

## Patient Financial Assistance Policy

### Purpose:

Faith Regional Health Services' mission is to Service Christ by providing all people with exemplary medical services in an environment of love and care. Faith Regional desires to further its charitable mission by providing financially disadvantaged and other qualified patients living within its service area with an avenue to apply for financial assistance for non-elective patient care consistent with requirements of the Internal Revenue Services 501 (R) regulations.

Faith Regional is committed to providing health care services and acknowledges that in some cases the patient will not be financially able to pay for the services received. Faith Regional believes that medically necessary and emergency health care services should be accessible to all, without regard to race, creed, color, religion, marital status, national origin, age, disability, ability to pay, sexual orientation, gender identity, veteran status or any other protected class under relevant federal or state statutes.

This policy describes the Financial Assistance eligibility requirements and approval process. Generally, eligibility is determined by comparing the patient's income at the time of service to the Federal Poverty Level Income Guidelines as established by the Department of Health and Human Services. These guidelines are published annually and Faith Regional will update those criteria each year accordingly.

### Scope:

This policy applies to eligible services provided by Faith Regional Health Services and Faith Regional Physician Services as further defined in this policy. Faith Regional Health Services and Faith Regional Physician Services will collectively be referred to as "Faith Regional" throughout this policy.

### Policy:

#### A. Definitions:

1. Amount Generally Billed (AGB): The amount generally billed for emergency or other medically necessary care to individuals who have insurance covering such care, which is determined as further set forth below.
2. Application Period: The application period begins thirty (30) days prior to a scheduled procedure/visit and ends on the latter of (i) the 240th day after the date the first post-discharge (whether inpatient or outpatient) billing statement is provided to the patient OR (ii) not less than 30 days after the date the Faith Regional provides the patient their requisite final notice to commence ECAs.
3. Catastrophic Financial Assistance: A patient's financial responsibility exceeds 30% of the patient's Household Income; provided, however, Net Worth standards will still apply.
4. Extraordinary Collection Action (ECA): Actions taken against an individual related to obtaining payment of a bill for care and may include the following: selling or assigning and individuals' debt to another party, reporting adverse information about the individual to consumer credit bureaus, and certain actions that may require a legal or judicial process as specified by federal law, including liens, foreclosures on real estate, garnishment of wages, etc. ECAs will be further described in Faith Regional's Billing and Collection Policy.
5. Federal Poverty Level: A measure of income published annually by the U.S. Department of Health and Human Services.
6. Financially Indigent: A patient whose Yearly Household Income is less than or equal to 400% of the Federal Poverty Level (FPL), and the patient is either Uninsured or Underinsured; provided, however, that Net Worth standards will still apply.

7. Household Income: The total income of all adult members living in the patient's household at the time the application is submitted, who have resided in this location for at least three (3) months prior and expect to reside at that location for at least the next six (6) months; provided.
8. Medically Necessary Care: Health care services or supplies needed to diagnose or treat an illness, injury, condition, disease or its symptoms and that meet accepted standards of medicine. If there is a question of medical necessity, this policy will defer to Nebraska Medicaid Medical Necessity Guidelines.
9. Net Worth: Net asset value (assets (excluding the patient's primary residence) minus liabilities (excluding Hospital liabilities)) of all adult members living in the patient's household at the time the application is submitted, who have resided in this location for at least three (3) months prior and expect to reside at that location for at least the next six (6) months.
10. Underinsured: A patient who has limited health insurance coverage for medically necessary services provided by the Hospital, has exceeded the limitation under his/her insurance coverage and/or has deductibles, copays, or coinsurance.
11. Uninsured: A patient who has no health insurance or coverage under governmental health care programs and is exempt from the Affordable Care Act (ACA) or any other third-party payment such as worker's compensation or claims against others involving accidents.
12. Service Area: Madison County, NE and surrounding counties in which Faith Regional Health Services and Faith Regional Physician Services have established points of care.

