

January 23, 2007

Assuring Access at UNC Health Care



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Friends of UNC Health Care:

Over the past six months, the staff of UNC Health Care, at the direction of University of North Carolina system president Erskine Bowles and the UNC Health Care Board of Directors, has undertaken a focused effort to improve access to care, financial assistance outreach and collection of payment obligations from patients. The following paper outlines the areas of focus and changes that have been made to create a more patient-friendly environment at UNC Health Care.

This patient-focused access initiative has four objectives:

1. Assure that UNC Health Care's payment policies and practices are in alignment with its mission of providing care to all who need it.
 2. Assess barriers to access identified by the community petition.
 3. Assess financial assistance and collections policies and practices.
 4. Implement recommendations to improve access, financial assistance and collections policies.

As with any complex organization, there is always room for improvement. Taking a fresh look at policies and practices has helped UNC Health Care grow in its service to patients. We are grateful to those people and organizations that have helped suggest the improvements we are implementing in these important areas. Working together, the changes we are making will provide tangible benefits for patients and their families. They will further align the institution with its mission to serve the people of North Carolina.

We will continue to work together toward making UNC Health Care the nation's leading public academic health care system by ensuring access for all, financial assistance for those in need and the delivery of compassionate high-quality care for every patient.

I commend this report for your review and welcome your suggestions for continuous improvement of UNC Health Care.

Sincerely,



Bill McCoy
Chair, UNC Health Care Board of Directors



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Introduction

Over the past six months, we have been working to respond to community concerns about operations at UNC Health Care.

In the administration of this complex health care system, we have made mistakes. We have not done a good enough job of letting some of our patients know that financial assistance is available. We have moved to fix that. We have made some billing errors in which patients got collection notices before they received bills. That is not acceptable, and we are fixing it.

In July 2006, a leadership committee, appointed by UNC Health Care CEO Bill Roper, began assessing current policies and practices and making recommendations to improve access to our health care system. Six teams were organized, and progress has been reported to our Board of Directors and university system president Erskine Bowles on a bi-weekly basis. A report was presented to the Board of Directors on Jan. 16, 2007 and approved.

The changes we are implementing must accomplish the overriding goal of extending the system's mission. In order to serve our more than 400,000 patients a year, we are committed to fulfill our mission of meeting the health care needs of North Carolinians.

We intend to remain diligent about improving our health care system. The permanently appointed Financial Assistance Oversight Committee will monitor our policies and procedures, which will evolve until our objectives are met. The community we serve is a valuable partner of our health care system. We want to know if our patients face barriers to receiving our services.

The changes outlined below represent major improvements to how we help patients in financial need. These are necessary changes that have been implemented over the past six months. They will be monitored and measured to help us improve our service.

Increasing Access and Improving Financial Assistance

Objective: Serve patients more efficiently and improve aid to those in need of financial assistance.

- **Hire more financial counselors.** UNC Health Care financial assistance counselors manage large caseloads that continue to grow. Defining the right form of financial assistance, facilitating the application process and determining eligibility are complex and time-consuming activities.

Improvement: UNC Health Care has hired and trained five additional financial counselors.

- **Increase the capacity of the Health Care System.** As populations increase, the UNC Health Care System needs to expand its overall capacity in order to meet the health care needs of North Carolinians.

Improvement: Negotiated a contract with Piedmont Health Systems to increase primary care availability to the uninsured in Orange, Chatham, Alamance and Caswell counties.

- **Improve referral process from outside clinics.** Protocols currently do not exist for smooth referrals to the UNC Health Care System from community health centers.

Improvement: Developing protocols for referrals from Piedmont Health Systems and from UNC Health Care primary care to UNC Health Care **sub-specialists and ancillary providers**.

Improving Financial Assistance Communications

Objective: Eliminate communications barriers related to financial assistance policies or counseling that might limit access.

- **Change telephone appointment reminders.** Patients who schedule appointments for services at UNC Health Care clinics receive an automated telephone reminder notice of their appointment.

Improvement: The telephone appointment reminders now include a statement informing patients that financial assistance counseling is available and explains how to receive those services.
- **Increase awareness of assistance policies.** Establishing clear communication about financial assistance is not only a challenge for patients; it is an internal challenge as well. To best serve patient needs, **clinic staff** must understand how patients locate and access financial assistance programs.

