

 Liberal, Kansas	Manual: Administrative Department: Organization Wide	Effective Date: January 1, 2019
	Title: Financial Assistance Policy	Policy #: FIN 107
	Signature: <i>Bill Ermann</i>	Supersedes: March 1, 2017

SCOPE

This Policy applies to all Southwest Medical Center (SWMC) licensed hospitals, skilled nursing facilities, and provider-based practices.

STATEMENT OF POLICY/PURPOSE

Southwest Medical Center is dedicated to ensuring that emergency and other medically necessary care is accessible to all patients, regardless of ability to pay, ability to qualify for financial assistance, or the availability of third-party coverage. Accordingly, in compliance with applicable State and federal law, Southwest Medical Center Hospital has adopted this Financial Assistance Policy (FAP). This FAP will be widely publicized and includes the eligibility criteria for financial assistance, the basis for calculating amounts charged to patients, the method for applying for financial assistance, the actions that may be taken in the event of nonpayment, and a list of the individual providers delivering care in the hospitals that specifies which are covered by this FAP and which are not.

Exceptions: Financial assistance under this policy is not available for services that are not medically necessary as determined by current CMS regulations.

DEFINITIONS:

Adjusted Federal Poverty Level – Total household size, income and liquid assets.

Amounts Generally Billed (AGB) - The amounts generally billed for emergency or other medically necessary care to individuals who have insurance covering such care after discounts have been applied per the effective contract. Southwest Medical Center calculates the AGB pursuant to the look-back method, as described by §1.501(r)-5. The look-back method is based on actual past claims paid to the hospital facility by Medicare Fee-for-Service along with all private health insurers paying claims to the hospital facility. The amounts billed for emergency and other medically necessary medical services will not be more than the AGB to individuals with insurance covering such care. The AGB percentage will be reviewed and updated by the 120th day after the 12 month period the hospital facility used in calculating the AGB percentage, which is May 1 for SWMC.

Discount - A reduction from the full or gross charges for services rendered.

Extraordinary Collection Actions (ECA) – ECA’s are actions taken by a hospital facility against an individual related to obtaining payment of a bill for care and services provided that may require a legal or judicial process, involve selling an individual’s debt to another party unless certain contractual

terms are in place, or involve reporting adverse information about an individual to consumer reporting agencies or credit bureaus.

Gross Charges – The total charges for care and services provided, as listed on the hospital’s charge master, before any applicable discounts are applied.

Medically Necessary – Any service or procedure reasonably determined by the patient’s treating provider, and within current CMS regulations, to prevent, diagnose, correct, cure, alleviate, or avert the worsening of conditions that endanger life. The physical, mental, cognitive, or developmental effects cause suffering or pain, result in illness or infirmity, threaten to cause or aggravate a handicap, or cause physical deformity or malfunction, if there is no other equally effective, more conservative or less costly course of treatment available. It may also include a course of treatment that includes mere observation or no treatment at all.

PROCEDURE:

- A. As described by SWMC’s Emergency Medical Treatment & Active Labor Act (EMTALA) policy, a Hospital will not delay the provision of a medical screening exam (MSE), stabilizing treatment, or appropriate transfer, or otherwise engage in any activities that would discourage an individual from seeking emergency medical care, in order to inquire about the individual’s method of payment or insurance status. The Hospital will not seek, request, direct an individual to seek, or allow a health plan coordinator to request prior authorization for services before the individual has received a MSE and initiation of stabilizing treatment as required by EMTALA.
- B. Financial Assistance Policies are transparent and available to the individuals served at any point in the care continuum. Each Southwest Medical Center Hospital facility will:
 - 1. Prominently and conspicuously post complete and current versions of the following on their respective websites:
 - a) Financial Assistance Policy (FAP)
 - b) Financial Assistance Application Form (FAA Form)
 - c) Plain Language Summary of the FAP (PLS)
 - d) Contact information for Southwest Medical Center facility Financial Counselors.
 - 2. Make paper copies of the FAP, FAA Form, and the PLS available upon request and without charge, both in public locations in the hospital facility (including without limitation, emergency rooms and admission and registration areas) and by mail.
 - 3. Notify and inform members of the community served by the hospital facility about the FAP in a manner reasonably calculated to reach those members who are most likely to require financial assistance from the hospital facility; and
 - 4. Notify and inform individuals who receive care from the hospital facility about the FAP by: (1) offering a paper copy of the PLS to patients as part of the intake or discharge process; (2) including a conspicuous written notice on billing statements that notifies recipients about the availability of financial assistance under FAP and includes the telephone number of the hospital facility office or department that can provide information about the FAP and FAP application process and the direct web site address where copies of the FAP, FAP application form, and PLS of the FAP may be

