



Duke University Hospital  
DUKE UNIVERSITY HEALTH SYSTEM

September 29, 2017

The Honorable Greg Walden, Chairman  
Committee on Energy and Commerce  
2125 Rayburn House Office Building  
Washington, DC 20515-6115

The Honorable Tim Murphy, Chairman  
Subcommittee on Oversight and Investigations  
2125 Rayburn House Office Building  
Washington, DC 20515-6115

Dear Sirs:

Below please find the responses of Duke University Health System, Inc. ("Duke") to requests contained in the Committee on Energy and Commerce ("Committee") letter to our Chancellor for Health Affairs, Dr. Eugene Washington, dated September 8, 2017.

Duke appreciates the Committee's acceptance of our responses consistent with the understandings reflected in Duke's correspondence to the Committee dated September 25, as well as the Committee's allowance that Duke will make any necessary supplemental submissions at a later date.

We hope that the following responses will satisfactorily address the Committee's inquiry. Additionally, consistent with Committee staff's previous discussions with representatives of the American Hospital Association, we appreciate the Committee's commitment to confidentiality with the material we are submitting.

Should you or your staff have any questions about Duke's responses or require further information, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Sowers', with a long horizontal line extending to the right.

Kevin W. Sowers, MSN, RN, FAAN  
President, Duke University Hospital

Attachments (5)

## RESPONSES TO THE INQUIRIES OF THE COMMITTEE ON ENERGY AND COMMERCE

Duke University Hospital (“DUH”), located in Durham, North Carolina, is the only one of Duke’s three hospitals that participates in the 340B Program. The responses below thus generally pertain only to DUH. DUH’s participation in the 340B Program began April 1, 2002. DUH participates in the 340B Program as a disproportionate share hospital (“DSH”) and qualifies as a DSH covered entity due to, among other things, the disproportionately high percentage of low-income patients that it serves. In fact, DUH’s disproportionate share percentage is 17.04% in the most recently filed Medicare cost report, as compared to the threshold requirement of greater than 11.75% for DSH entity participation in the 340B Program.

In sum, Duke’s responses below demonstrate that while Duke’s charity care and other community benefit expenditures far exceed its 340B Program savings, those savings constitute an essential and substantial contribution to Duke’s, including DUH’s, ability to better and more fully extend, maintain, and expand comprehensive, vital services (at no charge or discounted charge, where appropriate) to our indigent and uninsured patients. These undertakings and services are not only entirely consistent with the broad purposes of the 340B Program as articulated in the Committee’s letter of September 8, but also are critical underpinnings of Duke’s commitment to provide access to necessary care to the many communities and low-income patients we proudly serve.

1. *In a chart or similar format, please list each of the following items for 2012, 2013, 2014, 2015, and 2016:*

Please note, per our September 25 letter to the Committee, all of the charts and other responses below reflect readily available data presently in pertinent Duke systems dating from September 1, 2014 through June 30, 2016. This readily available data, upon which the responses are based, is aggregated electronic data provided by our primary and secondary vendors of 340B drugs ordered through routine processes during this time frame only from those vendors. Purchases made outside of these routine purchasing processes, such as direct purchases from manufacturers or other “one-off” purchases from other vendors, represent less than 3% of total 340B purchases. Duke does not have access to vendor sources of aggregated electronic data with respect to these non-routine purchases; thus, data regarding these purchases is not reflected in the responses below.

- a. *The number of 340B drugs your organization, and all associated sites and off-site outpatient facilities registered as child sites, purchased for that year. Please provide a breakdown of the number of these drugs that were purchased by the covered entity’s child sites and the number directly purchased by the covered entity;*

The chart below represents the total aggregated numbers of package units of drugs purchased on 340B accounts by DUH, and all associated sites, from September 1, 2014 through June 30, 2016. A package unit is the standard unit at which hospitals generally purchase drugs. Responsive data on the tens of thousands of annual

administrations and dispenses of 340B drugs to Medicare, Medicaid, and uninsured DUH patients is provided in response to question 1.c below.

Furthermore, DUH has eight child sites, but only one of those child sites, the Adult Bone Marrow Transplant (“ABMT”) clinic referenced in the response to question 5 of this inquiry, purchases 340B drugs directly; thus, only the ABMT clinic’s purchases are reflected in the “child site” column below. DUH otherwise centrally procures 340B drugs for both itself and the remaining child sites; the remaining seven child sites’ purchases are thus combined with DUH and other associated site purchases in the “covered entity” column below.

Date Range	Total Package Units (#)		
	Covered Entity	Child Site	Total
09/01/2014-06/30/2015	189648	11530	201178
07/01/2015-06/30/2016	265857	11589	277446

b. The percentage of 340B drugs purchased and dispensed that fall into each of the following categories:

- i. Analgesics
- ii. Antidepressants
- iii. Oncology treatment drugs
- iv. Antidiabetic agents
- v. Antihyperlipidemic agents

The following chart lists the percentage of the total package units of drugs (as described in the chart in response to 1.a above) falling within the requested categories.

Date Range	Analgesics	Antidepressants	Antidiabetic agents	Antihyperlipidemic agents	Oncology treatment drugs
09/01/2014-06/30/2015	8.99%	0.60%	3.13%	0.48%	22.01%
07/01/2015-06/30/2016	10.51%	0.35%	2.64%	0.38%	21.98%

c. The number of 340B drugs your organization purchased that were dispensed to insured patients, including:

- i. Medicare beneficiaries
- ii. Medicaid beneficiaries
- iii. Commercially-insured individuals;

The table below reflects each record of an administration of a 340B drug or dispense of a 340B eligible prescription from a DUH-owned retail pharmacy for the time period of September 1, 2014 through June 30, 2016, listed by requested insurance status.

	09/01/2014-06/30/2015	07/01/2015-06/30/2016
Medicare	230166	268801
Medicaid	86705	105524
Uninsured	44941	55223
<b>Total:</b>	<b>361812</b>	<b>429548</b>

	09/01/2014-06/30/2015	07/01/2015-06/30/2016
Commercially-Insured	395664	482274

d. *The number of 340B drugs your organization purchased that were dispensed to uninsured patients;*

Please see response to question 1.c above.

e. *The amount of savings (in dollars), as compared to the GPO price for the same drug, that your organization generated through participation in the 340B Drug Pricing Program; and*

The cost savings realized by DUH through its participation in the 340B Drug Pricing Program are listed in the chart below. The data upon which 340B Drug Pricing Program savings are based is derived from our primary vendor for 340B drug purchases between September 1, 2014 and June 30, 2016.

Date Range	Savings
09/01/2014-06/30/2015	\$75,398,307
07/01/2015-06/30/2016	\$103,674,873

f. *The amount of charity care (in dollars) that your organization provided; and*

The below chart highlights DUH's charity care (at cost) and other significant community benefits (as defined by the Internal Revenue Service for inclusion in the Form 990) during the previous two fiscal years.

	07/01/2014-06/30/2015		07/01/2015-06/30/2016	
	DUH Total	DUH Pharmacy	DUH Total	DUH Pharmacy
Charity care at estimated cost	\$41,582,000	\$3,880,000	\$42,773,000	\$4,930,000
Unreimbursed Medicaid costs	\$52,478,000	\$11,604,000	\$67,649,000	\$13,925,000
Unreimbursed Medicare costs	\$110,716,000	\$23,251,000	\$122,973,000	\$28,628,000
Community Assistance Programs	\$10,537,000	\$2,640,000	\$11,580,000	\$2,570,000
<b>Total:</b>		<b>\$41,375,000</b>		<b>\$50,053,000</b>

g. *The number of patients that received charity care from your organization.*

DUH collects data regarding the number of patient encounters (not unique patients) receiving charity care each fiscal year. Below is a chart displaying the number of such patient encounters from July 1, 2014 through June 30, 2016.

	07/01/2014-06/30/2015	07/01/2015-06/30/2016
Encounters (#)	83279	93813

2. *How does your organization calculate the amount of savings it generates through participation in the 340B Drug Pricing program? How does your organization track the amount of money your organization receives when an insured patients' insurance reimbursement exceeds the 340B price paid for the drug?*

DUH calculates 340B savings by comparing the 340B acquisition cost of the drug to the cost of the drug if purchased through a group purchasing arrangement. DUH does not participate in a national or regional group purchasing organization.

DUH does not track reimbursement specifically for insured 340B patients as compared to 340B price paid.

3. *How does your organization use program savings to care for vulnerable populations? Are program savings used for any other purposes?*

As further demonstrated by Duke's responses to questions 1.a-g above, 340B savings constitute an essential and substantial contribution to Duke's, including DUH's, ability to better and more fully extend, maintain, and expand comprehensive, vital services (at no or discounted charge, where appropriate) to our indigent and uninsured patients.

The following Duke materials included as attachments are also integral to these important efforts to serve vulnerable patient populations: 1) A printout of the “Financial Assistance – What Duke Will Do for You” section on the DukeHealth.org website describing financial assistance eligibility and processes (**Attachment 1**) and 2) Copies of Duke’s Financial Assistance Policy (**Attachment 2**) and the separate Discount Policy (**Attachment 3**), both of which apply to services received at all Duke facilities.

Duke’s commitment to vulnerable populations is reflected in the attached 2017 Community Benefit Report (as defined by the Internal Revenue Service for inclusion in the Form 990) (**Attachment 4**) discussing community benefit and reinvestment for the fiscal year ending June 30, 2016. As indicated in that report, Duke provided a total community benefit and investment of \$445 million. Of that figure, \$82 million represents charity care at estimated cost to nearly 221,000 patients – 211,000 of them from North Carolina – who are uninsured or who cannot pay for care because of financial hardship.

