

Policy: 4029 FINANCIAL RELIEF POLICY

Type:	Administrative Policy Manual, Financial Section
Applicable to:	CHOP Enterprise-wide
Process owner:	Director of Contracting
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Approved by:	G. David Cronan, VP Reimbursement Strategy
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Accountable for:	Sophia G. Holder, EVP & Chief Financial Officer

1 Purpose

This Policy defines who may be eligible for 4029 Financial Relief and the process to be followed to obtain a 4029 Financial Relief determination. It is designed to establish a fair and consistent method of review.

2 Policy Statement

The Children's Hospital of Philadelphia (CHOP) is committed to the advancement of healthcare for all children and to the care of children in the communities it serves. As one of the many ways it seeks to fulfill those commitments and its charitable purpose, CHOP offers 4029 Financial Relief for Medically Necessary Care to patients/families who meet the eligibility requirements in accordance with this Policy.

3 Scope

This is an Enterprise-wide Policy and applies to all CHOP facilities, divisions, and practice plans. The term "CHOP" as used in this Policy refers to all of them. This Policy applies to Medically Necessary Care including emergency care, inpatient, outpatient, surgical, and home care. This Policy does not apply to any services that are not Medically Necessary Care.

4029 Financial Relief is available only after the patient/family has been determined by CHOP to be ineligible for financial assistance under CHOP's [Financial Assistance Policy](#). 4029 Financial Relief is not available for patients/families with public medical assistance or insurance, Medicaid managed care plans, or any private and/or commercial insurance. 4029 Financial Relief may not be combined with any other discount available under any other CHOP Policies (e.g., the [Prompt Payment Policy](#)).

4 Definitions

The following terms shall have the same meaning as described under CHOP's [Financial Assistance Policy](#):

- Federal Poverty Guidelines (FPG)

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- Household/Household Members
- Household Income
- Medically Necessary Care

5 Implementation

- I. **Discount.** If a patient is determined to be eligible for 4029 Financial Relief under this Policy, the patient will be eligible for a discount of seventy percent (70%) for Medically Necessary Care applied to CHOP's standard charges, except for high cost pharmaceuticals, implantable devices, solid organs, and any other item that does not follow CHOP's standard pricing ("Non-Standard Items"), which will not be discounted. In special circumstances, CHOP may choose, in CHOP's sole discretion, to extend 4029 Financial Relief to any of these Non-Standard Items, provided that such relief will not exceed CHOP's actual purchase cost for such Non-Standard Items. 4029 Financial Relief is not available for expenses associated with items not billed by CHOP, such as for transportation; or for certain pharmaceuticals, devices, or any other supplies or services that are not billed by CHOP; or for personal expenses such as meals and lodging.

This discount may not be combined with any other discount such as prompt payment or financial assistance under any other policy.

- II. **Eligibility Criteria.** Eligibility is determined by the Family Health Coverage Program (FHCP) staff. To be eligible for 4029 Financial Relief under this Policy:
- A. The patient must be uninsured.
 - B. The patient and his/her Household must have a total Household Income of not more than 400% of the Federal Poverty Guidelines (FPG) for the Household size.
 - C. The patient/family must have an initial consultation, either in person or by telephone, with FHCP staff. If a patient/family meets the financial guidelines under the [Financial Assistance Policy](#), but declines to apply for public medical assistance, the patient/family is no longer eligible for and will not receive financial assistance under CHOP's [Financial Assistance Policy](#). At the time a patient/family declines to apply for public medical assistance, FHCP staff should inquire whether the patient/family has an approved IRS Form 4029, Application for Exemption from Social Security and Medicare Taxes and Waiver of Benefits.
 - i. If the patient/family has an approved IRS Form 4029 and provides a copy to FHCP staff, the patient/family is eligible for 4029 Financial Relief under this policy. An "approved" copy of IRS Form 4029 is an IRS Form 4029 that has been signed and dated by the Social Security Administration (SSA) and the Internal Revenue Service (IRS) and has been marked as "Approved for exemption from social security and Medicare taxes." An IRS Form 4029 that has been marked as "Disapproved," or is missing the required SSA and/or IRS signatures will not be accepted. A sample form with the area requiring IRS and SSA confirmation highlighted is attached.

