Purpose:

This Financial Assistance Policy (“FAP”) is intended to set forth WakeMed’s policies with respect to financial assistance for certain patients and to comply with Section 501(r) of the Internal Revenue Code and the regulations promulgated thereunder and shall be interpreted and applied in accordance with such regulations.

Policy:

WakeMed provides emergency and other non-elective medically necessary care to individual patients without discrimination, regardless of their ability to pay, ability to qualify for financial assistance, or the availability of third-party coverage to established residents of North Carolina.

This policy is specifically targeted at low-income, uninsured and underinsured patients who meet certain eligibility requirements and is not intended to be applied to insured or self-insured patients who have the means to accept the responsibility for their incurred charges.

If a financial assistance application is received, account balances are identified as “pending charity” when the patient is uninsured, or their insurance does not pay 100% of contracted charges. All patients who are identified as “pending charity” will be screened for alternative sources of funding to meet their medical expenses at any point in the billing cycle. If no alternative sources are found, the patient will be considered for full or partial debt forgiveness as applicable and after receipt of a completed financial assistance form, as described below. Uninsured patients will remain classified as “pending charity” until information is received to validate otherwise or deadlines for submitting all the required information to assess eligibility for financial assistance have passed, whichever occurs sooner. The billing process will continue, but collections activity will not be initiated until after the applicable deadlines have passed without submission of all the required information or a patient has been determined not to be eligible for financial assistance, whichever occurs sooner.

Patients identified by WakeMed as self-pay who are not covered by health insurance or another third party source, which his or may be responsible, are provided a 50% uninsured/self-pay discount prior to billing initiation.
Entities and Locations Covered by this Policy

Services provided and billed by WakeMed and WakeMed Physician Practices are subject to this financial assistance policy. Only the following entities and locations are covered by this Policy:

- WakeMed Hospitals, including WakeMed Raleigh, Cary, North, and Rehab
- WakeMed Healthplexes & Medical Parks, including Apex, Brier Creek, Garner, Clayton, and Raleigh.
- WakeMed Physician Practices Physicians: Bariatric Surgery; ENT – Head & Neck Surgery; Gastroenterology; General Surgery; Heart & Vascular; Maternal-Fetal Medicine; Obstetrics & Gynecology; Orthopedics; Pediatric Endocrinology; Pediatric Gastroenterology; Pediatric Health and Wellness; Pediatric Surgery; Physical Therapy; Primary Care; Pulmonology; Urgent Care; Urogynecology; Urology.
- Services provided by an employee of WakeMed Physician Practices provided at a WakeMed Hospital Location

Services provided and/or billed by private or independent entities, practice groups, physicians, or other providers are not covered by this policy. Patients should address any payment questions or concerns directly with the private physician practice. These groups include, but are not limited to the following:

- Wake Emergency Physicians
- Wake Radiology Consultants
- Raleigh Pathology Laboratory Associates and Wake Medical Laboratory Consultants
- American Anesthesiology of North Carolina
- All private or independent physicians not employed by WakeMed or physician practices not owned by WakeMed

Eligibility Criteria and Debt Forgiveness Guidelines

A. WakeMed’s Patient Financial Services Department is responsible for determining that reasonable efforts have been made to determine eligibility for financial assistance.

B. In order to be eligible for consideration for WakeMed’s FAP:
   a. The applicant must be a North Carolina resident (the criteria for determining residency is attached in Appendix A to this policy);
   b. The applicant’s adjusted gross income must be within the ranges established by WakeMed based on federal government poverty guidelines (See WakeMed Health and Hospitals Charity Sliding Scale, attached in Appendix B); and
   c. The applicant must not have other sufficient assets available to pay for services. WakeMed will consider the following in assessing the applicant’s ability to pay for services:
      i. The applicant’s net worth, considering liquid and non-liquid assets;
      1. The following will be excluded from a calculation of the applicant’s net worth:
         a. One essential automobile for a single applicant and two essential automobiles for a married couple;
         b. The value of the primary residence;
         c. Property owned in conjunction with a business for which a family is fully dependent upon for income as long as financial income from the business is included in determining if a
patient or dependent meets the debt forgiveness guidelines

ii. Payments due to the applicant or WakeMed from any source or under any agreement, including, but not limited to:
   1. Group or individual medical plan and/or health insurance;
   2. Medicare (Title XVIII);
   3. Medicaid (Title XIX);
   4. Other federal, state, tribal, or military programs (e.g., Indian Health Services, CHAMPUS);
   5. Third party liability insurance (e.g., resulting from automobile accidents or other personal injury);
   6. Workers’ compensation programs;
   7. Designated grant funds for which the patient may be eligible;
   8. Any other persons or entities that may have a legal responsibility to pay for the patient’s medical services, such as third party liability sources;
   9. Government and public records;
   10. Prior applications for financial assistance; and
   11. Information posted on public websites.