DUH extends its mission to vulnerable patient populations through many different programs. Collaborative efforts and programs targeted at assessing the healthcare needs of the community, eliminating disparities and improving access to high quality medical care are critical components of Duke’s community-based outreach care delivery model.

For example, participation in programs such as Project Access of Durham County, and Local Access to Coordinated Care (“LATCH”), provide direct benefits to uninsured populations:

- Project Access  
Faculty physicians and hospital resources are deployed to donate specialty care services to eligible uninsured patients in Durham County. Between July 1, 2015 through June 30, 2016, this program provided \$5,200,000 in care to 2331 patients. Additional information regarding Project Access can be found at the following web address:  
<http://www.projectaccessdurham.org/index.php?pid=55>.
- Local Access to Coordinated Health Care (“LATCH”)  
The LATCH program offers coordinated services aimed at facilitating access to healthcare for underserved populations. Duke participates by developing a continuum of care (inclusive of a “medical home”) and providing services to an uninsured population in Durham County for whom accessing the healthcare system is a challenge. Duke provides the majority of the operating funds for LATCH. Additional information regarding the LATCH program can be found at the following web address:  
<http://communityhealth.mc.duke.edu/clinical/?/latch>.

Duke provides \$1,300,000 in support of the LATCH Program (noted above) as well as a number of other neighborhood-based clinics and programs that are focused on underserved and often uninsured segments of the community. Examples of these other programs include:

- The provision of primary care services to low-income, uninsured patients in neighborhood-based clinics (Lyon Park Clinic, Walltown Neighborhood Clinic, and

Holton Wellness Center) that are operated in partnership with Lincoln Community Health Center (“LCHC”), a Federally Qualified Health Center located in Durham.

- The operation of a primary care wellness clinic at Durham Public School’s Southern High School. The clinic operates during the school year and provides medical and mental health services, including medical coverage, during weekends and school holidays. In addition to serving the students and staff of Southern High School, the clinic is open to all students and staff of Durham Public Schools.
- DUH, together with the Duke Division of Community Health, the Durham County Department of Public Health, and Durham Public Schools, converted three DUH Elementary School Based Health Centers and opened two additional ones utilizing Enhanced Role Registered Nurses (ERRNs) to deliver well-child care to children who are overdue for their well-child checkups. The program, aptly named “Healthy Futures,” closes gaps in access for children who have missed preventative visits and reconnects these children and their families to supportive medical homes. The five schools are in areas of the county that demonstrate significant gaps in pediatric care and the Healthy Futures Clinics operate as satellites of the Durham County Department of Public Health. DUH continues to support mental health services at all five of the sites and provides medical back up.
- “Just for Us,” a program also operated in partnership with LCHC, providing primary care, case management, nutrition counseling, and occupational therapy services for frail, medically complex elderly patients and adults with disabilities in their homes, is based in 13 public or subsidized senior housing sites. Duke provides the majority of ongoing operational support for the Just for Us program.

In addition to the aforementioned programs benefitting low-income and uninsured patients generally, DUH operates several additional programs that benefit these populations specifically by providing access to needed medications. As indicated in response 1.f, DUH’s commitment to the following pharmacy community assistance programs was \$5,210,000 between July 1, 2014 and June 30, 2016.

- Outpatient Clinical Pharmacy Services  
DUH has made a significant investment in ensuring that advanced clinical pharmacy services are available in DUH’s outpatient clinics. Clinical pharmacy services include medication therapy management, patient counseling, provider education and consultation and medication reconciliation. DUH currently stations in hospital outpatient clinics approximately 14 full-time clinical pharmacists who have advanced training as Doctors of Pharmacy (and in many cases have completed specialty residency training) to provide clinical pharmacy services. Reimbursement for these services is very limited, so funding mainly comes from Duke resources.
- Hospital Sponsorship Program  
Under a program known as the Hospital Sponsorship Program (“HSP”), patients with limited financial resources who are being discharged from DUH or have received

services at a DUH clinic are provided with free or discounted medications. The HSP serves as a safety net for patients in financial need by ensuring continuity of care until the patient can obtain insurance coverage or other resources. The HSP has been in place for over 15 years. For the time period of July 1, 2015 through June 30, 2016, DUH provided over 5700 prescriptions under the HSP.

- Patient Assistance Program

For over 15 years, DUHS has operated a Patient Assistance Program to assist low-income and uninsured patients in obtaining free medications through programs sponsored by charities and drug manufacturers. DUHS currently employs a staff of 12 full-time pharmacy technicians whose sole duties are to identify patients with medication access issues, identifying potential free medication programs, assist patients through the application process and ensure delivery of the medications. The Patient Assistance Program focuses on obtaining access to high-cost medications for organ transplant, oncology, HIV/AIDS, endocrinology, cystic fibrosis, rheumatology, and neurology patients. The program has also expanded to focus on other important chronic care medications such as antihyperlipidemic and osteoporosis agents. The number of patients served and prescriptions dispensed under the Patient Assistance Program has increased in recent years in large part because of DUH's commitment to this program, which has resulted in an increase in the size of the staff responsible for administering the program.

- Drug Replacement Program

Under the Drug Replacement Program ("DRP"), patients with limited financial resources receive free intravenous drugs upon discharge to help them safely transition to home care. This program, which has been in existence for over 15 years, enables patients to return to their homes and reduces the likelihood of readmission or other adverse events by ensuring access to essential intravenous drugs. This program is not reimbursed by payors and is thus funded solely by Duke. See also the attached Drug Replacement Program Policy (**Attachment 5**).

The costs of operating these programs are generally not reimbursed by payors, but instead are funded by Duke as part of its commitment to ensure that financially vulnerable populations are able to access care.

In sum, as indicated above, 340B savings constitute an essential and substantial contribution to Duke's, including DUH's, ability to better and more fully extend, maintain, and expand these programs and other comprehensive, vital services (at no or discounted charge, where appropriate) to our indigent and uninsured patients.

- a. Does your organization provide any additional charity care to insured and underinsured patients with funds derived from sources other than the 340B Drug Pricing Program? If so, please elaborate.*

Please see response to question 3 above.



- b. What percentage of total health care services provided by your organization is charity care?*

Charity care constituted 8.83% of total health care services provided by Duke in the fiscal year ending June 30, 2016.

- 4. Does your organization have any policies to help ensure that uninsured and underinsured patients directly benefit from the program by receiving discounts on 340B drugs? If so, please elaborate.*

Please see response to question 3 above referencing applicable policies and providing a description of Duke's commitment to meeting the needs of financially disadvantaged patients.

DUH does not track whether there are 340B savings that are passed on to a particular population.

- 5. How many child-sites does your organization have registered to participate in the 340B Drug Pricing Program? Please provide a list of all child-sites, including the location of the child-site and the date it began participating in the program.*

DUH has 8 child-sites registered to participate in the 340B Drug Pricing Program. The chart below provides a list of DUH's child-sites, including location and date that participation in the 340B Drug Pricing Program began. DUH has not acquired private physician practices, including oncology or specialty infusion, in the community and designated them as hospital-based outpatient departments to obtain 340B drug pricing.

<b>Child Site Name</b>	<b>Location</b>	<b>Participating Start Date</b>
Duke Outpatient Clinic	4220 N. Roxboro Street Durham, NC 27704	07/01/2012
Duke Family Medicine at Pickens	Marshall I. Pickens Building 2100 Erwin Road Durham, NC 27705	07/01/2012
Adult Bone Marrow Transplant Clinic	2400 Pratt Street Durham, NC 27705	07/01/2012
Pavilion East at Lakeview	2608 Erwin Road Durham, NC 27705	07/01/2012
Lenox Baker Hospital Clinic	3000 Erwin Road Durham, NC 27705	07/01/2012
Duke Health Center at Morreene Road	932 Morreene Road Durham, NC 27705	07/01/2012
Duke University Medical Center Dialysis Unit	1306 Morreene Road Durham, NC 27705	07/01/2012
Duke Pain Medicine	4309 Medical Park Drive Durham, NC 27704	04/01/2015

6. *How many pharmacies has your organization contracted with to dispense drugs purchased through the 340B Drug Pricing Program on your behalf?*

None.

- a. *Do your contracts with these pharmacies require that program savings be passed on to the intended beneficiaries, including requiring that uninsured or underinsured patients receive discounts on 340B drugs?*

Not applicable. Please see response to question 6 above.

- b. *Does your organization share any program savings with these contract pharmacies? If so, please elaborate.*

Not applicable. Please see response to question 6 above.

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## Financial Assistance

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# Financial Assistance

## What Duke Will Do for You

Our commitment is to provide you with care that demonstrates a high level of dignity, respect, and skill.

### Can't Pay a Bill? We Can Help

Please tell us if you cannot pay your bill in full—we can help you. Our account representatives and financial care counselors can assist you with filling out applications for government-sponsored programs and describe monthly payment plans, and other financial assistance programs, that may be available for those who meet certain financial criteria.

### Financial Assistance Eligibility

Patients who receive treatment at a Duke University Health System (DUHS) facility and demonstrate an inability to pay may receive discounted services under DUHS' Financial Assistance Policy.

This policy applies to DUHS and all its entities, including the following:

- > Duke University Hospital
- > Duke Regional Hospital
- > Davis Ambulatory Surgery Center
- > Duke Raleigh Hospital
- > Duke Primary Care
- > Duke Homecare & Hospice

The Private Diagnostic Clinic, PLLC (PDC) has no prescribed financial assistance policies, but as an accommodation and courtesy to PDC patients, the PDC has elected to follow the financial assistance determinations made by DUHS under this policy.

