CLARA BARTON Hospital

Manual: Business Office
Title: Financial Assistance
Revised 07012019
Effective Date: 07/2005
Updated: 01/02/2020
Policy #: 8900.115

Policy: Financial Assistance

Purpose

This program is designed to assist patients, insured\uninsured\under-insured, that are deemed to be medically necessary (medical services that are reasonable and necessary to diagnosis and/or treat a patient medical condition) or financially indigent. By "medically indigent", we mean patients whose health insurance coverage, if any, does not provide full coverage for all of their medical expenses and that their medical expenses in relation to their income, would make them indigent if they were forced to pay full charges for their medical expenses. By “financially indigent” we mean patients whose gross income falls within the Federal Poverty Guidelines but otherwise exceed eligibility requirements for State or local medical assistance. Clara Barton Hospital will review the patient’s financial status and determine what portion of their balance can be considered for financial assistance based on financial or medical hardship.

Policy

Clara Barton Hospital and Clinics will provide an application for Financial Assistance:

1. at the point of the registration, all patients will receive a Plain Language Summary of Clara Barton Hospital and Clinics Financial Assistance Program
2. patients/guarantors can request a Financial Assistance application at anytime
2. by the request of any hospital\clinic personnel,
3. on a case by case basis, upon review of the billing managers for persons who have failed to uphold payment arrangements and have been sent a final notice
4. for services billed by Clara Barton Hospital and Clinics (this would not include Professional fees for out-reach providers)

Financial Assistance Program Funding will be reversed if patient becomes eligible for any third party funding source.

Financial Assistance applications will be held for patients that are referred to the Medicaid eligibility program until that process is complete. All patients need to have attempted all possible resources for health insurance assistance and have completed the process with any external third party agency for health insurance coverage before they are eligible for financial assistance.

If a patient/guarantor does not fall within the guideline for “Medically or Financially Indigent” but the Financial Counselor has deemed the patient cannot pay due to a catastrophic event. The application will be reviewed by the Charity Committee for possible approval for financial assistance.

If any information given in the application process proves to be untrue, Clara Barton Hospital and Clinics reserves the right to re-evaluate the financial status of the applicant and take whatever action becomes appropriate including reversing the decision to allow charity care. Clara Barton Hospital and Clinics may verify all information given in each application including employment history and may check the information given with available credit bureaus or other sources named in the application or available to the hospital.

Financial Counseling will be made available to any individual requesting financial assistance of their medical bills with Clara Barton Hospital and Clara Barton Medical Clinics. The Financial Assistance Policy applies to all entities of Clara Barton Hospital and Clinics and the providers preforming services within the above listed facilities.

Procedure

This section details the steps to determine a patients' medical and financial indigence and provides guidelines for subsequent actions to be considered for the patient account. Clara Barton Hospital and Clinics will ensure that appropriate referrals for medical financial assistance either State, Local or In-house programs have been made.

A. A patient requests or is referred for Financial Assistance.
B. A Financial Assistance Application and Letter regarding the cause for the letter is mailed to the patient for completion.
C. A Presumptive Application can be completed by the patient or hospital representative based on the patient's situation.

THE PATIENT MUST:

1. Submit a completed Financial Assistance Application.

2. Provide all requested information with the application including verifiable income. The patient will be asked for two forms of income verification which may include the income tax return for the prior year and two or more payroll stubs. If there is not clear verification of income the patient may be asked for a checking account bank statement to show proof of income.

3. Ensure the application is signed by all adult household members.

D. A designee from the Financial Assistance Committee will review the submitted application for completeness.

a. If the application is not returned within 30 days. The patients name will be submitted to the Financial Office to proceed with current collection practices. The patient will receive 4 statements within 120 days from the self pay statement date for collection of the balance due. At 90 days the patient will be sent a 30 day collection notice and a Plain Language Summary, if no payment arrangements have been made. Once the full collection cycle of 120 days has been met and no response from the patient, the account will be referred to external collections.

b. If the application is incomplete, a letter requesting additional information will be sent to the applicant stating the information needed and a date in which to return the information. (15 business days).