U.S. citizens outside of North Carolina, legal residents and undocumented residents may be approved for debt relief with management approval.

B. Catastrophic medical debt may be used as a deduction from income on a case by case basis with management approval.
C. The head of household must qualify for debt forgiveness when dependents are applying for assistance. Parents’ income will be used to determine eligibility for a minor.
D. A patient who is 18 years or older (or is emancipated) will be considered the responsible party unless he or she is claimed as a dependent for tax purposes by another person, in which case that person’s assets and adjusted gross income will be also be evaluated under this policy to determine the patient’s eligibility for financial assistance. Such person will be considered the “responsible person” for purposes of this policy.
E. Eligible patients may qualify for a discount of an amount up to 100% off gross charges (or free care) for eligible services. Discount amounts off remaining gross charges will be determined based upon a patient’s adjusted gross income compared to the percentages of the current Federal Poverty Income Guidelines as per the chart below after consideration of the applicant’s assets available to pay for care.
F. WakeMed will use the “Look-Back Method,” as defined in IRS regulations, to confirm that no FAP-eligible individual is charged more than the Amount Generally Billed (“AGB”) to individuals who have insurance coverage. This method will be used for all FAP-eligible patients receiving emergency or other non-elective medically necessary care. The AGB amounts applied at each WakeMed entity and location covered by this policy are listed in the appendices.
G. Once a decision is made on the appropriate discount or adjustment amount, any remaining amount is the patient’s liability and must be paid in full prior to the charity adjustment (applicable discount) being made.

See separate “Catastrophic Charity Care Policy” in reference to catastrophic medical debt.
Application Process

A. To apply for financial assistance, the applicant must:
   1. Complete a financial statement form. The form may be completed over the phone with a WakeMed employee; and
   2. Submit the following information:
      i. Current statement of assets, liabilities, and income as requested on the financial statement form;
      ii. A copy of the most recent tax return (to include all copies of applicable forms, schedules, and required attachments);
      iii. Most recent pay stub(s) that show work history for the past 4 weeks;
      iv. Proof of the following (as applicable):
         1. Permanent residency (as outlined in Appendix A);
         2. Disability;
         3. Medicaid Denial; and
         4. All sources of household income.
B. Completed financial assistance applications must be received within 240 days of the date on WakeMed’s first post-discharge billing statement that includes information about the availability of financial assistance. However, collections activities may begin if a completed application is not received within 120 days of the first statement.
C. The applicant is responsible for furnishing documentation upon request and as required by the financial assistance application. The normal billing process will be reinstated if the documentation is not returned within 30 days.
D. A new application must be completed for each 6-month period.
E. The income of the applicant is calculated 12 months forward.

Collections Activities

A. WakeMed will not sell an individual’s debt to another party, make an adverse credit report, require payment before providing non-emergent medically necessary care because of nonpayment of previous bills, or initiate legal action against the responsible party while an application for financial assistance is pending, not to exceed 120 days after the first post-discharge billing statement. These collections methods are considered extraordinary collection actions (“ECAs”).
B. WakeMed will give notice of any ECAs that may be taken at least thirty (30) days before engaging in them.
C. If a financial assistance application has not been received within 120 days, WakeMed may initiate ECAs.
D. If a financial assistance application is received after ECAs have been engaged, but within 240 days of the first statement, WakeMed will suspend such ECAs until a financial assistance determination has been made.
E. If the responsible party is determined to be eligible for financial assistance under this policy after ECAs have been initiated, WakeMed will refund any excess
funds it collected over the amount the responsible party actually owes.

**Availability of Information**

A. This financial assistance policy (FAP), financial assistance application, plain language summary of this policy, and applicable billing and collections policies are available on WakeMed’s website, www.wakemed.org, in at least English and Spanish where they are accessible to view and print.

B. By request the FAP, application, instructions, plain language summary, and billing and collections policy are also available, without charge and in at least English and Spanish, in WakeMed Customer Service offices and by mail.

