Business Office at 651-213-4286.

Eligibility criteria considered for financial assistance

The Financial Case Manager or Business Office representative will review all circumstances surrounding the request for patient aid utilizing standard processes and criteria under the oversight of the senior management team for Financial Services, and the amount of patient aid still available in the budget at the time of such request. The patient will be notified about the decision within a reasonable time after submitting a completed financial assistance request. A patient's request will be deemed complete after Hazelden Betty Ford receives a complete financial assistance application, and all required documentation, including current pay stubs, income tax statements, and bank statements, if applicable.

Delivery of patient aid does not obligate Hazelden Betty Ford to provide continuing care. Patients may be required to re-apply for patient aid at least every 180 days. Betty Ford Center site reserves the right to require a patient to re-apply at any time.

Hazelden Betty Ford makes every reasonable attempt to collect from insurance companies and other third party payers. Financial hardship and patient aid adjustments may be considered for those patients whose income and assets will not allow full payment within a reasonable time. Hazelden Betty Ford may also consider paying COBRA premiums for a limited period of time if a patient is approved to receive financial assistance. Factors that are considered include the patient's residency (local, region, national, international) and the availability of care outside the Hazelden Betty Ford system. Assistance may consist of:

- Partial adjustment of the self-pay balance
- Alternate of extended payment options

Hazelden Betty Ford reserves the right to reverse financial assistance adjustments and pursue appropriate reimbursement or collections. This may occur as a result of a variety of reasons, such as newly discovered information such as insurance coverage or pursuit of a personal injury claim related to services in question.

Reasons for denial

Hazelden Betty Ford may deny a request for financial assistance for a variety of reasons including, but not limited to:

- Sufficient income
- Sufficient asset level
- Patient is uncooperative or unresponsive to reasonable efforts to work with the patient
- Incomplete financial assistance application despite reasonable efforts to work with the patient
- Withholding insurance payment and/or insurance settlement funds, including insurance payments sent to the patient to cover services provided by Hazelden Betty Ford

Collection Activity

The Betty Ford Center will not engage in extraordinary collection actions before it makes a reasonable effort to determine whether a patient is eligible for financial assistance under this Policy. Actions that may be taken against a patient for nonpayment include utilizing a collection agency for debts older than 120 days. If a collection agency identifies a patient as meeting the Betty Ford Center's financial assistance eligibility criteria, the patient's account may be considered for patient aid. Collection activity will be suspended on these accounts and the Betty Ford Center will review the financial assistance application. If the entire account is adjusted, the account will be returned to the Betty Ford Center. If a partial adjustment occurs, the patient fails to cooperate with the financial assistance process, or if the patient is not eligible for patient aid, collection activity will resume.

References

Effective Date:	1/1/2016	Policy Owner:	Finance
Date last revised		Version	5

Exhibit A

Updated: December 31, 2015

List of non-employee providers who deliver emergency or other medically necessary care at the Betty Ford Center:

Recovery Partners, P.C.