Sandra J. Wolfskill, FHFMA

Financial Assistance Training Handbook

for financial counselors, patient access, and patient financial services staff

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Sandra J. Wolfskill, FHFMA

Sandra J. Wolfskill, FHFMA, is president of Wolfskill & Associates, Inc., a firm dedicated to quality healthcare receivables consulting.

Prior to founding the firm in 1996, Sandra spent 15 years in healthcare financial management and consulting, including holding positions of vice president, senior consultant, director of patient financial services, director of information systems, and chief financial officer.

Sandra has presented programs to national healthcare financial management conferences, as well as conducting seminars and training sessions throughout the United States.

She is an advanced member of the Northeast Ohio Chapter, HFMA, and a fellow in HFMA, with a specialty in patient financial services, and a member of both the National Association of Healthcare Access Managers (NAHAM) and the American Association of Healthcare Administrative Management (AAHAM).

Financial Assistance Training Handbok

for financial counselors, patient access and patient financial services staff

Introduction

The number of uninsured Americans is on the rise. Current figures show that about 46 million Americans don't have health insurance, nor do those same individuals qualify for state or federal health insurance programs. Today's reality creates challenges for hospitals as they manage care for this group.

Even those who have health insurance may not be prepared for the out-of-pocket costs of hospital services now that so many employers are shifting the cost of care to the patient. For example, a patient may have a $500 deductible to satisfy each year and is then responsible for an additional amount based on a percentage of charges. That additional patient responsibility may or may not be limited on an annual basis.

It's important to remember that most patients do not plan for an accident or serious illness. When faced with hospital bills totaling hundreds or thousands of dollars, patients may not be able to write a check or use a credit card to fully resolve the amount due. That's where you come in: be prepared to guide these patients through your organization's process so they not only receive appropriate care, but fulfill their financial obligations as well.

Your role in the financial assistance process

Your hospital recognizes the need to help patients resolve their hospital bills in an appropriate and timely manner, and that's why it developed financial assistance programs. Your job—and your challenge—is to work with patients to find the appropriate solution to allow the patients to resolve their obligations to your hospital.

Each hospital establishes its own financial assistance options. Examples of the various types of financial assistance programs include

- monthly payment plans
- bank loan programs
- medicaid eligibility screening
- charity programs, which may be supplemented by state assistance programs

Your manager or trainer will provide the details of each program offered at your facility.

In the sections that follow, we'll give you examples of the most common programs and how they are structured. You'll learn from examples of interview situations how to detect the need for financial assistance. You'll also see how to identify the patient who has the ability to pay but wants to avoid that obligation.

Financial assistance options explained

Payment plans

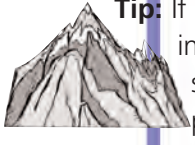
Payment plans are designed to allow patients to make monthly payments on their outstanding balances. Payment plans are typically interest-free, unsecured loans from the hospital to the patients. No

additional collection activity is pursued as long as the payments are received within the prescribed time frames.

The most effective payment plan programs begin with a screening to determine whether the patient has the financial resources available to meet the monthly payment level required by hospital policy. If the account balance can be resolved within a short time period, typically three to six months, the screening may be waived. For longer-term plans, however, it's important to make sure that the patient can meet the terms of the payment plan.

You can determine whether the patient can actually meet the terms of a payment plan using the following methods:

- Your hospital may require an application to identify and validate the patient's income and expenses, as well as other assets that might be available to secure the debt.
- You may have internally developed guidelines to help you evaluate the payment plan application.
- Alternatively, with the patient's written permission, you may obtain the patient's credit score from one of the three major credit-reporting firms. Credit scores generally range from 300–850; the higher the score, the better the patient's creditworthiness.



Tip: If your hospital uses credit scoring and credit reporting, make sure you understand how to obtain credit scores and, very importantly, how to protect the privacy of this information. Unauthorized disclosure or use of credit information can result in action by the Federal Trade Commission against your hospital.

