

Pocahontas Memorial Hospital

TITLE: PMH Financial Assistance Policy	EFFECTIVE: June 27, 2013
DEPARTMENT: Finance	REVISED: July 26, 2018

POLICY

This policy applies to Pocahontas Memorial Hospital (PMH) and all its entities. PMH is committed to providing financial assistance to persons who have health care needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. The necessity for medical treatment of any patient is based on clinical judgement of the provider without regard to the financial status of the patient. The Financial Assistance Policy (FAP) will be extended to all patients without distinction on the basis of age, race, color, creed, ethnicity, religion, national origin, marital status, sex, sexual orientation, gender identity or expression, disability, association, veteran or military status or any other basis prohibited by federal, state or local law.

PMH retains its right of sole discretion in determining a patient's ability to pay. All patients presenting for emergency services will be treated regardless of their ability to pay. For emergent services, applications to the Financial Assistance Program will be completed, received, and evaluated retrospectively and will not delay patients from receiving care.

PURPOSE:

It is the philosophy of PMH that all individuals who receive medical care at PMH should be held responsible for their financial obligations. It must be recognized that a segment of the population has a limited ability to pay and, therefore, PMH's Financial Assistance Policy was established to recognize the needs of individuals and families who do not have the financial resources to meet some or all of their obligations. The policies and guidelines outlined in this plan were developed to ensure that eligibility is determined in a fair and equitable manner. Financial Assistance may be granted to residents in the PMH primary service area. The purpose of the following policy statement is to describe how applications for Financial Assistance should be made, the criteria for eligibility, and the steps for processing applications. This policy applies only to PMH hospital charges and the professional fees of PMH employed physicians. This policy does not apply to other healthcare providers who independently bill for their services.

DEFINITIONS:

Federal Poverty Guidelines (FPG): Poverty guidelines updated annually in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2).

Household: The household includes patient, the patient's spouse, all the patient's dependents, and anyone who may claim the patient as a dependent. If the patient is under the age of eighteen, the household includes the patient, the patient's natural or adoptive parent(s), anyone claiming the patient as a dependent, and the parent'(s) other dependents.

Uninsured Patient: An individual who is uninsured, having no coverage by (i) a commercial third-party insurer, (ii) an ERISA plan, (iii) federal or state healthcare program (including without limitation Medicare, Medicaid, and Champus), (iv) workers' compensation, (v) medical savings accounts, (vi) third-party liability coverage, or (vii) other coverage for all or any part of his or her bill.

Underinsured Patient: An individual who has liability insurance, commercial insurance, or third-party insurance coverage for healthcare costs and expenses, but for whom the healthcare benefits of such insurance are limited in the scope of covered services (e.g., accident), the amount of coverage (e.g., exhaustion of benefits), or in the duration of coverage.

Insured Patient: An individual with commercial or third-party insurance coverage.

PROCEDURE:

Notification of the financial assistance program shall be disseminated by various means including written and verbal communications with patients regarding their bill. Signage shall be visible in the hospital to notify patients of the financial assistance program. Signage shall be posted in all patient intake areas including, the Emergency Department and the Admission/Patient Registration area. Copies of the Financial Assistance Policy, applications and a plain language summary of the Financial Assistance Policy will be made available upon request and without charge. Notification of the financial assistance program and a plain language summary of this policy shall be made available on the PMH website.

Financial Assistance may be extended when a review of a patient's individual financial circumstances has been conducted and documented. This may include the patient's existing medical expenses, including any accounts having gone to bad debt, as well as projected medical expenses.

Before financial assistance is applied, an attempt will be made to obtain reimbursement from third parties such as Medicare, Medicaid and private insurance for those patients who qualify. If insurance applies, an explanation of benefits (EOB) must be received from the insurance company before any financial assistance discounts will be applied.

I. PROGRAM ELIGIBILITY

1. PMH strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.
2. Reasonable efforts will be taken to determine whether a patient is eligible for financial assistance. The notification period for availability of the Financial Assistance Program begins on date of care and ends on the 120th day after the first billing statement. Collection efforts may begin after this notification, however financial assistance applications must be accepted, processed, and an eligibility determination made within 240 days after the first billing statement is issued.
3. Specific exclusions to coverage under the financial assistance program include the following:
 - a. Services provided by healthcare providers not affiliated with PMH
 - b. Unpaid balances resulting from cosmetic or non-medically necessary services
 - c. Ambulance service (without meeting medical necessity)
 - d. Other elective PMH procedures
 - e. Physician charges for non-hospital based physicians even if related to the date of service are excluded from PMH's financial assistance program.
4. Patients may become ineligible for financial assistance for the following reasons:
 - a. Refusal to provide requested documentation or providing incomplete and/or inaccurate information.
 - b. Refusal to be screened or apply (based on screening outcome) for other assistance programs prior to submitting an application to the Financial Assistance Program.

