

**Policy:** Medical Debt Mitigation Policy

**Division:** Corporate Finance

**Original Date:** January 1, 2025

**Department:** Corporate Finance

**Review/Revision Effective Date:** July 1, 2025

**Category:** Compliance

**Adopted By:** Executive Vice President and Chief Financial Officer of Sentara Health

**Location(s):** Sentara Albemarle Medical Center

**Owner:** Patient Accounting

### Policy Statement:

As part of the Sentara Health ("Sentara") mission to improve health every day, Sentara is committed to providing Emergency Services and other Medically Necessary Services to all patients within their respective communities, regardless of a patient's ability to pay for such services.

### Purpose:

This Medical Debt Mitigation Policy ("Policy") establishes the policies to be followed by Sentara Albemarle Medical Center ("SAMC") in the collection of patient medical debt including (1) Process for determining presumptive eligibility for financial assistance (2) Availability of Financial Assistance applications (3) policies for collection of medical debt

### Definitions:

**Covered Services** - Emergency Services and other Medically Necessary Services provided by a Covered Entity.

**Extraordinary Collection Actions (ECAs)** – Extraordinary Collection Actions as defined in Treas. Reg. Sec. 1.501(r)-6(b). In the event of non-payment and the absence of financial assistance a Covered Entity may sell an individual's debt to another party, report adverse information to a consumer credit reporting agency or credit bureaus, defer or deny services, or take actions which involve a legal or judicial process to include filing a lawsuit seeking judgment(s), record judgment(s), or deeds of trust, dock lien(s) on realty, foreclose on real property, attach or seize an individual's bank account or other personal property, and garnish an individual's wages.

**Financial Assistance** – A reduction in the amount of Covered Entity Gross Charges for those patients who are eligible for financial relief under this Policy. This may also be referred to and is synonymous with the terms 'Charity', 'Charity Care', or 'Charity Assistance' for financial reporting, regulatory reporting, and compliance purposes.

**Hospital Facility**– A Sentara-operated facility requiring hospital licensure under Article 5, Chapter 131E of the North Carolina General Statutes.

**Hospital Organization** – An organization recognized or seeking to be recognized as described under Section 501(c)(3) of the Internal Revenue Code that operates one or more Hospital Facilities.

**Child in Household** – For the purposes of presumptive eligibility, a child in the household will be defined per 42 CFR435.603(f)(3) as a natural or biological, adopted child or stepchild under the age of 19 living in the household or in the case of a full-time student, under the age of 21.

**Insured Patients** – Individuals with any governmental, commercial, managed care, or private health insurance.

**Medically Necessary Services**– Reasonable and necessary services required for the diagnosis or treatment of an illness, injury, or pregnancy-related condition that are performed in accordance with recognized standards of care at the time of service and that are not primarily for the convenience of the patient or the patient's physician or other health care provider.

**Non-Covered Services** – Health care services provided by Covered Entity that are not covered under this policy. These services include, but may not be limited to, all cosmetic, elective, retail services or packaged price services in which a discount has already been applied, cash only priced services, and all services in which there is a Third-Party Liability Claim.



**Non-Hospital Facility** – A facility not requiring hospital licensure under Article 5, Chapter 131E of the North Carolina General Statutes, including, but not limited to, the office of a physician owned and operated by a Hospital Organization.

**Self-Pay Patient** – Insured Patients that choose prior to receiving Covered Services from the Covered Entity to not bill their insurance for a healthcare related service as is required under the HITECH Act.

**Sentara Bill Pay (SBP)** – Sentara's electronic bill payment option.

**Sentara MyChart** – A tool that provides secure and convenient electronic access to a patient's personal medical information and healthcare provider. With Sentara MyChart, a patient can start a financial assistance application, upload support, and submit it to Sentara for review and processing.

**Substantially-Related Entity** – With respect to a Hospital Facility operated by a Hospital Organization, an entity treated as a partnership for federal tax purposes in which the Hospital Organization owns a capital or profits interest, or a disregarded entity of which the Hospital Organization is the sole member or owner, that provides Covered Services in that Hospital Facility.

**Third-Party Liability Claims** – Any claim a patient may have against another individual, non-health insurer, or entity responsible for covering the patient's cost of medical services.

**Uninsured and Self-Pay Discount** – A fixed discount percentage applied to Covered Entity Gross Charges on Covered Services of Uninsured Patients and Self-Pay Patients.

**Uninsured Patients** – Individuals who do not have any form of healthcare insurance (Governmental, commercial, managed care, or private health insurance).

