CATHOLIC HEALTH INITIATIVES®

ST. JOSEPH MEDICAL CENTER

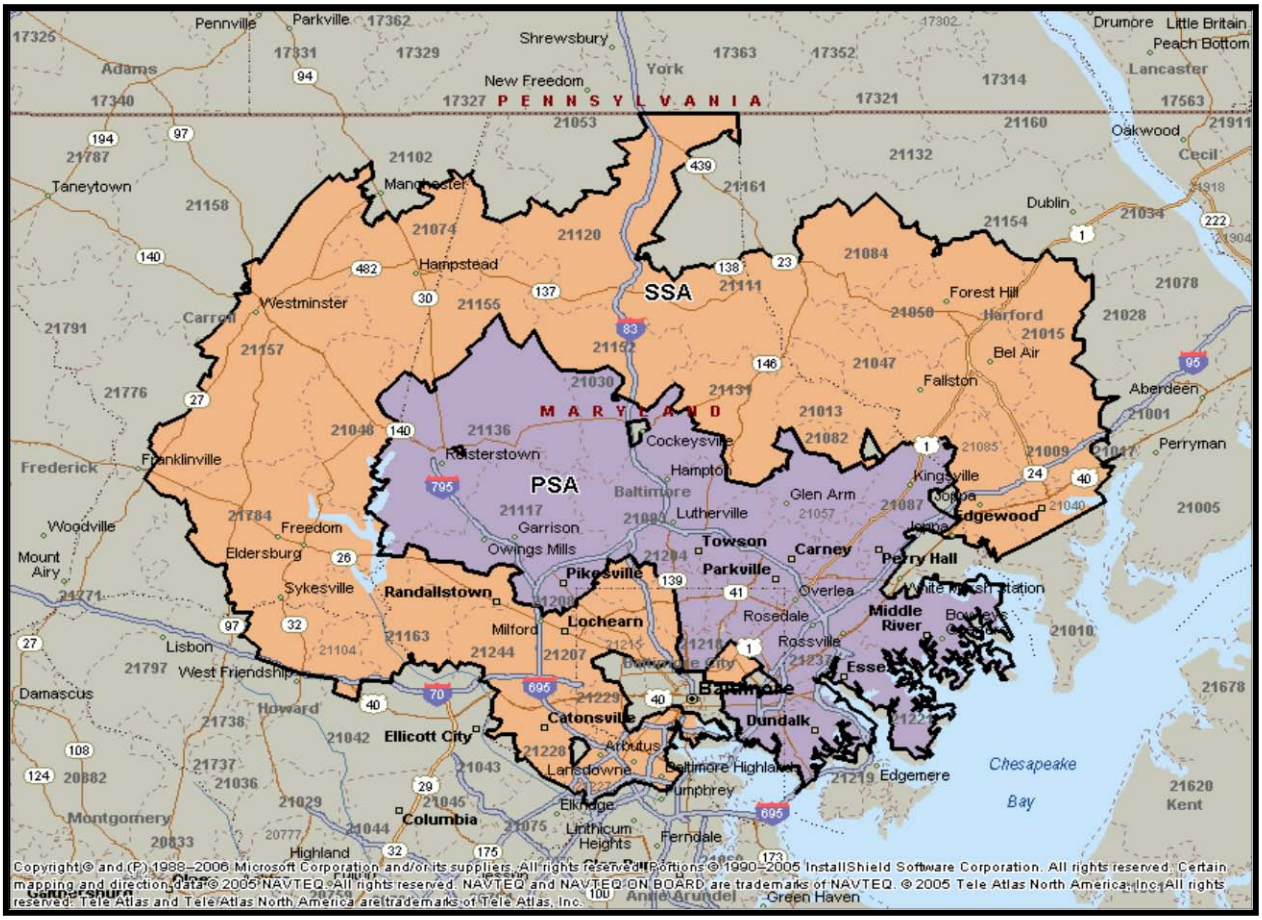
Community Benefit Narrative For Fiscal Year 2011

I. GENERAL HOSPITAL DEMOGRAPHICS AND CHARACTERISTICS

1. What was the licensed bed designation, number of inpatient admissions, the primary service area, and primary service area overlap with other hospitals in the fiscal year?

St. Joseph Medical Center (SJMC) has 263 licensed beds. In Fiscal Year '11, SJMC had 16,740 inpatient admissions. Our primary service area is designated below in purple, with the secondary service area designated in gold/orange. The zip codes in our Primary Service Area from which SJMC captures 60% of its patients include: 21030, 21057, 21087, 21093, 21117, 21128, 21136, 21204, 21206, 21208, 21212, 21214, 21218, 21220, 21221, 21222, 21224, 21234, 21236, 21237, 21239, 21252, 21286.

SSA (Secondary Service Area) includes areas where SJMC captures approximately 22% of inpatient cases. SSA Zip Codes include 21009, 21013, 21014, 21015, 21040, 21047, 21048, 21050, 21071, 21074, 21082, 21084, 21085, 21104, 21111, 21120, 21131, 21133, 21152, 21155, 21157, 21163, 21207, 21209, 21210, 21211, 21213, 21215, 21227, 21228, 21229, 21230, 21244, 21784



In our PSA we overlap service areas with Greater Baltimore Medical Center, Franklin Square Hospital, Good Samaritan Hospital, St. Agnes Hospital, the University of Maryland Medical Center, John Hopkins Medical Center, Mercy Hospital, Upper Chesapeake Medical Center, Sinai Hospital, Union Memorial Hospital, Northwest Medical Center, Harbor Hospital, Howard County General Hospital, Bon Secours Hospital and Harford Memorial Hospital.