Durham Emergency Physicians, PA and Durham Radiology Associates, Inc. have separate financial assistance policies but have elected to follow the financial assistance determinations made by DUHS under this policy.

Medical treatment that is urgent or provided on an emergency basis is eligible for a financial assistance discount under the DUHS Financial Assistance Policy.

Examples of this type of treatment include:

- Treatment provided in a DUHS Emergency Department
- Treatment provided in an inpatient setting following an urgent admission to a DUHS hospital
- Follow-up treatment to services provided through the Emergency Department once a follow-up visit and evaluation has occurred with a Duke physician

Health care services necessary to prevent a serious health impact as determined by a Duke physician also may be eligible for a financial assistance discount.

Transplant, experimental, and elective services are not eligible for a financial assistance discount.

Patients may receive up to a 100 percent discount on eligible services. Discount amounts are based upon a patient's household income compared to percentages of the current Federal Poverty Income Guidelines.

#### Duke Patient Revenue Management Organization (PRMO) Financial Assistance Sliding Scale

% of Poverty Guidelines		200%	225%	250%	275%	300%
Discount Received	Poverty Level	100%	90%	80%	70%	65%
Family Size						
1	\$12,060	\$24,120	\$27,135	\$30,150	\$33,165	\$36,180
2	\$16,240	\$32,480	\$36,540	\$40,600	\$44,660	\$48,720
3	\$20,420	\$40,840	\$45,945	\$51,050	\$56,155	\$61,260
4	\$24,600	\$49,200	\$55,350	\$61,500	\$67,650	\$73,800
5	\$28,780	\$57,560	\$64,755	\$71,950	\$79,145	\$86,340
6	\$32,960	\$65,920	\$74,160	\$82,400	\$90,640	\$98,880
7	\$37,140	\$74,280	\$83,565	\$92,850	\$102,135	\$111,420
8	\$41,320	\$82,640	\$92,970	\$103,300	\$113,630	\$123,960
9	\$45,500	\$91,000	\$102,375	\$113,750	\$125,125	\$136,500
10	\$49,680	\$99,360	\$111,780	\$124,200	\$136,620	\$149,040

Patients who have large out-of-pocket costs after insurance may also be eligible for financial assistance discounts. These medical hardship situations impact a

patient's ability to pay for basic living expenses and are evaluated on a case-by-case basis.

Other types of patients that may be approved for financial assistance adjustments:

- > Deceased patients with limited value estates
- > Patients with collections balances in verified Chapter 7 or Chapter 13 bankruptcy
- > Project Access patients
- > Patients approved for treatment at Southern High School
- > Inpatient and outpatient patients that express an inability to pay for outpatient prescription medications from Duke's retail pharmacy

### Applying for Financial Assistance

For care provided through the emergency department, and for many uninsured patients receiving eligible services, no formal application is required. Patients will be screened for potential financial assistance eligibility via a third party screening service. During the visit, financial counselors can meet with you to determine whether there are any outside forms of financial assistance, such as Medicaid or the Crime Victim or Cancer Control Programs, that can help pay for your services.

If outside financial assistance is not available, then we will automatically apply a financial assistance discount to your bill based on your reported income level.

For other eligible inpatient and outpatient services, DUHS financial counselors can assist you with applying for outside forms of financial assistance or financial assistance during your stay or visit.

To qualify for a financial assistance discount, you must provide us with the necessary information and documentation to determine whether any forms of outside financial assistance are available. You may be denied financial assistance if you or your family fails to cooperate with this process.

If you believe that you qualify for financial assistance or other forms of outside financial assistance, but have not spoken with a financial counselor or received a discount, then please contact customer service at 919-620-4555 or 800-782-6945. An internal version of the DUHS Financial Assistance Self Pay Collections policies can be obtained by sending a request in writing to the Self Pay Collections Department at 5213 South Alston Ave, Durham, NC 27713. You can also pick up copies of the policies or application at any DUHS patient registration location.

Download the documents:

- DUHS Financial Assistance Summary - English
- DUHS Financial Assistance Summary - Spanish
- DUHS Financial Assistance Application - English
- DUHS Financial Assistance Application - Spanish

## **Amounts Generally Billed**

Patients who do not have insurance or other third party coverage will get a discount on their bill equal to the best discounts offered to insurance companies. This discount is automatically applied to your bill, and Duke Health uses the Look Back method to calculate this discount. For more information on how to obtain the current discount percentage and how it was calculated, please submit a request in writing to "Self Pay Collections, 5213 S Alston Ave, Durham, NC 27713".

## **We Bill Your Insurance Directly**

For services typically covered by insurance, we will bill your primary insurance company, and, if applicable, your secondary insurance company (including Medicare and Medicaid).

Please remember that health insurance coverage varies, so some services may not be covered. If you have questions regarding your health insurance coverage, please call your insurance company so you fully understand how your policy works prior to receiving care at Duke.

## **Statements for Unpaid Balances**

### **Collection process**

You will receive monthly bill(s) for amounts greater than \$10 that DUHS determines are your responsibility after any insurance plan payments have been applied.

You will be contacted four times (via billing statements, phone calls, and e-mails) during a 120-day period reminding you of your bill(s). During this period, you will be expected to pay your bill(s) in full, establish a payment plan or apply for financial assistance.

If the balance due is unpaid or otherwise unresolved after the 120-day period, your account will be sent to a collection agency. Your credit may be impacted if the balance is not resolved 60 days after collection agency placement.

In select cases, DUHS may choose to engage an attorney in a collection action. This step would occur only after DUHS has thoroughly reviewed your account

and determined that you are not eligible for financial assistance or other forms of assistance.

A billing and collections policy describing the possible actions in the event of nonpayment can be obtained by sending a request in writing to the Self-Pay Collections Department at 5213 South Alston Ave, Durham, NC 27713.

### **Payment plans**

DUHS offers interest-free payment plans that are up to six years in length, depending upon your account's balance. Payment plans may be established prior to, at the time of, or after services have been delivered. For payment plans established prior to or at the time of service, the first month's payment must be made to establish the plan, and the patient must not have any other outstanding bills with DUHS.

Please contact customer service at 919-620-4555 or 800-782-6945, contact a financial care counselor at one of our locations or visit [DukeMyChart.org](http://DukeMyChart.org) to establish a payment plan.

### **Financial brochure**

Please refer to our brochure (PDF, 456 KB), which provides more information on insurance and the patient billing process.

### **Methods of Payment**

For your convenience, we accept cash, checks, and all major credit cards. Payment is due 15 days after you receive a bill.

### **Overpayment Questions**

Please contact customer service at 919-620-4555 or 800-782-6945 if you have any questions regarding overpayments. If applicable, we will apply any overpayments to your other outstanding balances.

### **Itemized Statements for Attorneys**

If your account is a result of an automobile accident or other accident caused by another party, you can request that itemized statements be sent to any attorney involved in the account.

However, you will remain responsible for making payment on the account until the dispute is settled. We will follow all regulations related to accident coverage for patients covered by Medicare or Medicaid.

Haga clic aquí para la traducción en Español de esta página.



**DukeHealth**



**919-883-4751**

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**Policy Name:** DUHS Financial Assistance

**Effective Date:** 05/31/16

**Policy Primary:** PRMO Self-Pay Collections Manager

**Status:** Published

**Final Approval:**

09/13/2017 PRMO Policy Committee

**Definitions:**

"Active Bad Debt Collections Cycle" is defined as 36 months after the date of write off to bad debt.

"Amounts Generally Billed" - Section 501(r)(5)(A) of the Internal Revenue Code, a tax provision of the Affordable Care Act (ACA), requires a hospital organization to limit its charges for emergency and other medically necessary care provided to financial assistance eligible patients to no more than amounts generally billed to individuals who have insurance covering such care. The provision further requires a definition of how Amounts Generally Billed (AGB) has been calculated using one of two defined methods: Look Back or Prospective. DUHS has employed the Look Back method to calculate AGB. The calculation for AGB is based upon actual claims paid to the health system by Medicare fee-for-service and all private health insurance claims paid to the facility in the prior fiscal year.

"Application Process" is a process by which a patient or their appropriate representative completes a paper form that provides DUHS with information related to the patient's income, family size and assets. All applications will be evaluated on a case-by-case basis by an Appropriate DUHS Representative, taking into consideration medical condition, employment status, potential future earnings and assets.

"Appropriate DUHS Representative" is defined as those individuals serving in positions identified in the Approval Requirements section below along with other DUHS financial service representatives such as financial care counselors, Medicaid assistance counselors, and customer service representatives.

"Financial Assistance Services" are defined as health care services provided free of charge or on a reduced charge basis to uninsured, under-insured, and Medically Indigent individuals who meet certain financial criteria, demonstrate an inability to pay, and are approved pursuant to this policy.

"Financial Assistance Adjustment" is defined as the write-off of a self-pay balance for which the patient is not able to pay as determined by the criteria defined within this policy.

"Elective Services" are services that are not Medically Necessary Services, such as cosmetic services.

"Experimental Services" are services that have not been approved by the Centers for Medicare and Medicaid Services (CMS) or other payers as acceptable treatment for a particular medical condition.

"Medically Necessary Services" are health care services that, in the absence of immediate medical attention, could reasonably be expected to result in a) placing the health of the individual (or with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, b) serious impairment to bodily functions, or c) serious dysfunction of any bodily organ or part.

"Poverty Income Guidelines" are guidelines published annually in the Federal Register by the United States Department of Health and Human Services that based upon income and family size; define the poverty level in the United States.

