

POLICY

SUBJECT: Financial Assistance (Charity Care)
DEPARTMENT: Finance

FINANCIAL ASSISTANCE (CHARITY CARE)

PURPOSE:

Bates County Memorial Hospital's (BCMh) Financial Assistance Policy identifies opportunities for financial assistance to patients who are financially or medically indigent and demonstrate an inability to pay for the services provided to them or their dependents. The Financial Assistance Policy (FAP) provides and establishes guidelines for financial assistance that ensures compliance with all state, federal and regulatory guidelines.

BCMh is committed to providing financial assistance to persons who have healthcare needs and are uninsured or underinsured. Consistent with its mission to deliver compassionate, high quality care, BCMh strives to ensure that the financial capacity of people who need healthcare services does not prevent them from seeking or receiving care. BCMh will provide, without discrimination, emergency care for medical conditions to individuals regardless of their eligibility for financial assistance or for government assistance.

Accordingly, this policy:

- Includes eligibility criteria for financial assistance
- Describes the basis for calculating Amounts Generally Billed (AGB) to patients eligible for financial assistance under the policy
- Describes the method by which patients may apply for financial assistance
- Limits the amounts that the hospital will charge for emergency or other medically necessary care provided to individuals eligible for financial assistance to the AGB.

Financial assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with BCMh's procedures for obtaining insurance available or other forms of payment, 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. BCMh may at any time define and revise the criteria determining eligibility for financial assistance.

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

SCOPE:

This Policy applies to services provided by:

- Bates County Memorial Hospital
- Outpatient Specialty Clinics (Provider Based)
 - *Services provided by the following Physicians will be covered for their services provided while at BCMH:*
 - Dr. Timothy Pluard*
 - Dr. James Whitaker*
 - Dr. Aimee Kohn*
- Family Care Clinics of BCMH (Provider Based Rural Health Clinics)
 - Nursery Street
 - Adrian
 - High Street
- BCMH Surgical Clinic

DEFINITIONS:

I. Application Period: Defined as the time provided to patients by the hospital to complete the Financial Assistance application. It begins on the first day care is provided and ends on the 240th day after the hospital provides the individual with the first post-discharge billing statement for the care provided.

II. Eligible Service Area: BCMH provides financial assistance for medically necessary services provided in the hospital setting, surgical clinic and outpatient clinics, only to residents of Bates County. The Family Care Clinics, as rural health clinics, have no geographical restrictions.

The geographic area, identified as a cluster of ZIP codes within Bates County, from which 87% of a hospital's discharges originate. (BASED ON 2015 HIDI DATA)

III. Family Size: Family size is defined by the Internal Revenue Service and is equal to the number of individuals for whom the taxpayer is allowed a deduction on their federal tax return. If IRS tax documentation is not available, family size will be determined by the number of family members documented and verified on

the financial assistance application.

- IV. Family Income: Family Income is determined using the Census Bureau definition, which uses the following income when computing Federal Poverty Level (FPL):
 - A. 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, assistance from outside the household, and other miscellaneous sources;
 - B. Noncash benefits (such as food stamps and housing subsidies) do not count;
 - C. Determined on a before-tax basis;
 - D. Excludes capital gains or losses; and
 - E. Includes the income of all family members who are included in the family size. (Non-relatives, such as housemates, do not count).
- V. Federal Poverty Level (FPL): The set minimum amount of gross income that a family needs for food, clothing, transportation, shelter and other necessities. It is determined by the Department of Health and Human Services and is adjusted for inflation and reported annually in the form of poverty guidelines.
- VI. Financial Assistance: Defined as free or discounted health care services provided to persons who cannot afford to pay all or a portion of their financial liability for services and who meet BCMH's financial assistance policy criteria.
- VII. Financial Indigence: Financially indigent persons include uninsured and underinsured persons who meet an institution's eligibility for discounted care up to and including a 100% discount.
- VIII. Medically Necessary: Defined by Medicaid HealthNet Division as services or items that a patient could or must receive for the diagnosis or treatment of illness or injury.
- IX. Patient Liability: The amount a patient is personally responsible for paying after all available discounts, including uninsured discount, financial assistance discount and discount due to limitation on charges to patients per 501 (r) regulations.
- X. 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.
- XI. Uninsured: The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.

PROCESS:

- I. Services Eligible. For purposes of this policy, all emergency and medically necessary services provided by the hospital facility are eligible.

The following health care services are not considered medically necessary and are not eligible under this policy:

- A. Cosmetic treatment and/or procedures unrelated to severe congenital malformations or physical disfigurements caused by injury or illness determined not medically necessary by a licensed physician
- B. Bariatric procedures determined not medically necessary by a licensed physician
- C. Any other service or procedure determined by a licensed physician to be not medically necessary

- II. Eligibility for Financial Assistance. Eligibility for financial assistance will be considered for those individuals who:

- A. Have limited or no health insurance;
- B. Cooperate with BCMH's policies and procedures;
- C. Demonstrate financial need;
- D. Supply all required information to process the application; and
- E. Reimburses the Hospital for any monies paid directly to patient by insurance.

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. A determination of financial assistance will be effective for a period of up to 6 months from the date the application was approved and will include all outstanding receivables including those at bad debt agencies.

Additionally, this policy does not apply to internationally traveling/vacationing patients who seek treatment at BCMH.