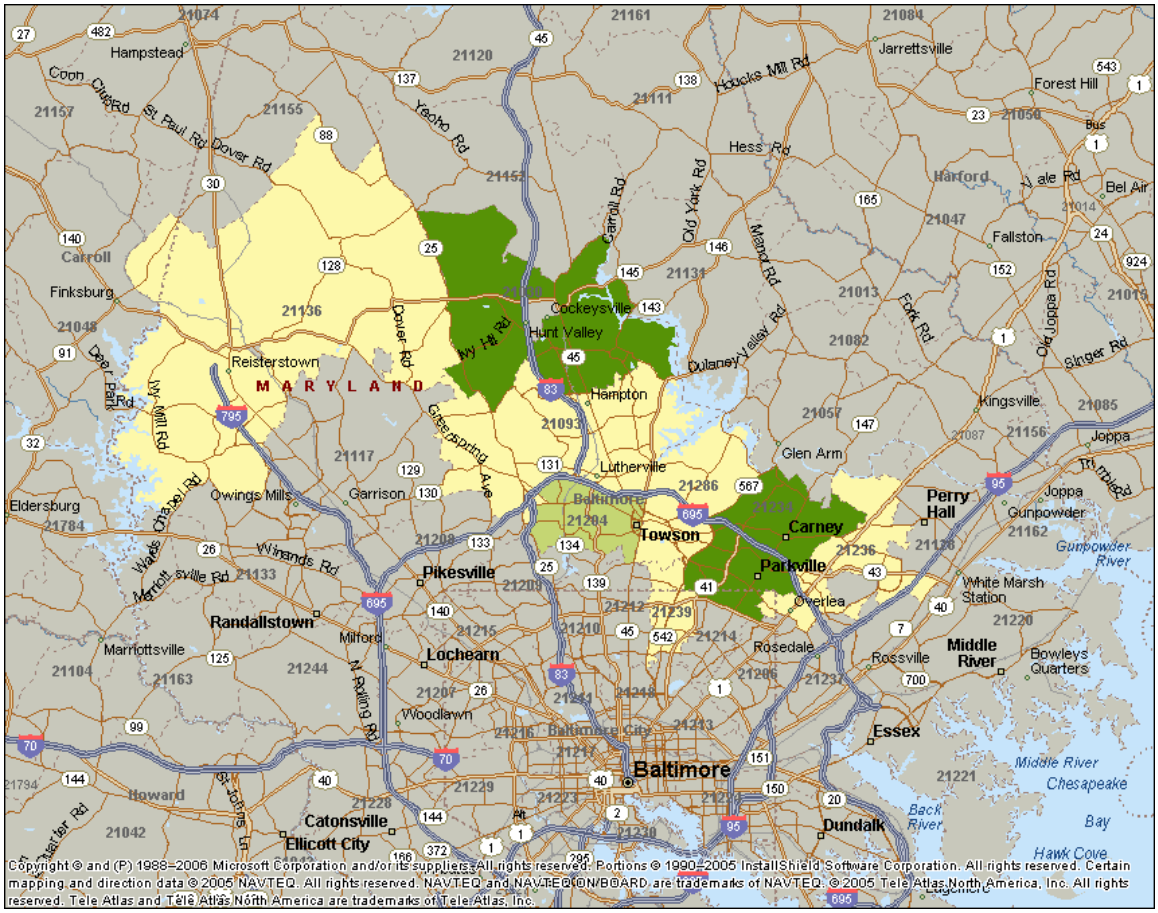
Our Community Benefit Service Area (CBSA) is best understood as a combination of the range of our Community Health Outreach services and the zip codes from where the majority of our charity care recipients live. In the last six months, our Community Health Outreach team has provided services in the following zip code areas: 21224, 21244, 21286, 21093, 21252, 21234, 21235, 21237, 21204, 21030, 21286, 21117, 21015, 21093, 21236, 21001 and 21228.

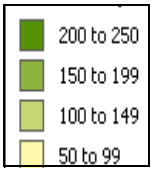
Mapped out, the zip code areas where our Community Health Outreach team has worked in the last six months illustrates the served areas in green:

SJMC Outreach Areas

The zip codes from which the majority of patients who receive charity care of some type come from are: 21030, 21204, 21234, 21239, 21286, 21093, 21136. Mapped, these zip codes illustrate component of our total community benefit service area:

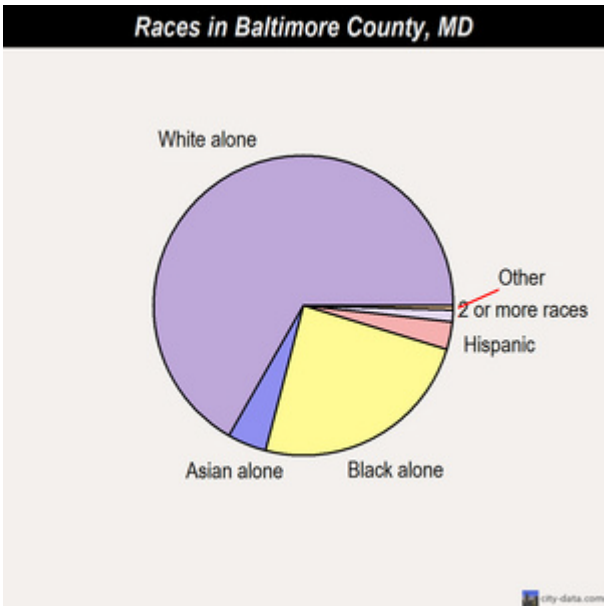
SJMC Charity Care Patients in Top Zip Codes





The demographic characteristics of our PSA and CBSA overlap sufficiently that it is possible to describe the demographic features of this group together.

- In July, 2009 the population of Baltimore County was 789,814 (94% urban, 6% rural)



- White Non-Hispanic Alone (66.7%)
- Black Non-Hispanic Alone (24.2%)
- Asian alone (4.1%)
- Hispanic or Latino (3.0%)
- Two or more races (1.4%)
- The median age in Baltimore County is 37.7 years
- Estimated median household income in Baltimore County in 2009 was $64,906

II. COMMUNITY HEALTH NEEDS ASSESSMENT

The community health needs reflected in SJMC's FY '11 community benefit report have been identified through the use of on-line databases including: The Community Health Rankings database; the U.S. Census Bureau database reflecting 2000 – 2009 data; the America's Health Rankings database; the Catholic Healthcare West community needs database (which has allowed us to drill down to the neighborhood/street level for information); the database of the U.S. Department of Health and Human Services; and the New York Times database "Mapping America: Every City, Every Block". These databases were used to identify in our service area ethnic/minority populations, health risk factors and their degree of severity, basic demographic information (age, education, income levels), mortality rates, and rates of violence/suicide and other mortality and health risk indicators.

The Director of the Baltimore County Health Department, Dr. Gregory Branch and his staff have been a valuable resource in identifying vulnerable populations and unmet health care needs in Baltimore County. Participation in the Local Health Coalition of Baltimore County by the Vice President for Mission Integration at St. Joseph Medical Center has also provided information and a venue for learning from other health care providers in the area the shared as well as different populations and health care needs of the citizens of Baltimore County. The most urgent health care needs in Baltimore County that are priorities for the Baltimore County

Health Department are childhood obesity, low birth weight/infant mortality and reduction of tobacco/substance use.

Working with Catholic Charities of the Baltimore Archdiocese has provided data on populations they serve within SJMC's service area and the health needs of these populations. These needs are consistent with those already identified by the Baltimore County Health Department.

Specific departments of the medical center, such as Community Health Outreach, the St. Joseph Foundation, St. Clare Medical Outreach and the Cancer Institute were particularly involved in collaborative relationships to identify areas of specific and significant health care needs. The Cancer Institute is collaborating with several African American and Latino/Hispanic health initiatives to identify at risk populations for colorectal cancer, breast cancer, and prostate cancer and have offered free screenings in strategically identified locations and also has provided follow up/treatment services as needed for the participants.

A subsidiary of the SJMC Foundation, FANS (friends, alumni, neighbors and supporters) volunteers are another great resource for the hospital to help update and refine our gauge of emerging needs in the community.

In the past four years the hospital has been completing planning for the growth of the Cancer Institute at St. Joseph Medical Center. We have been working closely with the American Cancer Society as well as the National Cancer Institute to learn more about health disparities. The areas of most need identified were: transportation, access to care and lifestyle choices.

Leadership from the hospital participated on boards and committees which has provided another avenue for identifying community health needs. The organizations on which our leadership has participated include:

- The American Heart Association
- The Cancer Coalition
- Maryland Hospital Association
- The American Cancer Society
- Health Department Committees

The community health needs assessments that have been done by St. Joseph Medical Center for the past 14 years have been through the use of public databases and collaboration with the Baltimore County Health Department.

III. COMMUNITY BENEFIT ADMINISTRATION

1.a. Does the Hospital have a CB strategic plan?