Improvement: Financial assistance policies have been made available to all UNC Health Care practices to promote clear, consistent communication between staff and their patients.
- **Enable proactive assistance.** It is not uncommon for patients to be confused about whether they should or should not seek financial assistance. Intervening early can help avoid financial challenges down the road.

Improvement: Clinic staff has been educated and trained to offer financial counseling to all new patients.
- **Increase awareness of payment plans.** UNC Health Care offers patients the ability to meet their obligation by enrolling in a **no-interest payment plan**. The availability of this option has been communicated consistently to patients.

Improvement: Financial assistance counselors have been trained to make sure patients are aware of the extended, penalty-free payment plans.
- **Enhance financial assistance visibility.** Signs in health care facilities help patients navigate UNC Health Care's complex system. Visibility of financial assistance through signs and brochures throughout the institution has been low.

Improvement: Signs about available financial assistance tools, in both English and Spanish, have been posted throughout UNC Health Care clinics and facilities. The signage informs patients of the availability of financial assistance and provides the telephone number for the financial assistance helpline.

- **Financial assistance telephone helpline.** Patients previously seeking financial assistance may have missed the opportunity when they were in a clinic.
Improvement: UNC Health Care has established, staffed and publicized a toll-free Charity Care Helpline for patients – (866) 704-5286.
- **Enhanced social services and Medicaid assistance.**
Improvement: Placed two Orange County Department of Social Services Medicaid intake employees on-site within the health care system, including one who speaks Spanish.
- **Improve bilingual services at Chatham Hospital.** The Spanish-speaking population in Chatham County must be able to communicate with service providers to receive the care they need at [Chatham Hospital](#).
Improvement: Place a bilingual [Medicaid Assistance Counselor](#) on-site at Chatham Hospital and develop a service agreement with Chatham County Department of Social Services.

Simplifying the financial assistance process

Objective: Improve our patients' experiences with UNC Health Care and our employees' capacity to serve them.

Financial assistance paperwork can be confusing for patients and take weeks or months to complete. Our patients and their families need a better system to make this process easier.

- **Simplify the financial assistance process.**
Improvement: Reduce the length and complexity of the financial assistance application process.
- **Simplify the appointment-making process.**
Improvement: Continue the implementation of the new scheduling system to improve the appointments process and reduce the no-show rate.
- **Educate all customer service departments in both UNC Health Care and UNC Physicians & Associates' billing practices.**
Improvement: Cross-train customer service representatives to answer both UNC Health Care and [UNC Physicians & Associates](#) billing questions.
- **Avoid duplications in collection practices.**
Improvement: Ensure that UNC Health Care and UNC Physicians & Associates avoid confusion caused by any duplication in the collection process.

Caring for vulnerable patients

Objective: Ensure that vulnerable and frail patients are discharged safely.

- **Improve discharge procedures.** Our most vulnerable patients discharged from the Emergency Room need a plan for treatment and follow-up that patients can refer to.
 - Improvement: Ensure our vulnerable patients have a post-discharge health care plan.
 - Improvement: Provide discharge planning for in-patients and patients discharged from the Emergency Department.
 - Improvement: Provide better discharge coordination for frail, unaccompanied patients.

What Our Patients Can Expect From UNC Health Care

Changes we implemented in policies and procedures will only be successful if they are translated into improving patient experiences at our hospitals and clinics. Our expectation is that these changes will make our system more accessible and coordinated for patients needing financial assistance.

The following potential scenarios serve to illustrate patient experiences at UNC Health Care. We provide these with the hope that the community will now have a benchmark for evaluating these changes.

Maria

Maria, 55, has come to UNC Hospitals for many years. She is single and recently chose a high-deductible plan for her insurance coverage.

Last Friday, she received a reminder telephone call from UNC Health Care stating she had a clinic visit on Monday and that she should bring her insurance cards and co-pays. It also mentioned that financial assistance was available.

When she checked in at the clinic on Monday, Maria noticed signs and brochures about financial assistance near the check-in desk. She was able to pay the estimated \$250 for her co-payments and deductibles through her insurance, but was worried about how she would pay for an upcoming cardiac catheterization and stent procedure.

Following her appointment, Maria went back to the check-in desk, took one of the brochures and slipped it into her handbag.

After thinking about it more that night, she decided to call the UNC Health Care's **Charity Care Helpline** number – (866) 704-5286 – on the brochure. A helpline clerk asked her what options she had for paying the bill, which was estimated at \$8,000, and then referred her to a financial counselor who was able to set up a \$225 monthly payment plan over 36 months with no interest.