#### **B. Calculation of Amounts Generally Billed:**

1. Faith Regional will apply the "look-back method" for determining AGB. The look-back method will include all claims that have been allowed by Medicare/Medicaid/Commercial Health Insurers for emergency/medically necessary care provided by Faith Regional during a prior twelve (12) month period. Faith Regional will calculate its AGB percentage at least annually by calculating the sum of the amounts of all its claims for emergency or other medically necessary care that have been allowed by Medicare/Medicaid/Commercial Health Insurers during the prior 12-month period divided by the sum of the associated gross charges for those claims. ( $\text{Sum of Payer Allowed Amount} \div \text{Sum of Gross Charges} = \text{AGB Percentage}$ ). Under the look-back method, a hospital facility determines AGB for any emergency or other medically necessary care provided to a Financial Assistance Policy-eligible individual by multiplying the hospital facility's gross charges for that care by the AGB percentage. Gross Charges are defined as the full established rate for the provision of healthcare services and items. ( $\text{Gross Charges} \times \text{AGB Percentage} = \text{AGB}$ ).
2. Faith Regional calculates its AGB Percentage on an annual basis. For purposes of this policy, each new AGB Percentage will be implemented within 120 days of the 12-month period used by Faith Regional to calculate the AGB Percentage.
3. Patients may obtain Faith Regional's most current AGB Percentage and a description of the calculation in writing free of charge by visiting a Financial Counselor at Faith Regional Health Services, 2700 Norfolk Avenue, Norfolk, Nebraska, the emergency room front desk or the admissions desk, in mail at the same address, by calling (402) 371-4880 or at [www.frhs.org](http://www.frhs.org).

#### **C. Limitation on Charges and Calculation of Amount Owed:**

1. Patients who are deemed to be eligible for financial assistance under this policy will not be charged for care covered by this policy more than Amounts Generally Billed. Discounts granted to eligible patients under this policy will be taken from gross charges.

#### **D. Categories of Care Eligible for Financial Assistance:**

1. Both emergency medical care and medically necessary care are eligible for financial assistance under this policy. Whether care qualifies as medically necessary will be determined by the patient's treating provider.
2. Cosmetic procedures, fertility procedures, elective bariatric procedures, and virtual care visits are not eligible for financial assistance under this policy.
3. Care provided at St. Joseph's Skilled Nursing Facility, Skyview Villa Assisted Living, or Faith Regional Home Health Services is not eligible under this policy; provided, however, the Director of Rehab and Post-Acute Care Services, in consultation with the CFO or his/her designee, may utilize the applicant's financial assistance application to determine discounts on a case-by-case basis.

#### **E. Covered Providers:**

1. Care provided by the Hospital and Hospital-employed physicians and practitioners is covered by this policy. Care provided by independent community physicians and other independent service providers is not subject to this policy. Patients should contact these other providers to determine whether care is eligible for financial assistance. Patients may obtain a current list of providers who are subject to this policy at no charge by visiting patient financial counseling at Faith Regional Health Services, 2700 Norfolk Avenue, Norfolk, Nebraska, by calling (402) 371-4880 or by visiting [www.frhs.org](http://www.frhs.org).

#### **F. Eligibility Requirements:**

1. Unless Presumptive Eligibility applies, Patients/Guarantors requesting Financial Assistance must submit a completed Financial Assistance Application with the required supporting documentation within the Application Period.
2. Patients/Guarantors must provide proof of identity in the form of a government issued identification and Proof of Residency.
3. One application will be used to determine eligibility for the entire household. Household members not identified on a Federal Tax Return will require proof residency.
4. Applicants who are determined to be Financially Indigent or who qualify for Catastrophic Financial Assistance will qualify for Financial Assistance unless otherwise excepted or limited as further set forth in this policy.
5. Faith Regional will generally provide financial assistance only after all other means of financial support are exhausted from available payment sources including, but not limited to Medicaid and Marketplace Health Insurance. Patients who may be eligible for Medicaid, ACA, or other sources of financial assistance and fail to apply for such sources of financial assistance within thirty (30) days of Faith Regional's request are not considered eligible for financial assistance under this policy. Faith Regional offers assistance in the application processes through a third-party eligibility determination service.
  - a. For patients to remain eligible for Financial Assistance, the patient/guarantor must apply for and /or continue to pursue all benefits for which they are presently entitled to or may become entitled to, including Medicare, Medicaid, Social Security Disability, or any other state or Federal programs, until the patient/guarantor are either approved or denied.
  - b. If a patient/guarantor is denied benefits through any Federal or State program due to lack of cooperation, Financial Assistance may not be granted or may be revoked, and discounts will be reversed, resulting in all outstanding debts to Faith Regional becoming patient/guarantor responsibility.