5. Patients who become ineligible for the program will be required to pay any open balances and may be referred for additional collections if the balance remains unpaid in the agreed upon time periods.
6. Patients who indicate they are unemployed and have no insurance coverage shall be required to submit a Financial Assistance Application unless they meet Presumptive Financial Assistance (See Section II below) eligibility criteria.
7. Insured patients: To be eligible for Financial Assistance for all open outstanding balances after payments by commercial or third-party insurance, the patient's household income, adjusted for family size, must be less than or equal to 300% of the current Federal Poverty Guidelines.
8. Uninsured patients: To be eligible for 100% of Financial Assistance for all open outstanding balances, the patient's household income, adjusted for family size, must be less than or equal to 300% of the current Federal Poverty Guidelines. Patients with household income more than 300% but less than 400% may qualify for a financial assistance discount (see attachment A for sliding scale). Uninsured patients who are approved through the Financial Assistance Program will forfeit the uninsured discount given at the time of billing. The discount will be adjusted according to the Financial Assistance guidelines.

II. PRESUMPTIVE FINANCIAL ASSISTANCE ELIGIBILITY

1. Patients may qualify for Presumptive Financial Assistance Eligibility. A patient may be eligible for financial assistance, but there is no financial assistance application and/or supporting documentation on file. Adequate information provided by the patient or through other sources, may provide sufficient evidence to make a determination of financial assistance. PMH reserves the right to use outside agencies or information in determining estimated household income. Presumptive financial assistance may be granted at 100% write-off of the patient responsibility and will only cover the specific date of service. Presumptive Financial Assistance Eligibility may be determined on the basis of individual life circumstances that may include:
 - a. Qualified Medicare Beneficiary (QMB) and Special Low Income Medicare Beneficiary ("SLMB") coverage
 - b. Supplemental Nutrition Assistance Program (SNAP)
 - c. Women, Infants and Children Programs (WIC)
 - d. Homelessness
 - e. Medicaid with a spenddown
 - f. Eligibility for other state or local assistance programs
 - g. Patient is deceased with no known estate
2. Specific services or criteria that are ineligible for Presumptive Financial Assistance include:
 - a. Purely elective procedures are not covered under the program.
 - b. Qualifying non-U.S. citizens are to be processed for reimbursement through the Federal program for Undocumented Alien Funding for Emergency Care (a.k.a. Section 1011) prior to Financial Assistance consideration.

III. ASSET CONSIDERATION

1. Assets are generally not considered as part of financial assistance eligibility determination unless they are deemed substantial enough to cover all or part of the patient responsibility without causing undue hardship. Individual patient financial situation such as the ability to replenish the asset and future income potential are taken into consideration whenever assets are reviewed.

2. The following assets are exempt from consideration:
 - a. The first \$10,000 of monetary assets for individuals and the first \$25,000 of monetary assets for families.
 - b. Up to \$150,000 in primary residence equity.
 - c. Retirement assets, regardless of balance, to which the IRS has granted preferential tax treatment as a retirement account, including but not limited to, deferred compensation plans qualified under the IRS code or nonqualified deferred compensation plans. Generally, this consists of plans that are tax exempt and/or have penalties for early withdrawal.

IV. APPEALS

Patients whose financial assistance applications are denied have the option to appeal the decision.

- a. Appeals can be initiated in writing by contacting a PMH Financial Counselor.
- b. Patients are encouraged to submit additional supporting documentation justifying why the denial should be overturned.
- c. Appeals are documented within the financial accounting system and reviewed by the next level of management above the representative who denied the original application.
- d. If the first level appeal does not result in the denial being overturned, patients have the option of escalating to the next level of management for additional reconsideration.
- e. The escalation can progress up to the Chief Executive Officer, whose determination is final.
- f. A letter of final determination will be provided to each patient who has formally submitted an appeal.

V. COLLECTION ACTIVITIES

PMH will not engage in extraordinary collection activities (ECA) for any patients enrolled that qualify under the hospital's Financial Assistance Policy for a 100% discount. An ECA is defined as any action that requires a legal or judicial process, including but not limited to:

- a. Placing a lien on an individual's property
- b. Foreclosing on an individual's real property
- c. Attaching or seizing an individual's bank account or any other personal property
- d. Commencing a civil action against an individual
- e. Causing an individual to be subject to warrant to civil arrest
- f. Garnisheeing an individual's wages
- g. Reporting a debtor to a credit bureau

PROCESS

1. The PMH Business Office will designate a trained person or persons who will be responsible for taking Financial Assistance applications. These staff can be Financial Counselors or Patient Account Representatives.
2. Every possible effort will be made to provide financial clearance prior to date of service. Where possible, designated staff will consult via phone or meet with patients who request financial assistance to determine if they meet preliminary criteria for assistance.