#### **Covered Services:**

Only Covered Services provided by SAMC are considered eligible patient care under this Policy. Services provided by non-hospital facilities, such as physician offices of Albemarle Physician Services – Sentara, Inc., and Non-Covered Services, by definition, are specifically excluded as a Covered Service.

#### **Availability of Financial Assistance:**

Financial Assistance is available either presumptively or through an application process to patients receiving covered services meeting non-income-based criteria as defined below or with incomes up to 400% of the Federal Poverty Level.

#### **Presumptive Financial Assistance:**

Presumptive Financial Assistance will be applied for covered services for uninsured, self-pay and balances after insurance as outlined in the SAMC Financial Assistance Policy posted on Sentara.com.

All patients will be screened at check-in for non-income based Presumptive Financial Assistance as outlined below. Patients receiving emergency services will be notified of eligibility no later than the first billing statement and all other patients will be notified of eligibility prior to check-out.

If a patient meets one of the following non-income-based criteria, the patient is deemed presumptively eligible for financial assistance under this policy; and 100% of the patient's remaining balance for Covered Services will be written off:

- Homelessness
- Mental incapacitation with no one to act on the patient's behalf
- Enrollment in Medicaid of patient or a child in household
- Enrollment in another means of public assistance including but not limited to: Women, Infants and Children Nutrition Program or the Supplemental Nutrition Assistance program.

If a patient does not meet non-income-based criteria, a presumptive determination will be made by utilizing third-party income inquiries and publicly available data sources to determine if a patient qualifies for Financial Assistance as documented in the SAMC Financial Assistance Policy.



In accordance with the North Carolina Department of Health and Human Services Hospital Medical Debt Relief Program, the Covered Entity shall relieve unpaid patient hospital medical debt dating back to January 1, 2014, for patients with incomes at or below 350% FPL or for whom total debt exceeds 5% of annual income. Beginning July 1, 2025, the Covered Entity will evaluate all Medicaid enrolled patients to provide debt forgiveness for unpaid hospital medical debt dating back to January 1, 2014.

#### **Other Methods of obtaining Financial Assistance:**

Patients not meeting the non-income based or income-based criteria for Presumptive Financial Assistance may apply for Financial Assistance by Application as documented in the SAMC Financial Assistance Policy. Information about and/or applications for Financial Assistance are available at check-in locations, on Sentara.com, in Sentara MyChart, on billing statements or by calling customer service at 757-233-4600.

#### **Medicaid Application Assistance for Eligible Patients:**

Sentara utilizes third parties to screen patients for Medicaid eligibility after discharge. If it is determined that the patient may be eligible for Medicaid benefits, patients are expected to comply with the third parties' request for Medicaid application information.

#### **Training and Education:**

All relevant staff and collection agency staff will receive training on non-income-based criteria and the availability of Financial Assistance through the application process.

#### **Account Collection Activities:**

After determining the patient's Self-Pay financial responsibility, the patient will be provided this information through a monthly billing statement notifying them of the balance due.

Payment for balances is expected within 30 days of the initial statement date. For patients unable to pay the balance in full, Sentara offers interest free payment plans of up to 44 months depending on the outstanding balance. Self-service payment plans are available on [Sentara.Visitpay.com](https://www.sentara.com/visitpay). Additional payment plan time may be available by contacting Sentara Customer Service at 757-233-4500.

For patients with incomes between 200% and 300% of the Federal Poverty Level that do qualify for Presumptive Financial Assistance and do not meet the qualifications for Financial Assistance by Application due to having greater than \$50,000 in assets, payment plans cannot exceed a duration of 36 months with monthly payments no greater than 5% of monthly household income. Balances greater than this amount will be adjusted as Financial Assistance.

If, after no less than 120 days, a patient is found to either not qualify for Financial Assistance under the SAMC Financial Assistance Policy or is unresponsive to the Covered Entity's efforts to obtain the information necessary to determine eligibility for Financial Assistance, and the patient does not qualify or has not completed the Medicaid application process, the patient's account may be moved to bad debt and the delinquent account turned over to Sentara's collections department or an outside collection agency. *Neither the Covered Entity nor outside collection agencies acting on its behalf ever engage in extraordinary collection actions as defined under section 1.501(r)-6(b)(1) of the U.S. Treasury regulations.*

Sentara does not sell debt to third parties.

Sentara will not deny or defer Covered Services due to past outstanding balances.

#### **Questions:**

Questions about Financial Assistance or outstanding balances may be directed to Billing Customer Service at 757-233-4600.