The Internal Revenue Service (IRS) has recently released guidance regarding the Patient Protection and Affordable Care Act (ACA) patient financial assistance requirements. These requirements apply only to hospitals with 501(c)3 status.

According to these proposed regulations under Code Section 501(r), the hospital must:

- limit charges to individuals meeting the hospital’s financial assistance guidelines to amounts generally billed to insured patients
  - Discounts will be based on
    - 1) amounts allowed by commercial insurers and Medicare combined or,
    - 2) amounts allowed by Medicare only.
- provide notices to patients of the financial assistance policy for a period of 120 days after the first bill is sent to the patient
- allow the patient to apply for financial assistance during a period of 240 days after the first bill is sent to the patient
- limit extraordinary collection efforts during the application processing period, and
- make reasonable efforts to determine if an individual is eligible for financial assistance
  - provide paper copies to patients at the hospital
  - include policy in billing statements
  - publish policy on website
  - post policy in hospital departments and,
  - make special efforts to distribute policy to vulnerable populations (low-income, minorities, medically underserved)

If you wish further information about this guidance, please contact Eddie Phillips at our Atlanta office: (404) 220-8494 ext. 203.

Draffin & Tucker will be providing additional information to our clients in the near future.