Your hospital may limit both the minimum balance and total term for the payment plan option. The following chart is an example of such a payment plan policy:

Balance range:		
$500 or less	**$501–$3,000**	**$3,001 or more**
Maximum of 6 payments	Maximum of 48 payments (4 years)	Maximum of 48 payments (4 years)
Minimum of $50 per month	Minimum of $50 per month	Minimum payment is no less than 1/48th of the balance if set at 48-month term (calculate based on term)
Discount option:* 15% if paid in full in 15 days	Discount option:* 15% if paid in full in 30 days	Discount option:* 15% if paid in full in 30 days
* Discount option does not apply to balances after insurance		

Managing the payment plan

Let's apply this chart to a patient who received services last month and has requested a payment plan arrangement. There are four main steps to guide your way.

The patient's current balance is $850 for the current visit and $300 for a visit last month. The patient's insurance has paid its portion on both accounts.

1. **Determine the total amount:** The first step is to verify the total amount due, which in this case is $1,150.

2. **Assess the discount:** Does this patient qualify for a discount? According to the chart, the answer is no, because the patient has insurance. Most insurance plans have already received a discount, which means that the remaining balance has already been discounted.

3. **Investigate the options:** What is the "best case" that you may eventually offer the patient? According to the payment plan chart, this amount qualifies for a maximum of 48 payments. However, the minimum monthly payment is $50.

If you simply divide $1,150 by 48 months, you get a monthly payment of $23.95. Does this meet the allowed terms? The answer is no. This amount is less than the required $50 minimum payment.

4. **Determine the appropriate payment plan:** To correctly calculate the payment plan, you now see that you need to use the minimum-amount part of the chart. Therefore, you divide $1,150 by $50 to determine that the payment plan term will be only 23 months. The full 48 months are not available as an option, based on the amount owed.

   Note: this example is not meant to depict the appropriate negotiation steps with the patient; it is only meant to illustrate how to use such a chart to prepare for the patient interview. Obviously, during the interview, the financial counselor would begin with payment in full, then two payments, then three payments, etc., until reaching the maximum number of payments permitted under the hospital's policy.

Bank loan programs

Bank loan programs offer patients the opportunity to establish or reestablish credit and, at the same time, resolve their obligation to the hospital. You may be reluctant to offer this program to your patients, thinking that the interest charged will exceed the value of the program. Or you may wonder why a patient would want a loan program when your hospital offers interest-free payment plans.

Not every patient will be able to meet the minimum payment amount required by your hospital's payment plan policy. The minimum amount has been set so that these balances are resolved in a reasonable time frame. If the patient needs a longer time frame, or a lower monthly payment amount, then a bank loan program is a reasonable alternative solution.

The key to a successful bank loan program is to identify the patient who most benefits from this type of program. Clearly, if the patient is able to meet the terms of your payment plan policy, then the bank loan program may not be an appropriate option.

Tip: If the patient expresses a need to reestablish credit, or a need for smaller payments, then the loan program is a valued option. As you present this option, you need to emphasize the positive results for the patient and not focus on the issue of interest charged. However, do not ignore the interest issue—the bank is required by law to provide a complete disclosure of the interest terms prior to completion of the loan process.

You should be prepared to assist the patient with initiating the loan process, completing forms, and following up with the appropriate individual(s) who actually handle the loan program. The more initial assistance you provide, the more likely that patient is to follow through and complete the process.

Once the loan is approved, the funds are paid directly to your hospital and the patient's account is resolved; repayment is handled with the patient by the bank.

Medicaid eligibility screening

Medicaid eligibility screening may occur through a variety of approaches, all designed to qualify as many patients as possible for state Medicaid assistance. Your hospital may use one or more of the following approaches:

- County or state worker(s) maintain an office in your facility; these individuals schedule appointments and meet with patients

to begin the application process. Often only inpatients and ambulatory surgery patients are seen by these workers.

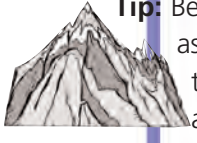
- An outsourcing firm meets with referred patients and helps them complete the application process. Often these firms will screen the patients themselves and provide charity referrals to you if the patient does not qualify for Medicaid.

- Screening may be completed internally by a financial counselor, patient access representative, or patient accounting representative using the current state eligibility guidelines.

- Any combination of the above; identifies patients who should be enrolled in Medicaid and links the patient with the Medicaid application process.