If the patient does not respond, a letter is sent stating that internal collections will continue.

c. The patient/guarantor will have 240 days from the self pay statement date to complete the financial assistance application. The patient/guarantor may also reapply for financial assistance during the 240 day time frame if their financial status has changed. Once the patient applies for financial assistance all collection process will cease during the application process and review. If Extraordinary Collections Actions (ECA) start on an account prior to the 240 days, all action activity will be reversed if the patient qualifies for financial assistance.

d. Once financial assistance is approved, accounts that are within the 240 day time-frame, if prior payment was made and it exceeds the AGB (Amount Generally Billed) the patient will receive a refund for the amount that exceeded the AGB if the patient received 100% financial assistance. If the patient received a percent of discount for financial assistance, the refund will be calculated on that percent for the refund. If the patient has other bad debt accounts or other account balances that were not a part of the 240 day financial assistance review the refund will be applied to those account balances.

e. Elective Procedures will not be considered for Financial Assistance.

f. The Charity Committee can approve 100% assistance for patients in a medical hardship or catastrophic situation. Supporting Documentation will be included with the Financial Assistance Packet. For a medical hardship to qualify for 100% assistance the medical debt would need to be 50% or more of the gross annual household income. Other catastrophic situations will be evaluated on a case by case basis by the Charity Committee.

g. The Financial Assistance information will be available in Admissions, Emergency Room, Surgery, Outpatient Waiting area, Physical Therapy, all Clinics and both Financial Counselors office. In both English and Spanish.

h. The Financial Assistance Application will be effective for 6 months. Once qualified for assistance, the patient account will have Financial Assistance listed as their insurance. The Financial Counselor will put the effective date on the patient account information showing the from and thru date for how long the Financial Assistance application is active. A report will be ran to identify the accounts that need the Financial Assistance adjustment weekly. Once the assistance has become inactive the patient will need to apply again for Financial Assistance.

i. Annually information will be shared to the community about the Financial Assistance Program at Clara Barton Hospital and Clinics.

j. The Financial Assistance Policy will be updated annually with the new AGB for Self Pay Patients. The Clara Barton Hospital Board will review the policy annually.

E. The information will be compiled in the Determination worksheet and submitted to the Charity Care Committee for review/approval/denial. The Federal Poverty Level used for the discount scale will be updated in accordance with the State of Kansas Medicaid Standards.

Based on patient **monthly** income within the Federal Poverty Level the amount discounted would be 100%, 85%, 75%, 50% and 25%. Self Pay Patients that have qualified for Financial Assistance will receive an AGB (Amount Generally Billed) discount. AGB will be calculated based on the look back method. Data elements are extracted from income statement. (MEDR discount + BC discount + COMM discount + Clinic discount ÷ gross charges) The AGB will be re-evaluated every 12 months. The AGB calculated for 2020 is 32%. The chart listed below is based on current Federal Poverty Guidelines and will be updated annually as new information becomes available. (http://aspe.hhs.gov/poverty-guidelines).

	100%	100%	85%	75%	50%	25%
HH Size						
	100%	150%	200%	250%	275%	300%
1	1012	1518	2023	2529	2782	3035
2	1372	2058	2743	3429	3772	4115
3	1732	2598	3463	4329	4762	5195
4	2092	3138	4183	5229	5752	6275
5	2452	3678	4903	6129	6742	7355
6	2812	4218	5623	7029	7732	8435
7	3172	4758	6343	7929	8722	9515
8	3532	5298	7063	8829	9712	10595

F. Once approved or denied the Financial Office(s) from the Hospital or Clinic will send a letter of approval or denial to the patient. This letter will include:

1. The dollar amount written off the account balance submitted, if applicable. (The patient accounts receiving the discount will be listed.)
2. The amount still owed towards their account.
3. A payment arrangement, not to exceed 20% of their monthly gross income, if required.
4. The reason for the denial; income or resources exceed limit etc. (Charity is not given on elective procedures unless approved by charity committee)
5. A contact name and number for any questions.

