



Filling Your Financial Assistance Bucket (s)



Collections

Early Out



Who Me?

- Shawn K. Gretz

VP of Sales for Americollect and AmeriEBO

I am not a lawyer, nor do I play one on TV, and I did not stay at a Holiday Inn last night. People seeking legal advice should always consult with an attorney.



Who We Are:





Pre-Reform





Percentage Uninsured in the U.S., by Quarter

Do you have health insurance coverage? Among adults aged 18 and older

■ % Uninsured



SOURCE: GALLUP-HEALTHWAYS WELL-BEING INDEX



Post-Reform





IRS Audit

- IRS has begun auditing hospitals for financial assistance.
 - Ratio of Bad Debt to Financial Assistance is Important for Community Benefit!





Many Buckets





Many Buckets

1. Approved Applications
2. Amount Generally Billed (AGB)
3. Self Pay Discount
4. Presumptive Eligibility
5. Underinsured = Catastrophic

Bucket 1 – Patient Facing Team

1. Registration Team -
“Offering”
2. Financial Counselors
3. Customer Service Reps
4. Medicaid Eligibility Team
5. Nurses
6. Doctors





Bucket 2 – Approved Apps

Bad Debt? – If the patient is approved for financial assistance today, how likely is it that they will be able to afford past bad debt?

Add the following language to your FAP

“If approved for 100% discount of financial assistance all outstanding receivables including those at bad debt agencies unless a payment has been applied on the account will be approved.”



Bucket 3 – AGB

501r Prepublication Released 12/29/2014 stated that:

“Only discounts specified in a hospital facility’s FAP (therefore subject to the AGB limitation) may be reported as “financial assistance” on Schedule H of the Form 990.”

AGB is on the FAP – Should you claim AGB as financial assistance?



Bucket 4 – Self-Pay Discount

501r Prepublication Released 12/29/2014 stated that:

“Only discounts specified in a hospital facility’s FAP (therefore subject to the AGB limitation) may be reported as “financial assistance” on Schedule H of the Form 990.”

Self-Pay Discounts are listed in many facilities FAP – should you claim Self Pay as financial assistance?

Bucket 5,6,7,& 8 – Presumptive

Bucket 5. Patient is homeless or received care from a homeless clinic; or

Bucket 6. Patient is deceased with no known estate

Bucket 7. Patient has been approved by the court for bankruptcy estate; or

Bucket 8. Patient is receiving Supplemental Nutrition Assistance Program (SNAP).



Bucket 9 – Presumptive

Demographic Scrub –No “soft” hit to the credit bureau (what kind of vehicle do you drive, size of your household, fishing or hunting license, magazines you subscribe to and estimate of your federal poverty guidelines)

Calibration phase to improve accuracy



Bucket 9

How Early Out Demographic Scrub –

Scrub Strict Self Pay at the Guarantor Level once every Six Months.



Bucket 9

Update your FAP

Patients without any third party coverage and without the ability to qualify for third party coverage will be scored through XYZ. XYZ estimates (score and assets such as home) at the date the account is determined strict self pay. XYZ estimates may be used to determine accounts eligible for full discount or partial discount based on financial need.

Bucket 10 – Presumptive Credit

How Americollect is using Collection Prediction Score –

Scrub at the Guarantor Level day 2 before the first notice is mailed to ALL patients.



Bucket 10 – Presumptive Credit

Update your FAP

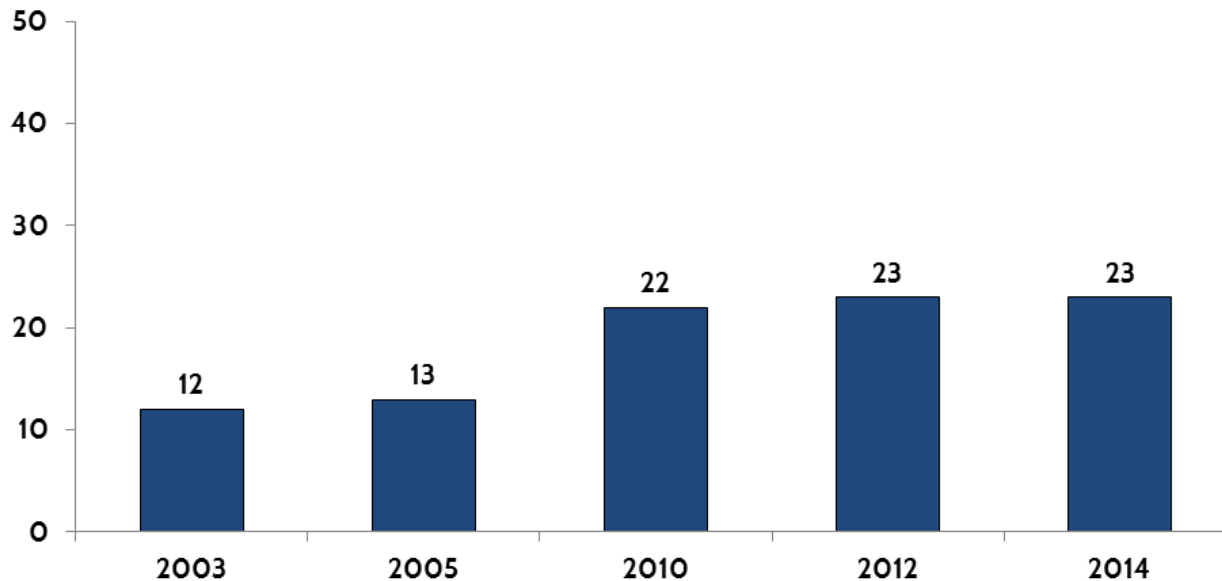
Patients listed for collections will be scored through a credit bureau. This score will cause a “soft hit” on your credit file and will not affect your credit score. All accounts that score below 499 and have no payments applied to the account will be qualified for financial assistance.