As you interview patients and review their payment histories with your hospital, you may see the need for Medicaid eligibility screening. Remember that patients may be hesitant to begin what may be perceived as a complicated process, or may not fully understand the value of completing the application process.

Medicaid qualification may open the door to better access to physician services, prescription drugs, and other types of assistance, especially for pregnant women and children. Your challenge is to explain in a way that highlights the advantages for the patient the reasons why he or she should cooperate with the screening process.



Tip: Begin the conversation by talking about "financial assistance." Explain that Medicaid is a state program that offers financial assistance for those who qualify, and that you're not talking about welfare or "charity."

Charity screening

Central to charity screening is your ability to distinguish between the potential charity patient and the potential bad-debt patient. Both are uncompensated care patients, as your hospital has received no payment or only partial payment for services provided. It's important to be clear on the difference between these two types of patients:

- **Bad-debt accounts** are defined as accounts where the responsible party has the ability to pay but does not do so in a timely manner or without intervention from an external collection agency.

- **Charity accounts** are accounts where the responsible party does not have the ability to pay based on a defined set of income and asset criteria. Your hospital may discount charity accounts fully or partially, based on written income or income and asset guidelines.

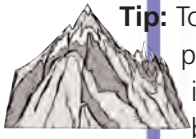
Effective charity screening begins with explaining your hospital's account resolution options to your patient. After explaining each option, you need to ask if that option will work for the patient. Be especially cautious with the patient who just wants a low-level payment plan. This patient may be truly unable to afford even a $25/month payment, and, if properly screened, may qualify for charity care.

Presentation is paramount

The way in which you present the charity option is very important. Many individuals may be too proud to accept "charity." However, if you use the term "financial assistance," they may be more willing to cooperate.

Patients do not understand terms such as "federal poverty guidelines" or "federal poverty level." They also do not understand acronyms for state programs, such as "HCAP." Therefore, you must eliminate these

phrases from your vocabulary and use words and phrases that are easily understood by your patients.



Tip: To explain the income guidelines, you might say to a patient: "Our hospital looks at your income to see if you qualify for assistance. We use guidelines based on income and number of people in your immediate family. These guidelines are developed by the federal government and updated each year. This is one way we make sure that everyone is treated fairly and consistently."

If your state has a specific assistance program, simply reference the program as "the state program"; the acronym used internally for the program will have no meaning to the patient.

Your hospital has developed specific charity procedures. Ideally, charity processing begins prior to service as scheduled patients are financially counseled and asked to resolve accounts prior to or at time of service. For other patients, charity processing may occur after a bill is received from your hospital.

Regardless of when the screening process begins, patients often need assistance in completing the detailed application forms. There are several reasons:

- Patients may not understand how to complete the forms
- They may find it difficult to understand what you will accept as proof of income
- The patient may not be able to read/write.

Tips for screening patients

To successfully screen patients for charity care, you begin with an understanding of your hospital's charity policy and procedures. The following excerpt from a charity policy and procedure is a typical example:

Factors used to determine the amount of charity service provided include the following:

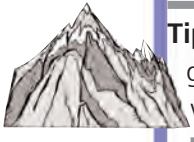
- The patient should reside in the United States.
- The patient's family size is assessed.
- The patient's individual or family income, as appropriate, is supported either by the most recent three months' pay stubs or the most recent income tax return, whichever favors the patient.
- Liquid assets are considered, providing those assets are available within the next 12 months.
- The patient's primary residence is excluded from assets.
- Provided liabilities do not exceed income, no more than 10% of the patient's net income will be considered available for payment plan purposes; normal payment plan terms must be followed.
- A special category deemed "medically indigent" will be applied to individuals whose outstanding medical bills exceed a defined dollar amount or defined percentage of assets.

Using this set of guidelines, what information do you need to obtain from your patient? Your hospital's charity application can be used to guide your conversation with your patients.

Income and asset tests: filling out an application

Using the factors listed above, let's develop information for a typical patient. Do not hesitate to start completing the application for the patient! There are three main categories of information to consider:

1. **Demographics:** You will need the patient's name, a list of family members living in the same household, and their address. Once the patient lists all members of the family, ask for a numeric confirmation of the size of the family. This will help you confirm that no family member has been accidentally missed.



Tip: The size of the family is critical, as the poverty guidelines use the size of the family in conjunction with income during the eligibility determination.

