



FINANCIAL ASSISTANCE POLICY

PURPOSE

To further Memorial Hospital's mission in meeting community need through the provision of financial assistance for medically necessary health care in a fair, consistent, respectful and objective manner to low-income patients whether they are uninsured or under-insured.

DEFINITIONS

AGB – Amount generally billed. MH will charge the amounts generally billed to individuals with Medicare.

Annual Family Income – Includes but is not limited to assets such as bank account balances, trusts and investments but excludes primary residence.

Assets – These include checking accounts, savings accounts, trust funds and other investments. Additionally, countable assets include the liquidated value of land (including farmland), equity in recreational vehicles, boats, second home, etc. Assets included in the formula for financial assistance consideration will be the amount in excess of two months normal living expenses.

Benefit Eligibility Service – Haase and Long of Lawrence, Kansas is MH's contracted benefit eligibility search agency for MH. They perform public benefit eligibility screening and enrollment of our eligible patients,

Emergency Care or Emergency Treatment – An acute medical condition that, if not given immediate medical attention, could reasonably be expected to result in a) Placing the health of the individual in serious jeopardy; b) serious impairment of bodily functions; or c) serious dysfunction of any bodily organ or part.

EMTALA – The Emergency Medical Treatment and Active Labor Act (42 U.S.C. §1395dd).

Family – The patient, patient's spouse (regardless of whether they live in the home) and all of the patient's children, natural or adoptive, under the age of eighteen who live at home. If the patient is under the age of eighteen, the "family" shall include the patient, the patient's natural or adoptive parent(s) (regardless of whether they live in the home), and the parent(s)' children, natural or adoptive under the age of eighteen who live in the home. In the case of unmarried adults living together all adults' income will be considered as income in financial assistance determination.

FPG – The Federal Poverty Income Guidelines (FPG) that are published from time to time by the U.S. Department of Health and Human Services and in effect at the date of service for award of financial assistance under this Policy.

FAP – Memorial Hospital Financial Assistance Policy.

Medically Indigent – Guarantor with current self-pay medical balances that equal or exceed 25% of Annual Family Income.

Medically Necessary Care – Medically necessary care are those services reasonable and necessary to diagnose and provide preventive, curative or restorative treatment for physical conditions in accordance with professionally recognized standards of health care generally accepted at the time services are provided.

Notification Period – From date of service until 120-days following date of first statement to patient/guarantor when MH patient account representatives will notify patient/guarantor in all written and oral communications of MH Financial Assistance Policy.

Policy – This Financial Assistance Policy as in effect from time to time.

Under-insured Patients – Patient who are insured or qualify for governmental or private programs that provide coverage for the services rendered but do not have resources to pay the private portion of the bill.

Uninsured Patients – Individuals who do not have governmental or private health insurance or whose insurance benefits have been exhausted.

POLICY FOR EMERGENCY AND MEDICALLY NECESSARY CARE

1. **Policy to Provide Care on a Nondiscriminatory Basis.** MH's policy is to provide Emergency and Medically Necessary Care on a non-profit basis to patients without regard to race, creed, or ability to pay. Uninsured or Underinsured Patients who do not have the means to pay for services provided at MH may request to be considered for awards of financial assistance under the Policy. The eligibility criteria for financial assistance and the procedures to apply for financial assistance set out in this Policy are intended to ensure that MH will have the financial resources necessary to meet its commitment to providing care to patients who are in the greatest financial need.
2. **Policy Relating to Emergency Medical Care.** Consistent with EMTALA, MH will provide an appropriate medical screening to any individual, regardless of ability to pay, requesting treatment for a potential emergency medical condition. If, following an appropriate medical screening, MH personnel determine that the individual has an emergency medical condition MH will provide services, within the capability of MH, necessary to stabilize the individual's emergency medical condition, or will affect an appropriate transfer as defined by EMTALA.
3. **Notice of Financial Assistance Policy**
 - a. Memorial Hospital will post its Financial Assistance Policy (FAP) along with a summary of MH's FAP in the emergency department, outpatient waiting room, and registration area and on www.mhsk.org in a downloadable printable user-friendly format along with the financial assistance application. The FAP summary will be included in inpatient packets.
 - b. At the earliest feasible time, Memorial Hospital personnel will attempt to determine whether a patient has third-party coverage for any part of their hospital bill.
 - c. The request for financial assistance may originate from the patient, family member or friend of the family, as well as from any employee of Memorial Hospital or member of the medical staff.
 - d. MH communications both verbal and written to patients/guarantors will include mention of our financial assistance policy during the timely notification period of 120-days since the date of patient/guarantor first statement. Should the patient/guarantor submit a completed MH Financial Assistance application within notification period the notification period will be considered met.
4. **Eligibility Criteria for Financial Assistance.**
 - a. General – In general, Patients who's Annual Family Income does not exceed 250% of the FPG, who meet the other criteria set forth in this Policy.

