



Community Accountability and Transparency

HELPING HOSPITALS BETTER SERVE THEIR COMMUNITIES

AHA Policies, Guidelines, and Checklist



American Hospital
Association



Photos in this publication are courtesy of Doug Haight, photographer, and illustrate programs from recent Foster G. McGaw Prize winning organizations. Since 1986, the Foster G. McGaw Prize has honored health delivery organizations that have demonstrated exceptional commitment to community service. The Prize is sponsored by The Baxter International Foundation and the Cardinal Health Foundation and the American Hospital Association.

AHA Policies & Guidelines

on Billing, Collections, Tax-Exempt Status, and Community Health

The American Hospital Association and America's hospitals are committed to doing everything we can to better serve patients and to treat them equitably, with dignity, compassion, and respect from the bedside to the billing office. This document is a consolidation of existing AHA policies and guidelines covering billing, collections, tax-exempt status, and promotion of community health.

Hospitals exist to serve. Their ability to serve well requires a relationship with their communities built on trust and compassion. Hospitals and the communities they serve share responsibility in determining what services communities most need. Every day, hospitals across the country work to meet their unique community needs while keeping the hospital doors open 24-7, 365 days a year.

America's hospitals are united in providing care based on the following principles:

- ◆ Treat all patients equitably and with dignity, respect, and compassion.
- ◆ Serve the emergency health care needs of everyone, regardless of ability to pay.
- ◆ Assist patients who cannot pay for part or all of the care they receive.

Many states have requirements that may dictate hospital policies or reporting and many state, regional, and metropolitan hospital associations have provided specific guidance to help hospitals navigate state requirements. This AHA resource is not intended to replace those materials. Instead, these policies and guidelines work as a supplement to further strengthen community hospital relationships and to reassure patients, regardless of their ability to pay, of hospitals' commitment to caring.



Providing Financial Assistance for the Uninsured of Limited Means

- ◆ Financial assistance and counseling should be provided to uninsured people of limited means, without regard to race, ethnicity, gender, religion, or national origin.
- ◆ Financial assistance provided by hospitals to uninsured people of limited means should in no way substitute for state efforts to provide or expand coverage to the uninsured. State Medicaid programs should be required, at a minimum, to sustain a “maintenance of effort,” keeping programs’ eligibility at least at their current levels. Further, state Medicaid programs also should be required to expand coverage to all individuals at or below the poverty level. Until that time:
 - ❖ Hospitals should have policies to provide services to uninsured patients below 100% of the federal poverty level at no charge. Existing clinical and geographical criteria used by hospitals to determine eligibility for certain services would apply.
- ◆ Financial assistance should be provided to all uninsured patients between 100% and 200% of the poverty level by asking them (based on a hospital’s choice) to pay no more than:
 - ❖ A price paid to the hospital under contract by a public or private insurer; or
 - ❖ 125% of the Medicare rate for applicable services, given that in the aggregate today, Medicare pays less than the cost of care.

For these patients, hospitals may choose to charge on a sliding scale up to the stated limits. Hospitals also may choose to provide greater assistance.

- ◆ Financial assistance may be offered to uninsured patients with incomes in excess of 200% of the federal poverty level at the discretion of the hospital.
- ◆ Hospital financial assistance/discounting policies should clearly state the eligibility criteria, amount of discount, and payment plan options.
- ◆ Hospital financial assistance is contingent upon the cooperation of a patient in providing the information necessary for a hospital to qualify that patient for its programs of assistance or for public or other coverage or assistance that may be available. Patients receiving financial assistance from hospitals have a responsibility to pay according to the terms of that policy.



- ◆ Cosmetic surgery and other non-medically necessary services are exempt.
- ◆ Hospitals should provide the training and oversight necessary to ensure that financial assistance policies are applied accurately and consistently, recognizing that hospitals need the flexibility to extend assistance to patients who may not fit within their policy but need assistance due to special circumstances.

Communicating Charity Care and Financial Assistance Policies

- ◆ Hospitals should make information available to the public on hospital-based charity care and financial assistance policies.
- ◆ Hospitals should communicate this information to patients in a way that is easy to understand, culturally appropriate, and in the most prevalent languages used in their communities.
- ◆ Hospitals should have understandable, written policies to help patients determine if they qualify for public assistance programs or hospital-based assistance programs.
- ◆ Hospitals should share these policies with appropriate community health and human services agencies and other organizations that assist people in need.

Helping Patients Qualify for Financial Assistance

- ◆ Hospitals should provide financial counseling to patients about their hospital bills, the hospital's financial programs, and public or other assistance programs.
- ◆ Hospitals should make the availability of financial counseling for patients widely known.
- ◆ Hospitals should respond promptly to patients' questions about their bills and to requests for financial assistance.