## **G. Limitations of Eligibility:**

1. Regardless of qualification as Financially Indigent or for Catastrophic Financial Assistance:
  - a. Residents outside of the Service Area are generally not eligible for Financial Assistance.
    - i. The CFO or his/her designee will approve residents outside the Service Area who would otherwise qualify as Financially Indigent or for Catastrophic Financial Assistance on a case-by case basis;
    - ii. If a resident outside the Service Area requires continued medically necessary care, the patient must provide a letter from his or her physician that explains the necessity of care at Faith Regional and the unavailability of care in the patient's home county or state. The CFO or his/her designee will make the eligibility determination.
2. Net Worth: When 10% of a patient's Household Net Worth exceeds the amounts owed on existing accounts, the patient/guarantor will not qualify for financial assistance regardless of Household Income or Catastrophic Financial Assistance eligibility.
3. Third Party Liability and duty to supplement application:
  - a. In instances of Third-Party Liability (TPL) or Worker's Compensation (WC), Faith Regional will not apply financial assistance until there is sufficient evidence of patient responsibility. A letter of settlement is required from the third-party insurance or an attorney. Faith Regional will consider workers' compensation claims similarly.
  - b. Patients that obtain a financial award through a third-party liability situation must report the amount of the award as income to Faith Regional. A new Financial Assistance Application will be reprocessed based on the new income amount.
4. If Health Savings Account (HSA) funds exceed \$250, the patient must use those funds to pay their out of pocket portion prior to being eligible for financial assistance. However, in the event the patient is eligible for financial assistance after making such payment, Faith Regional will refund any amounts to the patient as required under this Policy.

## **H. Determination of Eligibility:**

1. Faith Regional will use the Financial Assistance Application, Proof of Household Income, and Net Worth to determine the applicant's eligibility.
  - a. When calculating income for self-employed individuals, depreciation expense (line 13) and vehicle expense (line 9) (for any vehicle also used for personal use) will be added to the net Revenue of the Schedule C.
2. Financial assistance applications are generally valid for six (6) months from the time the application is submitted; provided, however, Faith Regional retains the right to require any applicant to reapply if new information pertaining to the change in his or her income level becomes available that may change his or her eligibility for Financial Assistance.
3. Presumptive Eligibility:
  - a. Faith Regional reserves the right to provide financial assistance even though an application has not been submitted for the applicable care.
    - i. Circumstances include homelessness, death without an estate, and emergency services for out-of-state Medicaid patients.

- ii. If the patient was provided less than the maximum possible level of financial assistance under the prior application, Faith Regional will:
  - a. Notify the patient regarding the basis for the presumptive financial assistance
  - b. Notify the patient as to how to apply for potentially more financial assistance
  - c. Give the patient the full application period to apply for more generous assistance before initiating ECAs.
  - d. If the individual submits a completed application seeking additional financial assistance during the Application Period, the application will be processed in accordance with this policy.

**Procedure:**

**A. Requesting Information:**

1. Patients may obtain a copy of this policy, a plain language summary of this policy, a Financial Assistance application, and assistance completing the application free of charge (i) by mail by calling (402) 371-4880, (ii) by download from [www.frhs.org](http://www.frhs.org), or (iii) in person from a Financial Counselor at Faith Regional Health Services, 2700 Norfolk Avenue, Norfolk, Nebraska or at the emergency department or admissions desks.

**B. Application Process:**

1. Patients who believe they may qualify for financial assistance under this policy are required to submit an application on Faith Regional's Financial Assistance application form, including all requested supporting documentation during the Application Period.
2. Completed applications must be returned to a Financial Counselor at Faith Regional Health Services, 2700 Norfolk Avenue, Norfolk, Nebraska. Electronic submissions are accepted by e-mailing a completed application and supporting documentation to [financial\\_counselors@frhs.org](mailto:financial_counselors@frhs.org).

**C. Incomplete Applications:**

1. Applications are determined to be incomplete if information requested in the Application is not included or all documents in the Patient Checklist (included with the application) are not provided.
2. Incomplete applications will not be processed by Faith Regional. If a patient submits an incomplete application, Faith Regional will suspend all collection actions, including any ECAs, and provide the patient with written notice setting forth the additional information or documentation required to complete the application.
3. The written notice will include the contact information (telephone number, and physical location of the office) of the Financial Counselor processing the application. The notice will provide the patient with at least 10 days to provide the required information.
4. If the required documentation is not provided within 30 days of notification, an ineligibility letter will be sent to the applicant and any suspensions of collections and ECAs will be released; however, if the patient submits a completed application prior to the end of the Application Period, Faith Regional will accept and process the application as complete. Collection actions, including ECAs, would be suspended again with the receipt of all required documents to allow processing time.

#### **D. Complete Applications:**

1. To be considered “complete” a financial assistance application must provide all information requested on the form and in the instructions to the form, including all documents in the Patient Checklist (included with the application).
2. Upon receipt, Faith Regional will suspend all collection efforts, including any ECAs taken against the patient, for accounts that may qualify for Financial Assistance under the submitted application. Eligible accounts will be those accounts that are still within the Application Period.
3. Faith Regional may, in its own discretion, accept complete financial assistance applications submitted after the Application Period.

