



Financial Assistance Policy

Purpose:

Community Hospital's mission is to improve the health and quality of life in the individuals and communities we serve. As part of that commitment, Community Hospital appropriately serves patients in difficult financial circumstances and offers financial assistance to those who have an established need to receive medically necessary medical services.

Financial Assistance is defined as healthcare services provided at no charge or at a reduced charge to patients who do not have or cannot obtain adequate financial resources or other means to pay for their care. This is in contrast to bad debt, which is defined as a patient and/or guarantor who, having the financial resources to pay for health care services, but has demonstrated by their actions an unwillingness to resolve a bill. The granting of financial assistance shall be based on an individualized determination of financial need, and shall not take into account race, creed, gender, national origin, disability, age, social immigrant status, or sexual orientation.

To establish policies and procedures necessary to ensure that patients of Community Hospital, who for economic and financial reasons cannot meet their financial obligations, are provided with the Community Hospital's Financial Assistance Policy (FAP). Community Hospital reserves the right to exclude or limit non-urgent services from the FAP. Financial assistance benefits are provided as a last resort. All other payment options including but not limited to private insurance, Medicare, Medicaid, CHP, liability, Crime Victims, CICIP must be explored for eligibility and secured where eligible prior to the application of financial assistance. Eligible accounts include hospital final billed accounts with outstanding balances.

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

Charity Care: Healthcare services that have been or will be provided but are never expected to result in cash receipts. Charity care results from the organization'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 the 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, worker's 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 miscellaneous sources;
- Noncash benefits (such as food stamps and housing subsidies) do not count;
- Determined on a before-tax basis;

- Excludes capital gain 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.

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

Measures to Publicize the Financial Assistance Policy

Notification about charity care available from Community Hospital which shall include a contact number shall be disseminated by Community Hospital 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, admitting and registration departments, hospital business offices. Community Hospital also shall publish and widely publicize a summary of this Financial Assistance Policy on the facility website, in brochures available in patient access sites. Such notices and summary information shall be provided in the primary language spoken and any other language spoken by 5% of the community population serviced by Sample Healthcare.

Procedure

For purposes of this policy, “charity” or “financial assistance” refers to healthcare services provided by Community Hospital without charge or at a discount to qualifying patients. The following healthcare services are eligible for charity.

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

Elective procedures and flat rate procedures including but not limited to cosmetic, bariatric lithotripsy are not eligible. Complications due to elective procedures will be considered on a case by case basis by the CEO, CMO, CFO, Hospital PFS Director or Business Office Manager.

Eligibility for charity will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care 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 charity shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social immigrant status, sexual orientation, or creed. Community Hospital shall determine whether or not patients are eligible to receive charity for deductibles, co-insurance, or co-payment responsibilities.

Records relating to application and determination of the program will be maintained for at least 7 years.

Accounts turned to bad debt remain eligible for financial assistance consideration as long as the complete application and documentation are submitted prior to 240 days from the date of the initial account statement; under which circumstances any Extraordinary Collection Actions (ECA's) will be suspended. ECA's include: reporting debts to a credit bureau; selling patient debt to a third party, authorization for possible legal action by a collection agency for which the account has been assigned. ECA's will not be initiated by Community Hospital or by an outside collection agency acting on behalf of Community Hospital until at least 120 days after the initial guarantor account statement has been mailed.

Application/Notification

Financial counselors are available to prescreen for eligibility. Based on the screening, applications are available at no cost via mail, online and at either financial counselor office, located in the hospital.

Request for Reconsideration

An applicant denied under the program has the right to appeal that decision in writing with the Business Office Manager, within 30 days of the receipt of the denial.

Failure to Cooperate

The applicant is responsible for providing all the required information within 14 days of the application date. Failure to provide the requested information in the time requested may result in a program denial. The patient may, if denied for lack of documentation, appeal or reapply with complete documentation. Misrepresentation or falsification of information will be cause for the financial assistance to be withdrawn retroactively and currently.

Duration of Eligibility

Benefits under this program will not exceed twelve months. The term of benefits granted will be subject to the financial and medical circumstances of the applicant. The hospital reserves the right to reevaluate the recipient's eligibility if there is a change in income during this period. The hospital reserves the right to re-evaluate eligibility when hospital care is required in order to determine the recipient's eligibility for other aid or third party coverage.

Special Circumstances

Relatives or guardians may apply for an incapacitated or deceased individual.