C. The availability of these documents and instructions for obtaining the documents are noted on billing statements sent out by WakeMed Health & Hospitals.

D. WakeMed’s customer service representatives are available during regular business hours at (919) 350-8359 to provide information about the policy and assist with application questions.
APPENDIX A: CRITERIA FOR DETERMINING RESIDENCY

Per North Carolina DHHS definition of Family and Children’s Medicaid MA-3335, "State Residence":

To verify residency, the applicant may provide documentation that verifies the address he has listed on his application as his physical or mailing address. Documents from at least two of the following categories may be provided. This means a document or proof must be from two of the little letters below. Example: An item from c. and d. would be acceptable. Two documents outlined in b. are not acceptable.

a. A valid North Carolina drivers’ license or other identification card issued by the North Carolina Division of Motor Vehicles.

b. A current North Carolina rent, lease, or mortgage payment receipt, or current utility bill in the name of the applicant or the applicant’s legal spouse, showing a North Carolina address.

c. A current North Carolina motor vehicle registration in the applicant’s name and showing the applicant’s current North Carolina address.

d. A document verifying that the applicant is employed in North Carolina.

e. One or more documents proving that the applicant’s home in the applicant’s prior state of residence has ended, such as closing of a bank account, termination of employment, or sale of a home.

f. The tax records of the applicant or the applicant’s legal spouse, showing a current North Carolina address.

g. A document showing that the applicant has registered with a public or private employment service in North Carolina.

h. A document showing that the applicant has enrolled his children in a public or private school or a child care facility located in North Carolina.

i. A document showing that the applicant is receiving public assistance (such as Food Stamps) or other services which require proof of residence in North Carolina. Work First and Energy Assistance do not currently require proof of NC residency.

j. Records from a health department or other health care provider located in North Carolina which shows the applicant’s current North Carolina address.

k. A written DMA-5152, North Carolina Residency Declaration, from an individual who has a social, family, or economic relationship with the applicant, and who has personal knowledge of the applicant’s intent to live in North Carolina permanently, for an indefinite period of time, or residing in North Carolina in order to seek employment or with a job commitment.

l. A current North Carolina voter registration card.

m. A document from the U.S. Department of Veteran’s Affairs, U.S. Military or the U.S. Department of Homeland Security, verifying the applicant’s intent to live in North Carolina permanently or for an indefinite period of time, or that the applicant is residing in North Carolina to seek employment or has a job commitment.

n. Official North Carolina school records, signed by school officials, or diplomas issued by North Carolina schools (including secondary schools, colleges, universities, community colleges), verifying the applicant’s intent to live in North Carolina permanently or for an indefinite period of time, or that the applicant is residing in North Carolina to seek employment or with a job commitment.

o. A document issued by the Mexican consular or other foreign consulate verifying the applicant’s intent to live in North Carolina permanently or for an indefinite period of time, or that the applicant is residing in North Carolina to seek employment or has a job commitment.
Appendix B: WakeMed Health & Hospitals Charity Sliding Scale  
(FYE September 30, 2018)

<table>
<thead>
<tr>
<th>% of Poverty Guidelines</th>
<th>250%</th>
<th>275%</th>
<th>300%</th>
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<tr>
<td>Discount</td>
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<td>90% Discount</td>
<td>80% Discount</td>
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<tr>
<td>Family Size</td>
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<tr>
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<td>$116,545.50</td>
<td>$127,140.00</td>
</tr>
</tbody>
</table>

- For families with more than eight (8) members, add $10,800, $11,880.00, and $12,960.00 respectively for each additional member.
- The figures provided are based on the federal poverty guidelines published in the Federal Register, which may be updated from time to time.
APPENDIX C: AMOUNT GENERALLY BILLED (AGB) CHARGED TO FAP-ELIGIBLE PATIENTS

The Amount Generally Billed is a discount applied to FAP-eligible patients receiving emergency and non-elective medically necessary care at our hospital. WakeMed uses the Look Back Method to calculate this discount. For more information on how to obtain the current discount percentage and how it was calculated, please submit a request in writing to:

Attn: WakeMed Financial Assistance
3000 New Bern Ave
Raleigh, NC 27610

Request can be made in person at our WakeMed Raleigh or WakeMed Cary Customer Service Offices:

WakeMed Raleigh 3000 New Bern Ave Raleigh, NC 27610
WakeMed Cary 1900 Kildaire Farm Road Cary, NC 27518