In Process

In July 2010, the senior leadership of St. Joseph Medical Center made a commitment to increasing the community benefit contributions as a percentage of operating expenses. Based on annually reviewed data, adjustments and/or changes will be made to the priorities of the community benefit initiatives of SJMC. Until our formal community health need assessment (which will be done in 2012-2013 in collaboration with two other health care institutions in our service area) is completed, documenting the health care needs of the population in our CBSA, we believe it would be premature to develop a multi-year Community Benefit Strategic plan before the results of that assessment are received. We believe we are aware of the more significant health needs of the populations in our service area through the feedback from our Community Health Outreach staff, the use of public health care data bases and consultation with the administration of the Baltimore County Health Department.

1.b. Are the following included in the process/structure of implementing and delivering Community Benefit Activities?

i. The Vice President of Mission Integration of St. Joseph Medical Center is the designated member of senior leadership who provides oversight to our community benefit. She reports to the CEO on community benefit issues as well as regularly reporting on community benefit and engaging the support of the entire senior leadership team for community benefit initiatives.

ii. Clinical leadership (the Chief Medical Officer and the Chief Nursing Officer) are particularly involved in assisting in the staffing of St. Clare Medical Outreach, our free primary care clinic for those who have no health insurance serves a primarily Hispanic population.

iii. At this point there is no designated Community Benefit Department at St. Joseph Medical Center. Several members of the Finance Committee of the Medical Center's Operating Board serve as the Community Benefit Advisory Committee with the Vice President of Mission Integration and are a liaison with the plenary Board membership.

1.c. Does the hospital conduct an internal audit of the CB Report?

St. Joseph Medical Center does not conduct an internal audit of the Community Benefit Report as a distinct document, neither the spreadsheet nor the narrative. The data in the Community Benefit Report, however, is included in our audited financial statements and our statistics for charity care are audited.

1.d Does the hospital Board review and approve the completed Community Benefit Report

The Operating Board of St. Joseph Medical Center receives a formal Community Benefit Report each year. This includes the narrative component as well as data available

through Lyons Software (CBISA) for the fiscal year. The Board reviews and approves the community benefit report, both the spreadsheet and the narrative.

IV. ST. JOSEPH MEDICAL CENTER COMMUNITY BENEFIT PROGRAM AND INITIATIVES – FY '11

1. Does the report describe in detail the identified community needs and initiatives undertaken by the hospital?

The community health needs identified by St. Joseph Medical Center within its primary service area include:

- Cancer and Related Lifestyle Choices that contribute to the development of cander
- Heart Disease and Related Lifestyle Choices
- Obesity/Weight Management
- Diabetes Management
- Smoking cessation
- Education regarding substance abuse
- International health care outreach

A. There is a growing Hispanic community in the SJMC primary service area whose health care needs are often unmet because of language barriers and their lack of health insurance. St. Clare Medical Outreach is a free primary care clinic sponsored by St. Joseph Medical Center that serves people who have no health insurance at all (no Medicare, Medicaid, etc.) Many of the patients of St. Clare Medical Outreach are Hispanic and almost all the staff of St. Clare Outreach are bilingual. They see over 2000 patients each year. The primary medical conditions of the patients of St. Clare Outreach are hypertension, obesity, diabetes and high blood pressure, but at the same time they see patients who are diagnosed with cancer and need immediate and aggressive interventions.

The staff at St. Clare Outreach include a pharmacy liaison whose full-time position is working with pharmaceutical companies to secure at little or no cost the drugs that their patients urgently require but cannot afford. When patients present with needs for care by specialists, the staff of St. Clare can refer many of them to physicians who will provide pro bono care in their area of specialty. This presents challenges to the staff, because they do not want to overuse any provider's generosity, and there are situations where there is need for a specialist in an area where they do not have a provider who will provide pro bono care. The diabetes educator who is part of the St. Clare Medical Outreach staff has developed teaching tools specifically designed for patients who read neither English nor Spanish and yet need instruction on how to control their diabetes through both diet and the use of insulin.

The St. Clare Medical Outreach program is relocating to an off-site location near the hospital, and on a major north/south bus line to provide easier access for the patients who come for medical care. Many of them take public transportation, and the current location of St. Clare Medical Outreach is difficult for those who don't have access to a car.

The request for services through St. Clare Medical Outreach has been so strong that we are initiating a program to have physicians who have retired from St. Joseph Medical Center provide volunteer care so patients may be seen more quickly.

B. The State of Maryland ranks 41 out of the 50 states in infant mortality. In addition, 9.2% of the babies born in Baltimore County have low or very low birth weight, compared with 7%+ in the surrounding counties. SJMC's Women's Health Associates (WHA) addresses this health care priority by providing needed gynecological and obstetrical services for women who have limited financial resources and/or have no health insurance. Each year the WHA staff of four physicians and six midwives sees approximately 10,500 -11,000 patients and delivers 550 babies at minimal or no cost to the patient. This program is flourishing and will continue

C. Adults in Baltimore County (the primary area of our PSA) have a tobacco use of 22.2%, higher than the average in Maryland and significantly higher than the national benchmark of 15%. To address this health care issue, St. Joseph Medical Center underwrites the salary of full-time addictions specialist, Mike Gimbel, who has developed a program entitled, "Powered by Me!" which focuses particularly on student athletes at the high school and college level. This highly successful and sought-after program provides, at no expense to schools or participants, effective strategies and motivation to not use tobacco or any other substance. In FY '11, the Powered by Me! program was received by more than 28,700 young adults.

Smoking cessation classes are also offered by SJMC through our Community Health Outreach. In FY '11, SJMC's free Tobacco Education classes were received by over 400 participants.

Both of these uncompensated programs are judged very successful from the constant increase in requests for them. They will both continue.

D. International Outreach – Tanzania

Established in 2002 by St. Joseph Medical Center, the Village Wellness Project (VWP, formerly known as the Village Wellness Program) serves 70,000 villagers in 21 villages of the Karatu District of Tanzania, East Africa. The VWP is a comprehensive initiative and includes a variety of sustainable projects designed to improve the overall health and well-being of the villagers.

During FY'11, the priorities in our Tanzania outreach became more focused based on demonstrable positive results in projects we funded in previous years and conversations with local health care leaders and the leadership of the Roman Catholic diocese of Karatu during an on-site visit by SJMC staff in October, 2010. The three priorities that SJMC now supports in Tanzania are the small animal projects, education of health care workers, and microloans for women. These three priorities were chosen because they already have a shown excellent results and positive impact on the lives and health of villagers and

particularly women and children (the microloans for women and the small animal project) or they respond to the need identified by the leaders with whom we spoke (education of health care workers).

The Tanzania initiative will continue. We judge it successful from the highly positive evaluation by the health care and religious leaders with whom we spoke in Karatu and by the demonstrable results of the programs that are now the priority.

E. Cancer and related lifestyle choices

Year of evaluation: FY 2011
Nature of evaluation: Data collection from assessments, screenings and education regarding breast, skin, cervical, colon and prostate cancer.
Result of evaluation: Programs continued

F. Obesity/Weight Management – Diabetes Education/Management

Year of evaluation: FY 2011
Nature of evaluation: Addressed through primary care services provided by St. Clare Medical Outreach, particularly in its Diabetes management services. The staff of St. Clare Medical Outreach have translated many of the materials for Obesity and weight management and diabetes education into Spanish to serve the Hispanic patients.
Results of evaluation: Programs continued

Diabetes Education/Management also takes place through the work of our Diabetes Education Staff who provide screenings and education at no cost to patients in addition to the work of the St. Clare Medical Outreach staff with Hispanic patients.

