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Policy Area Patient Financial Services

Financial Assistance Program

SCOPE

Hospital-Wide

Statement of Policy:

In keeping with its mission statement and community orientation, Sturgis Hospital acknowledges that all individuals are not equally capable of withstanding the burden of payment for healthcare services, either by themselves or through a third party insurance carrier. Sturgis Hospital recognizes its responsibility to offer healthcare for persons in need, and therefore provides and promotes access to emergency and medically necessary services without regard to ability to pay.

Financial Assistance Policies will apply to all Hospital Services, Provider Based Clinics and Physician Services (ie. Services provided under Federal Tax I.D. 35-2362438).

This policy has been developed to ensure that financial assistance for emergency or medically necessary services is provided to eligible individuals. Regardless of eligibility determination, confidentiality of the information submitted and individual dignity will be maintained for all that seek medical services.

The Hospital must notify the patient or the responsible party of the availability of Financial Assistance from the Hospital within 120 days of the rendering of the care to the patient. The required notification period will end 120 days after the first bill is submitted to the patient/responsible party.

Hospital notification requirements and guidelines include:

- A plain language written **Summary of FAP and Application** to patient prior to discharge
- Description of Eligibility Requirements and assistance offered
- Website Address or URL and physical location where copies of the FAP and application can be obtained

- Instruction of how FAP and Application can be obtained via the Mail
- Contact information of Hospital Associates who can provide assistance about FAP and application plus any other agency and organizations that can also assist
- Statement that individuals eligible for FAP will not be charged more than Amounts Generally Billed to patients with insurance.

The Hospital will provide notification of the Financial Assistance Policy of the Hospital in the primary language of any populations within the primary and secondary market of the hospital and with limited English Proficiency. Note: It has been determined that it is necessary to provide additional notification in the Spanish Language in the Markets of Sturgis Hospital.

The Hospital will submit no less than **three periodic bills** to the patient, which will **include the plain language summary** of the FAP.

A final written notification will be made to the patient/responsible party 30 days prior to the end of the notification period. No less than one oral communication shall be made to the patient/responsible party within the notification period.

The Hospital will provide instructions and information concerning how to complete the application for Financial Assistance and assist in the completion of the application upon the request of the individual.

No Extraordinary Collections Actions (ECA) will take place until the expiration of the application period. Extraordinary Collection Actions include but are not limited to:

- Collection actions/practices that requires legal or judicial process
- Reporting individuals to a collection agency
- Sale of debt or account receivable to a third party
- Other action might include placing liens on property, attach or seize bank accounts, commence civil action.

Eligibility

To be eligible for Financial Assistance, the patient/family must meet the following criteria:

- The patient must be screened for any other financial assistance (Medicare, Medicaid, COBRA, etc.) and determined ineligible.
- The patient's income must not exceed 250% of the poverty guidelines as provided by the Department of Health and Human Services for Region V. See Exhibit A.
- NOTE: Exceptions to this may be made if the patient's medical bills are chronically high or if the healthcare expenditures are a catastrophic burden on the patient, as defined by the Hospital. Exceptions must be granted by the Vice-President-Chief Financial Officer, or his designee.

Patients are not eligible to apply for financial assistance if:

- A. A patient is driving their own vehicle without auto insurance.
- B. The patient has medical/health insurance, but fails to obtain pre-certification or seeks

- treatment at Sturgis Hospital when Sturgis Hospital is not the preferred provider.
- C. Patient or responsible party refuses Group Health Insurance or opt out of Medicare Part B.
 - D. Procedures are cosmetic or non-essential.
 - E. The patient has been previously denied financial assistance or had their financial assistance terminated as a result of the patient's use of false information or fraudulent actions.
 - F. Diagnoses related to dental caries, dental pain or any other dental issues that can be treated by a Dentist.

Financial assistance may be pre-authorized for hardship cases by the Revenue Cycle Director.

Requests for financial assistance should be initiated within 120 days of the rendering of care or within 120 days of the patient/responsible party receiving notification of the self-pay balance. Exceptions may be made if determined appropriate.

Processing of the application for financial assistance will continue for no less than 240 days from the day the care was rendered and from which time the self-pay balance is made.

Patients who have a co-pay and/or deductible balance will not qualify for assistance.