"Screening Process" is the process that provides information regarding a patient's income level and credit history via a third party screening service. Based upon the information provided through the third party screening service, patients may be deemed eligible for Financial Assistance Adjustments as allowed in



whole or in part by this policy. If the third party screening process returns incomplete information (often because the patient lacks a home address or has not established a complete credit history), this information will be used as a presumptive indication of an income level of less than 200% of the Poverty Income Guidelines and a Financial Assistance Adjustment can be applied, accordingly, if other requirements of this policy are met.

"Transfer" patients are individuals that are referred to DUHS for services by a third party hospital due to an inability of that hospital to provide services or treatment to a patient.

"Project Access" is a community based indigent care program offered in Wake, Durham and Johnston counties.

"Southern High School" is a DUHS sponsored community-based clinic for local area high school students.

"Uninsured Individual" is a person responsible for payment of charges for health care services and (a) who is uninsured, having no third party coverage by a commercial third party insurer, an ERISA plan, a Governmental Payor, workers' compensation, a medical savings account or other coverage for all or part of a bill from DUHS, including claims against third parties covered by insurance to which DUHS is subrogated, or (b) who is self-insured as to a given health care service due to either a policy exclusion for a specific service or due to policy benefit maximums that have been reached and (c) has not received the benefit in reduction of a contractual adjustment.

#### **Policy Statement:**

#### **PURPOSE**

To define the Duke Health policy related to the provision of uncompensated medical services, free of charge, or on a discounted basis to those patients (as defined in this policy) who demonstrate an inability to pay.

This DUHS Financial Assistance Policy will serve to:

- Formalize the Financial Assistance Adjustment approval and reporting process.
- Provide guidelines for distinguishing between Financial Assistance Services and bad debt, negotiated or uninsured adjustments, and contractual adjustments.

#### **SCOPE AND APPLICABILITY**

This DUHS Financial Assistance Policy is applicable to patients receiving Medically Necessary Services in a DUHS facility. Transplant, and experimental and elective services are excluded from this policy.

This policy applies to DUHS and all its subsidiaries and wholly controlled entities, including the following (collectively, "DUHS Entities"):

- Duke University Hospital
- Duke Regional Hospital
- Davis Ambulatory Surgery Center
- Duke Raleigh Hospital
- Duke Primary Care
- Duke Homecare & Hospice



The Private Diagnostic Clinic, PLLC (PDC) has no prescribed financial assistance policies, but as an accommodation and courtesy to PDC patients, the PDC has elected to follow the financial assistance determinations made by DUHS under this policy.

Durham Emergency Physicians, PA and Durham Radiology Associates, Inc. have separate financial assistance policies but have elected to follow the financial assistance determinations made by DUHS under this policy.

## **POLICY**

Patients who demonstrate an inability to pay and who meet this policy's financial criteria for qualification will be considered for Financial Assistance Services. Patients are informed of the DUHS Financial Assistance Policy primarily through the DUHS website at [www.dukehealth.org](http://www.dukehealth.org). This website address is listed on all patient billing statements. In addition, patients may also be provided with DUHS' financial brochure or a summary of financial policies during their treatment process. Appropriate DUHS Representatives are also available to patients at DUHS patient registration locations.

The qualification for Financial Assistance Services will be based on the household income of the patient for the current year or prior year. To meet the income requirements for Financial Assistance Services, the household income of the patient for the current year or the prior year may not exceed 300% of the Poverty Income Guidelines. For patients with household income of less than or equal to 200% of the Poverty Income Guidelines, a 100% Financial Assistance Adjustment would be applied to the balance. For patients with household income above 200% but less than or equal to 300% of the Poverty Income Guidelines for the most recent year, a sliding scale discount will be applied to the balance in percentage increments depending upon income and family size. See attachment below for the DUHS Financial Assistance FPL Sliding Scale.

If the household income of the patient exceeds 300% of the Poverty Income Guidelines, the patient may still be eligible for Financial Assistance Services if the patient is determined to be Medically Indigent by the Appropriate DUHS Representative. "Medically Indigent" is defined as a circumstance in which payment for medical services would result in an inability to meet basic living expense. If the total patient liability exceeds 15% of the current year or prior year annual household income of the patient, the patient would be deemed Medically Indigent. Once the patient is determined to be Medically Indigent, a Financial Assistance Adjustment will be applied to reduce the patient's liability to 15% of the household income of the patient for the prior year as measured by the patient's last tax return or the most current year's tax return. Any remaining balance may be payable over an extended period, as outlined in the Payment Plan Policy.

All patients that are determined to be eligible for Financial Assistance Services without third party coverage will not be charged more than Amounts Generally Billed (AGB) for medically necessary services than patients with third party coverage. In addition, the actions DUHS may take in the event of nonpayment of outstanding balances are described in the Self-Pay Collections policy.

The DUHS Financial Assistance Policy Summary, DUHS Financial Assistance Application and DUHS Financial Assistance FPL Sliding scale are widely available, free of charge on the DUHS web portal and paper copies are available at DUHS patient registration locations. Copies may also be obtained by calling the billing customer service department. In addition, the full DUHS Financial Assistance policy, Self Pay Collections policy and information about how Amounts Generally Billed (AGB) is available to any party that requests a copy by writing to Self Pay Collections, 5213 South Alston Ave, Durham, NC 27713. Financial Assistance signage is in place at DUHS Emergency Departments and all Financial Assistance related documentation is available in Spanish. DUHS will continue to work closely with local



community and other non-profit organizations on a consistent basis to ensure broad awareness of the DUHS Financial Assistance Policy.

See Attachments section below for DUHS Financial Assistance Policy Summary, DUHS Financial Assistance FPL Sliding Scale and DUHS Financial Assistance Application in both English and Spanish.

Any exceptions to this policy must be go through the approval process discussed below in Approval Requirements.

### **Policy Criteria for Qualification**

1. Financial Assistance Adjustments shall apply only to patients receiving Medically Necessary Services.
2. Patients may be deemed eligible for a Financial Assistance Adjustment either through an Application Process or through a Screening Process.
3. To be eligible for a Financial Assistance Adjustment, the patient is expected to have applied for and complied with all processes related to seeking assistance from other insurers and/or programs (including all potentially applicable governmental programs) as requested by DUHS. Patients that are noncompliant or uncooperative in attempting to obtain other assistance may be denied Financial Assistance Adjustments.
4. Financial assistance determinations will apply to balances for all PDC and DUHS entities and providers.
5. Applications for Financial Assistance Services, with complete and accompanying documentation, must be submitted for review and approval by the Appropriate DUHS Representatives. For patients approved for Financial Assistance Services through the Application Process, the Financial Assistance Adjustment will cover all active, qualifying services previously provided and those qualifying services provided within 12 months after the application approval date. For purposes of the preceding sentence, a "qualifying" service is one that meets the scope and applicability provisions of this Policy. Any qualifying services previously classified as bad debt that are still in the Active Bad Debt Collection Cycle will be reclassified to Financial Assistance Services and DUHS shall take reasonable steps to withdraw or revise any negative credit report. Active bad debt accounts that have been transferred to outside collection agencies (OCA) will be closed and returned in accordance with the Self-Pay Collections policy. DUHS may provide financial assistance applications to patients at any point in the patient collection cycle including the patient financial counseling process, on-line via the DUHS website, or by request through the DUHS customer service phone line.
6. Any patient whether insured or uninsured, with a self pay balance who has received Emergency Department Services and is admitted or discharged from the Emergency Department or any patient who is admitted by Transfer from another facility will be screened for potential financial assistance eligibility via a Screening Process. Based upon the information provided through the Screening Process, patients may be deemed eligible for Financial Assistance Adjustments as allowed in whole or part by this policy.

7. Any uninsured patient, with a self-pay balance who has received services outside of the Emergency Department and is a resident of Wake and Durham County will be screened for potential financial assistance eligibility via a Screening Process. The Screening Process will occur once the patient has completed a financial counseling screening with an Appropriate DUHS Representative. Based upon the information provided through the Screening Process, patients may be deemed eligible for Financial Assistance Adjustments as allowed in whole or part by this policy.
8. Financial Assistance Adjustments may also be made for patients with Active or Bad Debt Collections balances in verified Chapter 7 or Chapter 13 bankruptcy, Project Access or patients who are approved for treatment at Southern High School, as allowed in whole or part by this policy
9. Inpatient and Outpatient patients that express an inability to pay for outpatient prescription medications from Duke's retail pharmacy will be screened to validate that they qualify for Financial Assistance before providing the patient with prescription drugs at time of discharge at limited or no cost.

### Approval Requirements

Initial approval requirements for the Appropriate DUHS Representative and the corresponding level of Financial Assistance Adjustments are as follows:

PRMO Self-Pay Associate	Up to \$4,999
PRMO Self-Pay Supervisor	Up to \$9,999
PRMO Self-Pay Manager	Up to \$24,999
PRMO Self-Pay Director	Up to \$49,999
PRMO AVP	>= \$50,000

Eligible patients under this policy are approved for Financial Assistance for a period of one year. After initial approval has been received, subsequent patient balances will be adjusted by way of automatic system logic and routines.

### Procedure:

#### Procedure:

1. Complete applications will include:

- a. Federal Income Tax form 1040 for prior year and recent pay stubs, or if one or both of these items cannot be provided:

- i. Written verification of income received that is not reflected on pay stubs or Tax forms such as:

- § Government issued forms detailing Social Security payments
- § Child Support
- § Alimony

§ Copies of bank statements

§ Letter of explanation from patient or guarantor explaining how basic living expenses are met.

b. If neither item from part 'a' is present or available with an application, a credit report may be requested to assist in income determination.