2. **Income:** You may begin by asking about the patient's most recent income tax return—was one filed, and, if so, can the patient provide a copy as proof of income? Help the patient by offering to copy the relevant pages or by providing a return mail self-addressed envelope to eliminate the need for a stamp to send you the copy.

   The patient's income situation may have changed, so remember also to ask for copies of the most recent three months' pay stubs. When you have this information, see which proof of income better benefits the patient and use that source.

Tip: Your patients may not have the actual income proof with them at this time. However, you may use what the patient reports to you to complete the initial screening, with final approval to be processed when the actual proof of income is received. Remember to stress the importance of providing that proof as soon as possible, and explain what may happen if the information is not received: the application will be denied and the charges will be shifted back to the patient.

3. **Assets:** Your next task is to find out whether the patient or responsible party has other assets, such as savings accounts, certificates of deposit, stocks, bonds, vacation property, etc. If any assets of this type are identified, you will need to determine whether the holding can be liquidated (sold) within the next year. If so, that money is a valid resource for paying the hospital's bill.

4. **Expenses:** Most charity applications also look at living expenses to see how much income the patient has left at the end of the month. This is one indicator of the patient's ability or inability to pay the hospital's bill.

   In addition to living expenses, your form may ask the patient to list other outstanding medical bills. Be sure the amounts given reflect only what the patient actually owes for these services. This information is important if you and the patient are looking at medical indigence as an approval option.

When you have finished recording the patient's information, take a few minutes to review the application form with the patient.

Also be sure to

- make a copy or print a copy of the completed form for the patient to keep. On that copy, clearly mark what additional information is needed.
- give the patient an envelope addressed to your attention in which to return the additional information. Most importantly, agree when the information is due, and give the patient your direct telephone number to call with any questions.
- explain the preliminary screening results, showing the patient the scale used and how you reached the preliminary decision. At this time you also need to explain your hospital's appeal process, so the patient knows how to appeal an adverse decision.

Federal poverty guidelines

The federal poverty guidelines are compiled and published each spring in the *Federal Register.* Your manager will provide you with the updated information you need to screen charity applications.

The poverty guidelines consist of a table relating family size to income levels. In addition to the base table, the rates are adjusted separately for individuals living in Alaska and Hawaii. The base table is considered to be 100% of the poverty level.

Any individual or family making less than the amount listed for their family size is considered to have income below the poverty guidelines.

Fixed scale vs. sliding scale methodology

Your hospital may use a scale greater than 100% of the federal poverty guidelines. There are two approaches commonly used today: the fixed scale and the sliding scale.

The fixed scale does not require a patient payment; if the patient qualifies based on income, then the entire hospital bill is adjusted as charity. Your hospital may have established the charity program at 200% of the federal poverty guidelines; in that case, any patient whose income is at or less than 200% of the income level for their family size will qualify for a 100% write-off.

Sample scale—fixed approach: 2006 federal poverty guidelines, lower 48 states and DC

Family size	Gross income—100% level	Gross income—200% level
1	$9,800	$19,600
2	$13,200	$26,400
3	$16,600	$33,200
4	$20,000	$40,000
5	$23,400	$46,800
6	$26,800	$53,600
7	$30,200	$60,400
8	$33,600	$67,200
+8: add $3,400 per additional family member		

To use this table

1. locate the number of individuals in the family, including the patient.

2. then move to the right across the table to locate the maximum annual income allowed to qualify for charity care. If your facility uses the 200% scale, use the numbers in the 200% column.

For example, using the 200% scale, a family of five with annual income of $45,300 would qualify for charity, whereas another family of five with $47,200 in annual income would not qualify.

Alternatively, your hospital may use a modified version of the federal poverty guidelines. It is not unusual to see scales that go from 200% of the federal poverty guidelines to as high as 600%.

Hospitals that use greater percentage scales often use a sliding scale approach. The sliding scale approach provides a 100% charity adjustment at a base level, which may be as high as 200% of the income guidelines; thereafter, the amount of the charity adjustment decreases as the patient's income increases. With this approach, some patients are responsible for a portion of their hospital bill.