Financial need and eligibility will be determined in accordance with the following procedures:

- A. Application - In order to be eligible for financial assistance consideration, the patient or guarantor must complete the Patient Financial Assistance Application form and submit the documentation requested to support reported income and expenses. One application will cover the unpaid patient liabilities for all open accounts for the same guarantor.

Applications for financial assistance should be complete and accurate and include verifiable proof of income and/or assets as well as unusual expenses.

Patients can also submit an application verbally, either over the phone to a Financial Assistance Representative or face to face with a Financial Counselor. The Financial Assistance Representative or the Financial Counselor will document the patient responses onto the application form and the patient will verify and attest to all the information. All supporting documentation must be supplied for the application to be considered complete.

Applications will not be considered complete unless the required documentation is received and evaluated by a financial assistance analyst. Applicants will receive written notice regarding the decision of their application.

Required documents include:

1. Completed written/verbal application
2. Bank/Savings Statements for most recent three months
 - a. An explanation of any unusual deposits/expenses on the bank/savings statements
 - b. Documents must reflect all deposits.
3. Income verification for applicant. If guarantor filed married, filing joint on most recent taxes, the guarantor must send income verification for spouse as well. a. Verification of income can include (not an inclusive listing): pay stubs, unemployment checks, social security award letters/checks, disability award letters, child support documentation, and pension verification.
4. Tax Return Documentation a. Most recently filed tax return or Non-Filing Letter from the IRS. Taxes must be accompanied by all supporting schedules (A-F) and documents (W2s, 1099s) to be considered complete.
5. Medicaid Approval/Denial Letter a. This is only a requirement if the facility financial counselor has pre-screened the patient for Medicaid eligibility. If patient is pre-screened as potentially eligible, they must cooperate with Medicaid application process to be eligible for financial assistance with BCMH.

Documents that are altered will not be accepted.

- B. Incomplete Applications – All incomplete applications will receive a letter of notification that will detail the information that is needed to satisfy the documentation requirements for eligibility.

If the applicant sends in incomplete documentation a second time, the applicant will receive a letter to notify the patient that their application is not complete.

Applications for financial assistance can be returned to a Financial Counselor at Bates County Memorial Hospital or mailed to:

Bates County Memorial Hospital
Attention: Financial Assistance
PO Box 370
Butler, MO 64730
Fax: 660-200-7083

Questions about the Financial Assistance Policy may be directed to BCMH Financial Counselor, 660-200-7314.

- C. Eligible Service Areas – Eligibility for financial assistance may be restricted to residents in eligible service areas of Bates County. BCMH provides financial assistance for medically necessary services provided in the hospital setting, surgical clinic and outpatient clinics, only to residents of Bates County. The Family Care Clinics, as rural health clinics, have no geographical restrictions.

BCMH's values of respect, compassion and excellence shall be reflected in the application process, financial need determination and granting of financial assistance. Requests for financial assistance shall be processed promptly and BCMH shall notify the patient or applicant in writing within a reasonable time limit of receipt of a completed application.

Each patient has the opportunity to apply for financial assistance prior to treatment, and throughout the Application Period. The need for financial assistance shall be re-evaluated at each subsequent time of service if the last financial evaluation was completed more than 6 months prior, or at any time additional information relevant to the eligibility of the patient for financial assistance becomes known.

IV. Discounts to Patients.

- A. Uninsured Discounts: BCMH provides a discount on gross charges for all uninsured patients (See Exhibit A).
- B. Charity Discounts: BCMH provides a charity discount for eligible patients based on Federal Poverty Level Guidelines. A small nominal fee of \$20 will be due as a co-pay for any clinic and/or emergency room services. The charity care discount is applied to the patient's remaining liability after

insurance for insured patients and after the uninsured discount is applied for uninsured patients. (See Exhibit B)

- V. Amount Generally Billed (AGB)/Limitation of Charges. BCMH limits the amount charged for emergency and medically necessary care provided to patients who are eligible for financial assistance under this policy to not more than gross charges for the care multiplied by the AGB percentage. The AGB percentage is determined using the prospective Medicare method.
- VI. Relationship to Collection Policies. Patients/guarantors are expected to pay the amount of their account that is not eligible for assistance under this policy. Patients/guarantors who fail to pay their balance after the associated discounts have been applied will be subject to normal collection procedures. Please see BCMH Billing and Collection Policy for a comprehensive schedule of collection activities to which an account will be subjected. A copy of the BCMH Billing and Collection Policy may be obtained at no charge by either calling a Financial Counselor at BCMH (660-200-7314).
- VII. Providers Covered. A list of providers that are covered under this policy and those that are not is maintained at:

<http://www.bcmhospital.com>

Any questions about inclusion or exclusion of providers that are covered under this policy can be directed to BCMH's Financial Counselor at 660-200-7314.
- VIII. Regulatory Requirements. In implementing this policy, BCMH 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.
- IX. Documentation. Patient Business Services will maintain records of its financial assistance applications, determinations of financial assistance and notices to patients to adequately document its fair and consistent application of this policy in accordance with our policy on record retention and destruction.

Exhibit A: Uninsured Discounts

Uninsured Discount from Gross Charges 15%

Note: The uninsured discount will not be applied to patients who have been pre-approved for financial assistance. The financial assistance policy will be applied.

Exhibit B: Charity Discounts

Eligibility Scale based on Federal Poverty Level

Federal Poverty Level

0% - 200%

Over 200%

Financial Assistance Discount

100%

0%