Ensuring Fair and Transparent Billing and Collection Practices

- ◆ Hospitals should use a billing process that is clear, concise, correct, and patient-friendly.
- ◆ Hospitals should make available for review by the public specific information in a meaningful format about what they charge for services. Charge information should be made available in different languages and in different forms consistent with the diversity of the hospital's community.
- ◆ Hospitals should have staff readily available to explain how and why the price of a patient's care can vary.
- ◆ Hospitals should work to create common definitions and explanations of complex pricing information, including working toward and using innovative and understandable ways for displaying pricing information for use by consumers.¹
- ◆ Hospitals should ensure that staff members who work closely with patients (including those working in patient registration and admitting, financial assistance, customer service, billing and collections, as well as nurses, social workers, hospital receptionists, and others) are educated about hospital billing, financial assistance, and collection policies and practices.
- ◆ Hospitals should ensure that patient accounts are pursued fairly and consistently, reflecting the public's high expectations of hospitals.
- ◆ Hospitals should implement written policies about when and under whose authority patient debt is advanced for collection and when and under whose authority a lien can be placed on a patient's primary residence.
- ◆ Hospitals should define the standards and scope of practices to be used by outside collections agencies acting on their behalf and should obtain from such agencies agreement to these standards in writing, including written assurances of compliance with the *Fair Debt Collections Practices Act* and the ACA International's (ACA International: The Association of Credit and Collection Professionals) Code of Ethics and Professional Responsibility.

¹ For more information or assistance, visit www.patientfriendlybilling.org – a Healthcare Financial Management Association initiative supported by the AHA and others to promote clear, concise, and correct patient-friendly financial communications.



Promoting Community Health

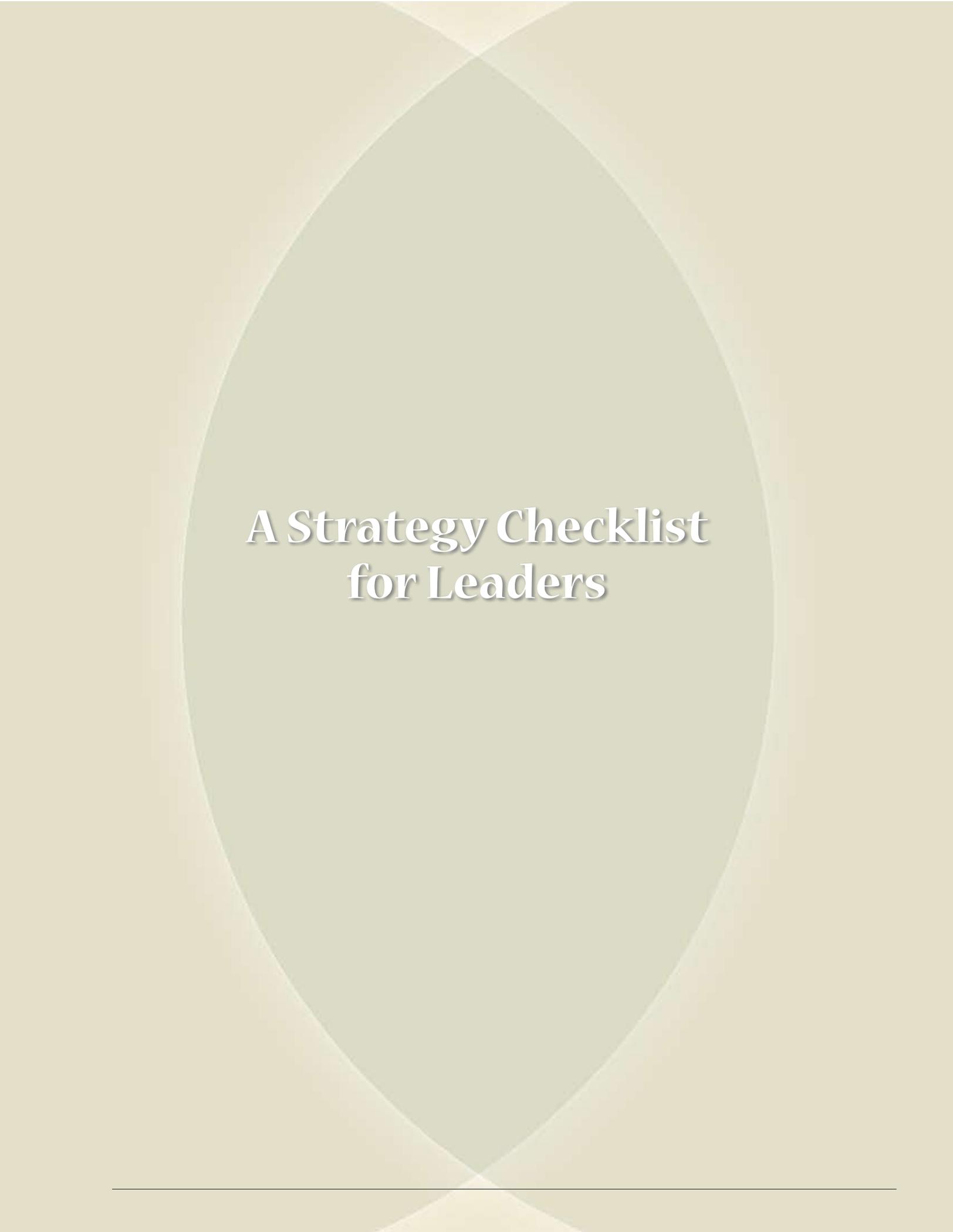
- ◆ Hospitals' commitment to community health as reflected in its mission, values, and goals should be understood and applied by everyone throughout the organization.
- ◆ Hospitals should understand their communities' unique health needs and work with others in the community to meet those needs.
- ◆ Hospitals should periodically conduct a community needs assessment and assign responsibility for the hospital's community benefit plan to a hospital employee.
- ◆ Hospitals should have ongoing processes for planning and monitoring how their commitment to community health is met through services and programs for the community.
- ◆ Hospitals should develop and make readily available to the public a comprehensive inventory of all the community programs and services offered, including specialty services, extended care, and programs that address social and basic needs, access, coverage, and quality of life.
- ◆ Hospitals should understand and publicly communicate the impact of their programs and services on their communities.