G. Complete Applications submitted will be reviewed by the committee monthly. The Financial Counselor has 90 days to complete the process for the Financial Assistance packet.

H. **Uninsured/Self Pay patients** upon request will be eligible to receive a discount on services in the Hospital and Clinics as follows:

a. With approval of the Financial Office the Self Pay Discount Policy will be implemented.

I. Please refer to the Billing and Collection Policy for additional references on the collection of account balances that do not meet financial assistance guidelines.

Bad Debt

Once a patient has agreed to a payment plan or received approval of financial assistance, it is the patients' responsibility to pay the remainder of balance owed towards their account as agreed through the Financial Office on a monthly basis until their account is paid in full.

Once a payment arrangement has been made the payment plan may be referred to an external agency to manage if the payment plan agreement extends more then 120 days. If a payment is missed a payment letter reminder will be sent. If no response, the patient account will be removed from the payment plan agreement and processed into bad debt collections.

If not already referred, the patient may be sent a Financial Assistance application. If the patient does not return the application in thirty (30) days or notify the Financial Office of their inability to pay, the account will continue thru the collection process.

All efforts are made to work with the patient to determine a payment plan. In all cases the patient will have 240 days to return and complete the application for the Financial Assistance process to qualify for assistance. Please refer to the Billing and Collections Policy for accounts that do not meet the Financial Assistance Guidelines

Presumptive Application

A Presumptive Application may be completed by the patient or hospital representative. Based on the criteria listed below, if the patient meets one of these guidelines the Financial Assistance will be approved for 100%.

a. Patient qualifies for other state or local assistance programs.

b. Patient is in a care facility with no disposable income or resources

c. Patient is homeless and/or has received care from a homeless clinic

d. Patient is deceased, with no known estate

e. Patient is incarcerated

f. Patient has a fixed income with little to no disposable income or resources. (Example would be a patient with the only Income of Social Security and has no disposable income)

g. Bankruptcy

All accounts turned to the collection agency will go through the following process by the collection agency before deemed uncollectible:

<u>Criteria for Active to Passive Status</u>

- Account must be worked more than 150 days and no payment
- Debtor is disabled, incarcerated indefinitely, indigent, elderly with no attachable income, or is permanently disabled
- All phone numbers tried (home, work, next of kin) and no response to calls or letters

- No new or different information from other accounts to aid in collection, no spouse or other responsible party of insurance available
- Low likelihood of recovery based on past experience
- Not likely to pay as a result of credit reporting (65 or older, bad credit score)
- On balances over $500, county appraiser called and no property owned
- On balances over $500, credit report run and analyzed and no leads

Criteria for Passive to Uncollectible Status

- Account in Passive Status
- No payment for 150 days
- Debtor is disabled, incarcerated indefinitely, indigent, 65 or older with no attachable income, or permanently unemployed
- Lawsuit has been filed but dismissed for lack of service

After all criteria has been met, the collection agency will deem the accounts uncollectible, cancelled from their system, removed from credit reporting and returned to Clara Barton Hospital and Clinics.

It's the Law
If you have a medical emergency or are in labor

You have the right to receive, within the capabilities of this hospital's staff and facilities:

• An appropriate medical screening examination;

• Necessary stabilizing treatment (including treatment for an unborn child); and

• If necessary, an appropriate transfer to another facility — even if you cannot pay, you do not have medical insurance or you are not entitled to Medicare or Medicaid.

This hospital does participate in the Medicaid program.

La ley lo exige
Si tiene una emergencia médica o está en trabajo de parto

Tiene derecho a recibir, dentro de las posibilidades del personal y las instalaciones de este hospital:

• Un examen médico de evaluación adecuado;
• La atención necesaria para estabilizarlo/a (incluyendo la atención de un niño por nacer); y
• Si fuera necesario, la transferencia a otro centro adecuado — aunque usted no pueda pagar, no tenga seguro médico o no tenga derecho a recibir Medicare o Medicaid.

Este hospital participa en el programa Medicaid.

NAME:
DATE:

NAME:
DATE: