**Disclosure by Erlanger Health System for Erlanger Behavioral Health, LLC**

**October 2024**

This disclosure of errors/omissions is made pursuant to Rev. Proc. 2015-21.

On March 1, 2018, Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger Health System, a Tennessee nonprofit corporation providing licensed hospital services (“Old Erlanger”), and Acadia Chattanooga Holdings, LLC, a Tennessee limited liability company, entered into a joint venture to provide licensed behavioral health hospital services through Erlanger Behavioral Health, LLC, a Tennessee limited liability company (“Behavioral LLC”). Behavioral LLC is subject to Code Section 501(r) because it provides Tennessee licensed hospital services. In 2018, Behavioral LLC adopted Old Erlanger’s Charity Care Policy/Financial Assistance Policy (the “Old Behavioral LLC FAP”) to further the charitable purposes of its tax-exempt member, Old Erlanger, pursuant to Section 501(c)(3) of the Internal Revenue Code, and Rev. Rul. 2004-51.

On July 1, 2023, Erlanger Health, a Tennessee nonprofit corporation (“New Erlanger”), acquired substantially all the assets of Old Erlanger, including Old Erlanger’s membership interest in Behavioral LLC (the “Transaction”). Old Erlanger did not historically file Form 990s because it was a political instrumentality which was granted a waiver of Form 990 filing requirements pursuant to Rev. Proc. 95-48.

In March 2023, in connection with due diligence for the Transaction, Behavioral LLC discovered the errors/omissions described below regarding the Old Behavioral LLC FAP as applied by Behavioral LLC. The errors/omissions occurred variously from 2018 to 2023.

On or about July 13, 2023, Behavioral LLC adopted a new remedial FAP (“New Behavioral LLC FAP”), a Plain Language Summary of the FAP (“PLS”), and a FAP Application form specific to the Behavioral LLC facility. However, upon subsequent external review by legal counsel, Behavioral LLC identified isolated errors/omissions in the New Behavioral LLC FAP described below.

The errors/omissions occurred at Behavioral LLC’s hospital facility. Because Behavioral LLC employees meet individually with Behavioral LLC patients after admission and again prior to discharge to discuss out of pocket costs, payment plans, and financial assistance, providing a FAP Application which contains the appropriate contact information, Behavioral LLC does not believe that any individuals were affected by these errors/omissions or that any dollar amount was involved. While the content of the FAP did not include all required disclosures, the FAP Application was consistently applied, and Behavioral LLC does not engage in any Extraordinary Collection Actions.

The following errors/omissions were discovered regarding the Old Behavioral LLC FAP as applied in Behavioral LLC from 2018 to 2023:

* The FAP did not include the method used to determine Amounts Generally Billed (“AGB”) or state the percentage used to determine AGB or provide information on how the public can obtain such information (percentage and calculation) in writing free of charge. However, Behavioral LLC did not believe it was necessary to include the method or percentage used to determine AGB because Behavioral LLC would never charge an individual who was approved for financial assistance, since covered care would be written off in full, after exhaustion of all other payment sources.
* The FAP did not provide the contact information (physical address and telephone number) of financial advocates and department where the application and additional information can be requested.
* The FAP did not include the time frames in taking the collections actions described in the FAP.
* The FAP did not identify the office/department/committee responsible for determining that the facility has made reasonable efforts to determine whether an individual is FAP-eligible and may therefore engage in ECAs against the individual. The FAP stated “Erlanger Health System” will determine this.
* The FAP did not include or reference a list of providers, other than the hospital facility itself, delivering emergency or other medically necessary care in the hospital facility that specifies which providers are covered by the hospital facility’s FAP and which are not.
* The FAP, PLS, and FAP Application form were not widely available on the Behavioral LLC website.
* Behavioral LLC did not offer a paper copy of the PLS to patients as part of the intake or discharge process.
* Behavioral LLC did not inform patients in writing that their application was missing documentation or that they were denied financial assistance; rather they informed individuals over the phone.
* Behavioral LLC’s billing statements did not contain a conspicuous written notice that notified the recipients about the availability of financial assistance and included the telephone number of the hospital facility office or department that can provide information about the FAP and FAP application process and the direct website address where copies of the FAP, FAP Application form, and PLS may be obtained.
* Behavioral LLC’s admissions areas did not contain conspicuous public displays or posters informing patients about the FAP.
* Behavioral LLC did not offer Spanish translations of the FAP, PLS, and FAP Application form.

The following errors/omissions were discovered regarding the New Behavioral LLC FAP as applied in Behavioral LLC from 2023 to 2024:

* The FAP did not include the method used to determine Amounts Generally Billed (“AGB”) or state the percentage used to determine AGB or provide information on how the public can obtain such information (percentage and calculation) in writing free of charge. The New Behavioral LLC FAP states, “[b]ecause covered care will be written off in full, after exhaustion of all other payment sources, an individual who has been approved for financial assistance will never pay more than the amounts generally billed, whether determined using the look-back method or the prospective method.” Nevertheless, prospectively, Behavioral LLC has or will choose an AGB method permissible under Code Section 501(r)(4) and include the AGB Method chosen in its FAP from time to time as required.
* The FAP does not include or reference a list of providers, other than the hospital facility itself, delivering emergency or other medically necessary care in the hospital facility that specifies which providers are covered by the hospital facility’s FAP and which are not.

Prior to November 2024, Behavioral LLC will have corrected the aforementioned errors/omissions in its FAP. This written disclosure is attached to New Erlanger’s current Form 990 and posted on the website of Behavioral LLC as required by Rev. Proc. 2015-21, because Old Erlanger does not file Form 990s.

With respect to practices and procedures to minimize the likelihood of recurring errors or omissions, Behavioral LLC will review its FAP annually and other required 501(r) compliance annually for updates and to ensure conformity with the law and tax exempt, charitable operations of its hospital facility.