

DECKERVILLE COMMUNITY HOSPITAL
Policy/Procedure

SUBJECT: FINANCIAL ASSISTANCE POLICY

EFFECTIVE: 07/01/2016

APPROVAL: Administration, Board of Directors

PRIMARY RESPONSIBILITY: Chief Financial Officer, Patient Financial Accounts Manager

I. SCOPE:

- A. Eligible Services: This Policy applies to all qualifying Patients receiving emergency and medically necessary care rendered at Deckerville Community Hospital or its associated clinics, Deckerville Healthcare Services RHC or Deckerville Main Street Clinic.
- B. Ineligible Services: This Policy does not apply to services not billed by DCH and rendered by an unassociated provider (i.e. radiology professional services, surgeon charges, or specialty clinic under a timeshare arrangement with the hospital).

II. PURPOSE:

- A. Deckerville Community Hospital, Inc. offers as part of its mission, medically necessary care to those individuals not covered under a third party insurer or government program or who do not have resources to pay all or a portion of their bills.
- B. To assist in providing healthcare services to all, Deckerville Community Hospital, Inc. has established this Financial Assistance Policy to provide Financial Assistance to Uninsured Patients, Underinsured Patients and those who otherwise qualify for financial assistance under this Policy and receive emergent or medically necessary care at Deckerville Community Hospital, Inc. or its associated clinics, Deckerville Healthcare Services RHC or Deckerville Main Street Clinic.

III. DEFINITIONS

“Amounts Generally Billed (AGB)” means the amounts generally billed for any emergency or other medically necessary care using the look-back method calculated by multiplying the Hospital Facilities gross charges for care by the AGB rate.

“Assets” means any tangible or intangible item owned and/r controlled by a patient or Guarantor which has monetary value.

“Charged” means the amount a Financial Assistance Policy eligible individual is personally responsible for paying, after all deductions, discounts (including discounts available under this Financial Assistance Policy), and insurance reimbursements have been applied.

“Extraordinary Collection Actions (ECA)” means actions taken by [Hospital Name] or its agents against a patient or Guarantor related to obtaining payment of a bill for care covered under this Financial Assistance Policy that require a legal or judicial process, involve selling a patient's outstanding patient responsibility to another party, reporting adverse information about the patient to a consumer credit

reporting agency or credit bureau or deferring, denying or requiring payment prior to providing medically necessary care because of an individual's nonpayment of one or more bills for previously provided care under the hospital's Financial Assistance Policy.

"Federal Poverty Level" means guidelines developed by the U.S. Department of Health & Human Services on an annual basis. Levels are determined by the number of members in an individual's household and their annual income.

"Financial Assistance" means a total or partial reduction in the amount billed to a patient, or his/her Guarantor(s), who is eligible for assistance under this Policy.

"Financial Assistance Application" means the information and accompanying documentation that an individual submits to apply for financial assistance under this Financial Assistance Policy.

"Financial Assistance Committee" means an internal review panel comprised of one or more hospital representative(s) responsible for making determinations of Financial Assistance eligibility under this Policy.

"Financial Assistance Determination" means a grant or denial of an individual's application for Financial Assistance under this Policy.

"Financial Assistance Policy" means the terms and conditions found in this document.

"Guarantor" means the individual responsible for the financial obligations of a patient and may be used interchangeably with patient.

"Hospital Facility" means any facility owned or operated by [Hospital Name] that is licensed/registered or similarly recognized as a hospital by the State of Michigan, including all buildings operated under the State of Michigan license.

"Household" includes all individuals listed on a patient or Guarantor's federal income tax filing. Guarantor's of a minor dependent who do not claim the dependent on their federal taxes may submit a court decree as proof of the dependent's household status. In the event the patient's (except for minor patients) income does not warrant the filing of a federal tax statement, the patient/Guarantor may submit a notarized affidavit attesting to the foregoing.

"Income" means any interest, dividends, wages, compensation for other services, tips, pensions, fees for earned services, price of goods sold, income from rental property, gains on sale of other property, alimony, or royalties.

"Plain Language Summary" means a written statement that notifies an individual that the hospital facility offers financial assistance under a Financial Assistance Policy.

"Policy" means this Financial Assistance Policy.