obtained; and (3) setting up conspicuous public displays that notify and inform patients about the FAP in public locations in the hospital facility, including, at a minimum, the emergency room and admissions areas.

- C. Make available, through Financial Counselors, financial assistance, discount information, and financial counseling to all individuals admitted to a Southwest Medical Center Hospital. Interpreters or other communication aids will be used, as indicated, to allow for meaningful communication with individuals, including those who have limited English proficiency, are deaf, or are hard of hearing.
1. Accessibility to limited English proficient individuals: Southwest Medical Center will translate its FAP, FAA Form, and PLS into each language that constitutes the lesser of 1,000 individuals or 5 percent of the community served by a Southwest Medical Center Hospital facility.
 - a. The basis for calculating each language: All patient visits where a preferred language was captured at the point of registration and it exceeded 1,000 individuals or 5% of the patient population. The preferred language will be reviewed and updated by the 120th day after the 12th month period, which is May 1 for SWMC.
 2. The FAP, FAA and PLS are available in English and Spanish.
- D. Southwest Medical Center and the individual patients served each hold accountability for the general processes related to the provision of financial assistance.
1. Southwest Medical Center Responsibilities:
 - a) Southwest Medical Center workforce members in Patient Financial Service and the hospital Patient Access areas understand the Southwest Medical Center FAP and are able to direct questions regarding the policy to the proper hospital representatives.
 - b) Southwest Medical Center requires all contracts with third party agents who collect bills on behalf of Southwest Medical Center to include provisions that these agents will follow SWMC's FAP.
 - c) After receiving the individual's request for financial assistance, Southwest Medical Center notifies the individual of the eligibility determination within a reasonable period of time.
 - d) Southwest Medical Center will provide a refund to a patient if payments have been made in excess of the approved financial assistance rate and established copayment.
 - e) Southwest Medical Center provides patients with options for payment arrangements.
 - f) Southwest Medical Center upholds and honors individuals' right to appeal decisions and seek reconsideration.
 - g) Southwest Medical Center will annually review and incorporate federal poverty guidelines for updates published by the United States Department of Health and Human Services.
 - h) Southwest Medical Center will make financial assistance eligibility determinations and the process of applying for financial assistance equitable, consistent, and timely.
 2. Individual Patient Responsibilities
 - a) To be considered for a discount under the FAP, the individual must cooperate with Southwest Medical Center to provide the information and documentation necessary to determine eligibility and to apply for any financial assistance that may be available to pay for healthcare such as Medicare, Medicaid, third-party liability, etc. This includes completing the required application forms and cooperating fully with the information gathering and assessment process.
 - b) An individual who qualifies for financial assistance must cooperate with the hospital to

establish a reasonable payment plan and must make good faith efforts to honor the payment plans for their discounted hospital bills. The individual is responsible to promptly notify Southwest Medical Center of any change in financial situation so that the impact of this change may be evaluated against the FAP, their discounted hospital bills, or provisions of payment plans.