Sample scale—sliding approach: 2006 federal poverty guidelines, lower 48 states and DC

Family size	Gross income—100% level	Gross income—200% level	Gross income—201%–300% level	Gross income—301%–400% level
Adjustment	100%	100%	50%	25%
1	$9,800	$19,600	$29,400	$39,200
2	$13,200	$26,400	$39,600	$52,800
3	$16,600	$33,200	$49,800	$66,400
4	$20,000	$40,000	$60,000	$80,000
5	$23,400	$46,800	$70,200	$93,600
6	$26,800	$53,600	$80,400	$107,200
7	$30,200	$60,400	$90,600	$120,800
8	$33,600	$67,200	$100,800	$134,400
+8: add $3,400 per additional family member				

To use this table

1. locate the number of individuals in the family, including the patient.

2. then move to the right across the table to locate the maximum annual income allowed to qualify for charity care.

3. using the patient's gross annual income, compare the patient's income to the income amount listed in each column.

4. stop in the last column where the patient's annual income is less than the amount listed. This will identify the sliding-scale adjustment range for your patient. If the patient's income is greater than the income amount in the final right column, then your patient does not qualify for charity care.

For example, a family of five with annual income of $49,300 would qualify for partial charity care; the adjustment factor for the 201%–300% level is 50% of charges. A family of three with annual income of $32,100 would qualify for full charity, or a 100% adjustment.

Remember that these scales are updated annually; check with your supervisor or manager to obtain your hospital's most recent scale.

State-specific programs

Your state may have a specific assistance program through which hospitals provide charity care to patients whose incomes are at or below the current federal poverty guidelines.

If your hospital is involved in this type of program, you will have a specific form and procedures for documenting this type of charity care. These programs are used by states to identify charity care and claim additional matching funds from federal assistance programs. Those funds are then redistributed to hospitals to fund a portion of the free care provided.

It's important to follow the documentation requirements carefully, as these programs are often subject to detailed audits and reviews.

The real-life application of your organization's policies

Now that we're familiar with the types of programs available, let's look at how to apply the various options to patients. We'll be looking at the best practice for a financial counseling interview, as well as tips to assess a patient's ability to pay and how to deal with reluctant patients.

The financial counseling interview

The scene

Mr. Smith is an inpatient who was admitted following a fall at home. He suffered a broken hip, concussion, and three fractured ribs. His health insurance benefits include a $500 deductible and an additional out-of-pocket or coinsurance responsibility of 20% of charges to a maximum out-of-pocket of $3,000 per year. This is his first healthcare encounter in several years.

Your challenge is to have a conversation with Mr. Smith to learn about his financial situation and achieve resolution of his anticipated account balance.

The interview

Susan, the financial counselor, visits Mr. Smith in his hospital room.

Susan: Good morning Mr. Smith. I've checked your insurance and your plan requires that you pay the $500 deductible, and then 20% of charges until you pay an additional $3,000. I checked the charges on your account this morning, and already your bill is $18,962. How do you want to pay the $3,500 you owe?

Mr. Smith: What? Do you mean you want $3,500 right now? You'll get paid after I go home, and not before! I thought hospitals were about helping patients get well, not grabbing money at every opportunity. Please leave now!

Commentary

In this scenario, Susan was direct, to the point, and very clear about what she expected Mr. Smith to do. Unfortunately for Susan, Mr. Smith reacted to her approach in a negative way, effectively ending the interview before it really started. The end result—no payment, no screening, and no financial resolution.

This encounter did not have to end in a no-win situation. Consider this approach

The patient-centric financial counseling interview

The scene

Susan, the financial counselor, visits Mr. Smith in his hospital room.

Susan: Good morning, Mr. Smith. My name is Susan, and I work with patients here at ABC Memorial on insurance and financial issues. I hope you are feeling better and are on the mend. Is this a good time for us to talk about your insurance and how it works?