#### **E. Determination of Eligibility for Financial Assistance:**

1. Financial Counselors will gather the financial assistance application, financial documentation and family size information.
2. After compiling the information and checking for completeness, the Financial Counselor will determine if the applicant falls within the parameters to qualify for financial assistance. Faith Regional may take into account in its determination (and in determining whether the patient’s application is complete) information provided by the patient other than in the application.
3. Once it is determined that the patient/guarantor may be eligible for a financial assistance discount based on Household Income and Net Worth or Catastrophic Financial Assistance, the completed application will be forward to the PFS Patient Experience Manager, Director of Patient Financial Services, and the CFO for final approvals.
4. In the event the Financial Counselor determines the patient/guarantor is ineligible for a financial assistance, the Financial Counselor will mail a letter of ineligibility to the patient/guarantor setting forth the reason(s) for denial. The patient/guarantor has the right to appeal this determination by sending a letter requesting an appeal of the decision to the Financial Counselor. Once an appeal letter is received, the Financial Counselor will forward the complete application, documents, and appeal letter to the PFS Patient Experience Manager for further review. At the time of the eligibility determination, Faith Regional will examine the applicant’s account files for any other outstanding obligations. In the event the appeal is granted, Faith Regional will only apply the discount to those accounts that are still within the Application Period.
5. Unless otherwise delayed as set forth herein, such determination shall be made within 30 days of submission of a timely completed application.
6. For questions and/or assistance with filling out a financial assistance application, the patient may contact a Financial Counselor at Faith Regional Health Services, 2700 Norfolk Avenue, Norfolk, Nebraska, or call (402) 371-4880.

#### **F. Approved Financial Assistance Amounts:**

1. In the event the patient qualifies for financial assistance as Financially Indigent and is not otherwise excepted from financial assistance by this policy, the patient will receive a Discount as forth set forth in Appendix A.
2. In the event the patient qualifies for Catastrophic Financial Assistance, the patient will be responsible for their medical bills up to 30% of Household Income. Any remaining amount will be considered financial assistance under this policy.

3. If Financial Assistance provided to the patient results patient responsibility greater than the AGB, the patient/guarantor will be provided additional financial assistance such that the patient/guarantor is not personally responsible for more than the AGB. In determining whether an eligible patient has been charged more than the AGB, Faith Regional considers only those amounts that are the personal obligation of the patient. Amounts received from third-party payers are not considered charged or collected from the patient.
4. If the patient is eligible for financial assistance, Faith Regional will provide the patient with a revised bill for care after the application of financial assistance that includes the amount the patient owes after financial assistance, how the revised amount was determined, and either the AGB for the care provided or instructions as to how the patient can obtain information regarding the AGB for the care provided. If the patient has already made payments to Faith Regional for the episode of care, Faith Regional will issue a refund to the patient if the payments were in excess of the patient's obligation after the application of approved financial assistance unless such amount is less than \$5. Faith Regional will also take reasonable measures to reverse any ECAs that have been taken against the patient.

#### **G. Collection Actions:**

1. For further information on the actions Faith Regional may take in the event of non-payment, please see Faith Regional's Billing and Collection Policy. Patients may obtain the Billing and Collection Policy free of charge by contacting patient financial counseling at Faith Regional Health Services, 2700 Norfolk Avenue, Norfolk, Nebraska, (402) 371-4880, or by download at [www.frhs.org](http://www.frhs.org).

#### **H. Emergency Medical Care:**

1. Emergency medical treatment will be provided without regard to ability to pay and regardless of whether the patient qualifies for financial assistance under the financial assistance policy. The Hospital will not take any action that may interfere with the provision of emergency medical treatment, for example, by demanding payment prior to receiving treatment for emergency medical conditions or permitting debt collection activities that interfere with the provision of emergency medical care in the emergency department. Emergency medical treatment will be provided in accordance with Hospital policies governing and implementing the Emergency Medical Treatment and Active Labor Act.

#### **Other FRHS Policy References:**

Emergency Medical Treatment and Active Labor Act Billing and Collection Policy

#### **Other References:**

Internal Revenue Service Rule 501(r)

#### **Associated Documents:**

- A. Patient Financial Assistance Policy Plain Language Summary
- B. Patient Financial Assistance AGB Calculation
- C. Patient Financial Assistance Application