"Underinsured Patient" means a patient who, despite having insurance coverage, finds the obligation to pay insurance, copayments, coinsurance and deductibles is such a financial burden that he or she delays or does not receive medically necessary health care services due to the health care costs.

“Uninsured Patient” means a patient who lacks a commercial insurance product, a government insurance/assistance product, whose injury is not a compensable injury through worker’s compensation, automobile insurance or other insurance.

IV. POLICY

A. General

1. Deckerville Community Hospital, Inc. (DCH) will not refuse, delay or discourage emergency and/or medically necessary services based on a patient's ability to pay for the cost of such services in accordance with the Emergency Treatment and Active Labor Act (EMTALA).
2. Financial Assistance determinations will be made without regard to a patient's age, race, religion, color, sex, disability, national origin, sexual orientation, ancestry, and familial status.
3. DCH will actively promote all patients' awareness of the availability of Financial Assistance.
4. This Policy applies to all emergency and medically necessary care provided by DCH.

B. Eligibility

1. Prior to seeking Financial Assistance under this Policy, all patients or the Guarantor(s) must consult with a financial counselor designated by Deckerville Community Hospital to determine if healthcare coverage may be obtained from a government insurance/assistance product or from the Health Insurance Exchange Marketplace. The financial counselor will also provide free copies of this Policy, the Financial Assistance Application and Plain Language Summary to every patient and/or Guarantor requesting Financial Assistance.
2. All Uninsured Patients and Underinsured Patients presenting for services who are determined to be eligible under this Policy will not be charged more than the Amounts Generally Billed (AGB), as detailed in below in Subsection D of this Section.
3. Services Rendered by Individual Providers
 - a. This Policy may not cover services rendered by some individual providers. A full listing of providers and services covered and not covered by this Policy are available at www. and updated on a quarterly basis.
4. Alternate Sources of Assistance
 - a. Where qualifying for such assistance, a patient or Guarantor must exhaust all other state and federal assistance programs prior to receiving an award under this Financial Assistance Policy.
 - b. Patients who may be eligible for coverage under an applicable insurance policy,

including, but not limited to, health, automobile, and homeowner's, must exhaust all insurance benefits prior to receiving an award under this Financial Assistance Policy. This includes patients covered under their own policy and those who may be entitled to benefits from a third-party policy. Patients or Guarantors may be asked to show proof that such a claim was properly submitted to the proper third party payer prior to a final determination on eligibility for assistance under this Financial Assistance Policy.

- c. Eligible patients who receive medically necessary care from DCH as a result of an injury proximately caused by a third party may, at the hospital's request assign a lien by way of a written agreement in any future monetary settlement an award received from or on behalf of said third party up to the amount of the Financial Assistance awarded to the patient or Guarantor.

5. Financial Assistance

- a. Eligibility for assistance will be determined based on a patient's/Guarantor's Federal Poverty Level (FPL).
- b. The following sliding scale will be used for the current year's FPL to determine eligibility and the applicable discount.
- c. For Financial Assistance Policy eligible individuals, the amount of Financial Assistance shall be measured against the applicable FPL and assigned according to the following schedule:

| <u>Family Income as % of FPL</u> | <u>Applicable Discount of Gross Charges</u> |
|---|--|
| Family income is less than or equal to 100 % of FPL | 90% |
| Family income is between: 101-150% of FPL | 75% |
| Family income is between: 151-200% of FPL | 50% |
| Family income is between: 201-250% of FPL | 25% |
| Family income is greater than 250 % | 0% |

6. Alternate Methods of Eligibility Determination

- a. To ensure that all patients eligible for Financial Assistance receive Financial Assistance, DCH will deem patients/Guarantors to be presumptively eligible for Financial Assistance if they are found to be eligible for one of the following programs, received emergency or direct admit care, and satisfied his/her required co-pay/deductible:
 - i. Michigan Children's Special Health Care Services
 - ii. Medicaid
 - iii. Enrolled in a state and/or federal program that verifies the patient's

gross household income is less than or equal to 250% of the Federal Poverty Level.

7. Additional Considerations

- a. Financial Assistance may be granted to a deceased patient's account if said patient is found to have no estate.
- b. DCH will deny or revoke Financial Assistance for any patient or Guarantor who falsifies any portion of a Financial Assistance Application.
- c. In rare instances, the Hospital may entertain a discretionary discounting of charges to assist the uninsured patient. Patients ineligible for coverage under the FAP should contact a Patient Financial Liaison to discuss current applicable policies on discounting.