2. Medical Indigence (Household IncomeTest)

a. All completed applications that are not recommended/approved for a sliding scale financial assistance adjustment will be evaluated to determine if additional adjustments should be made based on Medical Indigence, as defined in this Policy.

b. Projected current year household income will be compared to the current balance due to all DUHS entities and providers and the Private Diagnostic Clinic. The amount of these balances that exceeds 15% of the projected current year household income will be eligible for financial assistance adjustment.

3. The Financial Assistance Adjustment request will be distributed to the appropriate individuals based on the requested write off adjustment amount and corresponding approval levels.

4. Applicants will receive written notice regarding their eligibility for Financial Assistance.

a. If approved, a written notice will be sent to the patient with the amount discounted and a payment request for any remaining balance and a discount will be posted in the appropriate billing systems.

b. If denied, written notice will provide an explanation of denial.

5. Financial Assistance Adjustments are applied to the account balance at the point of Financial Assistance determination.

6. Any account that receives a patient payment after a Financial Assistance Adjustment is applied will be refunded the amount equivalent to the patient payment. If payment is received from a secondary party or from insurance, the Financial Assistance Adjustment will be reversed for the amount of the payment and adjustment.

**REFERENCES**

**Citations:**



**Policies:**

**Authoritative Source:**

**Additional References:**

**Attachment Names:**

DUHS Financial Assistance FPL Sliding Scale 2017.xlsx  
DUHS\_Financial\_Assistance\_Policy\_Summary\_.docx  
DUHS\_Financial\_Assistance\_Policy\_Spanish.docx  
DUHS\_Financial\_Assistance\_Policy\_Summary\_\_Spanish.docx  
DUHS\_Financial\_Assistance\_Application\_English.docx

**Department:**

PRMO Customer Service  
PRMO Self-Pay Collections  
PRMO Service Access

**Policy Name:** Discount Policy

**Effective Date:** 04/30/14

**Policy Primary:** PRMO Self-Pay Collections Manager

**Status:** Published

**Final Approval:**

**Definitions:**

"Amounts Generally Billed" - Section 501(r)(5)(A) of the Internal Revenue Code, a tax provision of the Affordable Care Act (ACA), requires a hospital organization to limit its charges for emergency and other medically necessary care provided to financial assistance eligible patients to no more than amounts generally billed (AGB) to individuals who have insurance covering such care. The provision further requires a definition of how AGB has been calculated using one of two defined methods: Look Back or Prospective. DUHS has employed the Look Back method to calculate AGB. Calculation for Amounts Generally Billed (AGB) to financial assistance policy eligible patients is based upon actual claims paid to the health system by Medicare fee-for-service and all private health insurance claims paid to the facility in the prior fiscal year.

"Appropriate DUHS Representatives" are defined as those individuals serving in those positions identified in the Approval Requirements section below and relating to the corresponding Discount set forth below.

"Combination Services" are multiple procedures performed during one patient encounter. This specifically addresses those combination procedures where one or more procedures qualify the patient as self pay while another portion will be covered by a third party, a commercial third party insurer, an ERISA plan, a governmental payer, workers' compensation, or other coverage for all or part of a bill from DUHS and/or PDC, including claims against third parties covered by insurance to which DUHS and/or PDC is subrogated.

"Contracted Payors" are third party payors, including health plans, self-insured employers and indemnity plans, which have entered into a written managed care or pricing agreement with DUHS and/or PDC with respect to the health care services in question. Contracted Payors include managed care agreements with Medicare Advantage Plans and/or contract with any other Governmental Payors.

"Cosmetic Services" are elective services that are not medically necessary or emergent in nature. Cosmetic Services are typically not covered by a third party, a commercial third party insurer, an ERISA plan, a governmental payer, workers' compensation, or other coverage and do not improve the health of the patient.

"Deposit" is the dollar amount the patient/guarantor must pay before services are scheduled to be received.

"Discount" is defined as all write-offs or adjustments of charges or unpaid balances not supported by a third party explanation of benefits.





"DUHS Hospital" is defined as Duke University Hospital, Duke Regional Hospital or Duke Raleigh Hospital

"DUHS Physician" is defined as a physician who provides his/her hospital-based professional services solely at a DUHS Hospital.

"Estimate" is an approximate calculation of total charges and patient liability for the services to be rendered.

"Experimental Services" are services that have not been approved for coverage by the Centers for Medicare and Medicaid Services (CMS) as acceptable treatment for a particular medical condition.

"Governmental Payors" are Medicare, Medicaid, Tricare and other government-sponsored health care insurance programs. Governmental Payors shall not include contracted Medicare Advantage Plans and/or other Governmental Payors, which have entered into a formal managed care or pricing agreement with DUHS and/or PDC.

"Institutional Account" - a billing encounter created for the purposes of billing a non-DUHS Facility for services provided by a DUHS Facility

"International Individual" is defined as any person receiving medical services who meets one of the following criteria:

- A non-U.S. citizen with non-U.S. insurance not living in the U.S. or U.S. territory
- A non-U.S. citizen with U.S. insurance not living in the U.S. or U.S. territory
- A non-U.S. citizen with no insurance not living in the U.S. or U.S. territory
- A U.S. citizen with non-U.S. insurance not living in the U.S. or U.S. territory.
- A U.S. citizen with U.S. insurance not living in the U.S. or U.S. territory.
- A U.S. citizen with no insurance not living in the U.S. or U.S. territory.
  
- An embassy sponsored individual

"International Patient Center" (IPC) is defined as the location in Duke Clinic where the staff will coordinate all the logistics related to an International Individual receiving health care services at DUHS and/or PDC.

"Letter of Agreement" (LOA) is defined as the written agreement stipulating the financial terms and conditions for providing healthcare services to a patient.

"Limited Benefit" is defined as a benefit that pays 20% or less of estimate charges or allowable amount for a patient's services. This excludes amounts that may be applied to the patient's deductible.



"Market Competitive Services" are services that are deemed by the Appropriate DUHS and/or PDC Representative to require a fixed price in order to reasonably compete with the pricing of other non-DUHS/PDC entities providing the same services.

"Non-Contracted Payors" are third party payors, including health plans, self-insured employers or indemnity plans, which have not entered into a formal managed care or pricing agreement with DUHS and/or PDC.

"Patients' After Insurance Liability Estimate" is the estimated amount determined prior to services being rendered that a patient owes for coinsurance, deductibles and technical/facility co-payments not covered by insurance. This explicitly excludes physician office co-payments.

"Out of State Medicaid" is a U.S. Medicaid program managed by a state other than North Carolina.

"Payor" is defined as the party responsible for paying DUHS and/or the PDC for services rendered to a patient. Payor include, but not limited to, the patient, guarantor, Contracted Payors, Non-Contracted Payors, Governmental Payors, Uninsured Individuals and International Individuals.

"Planned Services" are services scheduled in advance of the service being rendered and explicitly include transplant services.

"Prompt Payment Discount" is a discount provided to patients in certain limited situations who pay their Patients' After Insurance Liability Estimate either prior to services being rendered or within 60 days of the date that the patient's self pay balance is determined once all insurance claims are adjudicated.

"Travel Clinic Services" are services provided in the Duke Primary Care Travel Clinic.

"Uninsured Individuals" are individuals who are individually responsible for payment of charges for health care services and (a) who are uninsured, having no third party coverage by a commercial third party insurer, an ERISA plan, a Governmental Payor, workers' compensation, a medical savings account or other coverage for all or part of a bill from DUHS, including claims against third parties covered by insurance to which DUHS is subrogated, or (b) who are self-insured or as to a given health care service due to either a policy exclusion for a specific service or due to policy benefit maximums that have been reached and (C) has not had the benefit in reduction of a contractual adjustment.

"Unplanned Services" are services that are not Planned Services, and generally are services provided to diagnose or treat a medical condition, which, if not treated immediately, could lead to disability, serious injury, serious illness, severe pain or death. MD override for financial clearance is provided prior to these services being rendered (see MD Override Policy) by an appropriate DUHS Physician if the services are not provided in the Emergency Department setting or due to the transfer of a patient from another hospital facility.



"U.S. Insurance Plan" is defined as an insurance plan that must be underwritten by a U.S. based insurance company and is liable for the payment of health care services provided to a patient.

**Policy Statement:**

**PURPOSE**

To define the Duke University Health System ("DUHS") and Private Diagnostic Clinic ("PDC") policy related to discounts provided to various patient populations.

**SCOPE AND APPLICABILITY**

This Discount Policy applies to all health care services, including Experimental Services, provided to Uninsured Individuals, Non-Contracted Payors, Out of State Medicaid Individuals, International Individuals, Patients' After Insurance Liability Estimates and Patient Small Balances. This Discount Policy excludes Combination Services, Cosmetic Services, Market Competitive Services, Travel Clinic Services, Charity Care/Bad Debt adjustments, or courtesy/customer service adjustments or other settlements, which are addressed in separate policies and procedures. This Discount Policy also excludes non-covered services that were not medically necessary (i.e. performing a mammogram screening more frequently than the benefits allow).

Except where noted, this Discount Policy applies to the PDC, DUHS, and all its subsidiaries and wholly controlled entities, including the following:

- Duke University Hospital
- Duke Regional Hospital
- Duke Raleigh Hospital
- Davis Ambulatory Surgical Center
- Duke University Affiliated Physicians (dba Duke Primary Care)
- Duke University Health System Physicians
- Duke Home Care
- Duke Home Infusion
- Duke Hospice

This Discount Policy supersedes any previous policies with regard to the Discounts, which are the subject of this Policy.