Davis

Davis, 37, owns a small family construction business. He does not have health insurance.

During a late afternoon, Davis fell off the roof of his house and ruptured his spleen. He was taken to UNC Health Care's Emergency Department, where doctors determined he would need extensive surgery. When Davis regained consciousness after the operation, he and his wife shared their financial concerns with the admission personnel, who referred them to a **financial assistance counselor**.

Davis automatically qualified for the 25 percent **uninsured discount** that UNC Health Care offers to all uninsured individuals. He was unable to pay off his balance immediately because he would not work for the next eight weeks at a minimum.

Davis's UNC Health Care financial assistance counselor determined that he did not qualify for UNC Health Care's Charity Care Program because he earns more than \$41,500 annually for his family of three. The counselor did conclude, however, that Davis qualified for the system's **Medical Indigency Program** because his bill far exceeded the income he would make within the next year.

Alice

Alice, 64, goes to the **Piedmont Health Services (PHS)** clinic in Carrboro. She qualifies for charity care at Piedmont. Her primary care physician has been concerned about a torn meniscus. He refers her to UNC Orthopaedics.

When the referral is made, the PHS clerk mentions that Alice receives charity care. The UNC Health Care clerk states, "Then Alice will automatically qualify for our **Charity Care Program**, so be sure to remind her to bring her PHS card when she checks in at our clinic."

When Alice goes to UNC Health Care, the check-in clerk tells her that she only has to fill out an abbreviated, informational application at UNC Health Care to enroll in charity care, which will be automatically approved based on her charity care status at PHS. The clerk requests that she pay a minimal co-payment just as she does at PHS. During her appointment, Alice finds out that she will need arthroscopic surgery.

The procedure is successfully completed at UNC Health Care's Ambulatory Care Center. Alice sees her UNC Health Care physician for several follow-up appointments and then is referred back to PHS for continued primary care.

Growing Community Participation

Objective: To boost community participation in the governance and oversight of UNC Health Care.

UNC Health Care is led by a mission that binds it to the community as its safety-net institution. In turn, we encourage citizens of the community to be involved in our organization.

■ **Nominate and appoint a community representative to the [UNC Health Care Board of Directors](#).**

Improvement: In this position, the community representative, the Rev. Robert E. Seymour, Jr., pastor emeritus of Chapel Hill's Binkley Baptist Church and founder of the Chapel Hill Senior Center, will give a leadership voice to the community by expressing the concerns and feedback of its members.

Rev. Seymour will be active in helping craft health policy and recommending changes to improve health care access and delivery.

■ **Proactively include community members in discussion of the needs of our most vulnerable citizens.**

Improvement: The community will have a voice to address the needs of the uninsured, the underserved and other vulnerable populations.

Patient-focused Collection Improvements

UNC Health Care had \$290 million in **accounts receivable** at the end of the **2006 fiscal year**. More than ever, the cash flow requirements of the system depend on prompt payments.

Over the past several months, UNC Health Care has been reviewing its payment and collections policies. More North Carolinians are bearing an increasing share of healthcare expense as costs have been shifted from insurance to patient through higher deductibles. The changes reflected in the following table represent an effort to balance a patient's ability to pay with the financial requirements of our health care system.

The challenge we face is to provide a patient friendly approach to collecting patient payment obligations. This is a balancing act that requires clear communication and proactive assistance in finding the best avenues to help patients meet their financial obligations.

Our guiding principles for patient collections include:

- Exhausting all third-party options for covering the cost of care.
- Ensuring patients have direct access to a financial counselor.
- Ensuring that billing is accurate and easy to understand.
- Ensuring that patients understand their obligation to pay.
- Assisting patients in finding the most appropriate means of paying their obligation.
- Pursuing delinquent accounts diligently, but compassionately.

The table on the next page compares UNC Health Care's prior collection policies with our new policies.

Patients who struggle to pay their bills, however, will have new options to assist them in meeting their financial obligations that work best for their individual situations.