Commentary

In this version, Susan took the extra moment to introduce herself, explain who she is, and describe what she does for patients at ABC Hospital. She expressed concern for Mr. Smith as a person, hoping that he was feeling better. Finally, she asked if this was a good time to talk about financial issues. Because this approach is nonconfrontational and begins by treating Mr. Smith with the utmost respect, Mr. Smith is very likely to cooperate with Susan and begin a discussion about his insurance and financial situation. Susan continues:

Susan: Mr. Smith, I checked with your insurance company and here's what I learned. You are responsible for a $500 deductible each year. What that means is, you pay the first $500, and then your insurance plan begins to pay benefits for you. When your insurance begins to pay benefits, you are also responsible of 20% of charges, until you have paid an additional $3,000. Once you have paid the deductible and the additional percentage of charges—what we call the coinsurance—then your plan pays 100% of the medically necessary charges. Does this make sense, Mr. Smith?

Commentary

Susan has just given Mr. Smith a large amount of detailed insurance

information. It is important to stop and use feedback to make sure that Mr. Smith understands everything Susan has explained thus far.

Susan: Great, I'm glad this makes sense. I checked your charges this morning, and your bill now totals $18,962. In simple terms, 20% of $18,000 is more than the $3,000 coinsurance limit, so the full $3,000 will be applied to this visit. That means that for this visit you will be responsible for the $500 deductible and the $3,000 in coinsurance, for a total of $3,500.

Commentary
Susan has now delivered the financial news. She stops talking and waits for Mr. Smith to respond to this amount due.

Mr. Smith: Well, I know I couldn't pay that huge chunk, so I guess I'm lucky to have health insurance. Still, I have to think about how I'm going to manage the $3,500. It sure isn't in the family budget.

Commentary
Mr. Smith has responded to Susan's information in a calm, thoughtful way. He has also given Susan an opening to begin a conversation about financial assistance options. She needs to provide options and allow Mr. Smith to explain his financial situation in more detail.

Susan: Mr. Smith, please tell me more about your family and financial situation. We have several payment options available here at ABC Memorial, and I want to help you select the best option.

Commentary
After discussing Mr. Smith's income, Susan realizes that he will not qualify for Medicaid. However, he goes on to state that he cannot afford large monthly payments. Therefore, Susan initiates the financial screening process.

Thus far, she has compiled the following information:

- Family size: five (Mr. Smith, his wife Carole, and three children aged 14, 12, and eight)
- Income last year totaled $51,750
- Other assets: the family owns their home along with the mortgage bank, a four-year-old SUV, and a savings account (average balance is $500 or less)
- Expenses: mortgage, electricity, water, heat, food, car, gasoline, clothes, etc., are approximately $3,250
- Credit cards: the family has two, both of which are near or at their spending limitations—monthly payments are $200
- Net dollars available for medical expenses: $50/month

TEST YOUR KNOWLEDGE

Test your knowledge

Using this information and the sliding-scale plan from the table on page 15 of this book, for what level of charity, if any, does Mr. Smith qualify?

Mr. Smith qualifies for a 50% adjustment of his portion of the hospital bill. In this example, Mr. Smith would owe $1,750. Given what you know about Mr. Smith's finances, would Mr. Smith be able to pay the full amount due at this time?

Most likely, Mr. Smith will ask for either a payment plan or information about the bank loan program, if one is available at your hospital. If Mr. Smith were to want a payment plan, using the chart on page 4, what is the final offer your hospital's plan allows you to make to him?

The answer is $50 per month for a term of 35 months.

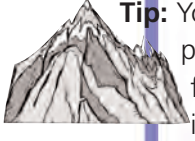
The "ability to pay" issue

Let's take a look at another common scenario: determining a patient's ability to pay.

Abigail and her children frequently receive care from your hospital. She is divorced; her ex-husband provides health insurance for the children. Abigail has health insurance through her employer.

As you research her accounts, you realize that she frequently agrees to payment plans, requests charity applications, and makes token payments when faced with a collection agency placement. She has worked with three different financial counselors and recently sent back a charity application. Although the application is incomplete, the income information provided clearly places Abigail outside the hospital's income guidelines for charity care.

This is an example of a patient with the ability, but not a ready willingness, to pay. The stall tactics described are indications that additional collection activities will be required to resolve Abigail's accounts.



Tip: You'll need to have a frank conversation with this patient. Make it clear that her continual disregard for the hospital's payment requirements will result in additional collection activity. Follow your hospital's guidelines for identifying accounts that need outside assistance.

The reluctant patient

You may also encounter a patient who has multiple unresolved balances, but when you approach this patient, the patient continues to offer to pay $25 per month. If you simply hand this patient a charity application form, will this patient complete the form? Possibly not. How can you motivate this patient?