- E. Eligibility Criteria and Basis for Calculating Adjusted Federal Poverty Level (FPL)
1. A patient's Adjusted Federal Poverty Level will be calculated using the patient's household income plus liquid assets and household family size.
 2. To be eligible for a 100% reduction from gross charges (i.e., full write-off) less the applicable copay, the individual's Adjusted Federal Poverty Level calculation must be at or below 200% of the current Federal Poverty Guidelines.
 3. Individuals with Adjusted Federal Poverty Level calculated between 201%-349% of the current Federal Poverty Guidelines are eligible for financial assistance. See Section K, below, for the Approved Financial Assistance Adjustment Amounts.
 - a. In addition to an income level evaluation as outlined above, the amount of patient responsibility will not exceed 25% of annual income and/or more than Southwest Medical Center Hospital's current calculated AGB.
 4. If any other charity or indigent care program is used to discount a bill and leaves a patient balance, Southwest Medical Center financial assistance cannot be applied, except in special cases, with approval of facility Chief Executive Officer.
 5. Patient's must be ineligible for Kansas, or other state, Medicaid, Child Health Plan(s), Indigent Care Program(s) (where applicable), or other health insurance.
 6. Medicaid patients who receive non-covered medically necessary services will be considered for financial assistance. Financial assistance may be approved in instances prior to the Medicaid effective date.
 7. Insurance programs leaving a patient balance may be eligible for Southwest Medical Center Financial assistance if the patient meets financial screening requirements. Financial assistance determinations will be based upon the patient's liability, not original charges.
 8. Patients who are approved for financial assistance and have accounts in bad debt may have those accounts reviewed on a case-by-case basis. Southwest Medical Center will accept a FAA Form up to 240 days from the date of the first post-discharge statement.
 9. Non-medically necessary services and procedures will not qualify for SWMC's FAP.
 10. Established residency in SWMC's market service area is required, unless the visit is due to an urgent or emergent visit. All scheduled services for patients who reside outside the market area require signed prior approval from the facility Chief Financial Officer.
 11. Residents of countries outside the United States of America are not eligible for financial assistance.
 12. A third party scoring tool may be used to justify FPL calculation.
 13. Additional extraordinary circumstances that may qualify for financial assistance on a case-by-case basis, when qualified state or federal documentation exists :
 - a. Individual is homeless;
 - b. Individual is deceased and has no known estate able to pay hospital debts;
 - c. Individual is incarcerated;
 - d. Individual is currently eligible for Medicaid, but was not eligible at the date of service;
 - e. Individual is eligible by the State to receive assistance under the Violent Crimes Victims Compensation Act or the Sexual Assault Victims Compensation Act;

14. When determining an individual's income, the following information is mandatory and required:
 - a) Household size and income includes all members of the immediate family and other dependents in the household as follows:
 - b) An adult and, if married, a spouse.
 - c) Any natural or adopted minor children of the adult or spouse.
 - d) Any minor for whom the adult or spouse has been given the legal responsibility by a court.
 - e) Any full-time post secondary student 18-26 years old, dependent on the family for over 50% support (current and subsequent tax return of the responsible adult is required).
 - f) Any other persons dependent on the family's income for over 50% support (current and subsequent tax return of the responsible adult is required).
15. Proof of Physical address (at least 2 of the following: current and previous month's utility, water, trash, or rent/mortgage)
16. Income documentation for the last 90 days
 - a) Income Tax Return and completed IRS Form 4506 (**mandatory**)
 - b) Credit Report (**mandatory**)
 - c) IRS form W-2
 - d) Paycheck stub
 - e) Bank Statements (savings and checking)
 - f) Signed attestation to income (**mandatory**)
 - g) If no income documentation is available, a notarized letter, identifying how you are financially surviving is required (**mandatory**)
17. Liquid Asset documentation for the last 120 days
 - a) Investments, including stocks and bonds
 - b) Trust funds
 - c) Money Market accounts
 - d) Mutual funds
 - e) Other investment funds that will not incur a penalty for early withdrawal

