MANNING REGIONAL HEALTHCARE CENTER

DEPARTMENT BUSINESS OFFICE

SUBJECT	PATIENT FINANCIAL ASSISTANCE POLICY		**POLICY #**
Developed by	Sr. Revenue Cycle Director and Chief Financial Officer	Sign: Laurie Bruck Sign: Amy Mizell	
Approved by	Policy Review Coordinator	Sign: Sharon Chatman	
Approved by	Administration	Date: 11/30/17	
	Medical Staff	Date: 11/28/17	
	Board of Directors	Date:	
Responsibility:	Annual Review by Business Office Manager/CFO		
Effective Date:	February 1, 2014	Date of Revision(s)	06/2016, 01/2017, 07/2017, 10/2017

POLICY: Manning Regional Healthcare Center (MRHC) 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. Consistent with its mission to deliver compassionate, high quality, affordable healthcare services and to advocate for those who are poor and disenfranchised, MRHC strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. MRHC will provide, without discrimination, care of emergency medical conditions to individuals regardless of their eligibility for government assistance or their ability to pay.

PURPOSE:

- Outline the eligibility criteria for financial assistance -- free and discounted care
- Describe the basis for calculating amounts charged to patients eligible for financial assistance under this policy
- Describe the method by which patients may apply for financial assistance
- Describe how the hospital will widely publicize the policy within the community served by the hospital
- Limit 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
- Describe guidelines the hospital will use to protect for the orderly, reasonable and prompt collection of amounts due from patients who have the ability to pay and actions hospital may take in the event of non-payment.

SCOPE: MRHC Revenue Cycle Department

GENERAL CONSIDERATIONS: Financial assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with MRHC'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.

This policy applied to all individuals who seek and receive services from MRHC and from that incur a financial obligation to MRHC. The information contained and referenced in this Policy applies solely to the healthcare services provided and billed by MRHC.

The guidelines and administrative procedures used are outlined in this Patient Financial Assistance Policy. Should any provision of this policy conflict with the MRHC's policies relating to Compliance with federal and state regulations (i.e. – rules set forth by the Health Care Finance Administration), the specific Compliance policy will supersede this Patient Financial Assistance Policy.

DEFINITIONS:

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

Amounts Generally Billed: The amount MRHC usually charges for a particular service determined by past claims paid by Medicare, Medicare together with all private health insurers, Medicaid, or Medicaid in combination with all private health insurers and/or Medicare. Hospital uses the look back method to determine the amounts generally billed by multiplying the gross charges for such services by an AGB percentage. Information on the percentages that MRHC uses to discount its gross charges in order to calculate the Amounts Generally Billed and how those percentages are calculated can be obtained by calling 712-655-2072 or going to www.mrhcia.com.

Annual Household 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 over the age of 18 (Non-relatives, such as housemates, do not count).

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

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, certain sales of debt to third party, delaying or denying care because of non-payment of prior bills, 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 Size: 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.

Financial Assistance (Charity Care): Financial assistance results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established criteria; also known as charity care.

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.

Guarantor: The person(s) that are financially/legally responsible for the patient.

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

Patient Financial Responsibility (PFR): Any payment for services, including but not limited to any deductible, co-payment, coinsurance or other payment, that is the financial responsibility of the Guarantor under the terms of any applicable Government Health Care Program or any other third party healthcare benefits policy or plan.

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.

PROCEDURES

A. **Locations and Providers Covered by this Policy.** This policy applies to certain healthcare services (defined below) provided at MRHC. Individuals who receive healthcare services at these locations may be seen by Hospital providers as well as private physician group or other third-party providers. This policy only applies to MRHC, its providers, and other providers for whom MRHC submits bills for their services. This policy does not apply to other providers who independently submit bills for their services. The list of eligible and ineligible providers can be found on the MRHC website at mrhcia.com. The list will be updated on a quarterly basis.

B. **Services Eligible Under this Policy.** For purposes of this policy, "financial assistance" refers to healthcare services provided by MRHC 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 Medically necessary services, evaluated on a case-by-case basis at MRHC's discretion.

Services eligible to be forgiven under Patient Financial Assistance are those services provided 12 months prior (unless the account is in bad debt then it is 240 days) to the time a completed Patient Financial Assistance application is received and for the following 12 month period.

C. **EMTALA.** Any patient seeking care for an Emergency Medical Condition at MRHC shall be treated without discrimination and without regard to a patient's ability to pay for care. MRHC shall operate in accordance with all federal and state requirements for the provision of emergent health care services, including screening, treatment and transfer requirements under the federal Emergency Medical Treatment and Active Labor Act (EMTALA).

D. **Eligibility for Financial Assistance.** 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. Financial assistance discounts are secondary to all other financial resources available to a patient/Guarantor including balances in personal asset accounts, eligible asset values, and HSA and Flex Plan accounts.

E. **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 or other propensity to pay tools);
- Include reasonable efforts by MRHC and patient 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.
- Include an approval until one year following the month FA is approved in; updated financial information will be required for all FA patients annually, and will be due in the next year's month that they were approved in..

