

WILLIAM NEWTON HOSPITAL

Financial Assistance Policy

Department: Administration

Policy #17

Subject: Provision for Financial Assistance

POLICY

William Newton Hospital, its employed physicians, outpatient provider-based clinics, rural health clinics and ancillary services (hereinafter referred to as WNH) have a long tradition of serving those who are economically disadvantaged and all who require healthcare services. WNH is committed to providing Financial Assistance for the healthcare needs of individuals who are uninsured, underinsured, ineligible for government programs or otherwise unable to pay for medically necessary care based on their financial situation.

WNH provides care to anyone needing emergency healthcare treatment regardless of citizenship, legal status or ability to pay. When appropriate a transfer to another facility better equipped to administer the treatment will be arranged even if the patient cannot pay or does not have medical insurance. The necessity for medical treatment of any patient will be based on the clinical judgment of the provider without regard to the financial status of the patient. All patients will be treated with respect and fairness regardless of their ability to pay within the meaning of the Emergency Medical Treatment and Labor Act (EMTALA), section 1867 of the Social Security Act (42 U.S.C. 1395dd).

In order to promote the health and well-being of the communities served by WNH, individuals with limited financial resources shall be eligible for free or discounted health care services based on established criteria. Eligibility criteria will be based upon 120% to 200% Federal Poverty guidelines www.aspe.hhs.gov/poverty and will be revised annually in conjunction with the published updates by the United States Department of Health and Human Services. All current self-pay accounts for medically necessary inpatient and outpatient services may be considered for financial assistance. If the determination is made that the patient has the ability to pay all or a portion of the bill, such a determination does not prevent a reassessment of the person's ability to pay at a later date. The need for financial assistance is to be re-evaluated at the following times:

- Subsequent rendering of services,
- Income change,
- Family size change,
- When the last financial evaluation was completed more than 240 days prior or at Administration discretion.

Patients are responsible for completing the Financial Assistance Application and for providing the required documentation, in order to determine eligibility for Financial Assistance. Administration reserves the right to accept other documentation in lieu of those specifically listed on the application. Patients may also be referred to outside agencies to assist with applying for assistance from governmental programs or other patient financial assistance agencies that may be available to pay for the patient's healthcare.

Appropriate signage is visible in WNH facilities, specifically at patient intake areas, to increase awareness of the Financial Assistance Program. A Financial Assistance Packet will be available which includes the Financial Assistance Application, Financial Assistance Summary and Payment Policy. This information is also listed on the WNH website www.wnhcares.org and applications will be mailed upon request.

PURPOSE

To identify circumstances that the WNH may provide care without charge or at a discount commensurate with the ability to pay, for a patient whose financial status makes it impractical or impossible to pay for medically necessary services. The sliding fee discount is based on family size and income only. The policy applies only to WNH charges for medically necessary inpatient, outpatient and clinic services, and not physician or other independent company billings. The provision for financial assistance is essential to the execution of the WNH mission.