Example: \$25,000 bill for an Inpatient Stay for family size of 1
 Employment income of \$16,000 per year
 Liquid stock investment of \$16,500.
 Total family resources is $16,000 + \$16,500 = \$32,500$
 Calculation determination: eligible for financial assistance with 90% adjustment
 Patient responsibility: $\$2,500$ ($\$25,000$ charges \times 90% adjustment = $\$22,500$. $\$25,000 - \$22,500$)
18. Other documentation
 - a) Copy of denial letter from SRS, if applicable
 - b) Copy of the original Social Security Card (**mandatory**)
 - c) Copy of valid photo identification card (**mandatory**)

F. Presumptive Eligibility: Southwest Medical Center recognizes that certain patients may be unable to cooperate with SWMC's application process. Under these circumstances, Southwest Medical Center may, but is not required to, utilize other sources of information to make an individual assessment of financial need. This information will enable Southwest Medical Center to make an informed decision on the financial need of non-responsive patients utilizing the best estimates available in the absence of information provided directly by the patient. SWMC Chief Executive Office must approve all

Presumptive Eligibility adjustments greater than \$5,000.

1. Southwest Medical Center may utilize a third-party to conduct an electronic review of patient information to assess financial need. This review utilizes a healthcare industry-recognized model that is based on public record databases. This predictive model incorporates public record data to calculate a socio-economic and financial capacity score that includes estimates for income, assets and liquidity. The electronic technology is designed to assess each patient to the same standards and is calibrated against historical approvals for Southwest Medical Center financial assistance under the traditional application process.
- G. Extraordinary Collection Activities ECA's cannot be initiated earlier than 120 days after the first billing statement is sent to the individual. The notice must be provided to the individual at least 30 days before the deadline specified in the notice.
1. The final notice will include:
 - a) Amount due and owing
 - b) The name, address and telephone number of the health care provider
 - c) Where payment may be made
 - d) The date of service
 - e) Plain language summary regarding availability of financial assistance, where to receive help for applying for assistance, where to obtain the FAA and FAP.
 2. Incomplete FAA Form Submitted
 - a. If an individual submits an incomplete FAA Form, Southwest Medical Center may take the following actions:
 1. Suspend any reporting to consumer credit reporting agencies/credit bureaus;
 2. Provide the individual with a written notice that describes the additional information and/or documentation required under the FAP or FAA Form that the individual must submit to complete his or her FAA Form and include the hospital's PLS with the notice;
 3. Provide the individual with at least one written notice that informs the individual that the hospital may engage in adverse reporting to consumer credit reporting agencies/credit bureaus if the individual does not complete the FAA Form or pay the amount due by a specified deadline. The deadline date must not be earlier than the last day of the application period or 30 days after the written notice is provided to the individual. Individuals will be given 60 days to resubmit a completed form before extraordinary collection activities (ECA's) will occur. If ECA's have already started, Southwest Medical Center will stop ECA's during the 60-day period.
- H. Method for Obtaining Assistance With or Applying for Financial Assistance
1. Southwest Medical Center will use the FAA Form date to assess eligibility based on the patient's most recent financial status.
 2. Patients interested in obtaining assistance with or applying for financial assistance may contact Patient Financial Service at (620) 629-6768, the hospital financial, or <http://www.swmedcenter.com> to obtain a copy of the FAA.
- I. A completed Southwest Medical Center FAA Form will be submitted to Patient Financial Services or

the hospital financial counselor for processing.

1. If the application is received within 100 days from the date of service, the hospital financial counselor will process the application for approval or denial. If the application is received and more than 100 days have passed from the date of service, the FAA Form will be submitted to Patient Financial Service Management for processing.

J. Approved Financial Assistance Adjustment Amounts

1. Once the supporting documentation has been submitted and the individual has been approved for financial assistance, the following discounts will apply off of balance left on account for only emergency or medically necessary care, as determined by current CMS regulations, for a period not to exceed 6-months following patients initial date of discharge.

