

SOUTH CENTRAL HEALTH POLICY AND PROCEDURE

Subject: Uncompensated Care (Financial Assistance) Policy

Barrier Precautions Class: N/A

Department: Business Office

Director Approval: Kassie Kleppe

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POLICY

It is the policy of South Central Health (SCH) to provide medically necessary health care to all patients, without regard to the patient's financial ability to pay, at each facility that is required by state to be licensed, registered or similarly recognized as a medical facility. Consistent with its mission to deliver compassionate, high quality, affordable healthcare services, SCH strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. SCH prohibits engaging in any action that discourages individuals from seeking emergency medical care.

PRINCIPLES

As healthcare providers and tax exempt organizations, SCH is called to meet the needs of patients and others who seek care, regardless of their financial abilities to pay for services provided.

In addition, SCH is designated as a charitable (i.e., tax exempt) organization under Internal Revenue Code (IRC) Section 501(c)(3). Pursuant to IRC Section 501(r), in order to remain tax-exempt, each tax exempt facility is required to adopt and widely publicize its financial assistance policy.

The purpose of this policy is to outline the circumstances under which SCH will provide free or discounted care to patients who are unable to pay for services and to address how SCH calculates amounts charged to patients. SCH charges all individuals equally regardless if the patient has medical insurance coverage or is private pay.

DEFINITIONS

Medical Necessity – Any procedure reasonably determined to prevent, diagnose, correct, cure, alleviate or avert the worsening of conditions that endanger life, cause suffering or pain, result in illness or infirmity, threaten of cause or aggravate a handicap, or cause physical deformity or malfunction, if there is no other equally effective, more conservative or less costly course of treatment available.

Medically Indigent Patients – Those patients whose health insurance coverage, if any, does not provide full coverage for all of the medical expenses, in relationship to their income, and would make them indigent if they were forced to pay fully for their medical care.

ELIGIBILITY CRITERIA

After an assessment of medical necessity and financial ability, SCH may provide free or discounted care to patients who qualify for financial assistance under this policy. Discounts will be based on income and family size only.

■ **Family** if defined as a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

- **Income** 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.

Medical Necessity

- **EMTALA (Emergency Medical Treatment and Active Labor Act)**

Any patient seeking urgent or emergent care (within the meaning of section 1867 of the Social Security Act (42 U.S.C. 13955dd) at SCH shall be treated without discrimination and without regard to a patient's ability to pay for care. SCH shall operate in accordance with all federal and state requirements for the provision of urgent or emergent health care services, including screening, treatment, and transfer requirements under the Federal EMTALA. SCH should consult and be guided by their emergency services policy, EMTALA regulations and applicable Medicare/Medicaid Conditions of Participation in determining what constitutes an urgent or emergent condition and the processes to be followed with respect to each.

- **Other Medically Necessary Services**

In addition to services provided pursuant to EMTALA, SCH will extend free or discounted care to eligible individuals for all other medically necessary services including preventive and primary care clinic services.

Financial Ability

- **Basic**

Financial assistance for medically necessary services is available on a sliding scale of up to 100% of charges based on indigence. Those with incomes at or below 100% of poverty will receive a full 100% discount. Those with incomes above 100% of poverty, but at or below 200% of poverty, will be charged according to the attached sliding fee schedule. The sliding fee schedule will be updated during the first quarter of every calendar year with the latest Federal Poverty Income Guidelines as outlined by the U.S. Department of Health & Human Services.

- **Medical Indigence**

Patients may also be extended a discount based upon medical indigence. A determination as to a patient's medical indigence takes into consideration significant and/or catastrophic medical bills not covered by insurance, in addition to the patients' income level. For example, a patient suffering from a catastrophic illness may have a reasonable level of income, but payment of the medical bills would be seriously detrimental to the patient's basic financial (and ultimately physical) well-being and survival. Such a patient may be extended discounted or free care, based upon the facts and circumstances.

SCH uncompensated care committee has discretion as to whether to extend a discount related to patient accounts that do not clearly qualify under the basic financial ability criteria (i.e., those to be considered for financial assistance on the basis of medical indigence). Extension of financial assistance based on medical indigence will be based upon the committee's review of documents in addition to those evidencing income. Those documents may include, but are not limited to:

- Letter from physician confirming medical necessity of services provided
- Copies of unpaid patient/guarantor medical bills
- Information related to patient/guarantor drug costs
- Evidence of multiple instances of high-dollar patient/guarantor copays, deductibles, etc.