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- ii. If the patient/family does not have an approved IRS Form 4029 but is otherwise eligible and willing to apply for one, the patient/family may be placed on tentative status for a period of up to six (6) months. To establish if a patient/family is eligible for tentative status for 4029 Financial Relief, FHCP staff will ask the patient/family to read the “Who may apply” section of the General Instructions to IRS Form 4029 (highlighted in the attached sample IRS Form 4029) and indicate if they are eligible to apply and confirm whether they will apply. The patient/family’s responses should be recorded in FHCP staff notes.
 1. Patients/families placed on tentative status will be given thirty (30) days from the date of their completed and signed 4029 Financial Relief Application (as described in further detail below) to file with the IRS an application for an approved IRS Form 4029 and provide a copy of the submitted application to the FHCP office. Patients/families will have up to six (6) months to provide to CHOP with an approved IRS Form 4029.
 2. For patients/families placed on tentative status, see IV.D below for billing instructions.
 3. If the patient/family fails to provide an approved IRS Form 4029 within six (6) months or is otherwise ineligible to apply for an approved IRS Form 4029, the patient/family is not eligible for 4029 Financial Relief or tentative status.
 4. CHOP may choose, in CHOP’s sole discretion, to extend the six (6) month period on a case-by-case basis if the patient/family submitted their IRS Form 4029 application in good faith and the delay in obtaining an approved IRS Form 4029 is at no fault of the patient/family.
- D. The patient/family must complete and sign a CHOP 4029 Financial Relief Application and provide the Required Documentation as described below:
 - i. Completed and signed 4029 Financial Relief Application.
 - ii. Driver’s license or other valid picture identification with current residence address for all adult Household Members (other than siblings).
 - iii. Evidence of citizenship or residency status for all Household Members, which may include birth certificates, passports, voter registration cards, visas, I-94 cards, permanent residency cards, employment authorization cards.
 - iv. If the patient is school age, school registration papers or letter of registration from a school administrator.
 - v. Documentation related to Household Income.
 - vi. Signed Certification stating that patient/family either (a) has an approved IRS Form 4029 to be attached to their 4029 Financial Relief Application, or (b) reasonably believes they are eligible to apply for an approved IRS Form 4029, will file their application with the IRS within thirty (30) days, and provide CHOP with a copy of an approved IRS Form 4029 within six (6) months.

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- vii. Copy of an approved IRS Form 4029. For patients/families placed on tentative status, a copy of an approved IRS Form 4029 must be provided within six (6) months of the date of their completed and signed 4029 Financial Relief Application.
- viii. CHOP may request additional information and may waive any of the Required Documents depending on the patient/family circumstances. Additional documents may include documents about other sources of income, residence, utility bills for the past 30 days or landlord letter, lease or mortgage documents and payment stubs for the past 30 days or landlord letter, credit card and insurance bills for the past 30 days, assets and debts. For example, CHOP may request information about the Household's accounts in banks and other financial institutions, investments, retirement plans and other assets that can be liquidated and are not needed for daily living. CHOP considers a Household's primary residence and vehicles needed for regular transportation as needed for daily living.