ADJUSTED FEDERAL POVERTY LEVEL	PATIENT RESPONSIBILITY (INPATIENT, OBSERVATION, SAME DAY SURGERY)	PATIENT RESPONSIBILITY (OUTPATIENT, RECURRING, PHYSICIAN SERVICES)	PATIENT RESPONSIBILITY (EMERGENCY)	AMOUNT OF FINANCIAL ASSISTANCE APPROVED
0-200%	\$650 copay per visit	\$50 copay per visit	\$100 copay per visit	100% (less copay)
201-250%	30% of charges	30% of charges	30% of charges	70%
251-349%	50% of charges	50% of charges	50% of charges	50%

K. Individual Payment Plans

1. Payment plans will be individually developed with the individual patient. All collection activities will be conducted in conformance with the federal and state laws governing debt collection practices. No interest will accrue to account balances while payments are being made unless the individual has voluntarily chosen to participate in a long term payment arrangement that bears interest applied by a third-party financing agent.
2. All payment plans will follow the Southwest Medical Center payment plan guidelines.

ACCOUNT BALANCE	PLAN DURATION
• < \$500	No more than 12 months
• \$500 - \$1499	No more than 18 months
• \$1500 - \$4999	No more than 24 months
• >\$5000- \$9999	No more than 36 months
• >\$10000	No more than 48 months

All payment plans should be at least \$25 per month. If the patient requests payments less than \$25 per month the proposed payment plan must be approved by both of the following:

- o Facility Patient Financial Services Director
- o Facility CFO .

3. If an individual complies with the terms of his or her individually developed payment

plan, no collection action will be taken.

L. Record-Keeping

1. Southwest Medical Center maintains (and requires billing contractors to maintain, where applicable) documentation that supports the offer, application for, and provision of financial assistance, including income verification and available assets, for the minimum period required by applicable state and federal regulations.
2. Summary information regarding applications processed and financial assistance provided will be maintained for the minimum period required by applicable state and federal regulations. Summary information includes the number of patients who applied for financial assistance at SWMC, how many patients received financial assistance, the amount of financial assistance provided to each patient, and the total bill for each patient.
3. The cost of financial assistance will be reported as required by applicable state and federal regulations.

M. Approval Levels for Financial Assistance

1. The Southwest Medical Center Patient Financial Services department provides organizational oversight for the provision of financial assistance and the FAP.
2. Approval levels for financial assistance are as follows:

Financial Assistance and Low-income self-pay discount approval levels:

- o PFS Manager: \$500 and under
- o VP / CFO: \$5,000 and under
- o CEO: \$5,001 and above

The balances above will pertain to episodic patient accounts, not cumulative

3. The approval request will be provided to the appropriate person based on the approval levels above. The adjustment will occur after the appropriate approval has been obtained.
4. Approved applicants will be informed of the approved amount and their patient responsibility, along with instructions to contact Southwest Medical Center to arrange for payment of any outstanding amount. On denied applications a letter explaining the reason for the denial and a contact number will be sent.

N. SWMC requires a patient to re-apply 12-months following patients discharge date and/or if new income level information becomes available and could change the charity status. Patients may also request to reapply, within their 12-month period, if their income level reduces significantly. Previous patient payments will be applied to the patient responsibility.

O. Southwest Medical Center Hospital shall develop, publish and maintain the policies, instructions and procedures necessary for the implementation and continuance of this policy. This policy shall supersede all other applicable policies.

Related Policies

- EMTALA
- Uninsured Discount-Hospital and Professional Services

Resources

- Centers for Medicare & Medicaid Services at www.cms.gov/medicare/coverage/determinationsprocess/LCDs.html
- Internal Revenue Service at www.irs.gov

POLICY VIOLATION

Any Southwest Medical Center associate who fails to abide by this policy may be subject to disciplinary action, up to and including termination.