Bucket 11 – Catastrophic

Exhibit 1. Twenty-Three Percent of Adults Who Were Insured All Year Were Underinsured in 2014, Unchanged from 2010

Percent adults insured all year ages 19-64 who were underinsured*



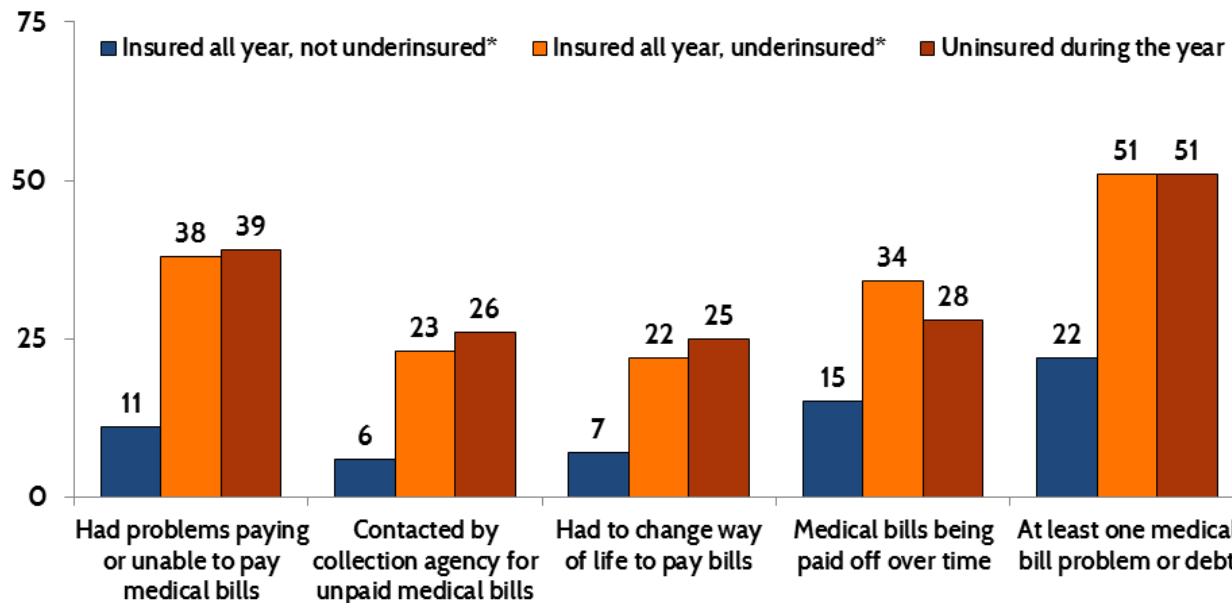
* Underinsured defined as insured all year but experienced one of the following: out-of-pocket expenses equaled 10% or more of income; out-of-pocket expenses equaled 5% or more of income if low income (<200% of poverty); or deductibles equaled 5% or more of income. Source: The Commonwealth Fund Biennial Health Insurance Surveys (2003, 2005, 2010, 2012, and 2014).



Bucket 11 – Catastrophic

Exhibit 8. Underinsured Adults Report Medical Bill Problems at Twice the Rate as Insured Adults Who Are Not Underinsured

Percent adults ages 19-64



* Underinsured defined as insured all year but experienced one of the following: out-of-pocket expenses equaled 10% or more of income; out-of-pocket expenses equaled 5% or more of income if low income (<200% of poverty); or deductibles equaled 5% or more of income. Source: The Commonwealth Fund Biennial Health Insurance Survey (2014).



Bucket 11 – Catastrophic

Catastrophic Care: XXX patients not meeting financial assistance eligibility thresholds may be eligible for assistance under circumstances when XX medical bills would result in severe financial hardship. Patients, or their guarantors, may be eligible for catastrophic care assistance if they have incurred out-of-pocket obligations resulting from medical services provided by XXX that exceed 25% of family income and have assets below the equivalent of 600% of the FPL threshold.

Patients, or patient guarantors, meeting eligibility criteria for catastrophic care will have their XXX charges discounted to an amount not to exceed 25% of family income.



Q&A

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