Compliance with agreements for DUHS and PDC Contracted Payors and requirements of other governmental agencies supersedes the applicability of any and all Discounts otherwise addressed in this policy.

**POLICY**



Discounts are offered to increase collection efficiency and cash collection for health care services thereby supporting efficient collection operations and reducing the overall cost of collections. Discount requests will be evaluated on their individual merits. Consideration will be given to factors including but not limited to, patient insurance status, cost of health care services requested, payor relationship with DUHS and/or PDC, patient liability amount, and/or the time in which the Payor or individual can adjudicate and/or pay claims.

**Procedure:**  
**Discount Amounts**

Type	Discount Amount
Uninsured Individuals and Services Not Covered (#1 and #2 below)	50% - PDC, DASC 72% - DUH, DRH, DRaH and DPC
Non-Contracted Payors (#3 below)	Up to 30%
Prompt Payment (#4 below)	See Approval Requirements below
International Individuals (includes Embassy Sponsored) (#5 below)	Up to 30%
Out of State Medicaid Individuals (#6 below)	Up to 30%
Discounts for Outpatient Services Provided to Inpatients at Non-DUHS Hospitals (#7 below)	50%

**1. Discounts for Services Provided to Uninsured Individuals**

A Discount from billed charges will be offered to all Uninsured Individuals for Planned Services and Unplanned Services. For Planned Services, which includes transplant services, provided to Uninsured Individuals, payment of the estimated cost of the service less any applicable Discount is required prior to the service being rendered. For Unplanned Services, no pre-payment is required. The Discount that is offered to Uninsured Individuals approximates the average discount provided to Contracted Payors.

Any additional balance that was not estimated and collected prior to or at the time of service will be eligible for the Discount provided to Uninsured Individuals. In some cases, it may not be able to be determined with certainty if the patient will have benefits for certain Planned Services until after claim adjudication. In these cases, the Discount provided to Uninsured Individuals may be applied.

Only in unusual circumstances will the Discount amount be in excess of the percentages outlined in this policy be approved. As such, these Discounts require formal approval of Appropriate DUHS Representatives and a documented LOA prepared by the Manager, PRMO Financial Services or Senior Manager, Community Hospital Service Access for Uninsured Individuals. Approval levels are outlined below.



## 2. Discounts for Services Not Covered by Insurance provided to Individuals with Contracted Payor Coverage

A discount from billed charges, consistent with that for Uninsured Individuals, will be offered to patients with contracted payor coverage for all services, which are adjudicated by the payor in a fashion that does not allow the patient to benefit from a contractual adjustment based on the contract with the payor. Specifically, this includes services denied for maximum benefits, medically necessary non-covered services, and non-authorized services that can be billed to the patient.

## 3. Discounts for Services Provided to Non-Contracted Payors

Discounts provided to Non-Contracted Payors will be negotiated on a case-by-case basis **prior** to services being rendered to the patient by the Assistant Vice President for DUHS Managed Care or his/her designee. The office of the Assistant Vice President for DUHS Managed Care will coordinate any necessary LOA for the PDC with the PDC Director of Managed Care. The Discount amount will only be offered to Non-Contracted Payors who will honor the patient's in-network level of benefits. The Non-Contracted Payors Discount will be documented with a LOA.

## 4. Discount for Prompt Payment to Individuals

A Prompt Payment Discount may be provided to the patient on a case-by-case basis after services are rendered.

## 5. Discounts for Services Provided to International Individuals

International Individuals enrolled in non-U.S. Insurance Plans (regardless of whether or not they are accessing a Contracted Payor or Non-Contracted Payors network) and/or have no insurance are expected to deposit/pay 100% of gross estimated charges for services provided by DUHS and/or the PDC **prior** to services being scheduled. The Discount will be documented with a LOA for estimated balances in excess of \$5,000 and will be applied **after** all services have been rendered.

International Individuals enrolled in U.S. Insurance Plans who are a Contracted Payor of DUHS and/or PDC will be required to follow the terms and conditions for those agreements including the Discount amount.

International Individuals enrolled in U.S. Insurance Plans who are Non-Contracted Payors of DUHS and/or PDC will be negotiated on a case-by-case basis **prior** to services being rendered to the patient by the Assistant Vice President for DUHS Managed Care or his/her designee. The office of the Assistant Vice President for DUHS Managed Care will coordinate any necessary LOA for the PDC with the PDC Director of Managed Care. The Discount amount will only be offered to Non-Contracted Payors who will honor the patient's in-network level of benefits. The Non-Contracted Payors Discount will be documented with a LOA.

International Individuals who are embassy sponsored patients will be negotiated on a case-by-case basis **prior** to services being rendered to the patient by the Assistant Vice President for



DUHS Managed Care or his/her designee. The office of the Assistant Vice President for DUHS Managed Care will coordinate any necessary LOA for the PDC with the PDC Director of Managed Care. The Discount will be documented with a LOA and applied after all services have been rendered. The IPC will coordinate with the embassy on getting the LOA signed and getting a letter of guarantee from the embassy. An embassy will NOT be required to make a deposit for an embassy sponsored patient UNLESS the embassy has previously failed to comply with an LOA. Such embassies will be required to pay any balances from previous embassy sponsored International Individuals AND pay 100% of gross estimated charges in advance of any future embassy sponsored International Individuals prior to the first patient visit.

The IPC will coordinate with the office of the Assistant Vice President for DUHS Managed Care and the International Individual or embassy to execute the LOA. The execution of a LOA is required for all International Individuals **prior** to the rendering of services.

#### 6. Discounts for Services Provided to Out of State Medicaid Individuals

Discounts provided to Out of State Medicaid Individuals will only be negotiated **prior** to the rendering of authorized services. For transplant services, Discounts can be explicitly negotiated for Out of State Medicaid Individuals for DUHS by the Assistant Vice President for DUHS Managed Care and/or his/her designee. The office of the Assistant Vice President for DUHS Managed Care will coordinate any necessary LOA for the PDC with the PDC Director of Managed Care. Out of State Medicaid Individuals Discounts for transplant services will be documented with a LOA. For Planned non-transplant Experimental, Cosmetic services or other non-transplant services not covered by Out of State Medicaid, Discounts require formal approval of Appropriate Representatives and a documented LOA prepared by the Manager, PRMO Financial Services or Senior Manager, Community Hospital Service Access for Uninsured Individuals.

In some instances, Out of State Medicaid regulatory statutes dictate what the respective state will pay to out of network providers. If DUHS and/or PDC agree to the respective state's statutes, a LOA will be drafted by the office of the Assistant Vice President for DUHS Managed Care and/or his/her designee citing the applicable statute(s) and include the DUHS/PDC payment stipulations for transplant services. The office of the Assistant Vice President for DUHS Managed Care will coordinate any necessary LOA for the PDC with the PDC Director of Managed Care. For Planned non-transplant Experimental, Cosmetic services or other non-transplant services not covered by Out of State Medicaid, a LOA will be prepared by the Manager, PRMO Financial Services or Senior Manager, Community Hospital Service Access for Uninsured Individuals and formal approval of the Appropriate Representative will be obtained. If DUHS and/or PDC do not agree to the respective state's statute, DUHS/PDC will not proceed with rendering the requested services.

#### 7. Discounts for Institutional Account Outpatient Services Provided to Inpatients at non-DUHS Hospitals



This discount is applicable to technical charges at DUHS Hospitals and/or Davis Ambulatory Surgical Center only and does not apply to professional charges for DUHS nor PDC.

Patients may be scheduled for outpatient (surgical and/or non-surgical) services at a DUHS Hospital or Davis Ambulatory Surgical Center while the patient is an active inpatient at a non-DUHS Hospital. These transfers occur when a patient is an inpatient at a non-DUHS Hospital and is physically transported to a DUHS Hospital and/or Davis Ambulatory Surgical Center for outpatient (surgical and/or non-surgical) services and returned back to the non-DUHS Hospital. In this situation, all technical charges incurred at a DUHS Hospital and/or Davis Ambulatory Surgical Center will be billed to the non-DUHS Hospital in which the patient is an inpatient. The discount is applied to the total DUHS Hospital and/or Davis Ambulatory Surgical Center technical charges. This discount does NOT apply to professional charges for DUHS nor PDC. Refer to the "Institutional Billing for Non-DUHS Inpatients Receiving Outpatient Services at a DUHS Facility (SS0132)" policy for the appropriate procedures to follow for these patients.

### **Other Discounts**

#### **Small Balance Discounts**

No formal approval is needed for small balance discounts for accounts with outstanding patient balances up to \$25 for inpatient services, \$10 for outpatient services, and \$5 for physicians' services in the legacy (Siemens/Meditech/IDX) systems. For Epic SBO Statements, the small balance threshold is \$5 for all types of services.

### **Letter of Agreement**

#### **Letter of Agreement (LOA) Stipulations**

The following stipulations should be incorporated into the LOA:

- Language specifying all Duke entities included
- Language limiting the Payor's ability to audit
- Language specifying the payment timeframe and denial of discount if payment is not made within stated timeframe
- Identification of the Payor's claims address, claims contact person, and claims contact person's phone number
- Identification of DUHS and PDC payment address
- Language stating that the discounts proposed by DUHS and the PDC do not represent any future financial commitment with the Payor
- Language stating that the patient must be eligible for benefits, plan coverage must be in force, and that the Payor must be the primary Payor for the duration of the LOA
- Confidentiality language
- Language stating embassy sponsored patients will be interim billed every thirty (30) days and payment must be received within 15 days of the Payor receipt of the interim bill or any agreed upon discount reverts to full (100%) billed charges



Only in unusual circumstances will Discount amounts in excess of the percentages outlined in this policy be approved. Approval levels are outlined below.