I. Definitions

- A. **Amount Generally Billed (AGB):** Average maximum amount billed for emergency or medically necessary care, based on insurance claims billed for similar services. Used as a mechanism to prevent patients without insurance coverage to be billed more than the average amount paid for similar insured claims. Applicable discount is calculated using the Look-Back Method.
- B. **Current Account:** A Medically Necessary service provided within 240 days of the first statement and subsequent approval of the Financial Assistance Application.
- C. **Emergency Medical Conditions:** Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd)
- D. **Extraordinary Collection Activity (ECA):** Taking legal action against debtor.
- E. **Family/Household:** The patient, his/her spouse or significant other (including a legal common law spouse) and his/her legal dependents according to the Internal Revenue Service rules. Therefore, 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.
- F. **Family/Household Income:** Gross wages, salaries, dividends, interest, Social Security benefits, unemployment compensation, workers compensation, veteran's benefits, training stipends, military allotments, regular support from family members not living in the household, government pensions, private pensions, insurance and annuity payments, income from rents, royalties, estates and trusts are examples of income.
- G. **Financial Assistance:** Financial assistance results from a provider's policy to administer medically necessary services free or at a discount to individuals who meet the established criteria.
- H. **Financially Indigent:** A person who is uninsured or underinsured and is accepted for care with no obligation or a discounted obligation to pay for the services rendered based on the WNH eligibility criteria set forth in this policy. These patients are also defined as economically disadvantaged and have income at or below federal poverty levels.
- I. **Look-Back Method:** Divides reimbursement from Medicare and all private health insurers combined by gross charges over previous 12-month period, to calculate the AGB discount for inpatient, outpatient, and clinic services.
- J. **Medically Indigent:** A person, who incurs catastrophic medical expenses, after payment by third party payers, is classified as medically indigent when payment would require liquidation of assets critical to living or would cause undue financial hardship to the family support system.
- K. **Medically Necessary:** Services or items reasonable and necessary for the diagnosis or treatment of illness or injury. Medically necessary services do not include elective surgery or procedures, fertility treatments or infertility treatments (tubal ligation, vasectomy).
- L. **Underinsured:** The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses for medically necessary services that exceed financial abilities.

- M. **Uninsured:** The patient has no level of insurance or third-party assistance to assist with meeting payment obligations for medically necessary services.

II: Financial Assistance Guidelines

- A. To be eligible for a 100% reduction from the patient portion of billed charges, the Family/Household Income must be at or below 120% of the current Federal Poverty Guidelines. Step 1: Approval of the Financial Assistance Application. If patient is uninsured, the balance will reflect a reduction calculated based on the applicable AGB discount. Step 2: Approved Financial Assistance percentage applied.
- B. To be eligible for 10% to 99% reduction of the patient portion of billed charges, the Family/Household Income must be between 120% and 200% of the Federal Poverty Guidelines. Step 1: Approval of the Financial Assistance Application. If patient is uninsured, the balance will reflect a reduction calculated based on the applicable AGB discount. Step 2: Approved Financial Assistance percentage applied. Remaining balance is subject to payment policy guidelines.
- C. Medically indigent patient accounts with Family/Household Income greater than 200% of the Federal Poverty Guidelines will be considered on a case-by-case basis and require prior approval of Administration.
- D. Individuals who are deemed eligible by the State of Kansas to receive assistance from the Crime Victims Compensation Fund shall be deemed eligible for financial assistance at a level to be determined on a case-by-case basis.
- E. Applications will be considered for 240 days after the first statement date of the account you are applying for. It is the patient's responsibility to let the Credit/Collection Manager know they have incurred a new account and would like that account to be considered. Administration reserves the right to request an updated Financial Assistance Application form at any time. Services rendered prior to the Financial Assistance approval period are the responsibility of the patient subject to payment policy guidelines, including prior accounts residing with collection agencies or law firms. However, Administration reserves the right to include additional and/or all accounts listed under the patient/guarantor's name. The patient must reapply in the event of future services incurred if it is after the 240-day application period.
- F. Unmarried deceased individuals with no estate with outstanding balances will be considered 100% eligible for Financial Assistance, including accounts residing with collection agencies or law firms.

PROCEDURE

I. Identification of Potentially Eligible Patients.

- A. The patient is made aware of the Financial Assistance Policy and applications by signage in the registration area, patient intake area, and ancillary departments. Financial Assistance packets are made available upon admission and/or discharge, WNH website www.wnhcares.org and by mail upon request.
- B. Reasonable efforts will be made to identify potentially eligible patients anytime during the rendering of services or during the collection process.
- C. Financial Assistance Applications will continue to be considered for 240 days after receipt of first statement on the current account being considered for financial assistance.
- D. Those patients who may qualify for financial assistance from a governmental program or patient financial assistance agency may be referred to the appropriate program.