2. Does the report provide a list of needs that were identified through a community needs assessment but were not addressed by the hospital?

Our community health needs assessment, using available public databases and input from the Baltimore County Health Department, indicated childhood obesity as a significant health care need in Baltimore County which we have not addressed at St. Joseph Medical Center. Our inpatient pediatric service is very small (less than 300 patients/year) and SJMC, therefore, is not a hospital that has an "entry point" for working with obese children. We have few pediatricians on staff at SJMC because of that. In our own on-site day care center we have oversight and control over the activity level of the children and the foods that are provided here.

V. PHYSICIANS

1. Does the report include a written description of the gaps in availability of specialist providers to serve the uninsured cared for by the hospital.

When patients who have been screened, particularly through cancer screenings, are identified as needing further diagnostic care or treatment, most of the time we are able to provide not only in-patient charity care when these patients receive in-patient treatment at

SJMC, but we are able to provide the physician services from one of our employed physicians at no cost to the patient. On the rare occasions when we do not have a specialist in the needed area or we are unable to find a physician who will provide the services pro bono, we have a network of physicians and facilities outside St. Joseph Medical Center who assist us in providing for the patient's health care needs. No patient in need of medical care is ever abandoned by St. Joseph Medical Center.

As physicians in any specialty become employed with St. Joseph Medical Center, they are reminded that accepting pro bono patients is part of the hospital's expectation of them and a requirement of their employment.

2. If the hospital listed physician subsidies in Category C, did the hospital provide detail on those subsidies?

None of the subsidies outlined in Category C are applicable to St. Joseph Medical Center

VI. APPENDICES

1. a. Charity Care Policies

Patients are able to learn about our charity care policies, their eligibility for assistance, and to access the form to begin the process of applying for financial assistance on our website at: http://www.stjosephtowson.com/Patients/Payment-Information.aspx

Brochures outlining the process for applying for financial assistance are also available at each patient registration kiosk in the Patient Registration area.

1.b Charity Care Policy

The Charity Care policy is below:

ST. JOSEPH MEDICAL CENTER
ADMINISTRATIVE POLICY

TITLE: Financial Assistance (Charity Care) **RIGINAL DATE:** 06-99
POLICY NUMBER: AD 9 **REVISION DATE:** 09-10
POLICY EXECUTIVE: CFO **PAGE:** 1 of 12
POLICY OWNER: Director of Revenue Cycle **ATTACHMENT(S):** Three

PURPOSE:

To outline the process for enabling qualified patients to apply for Financial Assistance who do not have the resources to pay for medical care and are not qualified for financial assistance from state, county or federal agencies.

The primary purpose of this September 2010 revision is to incorporate specific provisions now required by Maryland law.

POLICY:

I. As a Catholic health care provider and tax-exempt organization, St. Joseph Medical Center is called to meet the needs of people who seek our care, regardless of their ability to pay for services provided. Charity care is defined as care provided to patients without expectation of payment for those services. Charity care may be provided to those who are uninsured, underinsured, or determined to be medically indigent. All patients requiring medically necessary services will have the option to apply for charity care.

II. Identifying Patients Unable to Pay for Needed Services

A. Hospitals, Outpatient Surgical Services, and Clinics

1. Consistent with the principles of Catholic faith-based healthcare ministry, any patient seeking urgent or emergent care at SJMC will be treated without regard to a patient's ability to pay for care. SJMC will operate in accordance with all federal and state requirements for the provision of healthcare services, including screening and transfer requirements under the Federal Emergency Medical Treatment and Active Labor Act (EMTALA).

a. The definition of urgent care is that provided to a patient with a medical condition that is not life/limb threatening or not likely to cause permanent harm, but requires prompt care and treatment, as defined by the Centers for Medicare and Medicaid Services (CMS) to occur within 12 hours, to avoid:

i. Placing the health of the patients in serious jeopardy or to avoid serious impairment or dysfunction; or
ii. Likely onset of an illness or injury requiring emergent services, as defined in this document.

b. The definition of emergent care is that provided to a patient with an emergent medical condition, further defined as:

i. A medical condition manifesting itself by acute symptoms of sufficient severity (e.g., severe pain, psychiatric disturbances and/or symptoms of substance abuse, etc.) such that the absence of immediate medical attention could reasonably be expected to result in one of the following:

- Placing the health of the patient (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, or
- Serious impairment to bodily functions, or
- Serious dysfunction of any bodily organ or part.

ii. With respect to a pregnant woman who is having contractions, that there is inadequate time to effect a safe transfer to another hospital before delivery, or that the transfer may pose a threat to the health or safety of the woman or her unborn child.

iii. Health care services that are provided in a hospital emergency facility after the sudden onset of a medical condition that manifests itself by symptoms of sufficient severity, including severe pain, in the absence of immediate medical attention could reasonably be expected by a prudent layperson, who possesses average knowledge of health and medicine, to result in:
1) placing the patient health in serious jeopardy;
2) serious impairment of bodily functions; or
3) serious dysfunction of any bodily organ or part.

2. Patients who qualify for charity care discounts shall be identified as soon as possible, either before services are provided or after an individual has received services to stabilize a medical condition. If it is difficult to determine a patient's eligibility for a charity care discount prior to the provision of services, such determination shall be made as soon as possible but shall not exceed a period of 18 months after the provision of such services.

3. The Financial Assistance policy will apply to the variety of medically necessary services provided by SJMC. This includes all hospital services, ranging from inpatient and outpatient elective surgery, diagnostic testing, and educational programs.

4. SJMC will maintain documentation that includes an attestation from the patient's physician indicating appropriate medical necessity for all patients who apply for charity care discounts:

a) Medical necessity is defined as any procedure reasonably determined to prevent, diagnose, correct, cure, alleviate, or prevent the worsening of conditions that endanger life, cause suffering or pain, resulting in illness or infirmity, threatening to cause or aggravate a handicap, or cause physical deformity or malfunction, if there is no other equally effective, more conservative or less costly course of treatment available.

B) SJMC will utilize SJMC medical necessity software to assure that all medical necessity determinations are administered in a consistent manner.

5. SJMC will clearly post signage in English to advise patients of the availability of financial assistance. Staff members will communicate the contents of signs to people who do not appear able to read. Signage will be posted in conspicuous places throughout the hospital, including the billing office, informing patients of their right to apply for financial assistance and who to contact at the hospital for additional information.

6. Sharing information about charity care is differentiated into two scenarios – one for an emergency patient and another for a non-emergency patient scheduling an admission or other procedure.

a) Scenario – emergency patient:

i. Patients receiving emergency services shall be treated in accordance with SJMC's emergency services policy, developed in accordance with EMTALA and other requirements.

ii. SJMC will engage in reasonable registration processes for individuals
requiring examination or treatment:

1) Reasonable registration processes shall include asking whether an Individual is insured and, if so, the name of the insurance program utilized, if such inquiry does **not** delay screening or treatment.

2) Reasonable registration process shall **not** unduly discourage patients from remaining for further evaluation. Therefore, discussions regarding financial issues shall be deferred until after the patient has been screened and necessary stabilizing treatment has been initiated.