Reporting Community Benefit (applies to non-government, tax-exempt hospitals)²

- ◆ Hospitals should voluntarily, publicly, and proactively report to their communities on the full value of benefit a hospital provides.
- ◆ Hospitals' community benefit reports should be easy to locate on their Web sites and/or at their offices.
- ◆ In addition, IRS Form 990 filings should be posted on hospitals' Web sites. When finalized, hospitals should use Schedule H of the IRS Form 990 to inform their community, as fully as the schedule will permit, about the entire range of benefits they provide, including those that are not easily quantifiable. In addition, if the IRS' revised forms permit, hospitals should attach or include a Web link to their community benefit reports.
- ◆ Hospitals should increase their financial accountability by:
 - ❖ Having the highest ranking officer of the hospital or the CFO sign the Form 990; and
 - ❖ Prohibiting loans to board members or executives.

² The IRS is revising the reporting forms for tax-exempt organizations. This section will be revised, consistent with the new reporting requirements, when those forms are finalized.





**A Strategy Checklist
for Leaders**

Effective leadership requires well-defined goals, policies that support those goals, and well-designed action plans to implement the goals. While clear vision and mission statements are a critical beginning for a publicly accountable hospital, they are by no means sufficient. It is the policies that support the vision and mission and the action plans to implement the policies that enable a hospital to be truly accountable to its community.

Through their vision and mission statements, hospitals around the country have made commitments to promote the health and well-being of their communities. To meet these commitments many have adopted policies and practices to identify and implement services that meet the health care needs of their communities, to provide health care services to their communities regardless of ability to pay, and to make available an increasing amount of information about the price and quality of hospital care.

As the national advocate for hospitals, the American Hospital Association supports the nation's hospitals in meeting community needs, implementing fair and compassionate policies to help the uninsured, and providing meaningful information about the delivery and cost of services. Hospitals are committed to their communities, and the AHA is committed to providing the support and tools needed to help hospitals promote the health and well-being of their communities.

As part of that commitment, the AHA has adopted the public accountability policies described in the first section of this resource. In this section, there is a checklist to help CEOs and trustees evaluate and monitor the effective implementation of these and other public accountability policies.



How to Use this Strategy Checklist

Every hospital is different in how it meets the needs of its community and ensures public accountability. This tool offers a basic framework that leaders can use to evaluate how successfully community accountability goals are being met. It is not intended to be a benchmark against the performance of others. Rather, it should be used to help promote the effective implementation of policies and practices that support public trust and accountability.