### **Approval Requirements**

Approval requirements for the DUHS and PDC Representatives and the corresponding level of Discount, calculated as a percentage of estimated charges are as follows:

<b>Approver</b>	<b>Discount Type</b>	<b>Discount Amount</b>
Director Self Pay Collections, Senior Director Collections, or COO, PRMO	After the fact Prompt Payment Discount	Up to 30%
Assistant Vice President Managed Care, DUHS and Director of Managed Care, PDC	Any	Up to 60%
Entity CEO/CFO/Senior Vice President, CFO, and Treasurer (DUHS)	Any	Up to 100%
Executive Director (PDC)		

### **DASC Approval Requirements**

Approval requirements for the appropriate DASC and DUHS Representatives and the corresponding level of Discount, calculated as a percentage of estimated charges are as follows:

Business Manager	Up to 30%, limited to \$5,000
Director	\$5,000 and above up to 50% with \$50,000 dollar limits
Assistant Vice President Managed Care, DUHS	Up to 60%
Entity CEO/CFO/Senior Vice President, CFO, and Treasurer (DUHS)	Greater than \$50,000 and/or 100%

### **REFERENCES**

**Citations:**

**Policies:**





**Authoritative Source:**

**Additional References:**

**Attachment Names:**

**Department:**

PRMO Self-Pay Collections



# 2017 Report on Community Benefit

Duke University Health System

**\$445 Million**

Total Community Benefit and Investment

**\$82 Million**

Charity Care at Estimated Cost

*Figures for fiscal year ended June 30, 2016*



**DukeHealth**

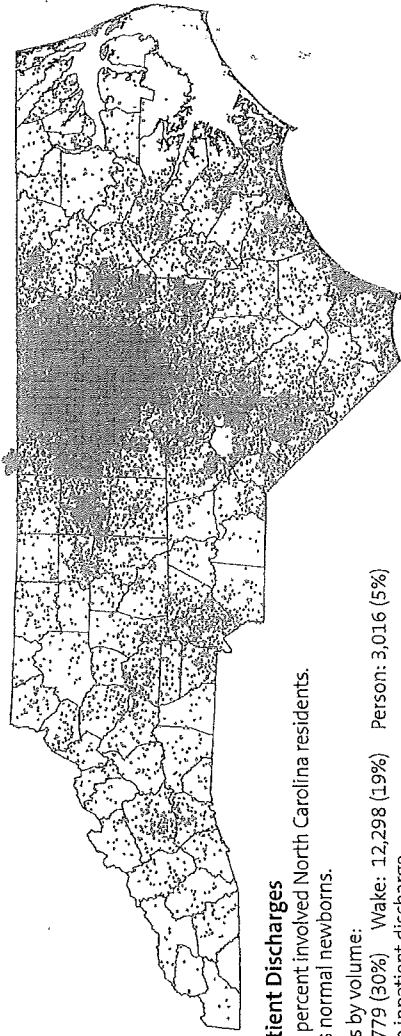
# A partner in care for communities across North Carolina

Welcome to the 2017 edition of the Duke University Health System Report on Community Benefit. The report highlights Duke's commitment to promoting health, wellness and access to quality care for the people and communities of North Carolina.

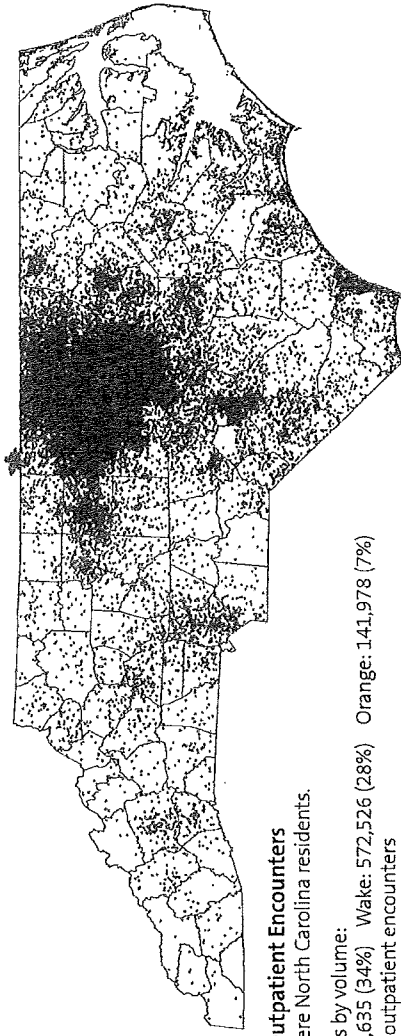
For the fiscal year that ended on June 30, 2016, Duke provided a total community benefit and investment of \$445 million. Of that figure, \$82 million represents charity care at estimated cost to nearly 221,000 patients – 211,000 of them from North Carolina – who are uninsured or who cannot pay for care because of financial hardship. The report offers additional important details about Duke's total benefit and investment.

Including the \$445 million for FY2016, Duke's total community benefit and investment over the past 10 years exceeds \$3 billion.

This year's Report on Community Benefit is available online at: <https://corporate.dukehealth.org/who-we-are/community>. Click on "Who we are" at the top left, then on "Community Health" in the drop-down menu. Scroll down the page and click on "2017 Report on Community Benefit" in the blue and white box.



**66,085 Inpatient Discharges**  
More than 91 percent involved North Carolina residents.  
Total excludes normal newborns.  
Top 3 counties by volume:  
Durham: 19,779 (30%) Wake: 12,298 (19%) Person: 3,016 (5%)  
Figures for the fiscal year ended June 30, 2016



**2,080,315 Outpatient Encounters**  
95 percent were North Carolina residents.  
Top 3 counties by volume:  
Durham: 707,635 (34%) Wake: 572,526 (28%) Orange: 141,978 (7%)  
one dot = 20 outpatient encounters  
Figures for the fiscal year ended June 30, 2016

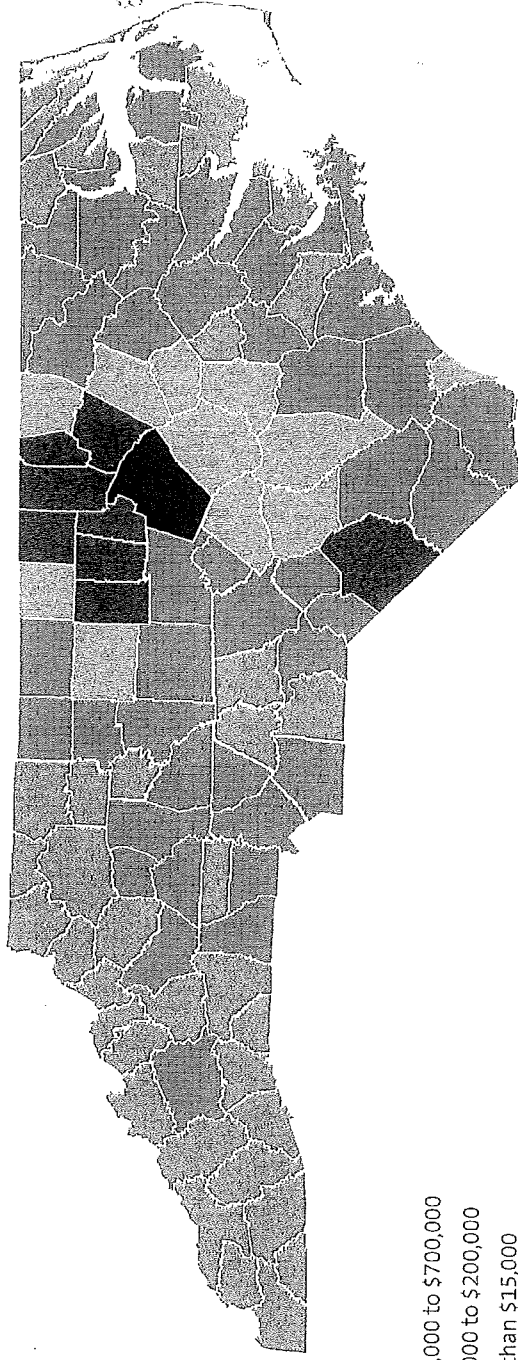
More than 6,700 Duke-trained healthcare professionals make their home in North Carolina

• Physicians	3,172
• Nurses	2,635
• Physician Assistants	612
• Physical Therapists	276
• Pathology Assistants	28
<b>Total</b>	<b>6,723</b>

# Quality care to all patients, regardless of their ability to pay

## \$82 Million

Charity care at estimated cost that Duke provided to 220,698 patients during the fiscal year that ended on June 30, 2016. Nearly 95 percent of these patients (210,721) were residents of North Carolina. More than 85 percent (188,662) resided in Duke's primary service area of Alamance, Durham, Granville, Orange, Person, Vance and Wake counties.