3) Once EMTALA requirements are met, patients identified through the registration process as being without Medicare/Medicaid, other local health care financial assistance or adequate health insurance shall be mailed a Financial Assistance Application within ten days of the date of service. This will ensure that all self-pay patients are informed of Financial Assistance availability in a timely manner. Compliance will be monitored through a Meditech NPR Report.

b) Scenario – non emergency patient scheduling an admission or other procedure:

i. Patients without Medicare/Medicaid, other local health care financial
assistance or adequate health insurance shall be mailed a Financial Assistance Application within ten days of the date of service. This will ensure that all self-pay patients are informed of Financial Assistance availability in a timely manner. Compliance will be monitored through Meditech NPR report.

c) Under either scenario, the Financial Assistance Application and accompanying instructions will clearly indicate that SJMC provides care, without regard to ability to pay, to individuals with limited financial resources, and will explain how patients can apply for financial assistance. In addition, SJMC Billing and Payment Guidelines brochure will address patient financial assistance.

i. For instances in which there are significant number of patients not proficient in reading, writing or speaking English, additional information shall be provided (or assistance shall be made available) to complete necessary forms.
ii. In the event that SJMC service area consists of 10% or more of a population who does not speak English, SJMC will prepare informational notices in each of the languages that account for 10% or more of the total population.
iii. To allow SJMC to properly determine charity care eligibility, documents provided by patients to the MBO shall be written in English.
iv. Records maintained by SJMC to substantiate eligibility for charity care shall be completed in English.
v. SJMC will identify the availability of financial assistance in information booklets provided to patients and in general information provided on SJMC's website.
vi. SJMC will begin the process of assessing financial ability as soon as patients contact the hospital to schedule a procedure or when they register as an emergency patient (subject to the EMTALA requirements discussed above).

B. Other Services

Physician practices owned by SJMC or clinics that are an integral part of SJMC or its non-profit subsidiaries shall adopt the SJMC charity care policy. These organizations shall comply with the same charity care policy and procedures adopted by the SJMC Board of Directors.

C. Joint Operating and Joint Venture Agreements

SJMC shall consider charity care obligations in agreeing upon the terms and conditions in JOA's and joint ventures.

III. Providing Assistance to Patients

SJMC will use the guidelines below to determine whether a patient is eligible for a charity care discount and the amount eligible for write-off or discount. SJMC will access all applications using a consistent methodology. The methodology will

consider income, family size, and available resources. The authorization of charity care discounts will be restricted to Director of Revenue Cycle up to $10,000, the Controller up to $20,000, and CFO $20,000 and above.

A. Authorization and Methodology

1. SJMC will utilize *The* Maryland State Uniform Financial Assistance Application.

   See **Exhibit 1**.

2. SJMC will utilize the *CHI Standardized Charity Care Determination Checklist.* **See attached Exhibit 2: Catholic Health Initiatives SJMC Financial Assistance Checklist**.

3. All available financial resources shall be evaluated before determining financial assistance eligibility. SJMC will consider financial resources not only of the patient, but also of other persons having legal responsibility to provide for the patient (e.g., the parent of a minor child or a patient's spouse). The patient/guarantor shall be required to provide information and verification of ineligibility for benefits available from insurance (i.e., individual and/or group coverage), Medicare, Medicaid, workers' compensation, third-party liability (e.g., automobile accidents or personal injuries) and other programs. Patients with health spending accounts (HSAs), formerly known as medical spending accounts (MSAs), are considered to have insurance; the amount that the patient has on deposit in the HSA is to be considered insurance and not eligible for any discount.

   Note The term "patient/guarantor" sometimes is used subsequently in this document to refer collectively to the patient as well as any such other person(s) having legal responsibility for the patient.

4. Eligibility for charity care discounts shall be determined based on 130% of the annually updated *HUD Geographic Very-Low Income Guidelines,* referenced later in this document, available assets and any extenuating circumstances such as an liability settlement and/or an inheritance. Thus, the standards of eligibility for the application of charity discounts must consider assets over $2,500 as well as income. (This provision exceeds the Maryland required threshold of 200% the Federal Poverty Level in substantially all cases. Where 200% of the Federal Poverty Level exceeds the Guidelines, the Maryland required level will govern) The maximum payment required under any reduced cost agreement shall not exceed the hospitals charges minus the approved HSCRC markup.

a) Determinations of eligibility for charity care discounts are made for a 90-day period and applications must be submitted within 18 months of the date of service. Confirmations of continued eligibility shall be updated every 90 days for patients who require ongoing health care services. Individual claims within 90 days that are greater than $10,000 will need signatures by appropriate person.

b) An individual's occupation may be indicative of eligibility for a charity care discount.

5. Information provided in the financial assistance application may indicate that a patient is eligible for financial assistance or insurance coverage not only for health care services but also other benefits. Financial counseling staff shall assist patients in applying for available coverage.

a) All information obtained from patients and family members shall be treated as confidential. Assurances about confidentiality of patient information shall be provided to patients in both written and verbal communications. Assessment forms shall provide documentation of all income sources on a monthly and annual basis (taking into consideration seasonal employment and temporary increases and/or decreases in income) for the patient/guarantor, including the following evidence of:

- Income from wages
- Income from self-employment
- Alimony
- Child support
- Military family-allotments
- Public assistance
- Pension
- Social Security
- Strike benefits
- Unemployment compensation
- Workers' compensation
- Veterans' benefits
- Other sources, such as income and dividends, interest or rental property

b) Copies of documents to substantiate income levels shall be obtained (e.g., pay check stubs, alimony and child-support documents).

6. For situations in which patients have other assets, liquid assets shall be defined as investments that could be converted into cash within one year, these assets shall be evaluated as cash available to meet living expenses.

Assets that shall not be considered as available to meet living expenses include; a patient's primary place of residence; adequate transportation; adequate life insurance; and sufficient financial reserves to provide normal living expenses if the wage earners are unemployed or disabled. Listings of other assets shall be provided, including copies of the following documents.

- Savings, certificates of deposit, money-market or credit union accounts
- Descriptions of owned property
- Maryland regulation require that the first $10,000 of monetary assets be excluded.
- Maryland regulations require that the first $150,000 of equity in a primary residence be excluded.

7. The patient/guarantor shall provide demographic information for the patient/guarantor. The patient/guarantor shall provide information about family members and/or dependents residing with the patient/guarantor, including the following information for all:
   - Name, address, phone number (both work and home)
   - Age
   - Relationship

8. In evaluating the financial ability of a patient/guarantor to pay for health care services, questions may arise as to the patient/guarantor's legal responsibility for purported dependents. While legal responsibility for another person is a question of state law (and may be subject to Medicaid restrictions), the patient/guarantor's most recent-filed federal income tax form shall be relied upon to determine whether an individual should be considered a dependent. The patient/guarantor shall provide employment information for the patient/guarantor as well as any others for whom the guarantor is legally obligated in regard to the well-being of the patient. Such information shall identify the length of service with the current employer, contact information to verify employment and the individual's job title.