A series of questions are organized under the following major headings:

- ◆ Providing Financial Assistance for the Uninsured of Limited Means
- ◆ Communicating Charity Care and Financial Assistance Policies
- ◆ Helping Patients Qualify for Financial Assistance
- ◆ Ensuring Fair and Transparent Billing and Collection Practices
- ◆ Promoting Community Health
- ◆ Reporting Community Benefit (applies to non-government, tax-exempt hospitals)

Some of the questions are specific. Some are general to stimulate thinking about overall organizational activities. Alongside each are three boxes: “Yes,” “No,” and “More Needs To Be Done.”

A Strategy Checklist for Leaders

Providing Financial Assistance for the Uninsured of Limited Means				
		Yes	More needs to be done	No
1.	Do you proactively identify uninsured patients of limited means and qualify them for financial assistance and counseling without regard to race, ethnicity, gender, religion, or national origin?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.	Do the hospital's financial assistance/discounting written policies provide a clear explanation of the eligibility criteria, information needed to qualify the patient for its assistance programs, the discount amount for patients meeting various criteria, the types of services covered by these policies, payment plan options, and information needed to qualify for other available public assistance?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.	Does your financial assistance program provide services to uninsured patients at or below 100% of the federal poverty level at no charge?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4.	For uninsured patients between 100% and 200% of the federal poverty level, do you provide financial assistance and, at minimum, ask them to pay no more than the price paid by a public or private insurer under contract to the hospital or 125% of the Medicare rate for applicable services?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5.	Do you offer financial assistance to uninsured patients with incomes in excess of 200% of the federal poverty level?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6.	Do you have well-trained counselors that work with uninsured patients to help them understand the hospital's financial assistance/discounting policies and how they can qualify for assistance and/or discounts, including how they can enroll in all public and private programs for which they are eligible?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7.	Do you have well-trained financial counselors that work with uninsured patients on an ongoing basis to establish payment assistance plans and schedules that address both patient and hospital needs?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8.	Does the organization monitor the implementation of its financial assistance policies and conduct evaluations to ensure that all written policies for assisting low-income patients are applied consistently?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Communicating Charity Care and Financial Assistance Policies

	Yes	More needs to be done	No
1. Are your hospital-based charity care and financial assistance policies and procedures easily accessible and readily available to the hospital's patients and the public?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Is information about the hospital's charity care and financial assistance policies and procedures posted on the hospital's Web site?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Do you proactively communicate information about your charity care and financial assistance policies and procedures to patients in a way that is easy to understand, culturally appropriate, and in the most prevalent languages used in the community?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Is information about the hospital's charity care and financial assistance policies and procedures posted or readily available to patients in written form in the Emergency Department and other hospital waiting rooms?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Do you share information about your charity care policies and financial assistance programs with appropriate community health and human services agencies and other organizations in your community that assist people in need?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Helping Patients Qualify for Financial Assistance

	Yes	More needs to be done	No
1. Is the hospital proactive in informing patients that financial counselors are available to assist them and respond to questions about their bills?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Do financial counselors respond promptly with the needed information to address patient issues and questions?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Do financial counselors actively follow-up and continue to work with patients and their families when there are unresolved questions or concerns until these are resolved?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Does your organization provide 24-hour access to respond to questions about financial assistance, such as a hotline or Web-based information page?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

A Strategy Checklist for Leaders

Ensuring Fair and Transparent Billing and Collection Practices		Yes	More needs to be done	No
1.	Is the organization's billing process clear, concise, correct, and patient-friendly?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.	Is the organization's charge information easily accessible and presented in a way that is understandable to and usable by the general public?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.	Is charge information available in different languages and in different forms consistent with the diversity of the hospital's community?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4.	Do you have well-trained staff readily available to answer patient questions about charge information and to provide patients with additional explanations about how charges are established and how they might vary from average charges depending on the patient's care requirements?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5.	Do you have training programs for all staff that have contact with patients about hospital billing, financial assistance, and collection policies and procedures, including how to connect patients with specifically trained hospital staff knowledgeable about hospital charges, billing practices, and financial assistance?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6.	Do you provide patients and the community with opportunities to offer input and feedback on the usefulness of the charge information provided by the hospital?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7.	Are the debt collection policies and practices easily accessible and available to the public?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8.	Do you have written policies as to when and under whose authority a patient account is advanced for collection?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9.	Does your debt collection policy prohibit advancing an account for collection if the patient has a pending hospital application for financial assistance?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10.	Are there written policies as to when and under whose authority a lien can be placed on a patient's primary residence?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
11.	Are your financial counselors trained and instructed to clearly and thoroughly explain the hospital's debt collection practices to uninsured and/or underinsured patients?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
12.	Do you comply with the <i>Fair Debt Collection Practices Act</i> and the America Collectors Association (ACA) International's Code of Ethics and Professional Responsibility in your debt collection policies and practices?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
13.	If you use an outside debt collection organization, do you obtain written assurances that this organization complies with the <i>Fair Debt Collection Practices Act</i> and the ACA International's Code of Ethics and Professional Responsibility?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Promoting Community Health