PROCEDURE

- A. Hospital will notify the patient or responsible party within 120 days from date of service about the Financial Assistance Policy.
- B. The notification period ends 120 days after the first bill is submitted to the individual.
- C. Processing of the application for financial assistance will continue for no less than 240 days from the day the patient bill is submitted to the patient or responsible parties.
- D. Patients who can demonstrate that the payment of their hospital bill would be an unbearable hardship may apply for financial assistance through Sturgis Hospital at any Hospital location. This applies to all services that are billed under the Federal Tax I.D. Number of 35-2362438 regardless of whether they are hospital services or physician services. Sturgis Hospital's Collection/Follow-Up Representatives will investigate and verify financial information and other resources available to the patient and will inform potentially eligible patients of this policy. Referrals for financial assistance may also originate from any member of the medical staff, Pastors, Social Services or other hospital employees.
- E. Patient completes the Financial Assessment Form for determination of eligibility and submits it along with the necessary documentation to Sturgis Hospital Patient Financial Services for approval. NOTE: Failure by the applicant to fulfill all requirements of the application process will result in automatic denial.
- F. Documentation required of the patient by the Hospital will include, but not be limited to State or Federal tax returns from most recent year, documentation reflecting denial of qualification of Medicaid benefits, proof of receiving or denial of unemployment compensation, or any or all other documentation deemed reasonable to verify current income status.
- G. Prior to approval, the application is reviewed and information submitted is verified by the Insurance/Collection Representative. Final approval for Financial Assistance adjustments up to \$2,500 is the responsibility of the Revenue Cycle Director, or designee. Amounts above

\$2,500 require the approval of the Vice-President-Chief Financial Officer.

- H. A final determination will be made on eligibility within thirty (30) working days after completion of the application process. The patient will then be notified of the final determination in writing. Once the patient has been approved, all medically necessary services will be applicable for write off for a period of SIX (6) months from the date of approval or the date the first service was written off for Financial Assistance. Patients must submit a new application requesting Financial Assistance every SIX (6) months.
- I. This policy shall not provide payment to physicians or other providers not employed by the Hospital under Tax Identification number 35-2362438 for services they render to patients receiving financial assistance through Sturgis Hospital.
- J. The budget for financial assistance shall be determined annually and approved by the Board of Directors.
- K. On a monthly basis the financial assistance totals will be submitted to the Vice-President-Chief Financial Officer and reported with the financial statements for Sturgis Hospital.
- L. Subject to Federal Poverty Income guidelines, patients providing documentation substantiating current eligibility for Federal or State indigent programs will categorically be eligible for this program without need for further processing. This includes services that are not covered by the Federal or State indigent program.

DENIAL OF FINANCIAL ASSISTANCE

The Hospital will make all reasonable efforts to qualify and enroll patients in the Hospital's Financial Assistance Program. The Hospital will not take any extraordinary collection practices until and unless all reasonable attempts have been made to communicate and enroll patients into the program.

Applicants that are denied financial assistance may qualify for an extended payment plan. The Revenue Cycle Director must approve this plan. The extended payment plan cannot extend beyond 18 months.

Despite denial of financial assistance per the established policy, the applicant may be granted a discount of up to 35% (Defined as Amounts Generally Billed or AGB) for timely payment by those applicants that are felt to have marginal ability to pay the entire account, as determined by the Hospital.

Upon denial of Financial Assistance, normal collection procedures and practices will immediately be resumed. These practices will include but not be limited to:

- Periodic billing for services to patient/responsible party
- Referral of account to "early out" agency to continue billing for self-pay balances
- Referral to bad debt collection agencies after all internal Hospital procedures have resulted in no resolution of collections of the account(s).

DISCOUNTS

All discounts for Financial Assistance will be based on the most current Federal Poverty Guidelines as most recently published. Discounts for Financial Assistance will be as follows:

- Income 0% to 200% of Federal Poverty Guidelines: Account reduction will be 100% of charges

with no sliding scale

- Income 201% to 250% of Federal Poverty Guidelines: Collections will not exceed 115% of the Medicare Fee for Service as calculated by the Hospital periodically
- Income 251% or greater of the Federal Poverty Guidelines: Does not qualify for Financial Assistance.

Attachments

[FAP Application - Spanish](#)

[FAP Application-English](#)

[Income Guidelines](#)

[Summary of Financial Assistance Policy-English](#)

[Summary of Financial Assistance Policy-Spanish](#)

Approval Signatures

Step Description

Approver

Date

Robert J. Morin: COO/CFO

11/2019

Dawn Carter: PAS/HIM Director

11/2019