9. Assessment forms shall provide for a recap of average monthly expenses including:
   - Rental or mortgage payments
   - Utilities
   - Car payments
   - Food
   - Medical bills

10. Copies of rent receipts, utility receipts or monthly bank statements shall be requested. Determination of eligibility for charity care discounts shall

occur as closely as possible to the time of the provision of service and not to exceed 18months after the date of service to enable SJMC to properly record the related revenues, net of charity care.

11. SJMC will utilize a sliding scale to provide up to a full discount of charges for patients with no third-party insurance and up to a full waiver of co-payments after the third-party insurance proceeds, based on indigence. (See attachment) The following points shall be taken into consideration.

    a) The standards of eligibility for the application of charity discounts must consider assets, as well as income. Eligibility shall be based on 130% of the annually updated *HUD Very-Low Income Guidelines.* These HUD guidelines take into consideration family incomes that do not exceed 50% of the median family income for a geographic area and shall utilize a sliding scale approach based on income and family size.

    b) When circumstances indicate the presence of severe financial hardship or personal loss, those patients with few resources and a high number of dependents shall receive higher levels of financial assistance. This shall be determined by the use of a sliding scale based on income and family size. The maximum income level eligibility as defined on the sliding scale represents 150% of the new base, effectively 195% of the *HUD Very-Low Income Guidelines.*

    c) Maryland law further requires identifying whether a patient has incurred a financial hardship. A financial hardship means medical debt, incurred by a family over a 12 month period, that exceeds 25% of family income, medical debt is defined as out of pocket expenses, excluding copayments, co-insurance, and deductibles, for medical costs billed by a hospital. In these instances, the hospital must provide reduced cost medically necessary care to patients with family income below 500% of the Federal Poverty Level

       If a patient has received reduced cost medically necessary care due to a financial hardship, the patient or any immediate family member of the patient living in the same household shall remain eligible for reduced cost medically necessary care when seeking subsequent care at the same hospital during the 12 month period beginning on the date on which the reduced cost medically necessary care was initially received.

    In cases where a patient's amount of reduced cost care may be calculated using more than one of the above, the amount which best favors the patient shall be used.

12. Patients/guarantors shall be notified when SJMC determines the amount of charity care eligibility related to services provided by SJMC. Patients/guarantors shall be advised that such eligibility does not include services provided by non-SJMC employees or other independent contractors (e.g., private, physicians, physician practices, anesthesiologists, radiologists, pathologists, etc., depending on the circumstances). The patient/guarantor shall be informed that the charity care eligibility will apply to service rendered for 90 days after approval. Patient financial records shall be flagged to indicate future services shall be written off in accordance with the financial assistance determination. Patients/guarantors shall be informed in writing if financial assistance is denied and a brief explanation shall be given for the determination provided. Patients/guarantors shall be informed of the mechanism for them to request a reconsideration of the denial of free or reduced care. A copy of the letter shall be retained in the confidential central file, along with the patient/guarantor's application.

13. Completed financial assistance applications will be evaluated by the Patient Financial Eligibility Coordinator and reviewed by the Director of Revenue Cycle. On a quarterly basis, SJMC will report each account with a charity care discount threshold of $100,000 or more to the finance committee of the SJMC Board.

14. Determining eligibility for charity care discounts shall be a continuing process. A retroactive review of accounts referred to outside collection agencies shall be conducted either annually or semi-annually to determine if any accounts would have been more properly recorded as charity care discounts and, if so, SJMC will recall such accounts from the outside collection agency and reclassify them to charity, in accordance with generally accepted accounting principles.

15. If a fee or tuition amount is charged for an SJMC-sponsored community health educational program, SJMC will include a reference that financial assistance is available. The name, address and phone number of the Patient Financial Eligibility Coordinator shall be provided in promotional materials.

16. SJMC will retain a central file by each patient/guarantor containing financial assistance applications. To assure confidentiality, applications for financial assistance shall not be retained with the patient account registration or detailed billing information. A listing of all charity care discounts shall be maintained by the Patient Financial Eligibility office, documenting patients' names, patient account numbers, date of service, brief descriptions of services provided, total charges, amount written-off to charity, dates of write-offs and the names of the authorizing

individuals. Written denials of charity care discounts, including denial reasons, shall be retained in a confidential central file.

B. Medical Indigency

The decision about a patient's medical indigency is fundamentally determined by SJMC without giving exclusive consideration to a patient's income level when a patient has significant and/or catastrophic medical bills. Medically indigent patients do not have appropriate insurance coverage that applies to services related to neonatal care, open-heart surgery, cancer, long and/or intensive care, etc., within the context of medical necessity. Such patients may have a reasonable level of income but a low level of liquid assets and the payment of their medical bills would be seriously detrimental to their basic financial well-being and survival.

SJMC Charity Care Committee will make a subjective decision about a patient/guarantor's medically indigent status by reviewing formal documentation for any circumstance in which a patient is considered eligible for a charity care discount on the basis of medical indigence.

1. The patient shall apply for a charity care discount in accordance with the policy in effect.

2. SJMC will obtain and/or develop documentation to support the medical indigency of the patient.
   The following are examples of documentation that shall be reviewed:
   ii. Copies of all patient/guarantor medical bills.
   iii. Information related to patient/guarantor drug costs.
   iiii. Multiple instances of high dollar patient/guarantor co-pays, deductibles, etc.
   iiv. Other evidence of high-dollar amounts related to the healthcare costs.

3. SJMC will grant a charity care discount either through the use of the sliding scale approach or up to 100% if the patient has the following or does not qualify for MD Medicaid:
   - No material applicable insurance.
   - No material usable liquid assets.
   - Significant and/or catastrophic medical bills.

4. In most cases, the patient shall be expected to pay some amount of the medical bill, but SJMC Charity Care Committee will not determine the amount for which the patient shall be responsible based solely on the income level of the patient.

C. Presumptive Charity Care Eligibility

Some patients are presumed to be eligible for charity care discounts on the basis of individual life circumstances (e.g., homelessness, patients who have no income, patients who have qualified for other financial assistance programs, etc.). SJMC will grant 100% charity care discounts to patients determined to have presumptive charity care eligibility. SJMC will internally document any and all recommendations to provide presumptive charity care discounts from patients and other sources such as physicians, community or religious groups, internal or external social services or financial counseling personnel.

1. To determine whether a qualifying event under presumptive eligibility applies, the patient/guarantor shall provide a copy of the applicable documentation that is dated within 30 days from the date of service.

2. For instances in which a patient is not able to complete an application for financial assistance, SJMC will grant a 100% charity care discount without a formal request, based on presumptive circumstances, approved by Director of Revenue Cycle or the CFO.

3. SJMC will utilize the *CHI Standardized Patient Charity Care Discount Application Form – Presumptive Eligibility.* See **Exhibit 3** attached: ***Catholic Health Initiatives/SJMC Uninsured /Underinsured Patient Discounts Application Form – Presumptive Eligibility.***

4. The determination of presumptive eligibility for a 100% charity care discount shall be made by SJMC on the basis of patient/guarantor income, not solely based on the income of the affected patient.

5. Individuals shall not be required to complete additional forms or provide additional information if they already have qualified for programs that, by their nature, are operated to benefit individuals without sufficient resources to pay for treatment. Rather, services provided to such individuals shall be considered charity care and shall be considered as qualifying such patients on the basis of presumptive eligibility. The following are examples of patient situations that reasonably assist in the determination of presumptive eligibility:

- Patient has received care from and/or has participated in Women's, Infants and Children's (WIC) programs.
- Patient is homeless and/or has received care from a homeless clinic.
- Patient family is eligible for and is receiving food stamps.
- Patient's family is eligible for and is participating in subsidized school lunch programs.