		Yes	More needs to be done	No
Make sure your mission, values, and goals reflect a commitment to community health and are understood and applied by everyone throughout the organization.				
1.	Do the organization's mission and vision describe your commitment to the community and to meeting community health needs?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.	Are the mission and vision used to establish the strategic direction and evaluate key decisions?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.	Are the organization's mission, values, and goals easily understood?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4.	Are your written mission/values/goals communicated throughout the organization and to the broader community?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5.	Are the organization's goals continually adjusted to reflect changing community health needs?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6.	Do you have procedures in place at all levels of the organization to ensure your commitment to mission/values/goals is maintained and consistently applied to decision making, business practices, and the delivery of patient care?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7.	Can you show how specific activities and services further your mission/values/goals?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8.	Is there a designated staff person or department that is responsible for the planning and implementation of the hospital's activities related to community health promotion?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9.	Are there regular reports prepared for the board on the plan, operations, and impact of the hospital's activities related to community health promotion?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Demonstrate your community connection.				
1.	Do you regularly evaluate the unique social, geographic, economic, or other special characteristics of your community?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.	Have you identified the community's highly vulnerable populations...teenagers, the elderly, the indigent, and ethnic or racial minorities?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

A Strategy Checklist for Leaders

Promoting Community Health *continued*

	Yes	More needs to be done	No
3. Have you researched the unique health needs of the community and its unmet or underserved needs?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Have you worked with others in the community (i.e., other governmental, community, and/or social service organizations) to conduct a community health needs assessment?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Do you use the health needs assessment to establish programs to address identified community health needs, including addressing the needs of highly vulnerable populations and the economic, social, cultural, and/or geographic barriers to care that exist within the community?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Do you work with others in the community to develop and implement programs to address community health needs?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. Do you reach out and involve vulnerable populations in the design and operation of services and programs targeted to meet the needs of these populations?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8. Do you have a community advisory board to help guide the development of community services and programs?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Develop and make available a comprehensive inventory of the benefits provided to the community.			
1. Do you have a comprehensive list of all the community programs and services the organization offers, including: specialty services; extended care; health promotion; and programs that address social and basic needs, access, coverage, and quality of life?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Are you making ongoing efforts to increase community awareness and utilization of programs and services, particularly with highly vulnerable populations?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Does the hospital have, or participate in, an organized program to coordinate community support services after a patient has been discharged from the hospital?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Is the hospital a teaching hospital or affiliated with a teaching hospital or college for training physicians, nurses, or other allied health professionals?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Are the organization's educational programs included in its list of community programs and services?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Promoting Community Health *continued*

		Yes	More needs to be done	No
6.	Does the hospital undertake, support, or facilitate basic scientific or clinical research at its facilities?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7.	Are the organization's research programs included in its list of community programs and services?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8.	Have you collaborated with other hospitals to meet community health needs?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9.	Has the organization worked to ensure that there is continued and sustainable support for its community services and programs?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10.	Has the organization worked to secure outside funding, if necessary, to maintain community services and programs?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
11.	Does the organization provide financial assistance for start-up and/or continued operation of programs and services offered by other community and social service organizations?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Understand and communicate the impact of the hospital's programs and services on the community.				
1.	Do you evaluate or measure the number of people served by your community programs and services?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.	Have you measured recipient and/or community satisfaction with these programs and services?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.	Have you gathered information on the impact of your programs and services on community health status?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4.	Are evaluation results shared with the hospital's board of trustees?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5.	Do you share evaluation results with a community advisory board or other community partners?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6.	Do you regularly modify, expand, and/or change community programs and services in response to results of your satisfaction and impact evaluations as well as updated community health assessments?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7.	Do you regularly communicate through public newsletters, readily available patient information, and/or the local media about the existence and impact of your community programs and services?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

A Strategy Checklist for Leaders

Reporting Community Benefit (applies to non-government, tax-exempt hospitals)				
		Yes	More needs to be done	No
1.	Do you regularly report to the community on the full value of benefit the hospital provides?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.	Does your community benefit report detail the full range of services, programs, and support provided to the community even if these are difficult to quantify?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.	Is the organization's community benefit report easily accessible on its Web site and/or in its offices?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4.	Do you attach the calculation of community benefit to Schedule H as part of your Form 990 submission?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5.	Does the CEO, CFO, or highest ranking officer sign your Form 990?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6.	Do you have a policy that prohibits loans to board members or executives?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