Income Determination

Gross personal and business income will be used to determine eligibility. Calculation of gross income will be consistent with the CACP program guidelines. Income for all members of the household and legally responsible parties not in the household will be considered in the determination of income levels.

Basis for Calculating the Amounts Generally Billed (AGB)

Community Hospital is a not-for-profit hospital that conforms with the final IRC 501(r) rules. The AGB is a calculated percent of the total reimbursement for hospital charges that Community Hospital received from Medicare and commercial insurance companies of the previous 12-month look back period. The AGB is recalculated annually on remittances received from the most recent prior period for May 1 to April 30. Community Hospital will provide an itemized statement to the patient showing the charges and the discount amount applied to the patients account. The discount will be applied once the patient has submitted a complete application for financial assistance.

Method of Applying for Financial Assistance

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 charity becomes known. It is the responsibility of the patient or the patient's representative to notify the hospital of any additional relevant information.

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;
- 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 Community Hospital 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.

The patient is required to submit documentation of their financial status. The patient must submit a completed Financial Assistance Application.

- As a minimum requirement, the patient must furnish a copy of last year's tax return, last three month's income, or a bank statement for proof of income, checking and savings account balances and investment account balances.
- Accounts eligible for Charity Care are to be addressed within 240 days of first bill. Community Hospital's values of human dignity and stewardship shall be reflected in the application process, financial need determination, and granting of charity. Requests for charity shall be processed promptly and Community Hospital shall notify the patient or applicant in writing within 30 days of receipt of a completed application.

There are instances when a patient may appear eligible for charity care 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 through other sources, which could provide sufficient evidence to provide the patient with charity care assistance. In the event there is no evidence to support a patient's eligibility for charity care. Community Hospital could use outside agencies in determining estimate income amounts for the basis of determining charity care eligibility and potential discount amounts.

Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

- Homelessness
- Patient is deceased with no known estate

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. The basis for the amounts Community Hospital will charge patients

qualifying for financial assistance is as follows:

- Patients whose family income is at or below 100% of the FPL are eligible to receive free care.
- Patient whose family income is over 100% and below 150% of the FPL would be eligible for up to a 50% discount.
- Patients whose family income exceeds 150% 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 Community Hospital; however, the discounted rates shall not be greater than the amounts generally billed commercially insured patients. Once the patient has been deemed eligible, Community Hospital will apply the FAP discount to the patients account.

Collections:

Refer to Community Hospital's collection policy. Community Hospital's 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 charity, a patient's good faith effort to apply for a governmental program or for charity from Community Hospital, and a patient's good faith effort to comply with his or her payment agreements with Community Hospital. For patients who qualify for charity and who are cooperating in good faith to resolve their discounted hospital bills, Community Hospital may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts Community Hospital will not impose extraordinary collections actions such as wage garnishments; liens on primary residences, or other legal actions for any patient without first making reasonable efforts to determine whether that patient is eligible for charity care under this financial assistance policy. Reasonable efforts shall include:

- Validating that the patient owes the unpaid bills and that all sources of third-party payment have been identified and billed by the hospital.
- Documentation that Community Hospital has or has attempted to offer the patient the opportunity to apply for charity care pursuant to this policy and that the patient has not complied with the hospital's application requirements.
- Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.

Collection Activity

Community Hospital will not engage in extraordinary collection actions before it makes a reasonable effort to determine whether a patient is eligible for financial assistance under this policy.

Reasonable efforts shall include:

- Validating that the patient owes the unpaid bills and that all sources of third-party payment have been identified and billed by the hospital;
- Documentation that Community Hospital has offered or has attempted to offer the patient the opportunity to apply for charity care pursuant to this policy and that the patient has not complied with the hospital's application requirements;
- Documentation that the patient has been offered a payment plan. But the patient has not honored the terms of that plan.

Extraordinary collections actions may include actions such as:

- Wage garnishments
- Liens on primary residences, or
- Other legal actions

If our collection agency identifies a patient is meeting financial assistance eligibility criteria, the patient's account may be considered for financial assistance. Collection activity will be suspended on accounts, and the financial assistance application will be reviewed. If the entire account balance is adjusted, the account will be returned. If a partial adjustment occurs, the patient fails to cooperate with the financial assistance process, or if the patient is not eligible for financial assistance, collection activity will resume.

In implementing this Policy, Community Hospital's management shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy.