

DECATUR COUNTY HOSPITAL

Policy: Financial Assistance Program

Effective Date: 5/95

Reviewed: 3/15

Review Cycle:

Business Office Policy Manual

Approved by PAC: 4/23/2014

Revised: 3/15

CoP Tag:

PURPOSE: To define the Financial Assistance Program for Decatur County Hospital (DCH) and establish procedures to ensure dependable identification of recipients and accurate recording of the information. Financial Assistance is established to provide financial relief for those patients who do not have the ability to pay.

POLICY: Decatur County Hospital(DCH) is committed to providing financial assistance to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. Financial assistance will be available only to residents of Decatur County, or the immediate surrounding area consistent with its mission to deliver compassionate, high quality, affordable healthcare services and to advocate for those who are poor and disenfranchised, DCH strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. DCH will provide, without discrimination, care of emergency medical conditions to individuals regardless of their eligibility for government assistance.

Accordingly, this written policy:

- Includes eligibility criteria for financial assistance -- free and discounted care
- Describes the basis for calculating amounts charged to patients eligible for financial assistance under this policy
- Describes the method by which patients may apply for financial assistance
- Describes how the hospital will widely publicize the policy within the community served by the hospital
- Describes the actions the hospital may take in the event of nonpayment
- Limits the amounts that the hospital will charge for emergency or other medically necessary care provided to individuals eligible for financial assistance to amount generally billed (received by) the hospital for commercially insured or Medicare patients

Financial assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with DCH's procedures for obtaining financial assistance, and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets.

In order to manage its resources responsibly and to allow DCH to provide the appropriate level of assistance to the greatest number of persons in need, the Board of Directors establishes the following guidelines for the provision of patient financial assistance.

DEFINITIONS

For the purpose of this policy, the terms below are defined as follows:

Amounts Generally Billed: The amount DCH usually charges for a particular service determined by either past claims paid by Medicare or Medicare together with all private health insurers, or an estimate of the total amount DCH would have been paid by Medicare and the Medicare beneficiary if the financial assistance eligible individual was a Medicare beneficiary.

Extraordinary Collection Action: Collection activities requiring legal or judicial process. Extraordinary Collection Actions may include: liens, foreclosures, attachments or seizing bank accounts, civil actions, writs of attachment, wage garnishment, reports to credit agencies, sale of debt to third party, and other legal actions.

Financial Assistance: Financial assistance results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established criteria.

Family: Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance.

Family Income: Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

- Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources;
- Noncash benefits (such as food stamps and housing subsidies) do not count;
- Determined on a before-tax basis;
- Excludes capital gains or losses; and
- If a person lives with a family, includes the income of all family members (Non-relatives, such as housemates, do not count).

Uninsured: The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.

Underinsured: The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

Gross Charges: The total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied.

Emergency medical conditions: Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).

Medically necessary: As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

PROCEDURE:

A. Services Eligible Under this Policy. For purposes of this policy, "financial assistance" refers to healthcare services provided by DCH without charge or at a discount to qualifying patients. The following healthcare services are eligible for financial assistance:

1. Emergency medical services provided in an emergency room setting;
2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
4. Medically necessary services, evaluated on a case-by-case basis at DCH's discretion.

B. Eligibility for Financial Assistance. Patient must be a resident of Decatur County, or the immediate surrounding area (ie, Clarke, Harrison, Mercer, Ringgold or Wayne counties). Eligibility for financial assistance will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care benefit program, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. The granting of financial assistance shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.

C. Method by Which Patients May Apply for Financial assistance.

1. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may

- Include an application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need;
- If necessary, the patient or the patient's guarantor shall be provided with contact information for assistance with the financial assistance application process;
- Include the use of external publically available data sources that provide information on a patient's or a patient's guarantor's ability to pay (such as credit scoring);
- Include reasonable efforts by DCH to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs;
- Take into account the patient's available assets, and all other financial resources available to the patient; and
- Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.

2. It is preferred but not required that a request for financial assistance and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle. The need for financial assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient for financial assistance becomes known.

3. DCH's values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of financial assistance. Requests for financial assistance shall be processed promptly and DCH shall notify the patient or applicant in writing within 30 days of receipt of a completed application.

D. Presumptive Financial Assistance Eligibility. There are instances when a patient may appear eligible for financial assistance discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with financial assistance. In the event there is no evidence to support a patient's eligibility for financial assistance, DCH could use outside agencies in determining estimate income amounts for the basis of determining financial assistance eligibility and potential discount amounts. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

1. State-funded prescription programs;
2. Homeless or received care from a homeless clinic;
3. Participation in Women, Infants and Children programs (WIC);
4. Food stamp eligibility;
5. Subsidized school lunch program eligibility;
6. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down);
7. Low income/subsidized housing is provided as a valid address; and
8. Patient is deceased with no known estate.