- Patient qualifies for other state or local assistance programs that are unfounded or the patient's eligibility has been dismissed due to a technicality (i.e., Medicaid spend-down).
- Family or friends of a patient have provided information establishing the patient's inability to pay.
- The patient's street address is in an affordable or subsidized housing development. In this case:
  SJMC will contact the individual state agency that oversees HUD Section 8 subsidized housing programs for low-income individuals.
  SJMC will maintain a listing of eligible addresses in its market.
- Patient/guarantor's wages are insufficient for garnishment, as defined by state law.
- Patient is deceased, with no known estate.

D. Charity Care Review Committee

SJMC will establish a Charity Care Review Committee to assist in the evaluation of subjective information related to patient accounts that do not clearly qualify under basic charity care discount eligibility criteria.

1. The types of patient accounts to be reviewed by the Committee shall include, but not limited to, the following:
   - Patients with extenuating circumstances (e.g., patients who may be medically indigent, patient who may have presumptive eligibility for a charity care discount, etc.).
   - Patients who have significant non-liquid assets.
   - Patients whose eligibility exceeds 195% of the HUD Very Low Income Guidelines and thus are not eligible for charity care discounts on the sliding scale, but whose medical bills are so large that they are unable to pay.

2. The Committee will be chaired by the Director of Revenue Cycle. At a minimum membership will include social worker, staff from mission/ministry, general accounting and patient financial services. Other members may be appointed to the Committee as deemed appropriate by SJMC.

3. The Committee shall meet monthly or on an ad hoc basis as needed.

4. The agenda for each meeting shall be comprised of patient cases requiring additional review and input by the Committee prior to the determination of charity care discount eligibility. For each patient case, the agenda will include a summary of the case, the financial situation of the patient and the other pertinent information as necessary.

5. Documentation of the Committee's meeting shall be recorded. Actions related to specific patients shall be included in the central file.

II. Recording Charity Care

SJMC will properly distinguish write-offs of patient accounts between charity care discounts and bad debt expenses. Such amounts shall be recorded in accordance with generally accepted accounting principles and properly disclosed in financial statements and other reports.

A. Generally Accepted Accounting Principles

1. Section 7.2 of the AICPA *Accounting Guide* states the following, with regard to distinguishing bad debt expense from charity care: Distinguishing bad-debt expense from charity care requires judgment. Charity care results from an entity's policies to provide health care services free of charge to individuals who meet certain financial criteria. The establishment of a policy clearly defining charity care should clearly result in a reasonable determination. Although it is not necessary for the entity to make this determination upon admission of the individual, at some point the entity must determine that the individual meets its pre-established criteria for charity care. Charity care represents health care services that were provided but never expected to result in cash flows. As a result, charity care does not qualify for recognition as receivables or revenue in the financial statements.

2. SJMC will write off patient accounts in one of the following two categories.
   - Charity care discounts – consisting of;
     - Patients with no third-party payment source and for whom there is no expectation of payment

       Or
     - Medicare and Medicaid patients who are determined to be financially unable to pay Applicable co-payment obligations, in which case the unpaid co-payment qualifies as a charity care discount for the MBO and can be claimed on any filing for reimbursement as a Medicare (Medicaid) bad debt.

   - Bad debts – consisting of patients who have the ability to pay for health care services (including those with private insurance), where the patient or insurer does not pay the applicable obligation.

B. Financial Statement Disclosures

1. Section 2.4 of the American Institute of Certified Public Accountants (AICPA) *Audit and Accounting Guide for Audits of Providers of Health Care Services* includes the following guidance:

   > "The level of charity care provided should be disclosed in the financial statements. Such disclosure is made in the notes to the financial

statements and measured based on the provider's rates, costs, units of service, or other statistics."

2. SJMC will include information about charity care discounts in the consolidated year-end CHI community benefit disclosure.

C. IRS Reporting

SJMC will include the information noted in the preceding Section IV-B of this document in the IRS Form 990 federal reporting and required state reporting.

D. Charity Care Discounts

A line item for charity care discounts does not appear in SJMC statements of operations because the amount is netted against gross revenues. The amounts written-off should be tracked for comparison with both the amounts budgeted for charity care discounts and prior-period charity care discounts. The cost of providing charity care discounts to all patients is recorded in the appropriate natural expense classifications in the statement of operations when expenses are incurred through payroll records or accounts payable. Where scholarships are provided for community health education programs, the waived tuition or fee amounts should be tracked and reported as part of the community benefit reporting process.

E. Reserves for Charity Discounts

There is a lag between the times when services are provided and the determination is made about the eligibility for a charity care discount or financial assistance. As a result, effective July 1, 2005, SJMC will establish a reserve methodology for recording charity care discounts.

IV. Recording Community Benefit

SJMC will utilize the CHI Community Benefit Handbook for determining and reporting Community Benefit.

Authors/Reviewers: Adapted from CHI Standards & Guidelines for Uninsured/Underinsured Patient Discounts.

V. Review

This policy may not be changed without the approval of the SJMC Board of Directors. Furthermore, this policy must be reviewed and re-approved at least every 2 years.

CATHOLIC HEALTH INITIATIVES

St. Joseph Medical Center

Where the experts are.

EXHIBIT 1

Date: _____

Name: _____

Account #: _____

St. Joseph Medical Center appreciates your interest in the Financial Assistance application process. This application should be completed and mailed back to St. Joseph's Business Office. The following items will need to be included with your application:

- ☐ **Completed and signed Financial Assistance application**
- ☐ **Proof of income for all household members, recent pay stubs**
- ☐ **Bank statements showing interest**
- ☐ **Award letters from Social Security Administration or Department of Social Services**
- ☐ **Most recent years W-2 form**
- ☐ **Most recent years tax return**
- ☐ **Denial letter from the Maryland Medical Assistance Program (Medicaid)**

Once we have received all of the above information, we will process your application. You can expect to receive a response within 30 days upon receipt of a completed application.
If you have any questions regarding the Financial Assistance application, please call St. Joseph Medical Center's Business Office, 410-337-3902. Please be advised that all personal information shall remain confidential.

St. Joseph Medical Center
Business Office
7601 Osler Drive
Towson, MD 21204

Maryland State Uniform
Financial Assistance Application

Information About You

Name:
First **Middle** **Last**

Social Security Number: - - **Martial Status: Single Married Separated**
US Citizen: Yes No **Permanent Resident: Yes No**

Home Address: **Phone:**

City **State** **Zip code** **Country**

Employer Name: **Phone:**
Work Address:

City **State** **Zip code**

Household members:

Name	**Age**	**Relationship**
Name	**Age**	**Relationship**
Name	**Age**	**Relationship**
Name	**Age**	**Relationship**
Name	**Age**	**Relationship**
Name	**Age**	**Relationship**
Name	**Age**	**Relationship**
Name	**Age**	**Relationship**

Have you applied for Medical Assistance? Yes No
If yes, what was the date you applied?
If yes, what was the determination?

Do you receive any type of state or county assistance? Yes No

Hospital Name: _____

Return Address: ____

I. Family Income

List the amount of your monthly income from all sources. You may be required to supply proof of income, assets, and expenses. If you have no income, please provide a letter of support from the person providing your housing and meals.