- Other evidence of high-dollar amounts related to health care costs
- Information concerning available insurance coverage

PROCEDURES

Hospital Facility Methodology

An established financial assistance assessment methodology, applied consistently, shall be adopted by SCH. The methodology shall consider patient/guarantor income and family size.

- Each facility shall utilize the SCH Uncompensated Care Application form, adapting it by adding any additional requirements necessary to accommodate local programs and circumstances.
 - ▶ See the SCH Uncompensated Care Application form.
 - ▶ To allow SCH to properly evaluate financial assistance eligibility, documents provided by patients to SCH shall be written in or translated into English.

Applying for Financial Assistance

- A request for Uncompensated Care may be made at any time - before, during, or after services are rendered and after all EMTALA requirements are met. Upon registration or per patient request, SCH patients without Medicare/Medicaid, other local health care financial assistance, and/or adequate health insurance shall receive either the Payment Guidelines Brochure or immediate financial counseling assistance from staff, including the presentation of the Uncompensated Care Application Form.

- In general, patients requesting financial assistance will be required to complete the SCH Uncompensated Care Application Form in order to establish eligibility. In certain situations the financial assistance application process may be instituted by the facility.

- All sources of income shall be evaluated before determining financial assistance eligibility. The patient/guarantor will be responsible for providing copies and verification of their past three months income or their latest income tax return. SCH shall consider the income of not only the patient, but also of other persons having legal responsibility to provide for the patient (e.g. the parent of a minor child or a patient's spouse.)

- According to IRC rules 501(r), SCH will accept the Uncompensated Care Financial Assistance application on accounts up to 240 days following the first billing statement. After the initial 120 days, SCH may undertake collection actions, but must still accept and process the Uncompensated Care Financial Assistance application up to the 240 days. SCH will suspend all collection activities while it processes the application.

Approved Financial Assistance

SCH patients/guarantors shall be notified when the facility determines the amount of financial assistance discount that they are eligible for. Patients/guarantors shall be advised that such eligibility does not include services provided by non-facility employees or other independent contractors (i.e., independent physicians, anesthesiologists, pathologists, etc. depending on the circumstances). Initial financial assistance applications cover all current private pay balances on the patient's account and balances that will be incurred within 6 months after the approval date. The applicant has the option to reapply after 6 months have expired or anytime there has been a significant change in family income.

Denied Financial Assistance

SCH patients/guarantors shall be informed in writing if financial assistance is denied and a brief explanation shall be given for the determination. All denials must be credible and determined with the highest integrity; SCH needs to be comfortable with their reasons for determining that patients are not eligible for financial assistance.

Publicizing the Availability of Financial Assistance

- Each facility shall clearly post signage in English to advise patients of the availability of financial assistance. Signs shall be posted in other languages in instances where 10% or more of the local population speaks a foreign language. Every effort will be made to ensure that, for patients speaking languages other than those for which the charity guidelines are printed, the policies are clearly communicated.

- Each facility is required to maintain the Payment Guidelines Brochure explaining that SCH provides care, without regard to ability to pay, to individuals with limited financial resources, and shall explain how patients can apply for financial assistance. In instances in which there are a significant number of patients not proficient in reading and writing, additional assistance shall be made available to complete necessary forms.

- This policy will be published on the SCH website, along with a link to the Uncompensated Care Application form. SCH is responsible for ensuring that this policy and associated application are available on the SCH website at all times and that the website is operational. The policy must be published in English, but may be published in other languages after appropriate review of the translated document has been performed.

APPLICATION OF PROCEDURES

- Detailed procedures implementing this policy are set forth in SCH Business Office Policy and Procedure Manual and may be amended from time to time by management.

- SCH Director of Business Office along with SCH Chief Executive Office are responsible for the implementation of this policy in accordance with the detailed procedures set forth within the policy.

- Careful records shall be kept by SCH of all Uncompensated Care Financial Assistance transactions.

- The provision of Uncompensated Care assistance may now or in the future be subject to federal, state, or local law. Such law governs to the extent it imposes more stringent requirements than this policy.