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.

F. **Application Approval**

Supporting Documentation: Supporting documentation must include documentation of all income sources on a monthly and/or annual basis (taking into consideration seasonal employment and temporary increases and/or decreases in income) for the Guarantor, other available resources, verification of family size and proof of residency. Should documentation not be supplied or should the application remain incomplete, financial assistance may be denied. MRHC reserves the right to request additional supporting documentation deemed necessary and/or waive any documentation requirement in determining eligibility for the Financial Assistance Program.

Final Determination: Determination of eligibility for discounts will be made within a reasonable period of time after a completed application has been received along with ALL supporting documentation. Once a completed financial assistance application is received, the request will be reviewed and acted upon by the

Revenue Cycle Committee. Written notification will be sent to the applicant as soon as possible after the Revenue Cycle's review and decision.

Retroactive Review: MRHC, or a contracted third party, may perform retroactive reviews of accounts up to 120 days old referred to outside collection agencies periodically, to determine if any accounts would have been more properly recorded as Financial Assistance discounts. If Hospital receives a completed financial assistance application, retroactive review of the episodes of care to which the application relates will occur. If patient is deemed eligible, a refund will be issued for any payments received that relate to the episodes of care associated with the application up to 240 days old that are above the patient's responsibility as calculated under the financial assistance schedule.

G. **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 MRHC to be eligible for financial assistance, that patient shall not receive any future bills based on undiscounted gross charges. The basis for the amounts MRHC will charge patients qualifying for financial assistance are as follows:

1. Patients whose family income is at or below 200% of the FPL are eligible to receive free care;
2. Patients whose family income is above 200% but not more than 300% of the FPL are eligible to receive discounts per the federal poverty level guidelines table. This table is updated on an annual basis on January 1st. A copy can be obtained from MRHC.
3. Patients whose family income exceeds 300% 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 MRHC; however the discounted rates shall not be greater than the amounts generally billed to (received by the hospital for) commercially insured [or Medicare] patients. Financial assistance outside of the parameters listed above shall be reviewed and approved by the CFO.
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.

H. 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, MRHC 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.

I. Communication of the Financial Assistance Program to Patients and Within the Community. Notification about financial assistance available from MRHC shall be made publicly available as follows:

A. Placing signage, website information, or brochures in appropriate areas of MRHC (e.g. the Emergency Department and organized registration areas) stating that MRHC offers financial assistance and describing how to obtain more information about the MRHC Financial Assistance and other payment programs.

B. Placing a note on the healthcare bill and statements regarding how to request information about the Financial Assistance and Payment Programs.

C. Designating departments or individuals who can explain the Financial Assistance and payment programs.

D. Staff that interacts with patients will be instructed to direct questions regarding any Financial Assistance or payment program to the proper representative.

Such notices and summary information shall be provided in plain language, and in the primary languages spoken by the population serviced by MRHC. Referral of patients for financial assistance may be made by any member of the MRHC staff, including physicians, nurses, financial counselors, social workers, case managers, etc. 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.

J. **Relationship to Collection Policies.** MRHC 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 MRHC, and a patient's good faith effort to comply with his or her payment agreements with MRHC. Please refer to MRHC's Cash Collections Policy for these collection practices. For patients who qualify for financial assistance and who are cooperating in good faith to resolve their discounted hospital bills, MRHC may offer payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts. MRHC will not impose extraordinary collections actions, including wage garnishments; liens on primary residences; foreclosures; attachments or seizing bank accounts; civil actions; writs of attachment; reports to credit agencies;, 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 MRHC provides the patient or the patient's guarantor with the first billing statement for the care. Notifications by MRHC shall include:
   ;
   a. A notice included with all billing statements that informs the patients or the patient's guarantor of the availability of financial assistance under this policy and includes contact information of the hospital facility office or department that can provide information about the financial assistance and the website address where copies of forms and other information about this policy can be obtained;
   b. Reasonable efforts to inform the patient or the patient's guarantor of financial assistance policy in all oral communications regarding the bill; and
   c. Providing at least one written notice that includes a plain language summary of the financial assistance that is available, identifies the extraordinary collection actions MRHC 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, and states a deadline after which the extraordinary collection actions may be initiated (which is no earlier than 30 days after the date of such notice).

2. In the event MRHC receives an incomplete financial assistance application within the 240 days after MRHC provides the patient or the patient's guarantor with the first billing statement for care, MRHC shall:
    a. Suspend all extraordinary collection actions against the patient until MRHC determines whether individual is eligible for financial assistance or after the patient had failed to respond to requests for additional information within a reasonable period of time;
    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 MRHC 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.
    d. If the patient is eligible for financial assistance, MRHC shall correct the amount charged to the individual in accordance with this Policy
    e. Take all reasonable measures to reverse any extraordinary collection action.
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 MRHC 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;

K. **Regulatory Requirements.** In implementing this Policy, MRHC 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.

DISTRIBUTION: Master copy to Administration
1. Business Office
2. Admissions