You need to recognize that this patient could have several reasons for not completing the charity application form:

Pride: the patient may be a very proud individual, who always pays the bills, regardless of how long it may take. Using the term "charity" with this patient is not productive. Talking about "financial assistance" may be a more acceptable approach.

Literacy: This patient may also have a literacy issue that is a source of embarrassment. In other words, this patient may not be able to read/write. To engage this patient, you will need to read the questions to the patient and record the answers on the form. Approach is critical, as no one wants to admit that they can't read. Offer to help by reviewing the questions and noting the answers right on the form.

Non-English speaking: If you live in an area with a high concentration of people whose primary language is not English, your hospital should provide translator resources. If the patient or patient's family is having difficulty understanding you, or responds in very broken English, identify the patient's native language and get appropriate backup.

In any of the cases above, it's your duty to explain that your hospital wants to make sure that any patient using a payment plan is set up on the correct plan for his or her financial situation.

Your hospital may have other sources of funding to help with hospital bills. But none of this matters unless patients will help you gain a clear picture of their financial situation.

Conclusion

Regardless of the type of patient you encounter, using the appropriate communication techniques and treating the patient as you would wish to be treated will enable you to successfully complete the financial counseling interview.

Remember that the appropriate financial assistance option can be found for each patient, as long as you motivate the patient to cooperate with you and complete the applications as required.

Final exam

1. **True or False: Examples of financial assistance programs include monthly payment plans, bank loan programs, charity programs, and collection agency placement programs.**

   True False

2. **If your hospital's payment plan policy limits the number of payments to a maximum of 48 payments, what is the minimum monthly payment required to resolve a $3,600 balance?**

   a. $50
   b. $75
   c. $100
   d. None of the above

3. **True or False: The advantages a patient may receive from a bank loan program include lower monthly payments and the opportunity to reestablish credit.**

   True False

4. **The initial Medicaid eligibility screening may be completed by**

   a. state or county eligibility workers
   b. hospital financial counselors
   c. an outside firm contracted to provide this service
   d. all of the above

5. **True or False: Patients who are classified as bad-debt accounts do not have the ability to pay their hospital bills.**

   True False

6. **A hospital may use what factors in making a charity determination?**

   a. Residency, individual income
   b. Family income, liquid assets
   c. Medical indigence status
   d. All of the above

7. **True or False: The federal poverty guidelines are updated every two years by CMS.**

   True False

8. **Assume that your hospital uses the following fixed scale for charity determinations:**

Family size	Gross income—100% level	Gross income—200% level
1	$9,800	$19,600
2	$13,200	$26,400
3	$16,600	$33,200
4	$20,000	$40,000

The patient has an annual family income of $36,790, and the family includes the patient, her spouse, and one minor child. This patient will qualify for what level of charity?

a. 100% b. 50%
c. 25% d. 0%

9. **Assume that your hospital uses the following sliding scale for charity determinations:**

Family size	Gross income—100% level	Gross income—200% level	Gross income—201%–300% level	Gross income—301%–400% level
Adjustment	100%	100%	50%	25%
1	$9,800	$19,600	$29,400	$39,200
2	$13,200	$26,400	$39,600	$52,800
3	$16,600	$33,200	$49,800	$66,400
4	$20,000	$40,000	$60,000	$80,000
5	$23,400	$46,800	$70,200	$93,600

The patient's total annual family income is $75,000; the family consists of the patient's mother and father and one younger brother. The patient is 16 years old. This patient will qualify for what level of charity?

a. 100% c. 25%
b. 50% d. 0%

10. Keys to a successful financial counseling interview include

a. expressing concern for the patient's health and recovery

b. introducing yourself and explaining your role

c. explaining information in layman's terms and using feedback to make sure that the patient understands your information

d. all of the above

e. none of the above

Answer Key

1. False
2. b
3. True
4. d
5. False
6. d
7. False
8. d
9. c
10. d

CERTIFICATE OF COMPLETION

This is to certify that

_____

has read and successfully passed the final exam of

Financial Assistance Training Handbook
for financial counselors, patient access and patient financial services staff

Signed: _____

Director