3. An eligibility check will be completed with the Medicaid program to verify patient coverage. If patient is not covered and household income is below the Medicaid guidelines, patient must apply for Medicaid before the financial assistance will be processed. Patient must provide PMH a copy of denial letter. Denial letters must be dated within 90 days of application date. If patient qualifies for Medicaid but refuses to apply, patient will become ineligible for financial assistance.
4. Each applicant must provide information about family size and income (as defined by Medicaid regulations). To help applicants complete the process, PMH will provide an application that will let them know what paperwork is required for a final determination of eligibility.
5. PMH will not require documentation beyond that necessary to validate the information on the Financial Assistance Application.
6. Applications initiated by the patient will be processed and eligibility determination will be documented within the financial accounting system. A letter of final determination will be submitted to each patient who has formally requested Financial Assistance.
7. Patients will have thirty (30) days to submit required documentation to be considered for eligibility. If no data is received within 30 days, a letter will be sent notifying that the case will be closed for inactivity and the collection process will resume. The patient may re-apply to the program and initiate a new case if the original timeline is not adhered to.
8. In addition to a completed Financial Assistance Application, patients may be required to submit:
 - a. A copy of their most recent Federal Income Tax Return (if married and filing separately, a copy of spouse's tax return and a copy of any other person's tax return whose income is considered part of the family income as defined by Medicaid regulations)
 - b. Proof of disability income (if applicable)
 - c. A copy of their most recent pay stubs (if employed), other evidence of income of any other person whose income is considered part of the family income as defined by Medicaid regulations or documentation of how they are paying for living expenses.
 - d. A copy of their most recent bank statement(s)
 - e. Proof of Social Security income (if applicable)
 - f. Proof of U.S. citizenship or lawful permanent residence status (green card)
 - g. Itemization of monthly expenses
 - h. If unemployed, reasonable proof of unemployment such as statement from the Office of Unemployment Insurance, a statement from current source of financial support, etc.

Financial Assistance will not be approved without proper supporting documentation

9. Completed applications with all required information will be reviewed by staff and forwarded to the exonerations committee for final determination of eligibility based on PMH guidelines.
10. Coverage shall be effective for the month of determination and the following six (6) calendar months. A new application will be required every six months to ensure all information is current.
11. The following may result in the reconsideration of financial assistance approval:
 - a. Post approval discovery of an ability to pay
 - b. Changes to the patient's income, assets, expenses, or family status which are expected to be communicated to PMH

12. PMH will monitor patients with six month approval periods utilizing a unique insurance plan code(s) in the financial accounting system. However, it is ultimately the responsibility of the patient or guarantor to advise PMH of their eligibility status for the program at the time of registration or upon receiving a statement.
13. If patient is determined to be ineligible, all efforts to collect co-pays, deductibles, or a percentage of the expected balance for the service will be made prior to the date of service or may be scheduled for collection on the date of service.

ATTACHMENT A

Sliding Scale

		% of Federal Poverty Level Income										
		300%	310%	320%	330%	340%	350%	360%	370%	380%	390%	>400%
Size of	FPL	Approved % of Financial Assistance										
Family Unit	Income	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%
1	\$12,140	\$36,420	\$37,634	\$38,848	\$40,062	\$41,276	\$42,490	\$43,704	\$44,918	\$46,132	\$47,346	\$48,560
2	\$16,460	\$49,380	\$51,026	\$52,672	\$54,318	\$55,964	\$57,610	\$59,256	\$60,902	\$62,548	\$64,194	\$65,840
3	\$20,780	\$62,340	\$64,418	\$66,496	\$68,574	\$70,652	\$72,730	\$74,808	\$76,886	\$78,964	\$81,042	\$83,120
4	\$25,100	\$75,300	\$77,810	\$80,320	\$82,830	\$85,340	\$87,850	\$90,360	\$92,870	\$95,380	\$97,890	\$100,400
5	\$29,420	\$88,260	\$91,202	\$94,144	\$97,086	\$100,028	\$102,970	\$105,912	\$108,854	\$111,796	\$114,738	\$117,680
6	\$33,740	\$101,220	\$104,594	\$107,968	\$111,342	\$114,716	\$118,090	\$121,464	\$124,838	\$128,212	\$131,586	\$134,960
7	\$38,060	\$114,180	\$117,986	\$121,792	\$125,598	\$129,404	\$133,210	\$137,016	\$140,822	\$144,628	\$148,434	\$152,240
8	\$42,380	\$127,140	\$131,378	\$135,616	\$139,854	\$144,092	\$148,330	\$152,568	\$156,806	\$161,044	\$165,282	\$169,520

*Note: For family units of more than 8 persons, add \$4,320 for each additional person.

Source: Federal Register, Vol. 83, No. 12, January 18, 2018, pp. 2642-2644.

Patient Income and Eligibility Examples:

Example #1	Example #2	Example #3
<ul style="list-style-type: none"> - Patient earns \$89,000 per year - There are 5 people in the patient's family - The % of potential Financial Assistance coverage would equal 90% (they earn more than \$88,260 but less than \$91,202) 	<ul style="list-style-type: none"> - Patient earns \$58,000 per year - There are 2 people in the patient's family - The % of potential Financial Assistance coverage would equal 40% (they earn more than \$57,610 but less than \$59,256) 	<ul style="list-style-type: none"> - Patient earns \$49,000 per year - There is 1 person in the family - This patient would not qualify for any financial assistance discount.

Notes: FPL = Federal Poverty Levels