### County-by-county charity care figures

- Durham County (\$40.2 million) ■ \$200,000 to \$700,000
- Wake County (\$17.3 million) ■ \$15,000 to \$200,000
- \$700,000 to \$2.5 million ■ Less than \$15,000

All dollar figures are at estimated cost for the fiscal year ended June 30, 2016

## Highlights of Duke's charity and discounted care policies

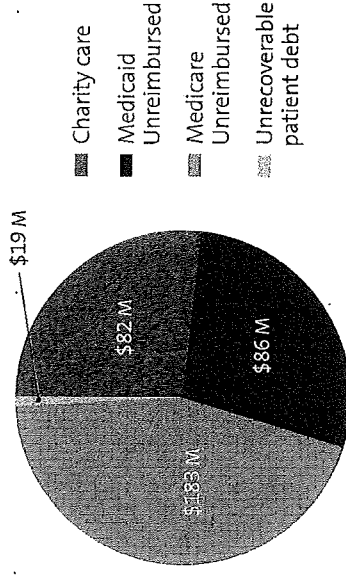
- Duke provides world-class, effective care with a consistently high level of dignity, respect and skill to all patients it serves, regardless of their ability to pay.
- Duke provides eligible care at a discount or without charge to all qualifying patients who do not have health insurance, or who because of financial hardship cannot pay for the care they receive. (Cosmetic procedures are not eligible.)
- In addition to providing emergency and primary care at no charge, Duke physicians donate specialty care services to eligible uninsured patients through Project Access, a program in Durham and Wake counties.
- Duke helps patients navigate through government-sponsored financial-assistance programs for which they may qualify.
- When government programs such as Medicaid do not completely cover Duke's cost of care, Duke absorbs the cost difference in accordance with its policies.

Duke's complete charity and uninsured discounted care policies are available at: <https://www.dukehealth.org/health-insurance-and-billing/paying-for-your-care/financial-assistance>



## \$370 Million

Costs Duke covers for charity care and other unreimbursed expenses



Categories as defined by the IRS. All dollar figures are at estimated cost for the fiscal year ended June 30, 2016.

# Working with communities to promote health, wellness, and access

## \$12 Million

**Supporting the work of community groups**  
Duke and its community partners continue their longstanding collaborative effort to eliminate healthcare disparities and improve residents' access to high-quality medical care.

In the 2016 fiscal year, Duke provided almost \$12 million in cash and in-kind support for community groups, including:

- \$7.37 million for Lincoln Community Health Center and its satellite community clinics, which serve a majority poor and uninsured population.
- \$2.41 million for Durham County's Emergency Medical Services program.
- \$1.8 million in cash contributions to other community organizations.

## \$63 Million

**Investing in health professions education**  
Educating the next generation of physicians, nurses, nurse practitioners, physician assistants, physical therapists, and pathology assistants is central to Duke's mission to improve healthcare for patients and the community.

In the 2016 fiscal year, Duke invested almost \$63 million in its health professions education program.

The program remains among the most challenging and innovative in the country, as new models of community-focused care emerge that emphasize health, wellness, and individual self-care, as well as population health management.

Duke University Health System, as well as the over-arching Duke Health, has many partners in the communities it serves. Working together, we identify and address the healthcare needs of those communities.

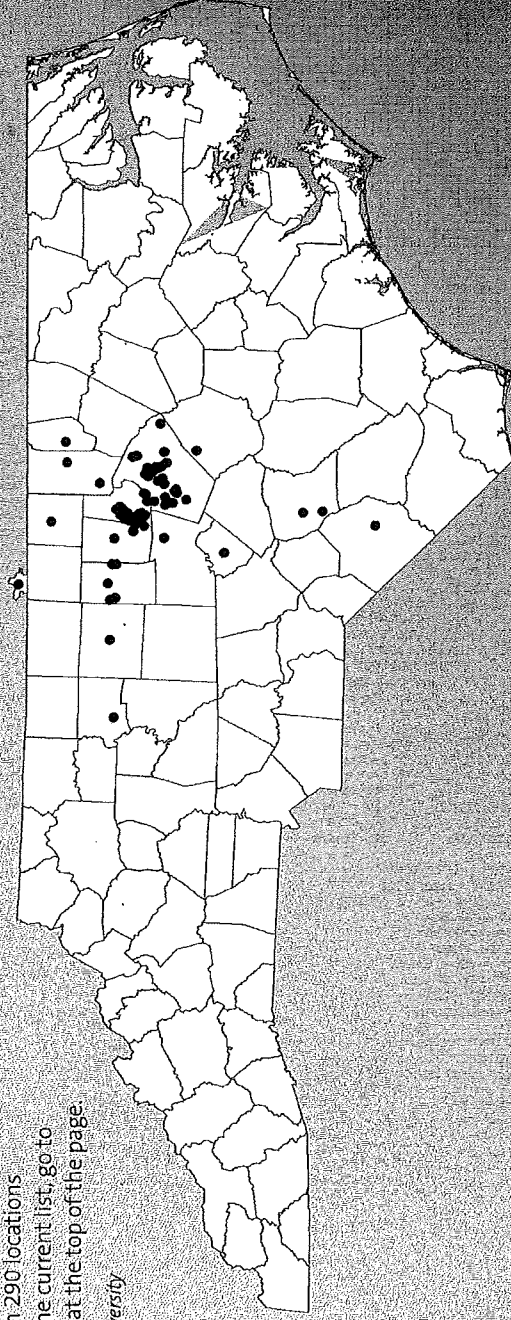
In addition, through its two hospitals in Durham and one in Raleigh, Duke collaborates with the public health departments in Durham and Wake counties, community members, and numerous community partner organizations to conduct regular assessments of community health needs.

*In accordance with federal requirements, links are available to the assessments for Durham and Wake counties, and to each of the Duke hospitals' reports. Go to <https://corporate.dukehealth.org/who-we-are/community>. Click on "Who we are" at the top left, then on "Community Health" in the drop-down menu. Scroll down the page to "Community Health Needs Assessment" and click on accompanying links.*

## Duke clinics and care locations

Duke University Health System has more than 290 locations serving North Carolina communities. To see the current list, go to [www.dukehealth.org](http://www.dukehealth.org) and click on "locations" at the top of the page.

*Each dot represents one or more locations for Duke University Health System clinics and care sites.*



**Office of Community Relations**  
DUMC Box 3701  
Durham, NC 27710  
[communityrelations.duhs.duke.edu](mailto:communityrelations.duhs.duke.edu)  
919-668-3792

Duke University Hospital Department of Pharmacy          POLICY and PROCEDURE	Approved by: Pharmacy Senior Management Group Origination Date: 03/2010 Expiration Date: 07/2020 Review Date: 03/2017 Revision Date: 12/2012, 12/2015, 07/2017 Archived Date: N/A	Drug Replacement Program          Page 1 of 3
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## **POLICY**

The Drug Replacement Program has been established to facilitate patient discharges while continuing to provide needed intravenous therapies to patients who have limited financial resources available to them to cover the cost of the infusion therapy for administration at home. This program does not provide coverage for oral therapies.

## **DEFINITIONS**

None

## **RESPONSIBILITY**

Patient Resource Managers, Pharmacy Senior Management

## **OTHER APPLICABLE POLICIES**

PRMO Charity Care Policy

Charity Care for DHCH

## **PROCEDURE**

1. A Patient Resource Manager (PRM) reviews and documents the determination of financial need and psychosocial status of any patient who requires infusion associated therapy after discharge.
2. If the PRM determines that there are limited financial resources available to the patient to cover the cost of therapy, the PRM considers using the Drug Replacement Program to facilitate continuation of infusion associated therapy after discharge.
3. The PRM then calls Duke HomeCare and Hospice (DHCH) at (919) 620-3853 to confirm that DHCH can accept the patient (based on geography, staffing, etc.). DHCH assesses any potential funding sources ruled out by the PRM and, as double-check, will verify that the payors will or will not pay for the prescribed therapy. Since verification may take some time, the PRM may proceed to step 4 below without waiting for DHCH to complete this step. Then, in the event that DHCH does identify a viable payor source, the PRM will be notified that drug replacement is not needed.
4. To obtain authorization to use the Drug Replacement Program, the PRM then pages the Pharmacy Administrator on-call at 970-6855 and provides the following information:
  - patient name
  - history number
  - room number
  - drug, dose, frequency, and planned duration of therapy
  - diagnosis
  - patient's financial status
  - physician name
  - PRM name and pager number

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		Drug Replacement Program
POLICY and PROCEDURE		Page 2 of 3

The information listed above should also be submitted to the Pharmacy Administrator on-call via the Drug Replacement Program request form (appendix A).

5. The Pharmacy Administrator assesses the request, considering the clinical appropriateness and cost of the therapy selected, and will decide to approve or not approve the request. If the total cost of therapy, based on drug acquisition cost, exceeds \$1000, approval by the Chief Pharmacy Officer is also needed.
6. When use of the Drug Replacement Program is approved an email is sent to the drug replacement email group and the PRM is copied.
7. DHCH provides the drug product to the patient upon approval.

#### **MEDICATION DISTRIBUTION AND BILLING**

1. Following approval of the drug replacement request, DUH Manager of Procurement, Repackaging and Distribution will document the approval in a tracking spreadsheet stored on a secure drive.
  - a. At the end of each fiscal period, the acquisition cost of each approval is tabulated per drug product approved based on current GPO pricing.
  - b. Tabulated values are submitted to DUHS Corporate Finance and a Journal Voucher transfer is initiated between DUH and DHCH, as part of Pharmacy Procurement month end reconciliation process.

#### **ACQUISITION DRUG COST**

1. Information on acquisition drug cost may be obtained from the following sources:
  - a. Contacting the pharmacy buyer (919-681-2766)
  - b. Accessing the <http://orderexpress.cardinalhealth.com> website

#### **EXCEPTIONS**

None

#### **REFERENCES**

None

#### **APPENDICES**

None



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		Drug Replacement Program
POLICY and PROCEDURE		Page 3 of 3

Drug Replacement Request Form for  
Home Infusion Therapy

Patient Name:	
History Number:	
Room #:	
Drug Requested (name, dose, frequency, planned duration of therapy):	
Diagnosis:	
SW or PRM Name:	
Pager #:	970-
Physician Name:	
Insurance:	
Suggested f/u:	
Approved (Yes/No):	
Other:	

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