

	Policy: Cone Health Hardship Settlement	
	Department Responsible: SW-Pt Acct-Pt Acct Svc Admn	Date Approved: 06/13/2019
	Effective Date: 07/27/2020	Next Review Date: 06/13/2022

PURPOSE:

The Cone Health Hardship Settlement Policy provides an opportunity for patients to request discounts on balances due to the hospital in excess of \$5,000.00. The purpose of this policy is to recognize that even after the administration of Cone Health’s automatic discount for all uninsured patients, there could still be situations where the patient is experiencing a financial hardship to pay the balance due in full. This policy also applies to insured patients who may also experience a financial hardship when paying their balance after all third party payments.

Cone Health has the following objectives for the hardship settlement process:

- **To model at all times Cone Health core value of “Caring”**
- **To provide settlements based on the patient’s ability to pay**
- **To establish a process that minimizes the burden on the patient and is cost efficient to administer**

DEFINITIONS:

The terms used within this policy are to be interpreted as follows:

- **Assets:** Includes real property equity and checking, savings, and investment account balances.
- **Bad debt:** Accounts that have been categorized as uncollectible because the patient has been unable to resolve the outstanding medical debt.
- **Elective:** Those services that are, in the opinion of a physician, not needed or can be safely postponed.
- **Emergency care:** Immediate care which is necessary in the opinion of a physician to prevent putting the patient’s health in serious jeopardy, serious impairment to bodily functions, or serious dysfunction of any organs or body parts.
- **Financial assistance:** Financial assistance is designed to assist qualifying patients who are unable to pay for all or part of their health care expenses.
- **Household financial resources:** Household financial resources as measured against annual Federal Poverty Guidelines are determined from a sum of annual household income plus any bank balances for checking and savings accounts. Sources of household financial resources include, but are not limited to, the following:
 - Annual household pre-tax job earnings
 - Personal and business checking, savings, and investment balances in excess of \$10,000.00
 - 50% of home equity in excess of \$50,000
 - Unemployment compensation
 - Workers’ Compensation
 - Social Security and Supplemental Security Income
 - Veteran’s payments
 - Pension or retirement income

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- Other applicable income to include, but not limited to, rents, alimony, child support, and any other miscellaneous sources
- **Medically necessary:** Cone Health services provided to a patient in order to diagnose, alleviate, correct, cure, or prevent the onset or worsening of conditions that endanger life, cause suffering or pain, cause physical deformity or malfunction, threaten to cause or aggravate a handicap, or result in overall illness or infirmity.
- **Underinsured:** Patients covered by a source of third party funding, but at risk of high out-of-pocket expenditures due to their plans benefit package. This may include, but not be limited to, high deductible plans, high coinsurance/copay plans, low per diem policies, etc.
- **Uninsured:** Patients who are not covered under an insurance health plan, an ACA subsidized insurance plan, Workers' Compensation, governmental plans such as Medicare and Medicaid, State/Federal Agency plan, Victim's Assistance, etc., or third-party liability resulting from automobile or other accidents.

POLICY:

Patients who do not qualify for financial assistance under the guidelines of the Cone Health Financial Assistance Program (FAP) may request to be reviewed for a hardship settlement.

The granting of a hardship settlement shall be based on a request from a patient and on the determination of financial need. Financial need will be determined by comparing a patient's total household financial resources and assets to the patient's total remaining Cone Health facility balance after payment by all third parties. To be eligible for a hardship settlement, the following criteria must be met:

- The remaining Cone Health facility balance after all third party payments must be greater than \$5,000.00.
- The remaining Cone Health facility balance after all third party payments must be greater than 20% of the patient's total household financial resources.

Cone Health will uphold confidentiality of information and maintain the dignity for all patients seeking a hardship settlement.

Eligibility Guidelines:

- **Services Eligible:**
 - All medically necessary (as determined by a physician) inpatient services
 - All medically necessary (as determined by a physician) outpatient services
 - All hospital emergency medical services provided in an emergency room setting
- **Services Ineligible**
 - Elective and cosmetic services
 - Outpatient pharmacy services
- **Patients Eligible**
 - North Carolina; Pittsylvania, Henry, and Halifax Counties of Virginia; and the City of Danville, Virginia.
 - Patients who properly and truthfully complete a Hardship Settlement Application

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- Patients have 240 days from first post discharge statement to apply to include bad debt accounts
- **Patients Ineligible**
 - Patients provided assistance based on the Hospital Financial Assistance policy.
 - Uninsured patients who did not cooperate with the process under the FAP policy.
 - Patients who do not reside in North Carolina; Pittsylvania, Henry, or Halifax Counties of Virginia; or the City of Danville, Virginia.
 - Patients who provide false information.
- **Balances Eligible**
 - Remaining Cone Health facility balances after all third party payments in excess of \$5000.00.
 - Remaining Cone Health facility balances after all third party payments in excess of 20% of a patient’s total household financial resources.

Eligibility Determination:

- If a patient cooperated with but is ineligible for the FAP process, he or she may choose to apply for a hardship settlement by downloading a Cone Health Hardship Settlement via the Cone Health website. Patients can also request an application via mail by contacting the Cone Health Customer Service department at 336-832-8014. Only completed applications will be reviewed.
- Completed applications will be reviewed upon receipt and must be submitted within two weeks after requesting an application. Eligibility is based on a patient’s total household financial resources and assets for the prior 90 days reported at the time of the evaluation. Household financial resources and assets will be verified using a third-party vendor. If there is a discrepancy between what the patient reported and what the third party vendor reported, additional documentation from employers and banking institutions may be required. The patient must fully cooperate with this process to be eligible for a hardship settlement.
- Patients who can demonstrate that their remaining balance is at least 20% of their total household resources and the balance is greater than \$5,000 will be eligible for a discount outlined in the table below.

Hardship Settlement Discounts

Discount

Balance Due

Balance due is equal or greater than 60% of the patient’s total household financial resources	100%
Balance due is equal or greater than 50% and less than 60% of the patient’s total household financial resources	75%
Balance due is equal to or greater than 35% and less than 50% of the patient’s total household financial resources	50%
Balance due is equal to or greater than 20% and less than 35% of the patient’s total household financial resources	25%

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Example:

- If a patient's outstanding obligation is \$20,000 and the patient's total household financial resources is \$50,000, they would qualify for a 50% discount and the balance due would be \$10,000.
- Payment plans may be required to assist in payment of balances after financial assistance discounts.
- Cone Health reserves the right to reverse hardship settlements provided by this policy if the information provided by the patient during the information gathering process is determined to be false or if the Cone Health obtains proof that the patient has received compensation for services from other sources.

REFERENCE DOCUMENTS/LINKS:

See [this link](#) for a Summary of Hospital Financial Assistance and Discount Programs