Monitoring Progress and Reporting Results

Collection Activities	Previous Policies		New Policies	Community Impact
	UNC Hospitals	Physicians & Associates		
Payment Plans	<ul style="list-style-type: none"> Up to 3 years 	<ul style="list-style-type: none"> Up to 5 years 	<ul style="list-style-type: none"> Sliding scale Extended payment plans. Payment term dependent on balance 	<ul style="list-style-type: none"> Extended payment plans without interest charges
Collection Agency Referrals	<ul style="list-style-type: none"> Credit bureau report: if not on payment plan Interest/fees: none Threshold: ≥ \$20 Time: ≥ 120 days All erroneous addresses 	<ul style="list-style-type: none"> Credit bureau report: yes Interest/fees: none Threshold: > \$3 Time: ≥ 120 days 	<ul style="list-style-type: none"> Credit bureau report: potentially, if not on payment plan Interest/fees: none Threshold: ≥ \$20 UNC Hospitals ≥ \$10 UNC Physicians & Associates Time: ≥ 120 days 	<ul style="list-style-type: none"> If patients are unwilling to provide information for financial assistance or set up payment plans, we will offer 120 days to collect before referring bills to collection agencies
Set-off Debt Collection Act (SODCA) Referrals	<ul style="list-style-type: none"> Accounts with balances ≥ \$50, if not on payment plan 	<ul style="list-style-type: none"> All accounts in collections and with liens are referred for SODCA 	<ul style="list-style-type: none"> Accounts with balances ≥ \$50 	<ul style="list-style-type: none"> State plan for debt collection after 120 days of UNC Health Care collection effort
State Employee Debt Collection Act (SEDCA) Referrals	<ul style="list-style-type: none"> UNC Health Care employee accounts, if not on payment plan 	<ul style="list-style-type: none"> Not currently implementing SEDCA 	<ul style="list-style-type: none"> None Seeking exemption 	<ul style="list-style-type: none"> No longer apply SEDCA guidelines to UNC Health Care employees
Catastrophic Illnesses Resulting in Medically Indigent Status	<ul style="list-style-type: none"> No catastrophic policy 	<ul style="list-style-type: none"> No current process; route through normal collection process 	<ul style="list-style-type: none"> Proactive consideration > \$15,000 UNC Hospitals > \$15,000 UNC Physicians & Associates 	<ul style="list-style-type: none"> A formal process of proactive consideration of medical indigency Exceeds industry standards
Attorney General Referrals	<ul style="list-style-type: none"> 30 delinquent patients per week at random Account balances > \$1,000 	<ul style="list-style-type: none"> Review all delinquent accounts over \$4,000 If property, send to Attorney General If not, send to collections 	<ul style="list-style-type: none"> Refer disputes with insurance companies and other third parties Exceptional individual cases when approved by patient financial services director 	<ul style="list-style-type: none"> Use of Attorney General only for exceptional cases

Monitoring Progress and Reporting Results

Objective: To continually monitor and record our progress in increasing access by using data to support ongoing self-assessment and improvement, and to report our results to the community.

Monitoring and reporting are essential steps of any long-term project. UNC Health Care is committed to swift implementation of the improvements we have outlined. We have taken, and will continue to take, several important steps to ensure that the processes created continue to meet our goals and the needs of our patients.

- Institute an audit process for charity care applications.
Improvement: We have designed and instituted an audit process for all charity care applications and begun tracking the number of patients approved for financial assistance every month.

- Assess the availability of bilingual Medicaid Assistance Counselors.
Improvement: We are in process of assessing the accessibility of bilingual Medicaid Assistance Counselors working with nine community-based practices to ensure Spanish-speaking families have access to counseling, as well.

- Track the number of patients approved for financial assistance.
Improvement: On a monthly basis, we have begun reporting the number of patients utilizing financial assistance.

- Use “mystery shoppers” to test access to financial assistance across our system.
Improvement: We are using “mystery shoppers” to test access to financial assistance in our clinics, and are tracking and reporting activity.

Appendix A

Glossary of Terms

2006 fiscal year: UNC Health Care's financial year runs from July through July. The 2006 fiscal year refers to financial activities that occurred between July 2005 – July 2006.

accounts receivable: An asset of UNC Health Care reflecting a debt that is owed to the institution and has not been received.

Attorney General: North Carolina's Office of the Attorney General Collection Section collects delinquent account receivable accounts and other types of debt for state universities, community colleges and North Carolina state agencies, including UNC Health Care.

Charity Care Program: This program insures that all eligible individuals receive medically necessary care at UNC Health Care regardless of their ability to pay. The program provides patients with relief of most financial obligation to UNC Health Care if the patient's income falls below 250 percent of the Federal Poverty Guidelines.