- b. Geographic Requirement – Only patients who are legal residents of Dickinson County, Kansas are eligible for assistance under this Policy. MH reserves the right to request proof of legal residency from patient applying for financial assistance.
- c. Exceptional Medical Circumstances – A patient may qualify for MH financial assistance under exceptional circumstances. If the patient supplies information to support exceptional medical circumstances (i.e. terminal illness, excessive medical bills and/or medications, etc.) they will be considered for assistance if 100% of the patient-responsibility equal or are greater than 25% of their Annual Family Income. All requests for exceptional circumstance review must be directed to Patient Financial Services for review by the Financial Assistance Committee.

5. Method of Applying for Financial Assistance

- a. To be eligible for financial assistance under this Policy, individuals must apply for financial assistance submitting a completed MH Financial Assistance Application with requested documentation and cooperate with MH and its agents (Account Recovery Specialists, Inc. or Haase and Long) in determining whether the patient is eligible for any other benefits or if the individual is eligible for assistance under this Policy.
- b. Proof of income and financial documentation will be required based on the patient's Annual Family Income at the time of service. Annual Family Income determination should be based on the three-month period immediately preceding the date of service on the application, past year's Federal Income Tax Return, and bank statements for all family members for two months immediately preceding the date of service.
- c. Should the guarantor wish for their outstanding medical bills to be considered in the financial assistance determination they must include the most current medical bills with their application and other documentation.
- d. MH Patient Account Representatives may assist patient/guarantor in completing the Financial Assistance Application and answer questions the patient/guarantor may have regarding same.
- e. Once Financial Assistance Application has been given/sent to the patient/guarantor they will have 14 days to return completed and signed application along with required documentation to MH Patient Financial Services at 511 NE 10th St., Abilene KS 67410.

6. Evaluation of Consideration for Financial Assistance

- a. MH patient account representative or MH agents will proceed through the following hierarchy in an effort to secure the best evidence available from the patient or guarantor (responsible party) at the time of their encounter:
 - i. A completed Financial Assistance application inclusive of the patient or guarantor's signature with the following hard copy documentation
 - 1. Past three months of pay stubs/records for each employed member of the family.
 - 2. All bank statements (including checking, savings, etc.) for each Family member holding such accounts.
 - 3. Past year's Federal Income Tax Return.
 - 4. If there is a discrepancy with the information that was provided from the patient, a hospital representative or their agent may request additional information to support the document.
- b. Completed and signed Financial Assistance application will be forwarded to the PFS Director once all documentation has been received for evaluation and processing.

- c. Following determination of financial assistance a letter will be sent to patient/guarantor notifying them of the determination of financial assistance.

7. Calculation of Financial Assistance

- a. Uninsured patients. When financial assistance is awarded at less than 100% your bill will be discounted to MH's current Medicare payment amount for each service received (AGB). The qualifying level of financial assistance is applied to charges after the AGB discount has been applied.
- b. Under-insured patients. When financial assistance is awarded at less than 100% the qualifying level of financial assistance is applied to current self-pay balance.
- c. Financial Assistance employs a sliding scale discount that takes into consideration a patient's household income and assets. The patient must establish through completion of the Financial Assistance Application and submission of required documentation that the patient's household income is below 250% Federal Poverty Level (FPL). The discount provided per FPL income is provided below.

Income as Percent of Federal Poverty Guideline	Percent of Assistance Discount
0 - 150%	100%
151 - 175	75%
176 - 200	50%
200 – 250	25%

- d. Nothing in this policy shall prohibit Memorial Hospital from offering reduced (as provided in the paragraph below) or more favorable financial assistance to a patient based upon circumstances, including, without limitation, the patient's or his/her household's net worth, likelihood of the patient's future household earnings being sufficient to meet healthcare-related obligations within a reasonable time, the patient's or the responsible party's other reasonable financial obligations, evaluation of the patient's health services history and the patient's need for future services whether an account is discharged in bankruptcy, whether an account is for a deceased person having no estate or other means of payment and whether there exists other sources of payment.
- e. Memorial Hospital reserves the right to grant financial assistance discounts in extraordinary circumstances to patients who do not meet the guidelines stated above. It is also recognized by the parties that there is a very small percent of the uninsured patient population which have very substantial assets and could easily afford to pay for health care, but who, because of having tax exempt income or otherwise, will not have income reflected on a tax return or otherwise. To address these limited and extraordinary situations, Memorial Hospital reserves the right to exempt these individuals from financial assistance.
- f. Collection/legal action may be used to collect amounts due if the responsible party refuses to cooperate in the financial assistance determination process or make and follow suitable payment arrangements. In addition, collection/legal action may be used to collect amounts due that remain after financial assistance determinations have been made and the responsible person fails to make and follow suitable payment arrangements. Legal action may be taken to attach wages when it is believed that there

is sufficient income to pay the amount due. Memorial Hospital Patient Financial Services Director must give authority for such legal action.

FORMS

1. Financial Assistance Application

EFFECTIVE: 05/01/2015

APPROVED:

Paula Pedersen
Patient Financial Services Director

Harold Courtois
Chief Executive Officer

Steven J Schwarting M.D.
Chairman of the Board of Directors