II. Determination of Eligibility

- A. All patients identified as potential recipients of financial assistance will be offered the opportunity to apply. The patient should receive and complete a Financial Assistance Application and provide all supporting documentation required to verify eligibility.
- B. Upon completion of the application and submission of appropriate documentation, the Credit/Collections Manager or Clinic Billing Supervisor will review and determination will be made in accordance with the guidelines documented on the Financial Assistance Application.
- C. Accounts where patients are identified as medically indigent or have special circumstances that affect the patient's eligibility for financial assistance will be reviewed and a determination will be documented and maintained in the account file.

III. Presumptive Financial Assistance Eligibility

There are instances when a patient may appear eligible for financial assistance, but there is not a completed application 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 determine that the patient is eligible for financial assistance. In the event there is no evidence to support a patient's eligibility for financial, WNH may use outside agencies in determining estimate of income amounts for the basis of determining financial assistance eligibility and potential discount amounts. Once determined, due to the inherent nature of the presumptive circumstances, the only discount that can be granted is a 100% write off of the account balance. Presumptive eligibility may be determined on the basis of individual life circumstances that may include, but are not limited to:

- A. State-funded prescription programs
- B. Homeless or received care from a homeless clinic
- C. Participation in Women, Infants and Children programs (WIC)
- D. Food stamp eligibility
- E. Subsidized school lunch program eligibility
- F. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down)
- G. Low income/subsidized housing is provided as a valid address
- H. Patient is deceased with no known estate
- I. Medicaid Program participants where coverage is denied for maximum confinement, or non-covered services
- J. Bankruptcy declared and confirmed within the prior (12) months of medically necessary services being rendered
- K. Any uninsured account returned from a collection agency as uncollectable
- L. Participation in Temporary Assistance for Needy Families (TANF) Program
- M. Participation in Children's Health Insurance Program (CHIP)
- N. Participation in Free lunch program at children's respective school
- O. Participation in County Indigent Health Care programs

- P. Patient has no history of payment for medically necessary services
- Q. Patient has stated that he/she does not have the resources to pay
- R. Patient has been given Financial Assistance Application but has not returned the application or the necessary documentation
- S. Other factors that are useful in formation of an expectation of payment

IV. Notification of Eligibility Determination

- A. Clear guidelines as to the length of time required to review the application and provide a decision to the patient should be provided at the time of application. The application states the patient will receive written notification of approval or denial generally within 30-90 days from the date the application is submitted. The application also states it must be returned within 10 days of receipt and that it's valid for 30 days from date the application was signed. This allows for us to process favorably and as quickly as possible with accurate and current information.
- B. If patient account(s) on which the financial assistance is based has been placed with a collection agency or law firm and is within the 240-day period, the collection agency or law firm will be notified by telephone and extraordinary collection activities will be suspended during the consideration of a completed Financial Assistance Application. If a determination allows for a percentage reduction but leaves the patient with a self-pay balance, payment terms will be established on the basis of the payment policy. WNH will refund any patient payments made on applicable uninsured patient account(s) that have occurred during the 240-day approval process.
- C. If an account is placed with a collection agency or law firm, extraordinary collection activities could include accurately reporting adverse information about the individual to consumer reporting agencies or credit bureaus and/or a civil action being filed against the individual, which could then conceivably lead to judgment and post-judgment remedies such as garnishment of wages, garnishment of bank accounts or other personal property, a judgment lien on property and subsequent foreclosure on the property, and if a court found that its orders weren't complied with, a bench warrant and arrest.

V. Monitoring and Reporting

- A. A financial spreadsheet from which periodic reports can be developed shall be maintained aside from any other required financial statements.
- B. The impact of the cost of financial assistance will be analyzed no less than annually and adjustments to eligibility criteria may be made when appropriate.
- C. The Board of Trustees will be presented with the total dollar amount given for financial assistance each month.

VI. Insured Patients Follow same policy with exception:

- A. No insured patient accounts will be refunded.
- B. No AGB discounts will be applied on insured patients.
- C. Legal action will take place as soon as the agency/lawyer receives the account.
- D. Discounts are given based on the federal poverty guidelines.
- E. Provisions to this policy may be changed upon approval of administration.