All patients are asked to pay co-payments of at least \$10 per clinic visit, \$50 per Emergency Department visit and \$100 per admission. Patients must complete an application to be qualified for assistance. A separate application is required for pharmacy benefits.

Charity Care Helpline: UNC Health Care has established, staffed and publicized a toll-free financial assistance helpline for patients – (866) 704-5286.

Chatham Hospital: A UNC Health Care-managed hospital located in Siler City.

clinic staff: The employees working in UNC Health Care's system of hospitals and clinics across central North Carolina, including but not limited to nurses, doctors and office managers.

community petition: A petition organized and signed by residents of Orange and adjacent counties about their concerns related to policies and operations at UNC Health Care that they felt limited access to the system.

financial assistance counselor: UNC Health Care employees who are responsible for assisting patients with charity care and other financial assistance applications. They also advocate on behalf of their patients to ensure their patients' concerns are heard and are provided a voice in the application process.

Medicaid Assistance Counselors: UNC Health Care employees who work with the uninsured and underinsured, and assist patients in becoming eligible for Medicaid and Medicare services as a method of financial assistance.

Medical Indigency Program: A financial assistance program in which UNC Health Care will proactively seek out patients with bills greater than \$15,000. This program helps patients who may not qualify for the Charity Care Program based on their typical annual income, but need assistance because their bill is more than an established ratio of their income over the next year, including time they may not be able to work.

no-interest payment plan: A payment plan in which UNC Health Care waives all interest charges on a patient's balance.

Piedmont Health Services (PHS): A private non-profit organization serving the health care needs of the citizens of central North Carolina. PHS operates six community health centers.

SEDCA (State Employee Debt Collection Act): This state law requires that arrangements be made for the satisfaction of amounts owed the state as a condition of continued employment or service by all state employees, public officials and state legislators, including UNC Health Care employees.

sliding scale: A flexible scale adjusted to the needs or income of individual patients.

SODCA (Set Off Debt Collection Act): According to this state law, UNC Health Care must collect all or part of a taxpayer's state income tax refund to settle a delinquent debt. In these instances, the patient has had more than 90 days to pay the charges in full and has not established a payment plan or other payment method with UNC Health Care.

sub-specialists and ancillary providers: Sub-specialists focus on an even narrower area of medical specialty practice than their larger specialty. As an example, there are neurosurgeons, who specialize in brain tumors.

Ancillary providers represent a wide range of specialties including, but not limited to, skilled nursing, physical and occupational rehabilitation, sports medicine, and laboratory and radiology services.

Threshold: Dollar amount of account balances which determines whether or not cases are referred to outside agencies for collection.

UNC Health Care Board of Directors: The duty of this board is to keep the Board of Governors and the UNC-Chapel Hill Board of Trustees fully informed about health care policy at UNC Health Care and to recommend changes needed to maintain adequate health care delivery and medical education.

UNC Physicians & Associates: The organization of all physicians and other health care providers affiliated with UNC Health Care.

uninsured discount: This 25 percent discount extends discounted health care to those who may not be able to access or afford medical insurance either individually or through their employer. The program also assists insured patients who receive services that are medically necessary but not covered by their insurance provider.

Appendix B

Financial Assistance Eligibility for Medical Services

Category	Definition	Program Eligibility		Service Definitions
		Discount	Charity Care	
Category 1	Medically necessary	Y	Y	<ul style="list-style-type: none"> ■ Most services
Category 2	High cost treatment; other alternatives usually available	Y	N	<ul style="list-style-type: none"> ■ Cochlear implant ■ Elective infant circumcision ■ LDL apheresis ■ Transplants ■ Psychiatry inpatient services (except local capitated indigent care contracts) ■ Bariatric surgery ■ Deep brain stimulation ■ Penile implant, testicular implant, vasectomy or vasectomy reversal ■ Left ventricular assist device ■ Any procedure not meeting medical necessity criteria
Category 3	Excluded services	N	N	<ul style="list-style-type: none"> ■ Cosmetic surgery* ■ In-vitro fertilization ■ Non-medically necessary obstetric ultrasound ■ Optical shop products, routine eye exams, contact lenses and exams* ■ Hearing aids ■ Specialized outpatient and inpatient eating disorder treatment

As of March 15, 2006

*Service not eligible for payment plan. Full payment required prior to service.