	Monthly Amount
Employment	
Retirement/pension benefits	
Social Security Benefits	
Public assistance benefits	
Disability Benefits	
Unemployment benefits	
Veterans benefits	
Alimony	
Rental property income	
Strike benefits	
Military allotment	
Farm or self employment	
Other income source	
Total	

II. Liquid Assets	Current Balance
Checking account	
Savings account	
Stocks, bonds, CD, or money market	
Other accounts	
Total	

III. Other Assets

If you own any of the following items, please list the type and approximate value.

Home	**Loan Balance**		**Approximate value**
Automobile	**Make**	**Year**	**Approximate value**
Additional Vehicle	**Make**	**Year**	**Approximate value**
Additional Vehicle	**Make**	**Year**	**Approximate value**
Other property			**Approximate value**
Total			

IV. Monthly Expenses	Amount
Rent or Mortgage	
Utilities	
Car payment(s)	
Credit card(s)	
Car insurance	
Health insurance	
Other medical expenses	
Other expenses	
Total	

Do you have any other unpaid medical bills? **Yes** **No**

For what service?

If you have arranged a payment plan, what is the monthly payment?

If you request that the hospital extend additional financial assistance, the hospital may request additional information in order to make a supplemental determination. By signing this form, you certify that the information provided is true and agree to notify the hospital of any changes to the information provided within ten days of the change.

Applicant signature **Date**

Relationship to Patient

CATHOLIC HEALTH INITIATIVES

St. Joseph Medical Center

Where the experts are.

EXHIBIT 2

Catholic Health Initiatives
Financial Standards and Guidelines Manual
Section 3: Uninsured/Underinsured Patient Discounts (Charity Care)

Charity Care/Extended Monthly Payment Checklist (Page 1 of 2)

INITIAL IF YES	INFORMATION REQUIRED FOR COMPLETE APPLICATION
	1—The demographic information is completed for patient and guarantor (i.e., address, telephone number, etc.).
	2—The dependent information is completed (i.e., number in household, names, ages, etc.).
	3—The employment and income information is completed for patient/guarantor and spouse.
	4—A copy of most recent year's IRS Tax Return is attached.
	5—A copy of most current pay stub is attached.
	6—A copy of medical savings account balance (if any) is attached.
	7—If no income is documented, attach an explanation for how expenses are being met.
	8—If the patient/guarantor has filed bankruptcy, all questions are answered.
	9—If the patient/guarantor is a homeowner, all questions are answered.
	10—Information is completed for banking information (i.e., checking and savings accounts).
	11—Information is completed for automobile.
	12—Information is completed for other assets.
	13—The expense/monthly payment information is completed.
	14—Does all information look reasonable?
	15—Are there any luxury items listed that might prevent patient/guarantor from paying the bill (e.g., country club dues, maid or lawn service, boat, high cable bills, etc.)?
	16—Has the patient/guarantor and spouse signed and dated the form?
	17—Has the witness signed and dated the form?
	18—Compare the *Total Family Monthly Income* to the *Total Monthly Expenses*. Can the patient/guarantor afford to make monthly payments? If so, contact the patient/guarantor to establish payment arrangements. **STOP.**
	19—If the patient/guarantor cannot afford monthly payments, use the Poverty Guidelines Matrix to determine if the patient/guarantor qualifies for Charity Care.
	20—If the patient qualifies for Charity Care and the total discount is less than $2000, log on Charity Log, process discount and send acceptance for Charity Care letter to patient.
	21—If the patient qualifies for Charity Care and the total discount is over $2000, log on Charity Log and forward all information to Director of Revenue Cycle to review and approve.
	22—If the patient does not qualify for Charity Care, send denial for Charity Care letter to patient/guarantor.
	23—If the application is incomplete, return application and all supporting documentation to patient with a letter indicating what is required and that it needs to be returned.
	24—The Director of Revenue Cycle (see policy for approval levels) needs to approve for Charity Care discounts.

INITIAL IF YES	INFORMATION REQUIRED FOR COMPLETE APPLICATION	
	25—The Director of Revenue Cycle will return the Charity Log and all supporting documentation to the Patient Financial Eligibility Representative to send acceptance for a Charity Care letter to the patient.	
	26—The Patient Financial Eligibility Representative will send an acceptance for the Charity Care letter to the patient and return all information to the Central File for Charity Care.	
	27—The Director of Revenue selects this chart for Quality Review.	
Signature – Patient Financial Eligibility Representative		Date
Signature – Director of Revenue Cycle		Date

EXHIBIT 3

Catholic Health Initiatives
Financial Standards and Guidelines Manual
Section 3: Uninsured/Underinsured Patient Discounts (Charity Care)

My name is (please print): _____ _____ _____

LAST FIRST MI

I am: _____ The Patient _____ The Patient's Guarantor

_____ Neither (Please state your relationship to the Patient: _____)

Instructions:

1. ***Please indicate that the Patient is eligible for charity care discount because the Patient is in one or more of the following categories.***
2. ***More than one copy of this form may be required if it is to be completed by more than one individual (e.g., Patient, Guarantor, etc.).***

Please initial if category is applicable	**#**	**Is relevant document attached? Yes**	**No**	**Category**
	1			Patient has received care from and/or has participated in Women's, Infants and Children's (WIC) programs.
	2			Patient is homeless and/or has received care from a homeless clinic.
	3			Patient is eligible for and is receiving food stamps.
	4			Patient's family is eligible for and is participating in subsidized school lunch programs.
	5			Patient qualifies for other state or local assistance programs that are unfunded or the patient's eligibility has been dismissed due to a technicality (i.e., Medicaid spend-down).
	6			Family or friends of a patient have provided information establishing the patient's inability to pay.
	7			The patient's street address is in an affordable or subsidized housing development.
	8			Patient/guarantor's wages are insufficient for garnishment, as defined by state law.
	9			Patient is deceased, with no known estate.
	10			Other – ***Provide explanation:***

Signature _____ Date _____

Authorized by: _____ Date _____

Title: _____

2. Mission, Vision and Values Statements

Mission Statement – St. Joseph Medical Center, Towson, MD

Note: All institutions that are part of Catholic Health Initiatives have the same Mission, Vision and Values statements as the parent organization

The Mission of Catholic Health Initiatives is to
nurture the healing ministry of the Church by
bringing it new life, energy and viability in the 21st Century.
Fidelity to the Gospel urges us to emphasize human dignity
and social justice as we move toward the creation
of healthier communities.

Vision Statement – St. Joseph Medical Center, Towson, MD

Our Vision is to live up to our name as one CHI (Catholic Health Initiatives):

Catholic: Living our Mission and Core Values.
Health: Improving the health of the people and communities we serve.
Initiatives: Pioneering models and systems of care to enhance care delivery.

Core Values of St. Joseph Medical Center, Towson, MD

Reverence: Profound respect and awe for all of God's creation, the foundation that shapes spirituality, our relationship with others, and our journey to God.

Integrity: Moral wholeness, soundness, fidelity, trust, truthfulness in all we do.

Compassion: Solidarity with one another, capacity to enter into another's joys and sorrows.

Excellence: Preeminent performance, becoming the benchmark, putting forth our personal and professional best.