E. Eligibility Criteria and Amounts Charged to Patients. Services eligible under this Policy will be made available to the patient on a sliding fee scale, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination. Once a patient has been determined by DCH to be eligible for financial assistance, that patient shall not receive any future bills based on undiscounted gross charges. The basis for the amounts DCH will charge patients qualifying for financial assistance are as follows:

1. Patients whose family income is at or below 100% of the FPL are eligible to receive free care;
2. Patients whose family income is above 101% but not more than 200% of the FPL are eligible to receive services at amounts no greater than the amounts generally billed to (received by the hospital for) commercially insured patients; and
3. Patients whose family income exceeds 200% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of DCH; however the discounted rates shall not be greater than the amounts generally billed to (received by the hospital for) commercially insured patients;
4. Upon determination of financial assistance eligibility, an individual will not be charged more than amounts generally billed for emergency or other medically necessary care; and
5. The amount charged for any medical care provided to financial assistance eligible individuals shall be less than the gross charges for that care.

F. Communication of the Financial Assistance Program to Patients and Within the Community. Notification about financial assistance available from DCH, which shall include a

contact number, shall be disseminated by DCH by various means, which may include, but are not limited to, the publication of notices in patient bills and by posting notices in emergency rooms, in the Conditions of Admission form, admitting and business office that are located on facility campus, and at other public places as DCH may elect. DCH also shall publish and widely publicize a summary of this financial assistance policy on facility websites, in brochures available in patient access sites and at other places within the community served by the hospital as DCH may elect. Such notices and summary information shall be provided in plain language, and in the primary languages spoken by the population serviced by DCH. Referral of patients for financial assistance may be made by any member of the DCH staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors. A request for financial assistance may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

G. Relationship to Collection Policies. DCH management shall develop policies and procedures for internal and external collection practices (including actions the hospital may take in the event of non-payment, including collections action and reporting to credit agencies) that take into account the extent to which the patient qualifies for financial assistance, a patient's good faith effort to apply for a governmental program or for financial assistance from DCH, and a patient's good faith effort to comply with his or her payment agreements with DCH. For patients who qualify for financial assistance and who are cooperating in good faith to resolve their discounted hospital bills, DCH may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts. DCH will not impose extraordinary collections actions such as wage garnishments; liens on primary residences; foreclosures; attachments or seizing bank accounts; civil actions; writs of attachment; reports to credit agencies; sale of debt to a third party, or other legal actions for any patient without first making reasonable efforts to determine whether that patient is eligible for financial assistance under this financial assistance policy. Reasonable efforts shall include:

1. Notifying the patient or the patient's guarantor of financial assistance policies from the date of care to 120 days after the DCH provides the patient or the patient's guarantor with the first billing statement for the care. Notifications by DCH shall include:
 - a. A plain language summary of the financial assistance policy and an offer of a financial assistance application from before the patient's discharge;
 - b. A plain language summary of the financial assistance policy included with all billing statements and all other written communications regarding the bill;
 - c. Informing the patient or the patient's guarantor of financial assistance policy in all oral communications regarding the bill; and
 - d. Providing at least one written notice about the extraordinary collection actions DCH may take if the individual does not submit a financial assistance application or pay the amount due by a date no earlier than the last day of the 120 day period.
2. In the event DCH receives an incomplete financial assistance application within the 120 days after DCH provides the patient or the patient's guarantor with the first billing statement for care, DCH shall:
 - a. Suspend all extraordinary collection actions against the patient;
 - b. Provide written notice to the patient or patient's guarantor of the information necessary to complete the financial assistance application; and
 - c. Provide written notice of extraordinary collection actions DCH may take if information is not submitted or amounts are not paid within 240 days of the issuance of the first billing statement for the care.

3. Validating that the patient owes the unpaid bills and that all sources of third-party payments have been identified and billed by the hospital;
4. Documentation that DCH has or has attempted to offer the patient the opportunity to apply for financial assistance pursuant to this policy and that the patient has not complied with the hospital's application requirements;
5. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan;
6. Upon a determination of financial assistance eligibility, DCH shall correct the amount charged to the individual in accordance with this Policy.

H. Regulatory Requirements. In implementing this Policy, DCH management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy.

I. Additionally. Final determination will be made by the Chief Financial Officer. Balances greater than \$2500 will be approved by the Chief Executive Officer. More information may be requested to make this determination. Falsification of application or refusal to cooperate will result in denial of financial assistance

**Poverty Guidelines Table
(February 2015)**

<i>Family Size</i>	<i>Maximum Income</i>	<i>200%</i>
1	\$ 11,770	\$23,540
2	15,930	31,860
3	20,090	40,180
4	24,250	48,500
5	28,410	56,820
6	32,570	65,140
7	36,730	73,460
8*	40,890	81,780

*Add \$4,160 for each additional family member greater than 8.

Schedule for reducing charges

% Above Poverty <u>Guidelines</u>	% of Charity <u>Allowed</u>
0% -- 10%	100%
11% -- 19%	90%
20% -- 29%	80%
30% -- 39%	70%
40% -- 49%	60%
50% -- 59%	50%
60% -- 69%	40%
70% -- 79%	30%
80% -- 89%	20%
90% -- 99%	10%
100%	0%