III. Determinations of Eligibility

- A. Review and Final Authority.** All Applications for 4029 Financial Relief under this Policy are reviewed by the Family Health Coverage Program and determinations are made by FHCP staff.
- B. Basis for Denial.** CHOP must deny an application for 4029 Financial Relief if: (i) the patient/family fails to provide an approved copy of IRS Form 4029 within six (6) months; (ii) any other Required Document or information specified in this Policy is not provided or not otherwise waived; (iii) the patient/family has any medical insurance whether public or private, or any other insurance applies (such as workers compensation or automobile insurance); or (iv) any false, untrue or misleading statement or information is provided to CHOP in connection with the application.
- C. Reliance on Eligibility Determinations.** CHOP will rely upon final determinations for one year from the date of the eligibility determination. If the patient/family wants to request 4029 Financial Relief after this one-year period ends, they will be asked to complete a new 4029 Financial Relief Application and to submit the Required Documentation (as described above) and an approved copy of IRS Form 4029. CHOP does not use any other determinations by any other agency or facility to presume or determine eligibility.
- D. Revocation.** CHOP reserves the right to deny 4029 Financial Relief, and to revoke any 4029 Financial Relief determination, based on any false, untrue or misleading statements or information provided by the patient/family or any person on their behalf in connection with a 4029 Financial Relief Application, an IRS Form 4029, inquiries in connection with 4029 Financial Relief, or if the patient/family circumstances change.

IV. Billing Process

- A.** Upon submission of a 4029 Financial Relief Application, CHOP suspends all billing to the patient/family in accordance with CHOP's [Financial Assistance Policy](#).

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- B.** For patients/families who are deemed ineligible for 4029 Financial Relief by FHCP staff, billing will resume at CHOP's standard charges. However, the patient/family may be eligible for other discounts under other CHOP policies (e.g., [the Prompt Payment Policy](#)).
- C.** For patients/families who have provided an approved IRS Form 4029 to CHOP and have been deemed eligible for 4029 Financial Relief by FHCP staff, a copy of the approved IRS Form 4029 will be maintained in the patient/family's file. Billing will resume and patients/families will be required to pay only thirty percent (30%) of CHOP's standard charges for Medically Necessary Services except for Non-Standard Items, which will not receive a discount unless otherwise determined in CHOP's sole discretion as described above in Paragraph I. No additional discounts under any other CHOP policy (e.g., [the Prompt Payment Policy](#)) may be applied.
- D.** For patients/families who have not provided an approved IRS Form 4029 to CHOP but have been placed on tentative status for 4029 Financial Relief, billing will resume and patients/families will be asked to pay thirty percent (30%) for Medically Necessary Services applied to CHOP's standard charges as a deposit until an approved IRS Form 4029 is received.
- 1.** Once the patient/family provides a copy of an approved IRS Form 4029 to FHCP staff and FHCP staff have deemed the patient/family eligible for 4029 Financial Relief, the remainder of the balance will be adjusted to reflect the expectation that the patient/family will be required to pay only 30% of CHOP's standard charges for Medically Necessary Services except for Non-Standard Items, which will not receive a discount unless otherwise determined in CHOP's sole discretion as described above in Paragraph I. No additional discounts under any other CHOP policy (e.g., [the Prompt Payment Policy](#)) may be applied. For the avoidance of doubt, if the patient/family has already paid thirty percent (30%) of CHOP's standard charges for all outstanding services in accordance with the above instruction, no outstanding balance will be due (other than charges for Non-Standard Items as may be applicable) once the patient/family has been approved for 4029 Financial Relief and the seventy percent (70%) discount has been applied.
 - 2.** If the patient/family is unable to produce a copy of an approved IRS Form 4029 within six (6) months of submitting a 4029 Financial Relief Application, the expected payment will be at CHOP's standard charges. However, the patient/family may be eligible for other discounts under other CHOP policies (e.g., [the Prompt Payment Policy](#)).
- E.** For accounting purposes, any amounts discounted under this 4029 Financial Relief policy will not be documented or reported as "Financial Assistance at cost" on Part I, Line 7(a) of Schedule H of CHOP's IRS Form 990.

6 Related Documents

Document Type	Document Name
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Administrative Policy Manual	A-2-03 Financial Assistance
	A-2-04 Prompt Payment
	Job Aid - 4029 Financial Relief Application