C. Patient Assets

1. DCH may consider patient/Guarantor Assets in the calculation of a patient's true financial burden. A patient's/Guarantor's primary residence and one (1) motor vehicle will be exempted from consideration in most cases.
 - a. A patient's primary residence is defined as the patient's principal place of residence and will be excluded from a patient's extraordinary asset calculation so long as the patient's equity is less than ----- dollars (\$000,000) and the home is occupied by the patient/Guarantor, patient's/Guarantor's spouse or child under twenty-one (21) years of age.
 - b. One (1) motor vehicle may be excluded as long as the patient's equity in the vehicle is less than ----- dollars (\$00,000).
2. DCH reserves the right to request a list of all property owned by the patient and/or Guarantor prior to making a final eligibility determination and adjust a patient's award of Financial Assistance if the patient/Guarantor demonstrates a claim or clear title to any extraordinary Asset not excluded from consideration under Section IVC(1) above.

D. Calculation of Amounts Billed to Patient

1. DCH limits the amounts billed to all Uninsured and Underinsured Patients/Guarantors to not more than the AGB to patients undergoing the same care and treatment who have insurance coverage for such care. Charging amounts in excess of AGB to patients/Guarantors qualifying for assistance under this Policy is prohibited.
2. DCH employs the look-back method as the basis for calculating the AGB for care rendered at each Hospital Facility. The AGB is based on the annual average reimbursement received from all commercial health insurers and Medicare fee-for-service payers.
3. The AGB is calculated annually.
4. Any patient or Guarantor may request a description of methodology used to calculate AGB under this Policy or AGB assigned to any treatment or care provided to the patient. Such requests must be submitted by or on behalf of the patient in writing to:

DCH Patient Financial Liaison
3559 Pine Street
Deckerville, MI 48427

A response to all properly submitted and qualifying requests will be provided to the requesting party free of charge within seven (7) days of receipt of such request.

E. Non-Emergent Services Down Payment

1. Uninsured and Underinsured patients presenting for scheduled or other non-emergent services will not be charged more than the AGB for their services.
2. Uninsured and Underinsured patients presenting for non-emergent care will receive an estimated AGB cost of their care prior to services being rendered and will be asked to pay a down-payment percentage of the AGB adjusted cost prior to receiving services.
 - a. In the event the patient is unable to fulfill the down-payment, their service may be rescheduled for a later date as medically prudent and in accordance with all applicable federal and state laws and/or regulation.

V. PROCEDURE

A. Financial Assistance Policy Publication

1. DCH will broadly publicize the availability of this Financial Assistance Policy within the communities it serves by taking the following actions:
 - a. Post this Financial Assistance Policy, a Plain Language Summary of this Policy, and its Financial Assistance Application on the hospital's Website and provide patients with a Plain Language Summary of this Financial Assistance Policy during registration and/or discharge.
 - b. Post conspicuous public displays in appropriate acute care settings such as emergency departments and patient registration areas describing the available assistance and directing eligible patients to the Financial Assistance Application.
 - c. Include a conspicuous written notice on all patient billing statements that notifies the patient/Guarantor about the availability of this Policy, the telephone number of its Patient Financial Liaison who can assist patients with any questions they may have regarding this Policy and the direct Website address where copies of the Financial Assistance Policy, Financial Assistance Application, and Plain Language Summary are available.
 - d. Make hospital financial representatives available via telephone Monday through Friday, excluding holidays, from 7:00 a.m. to 5:00 p.m. Eastern Time to address questions related to this Policy. Upon request, hospital financial representatives will also mail copies of this Financial Assistance Policy, a Plain Language Summary, and a Financial Assistance Application to patients or their Guarantor free of charge upon request.
 - e. Make paper copies of the Financial Assistance Policy, Financial Assistance

Application, and Plain Language Summary available upon request and without charge in public locations of the Hospital; including the emergency room and patient registration areas.

2. DCH will broadly communicate this Policy as a part of its general community outreach efforts.
3. DCH will educate its staff on this Financial Assistance Policy and the process for qualifying for benefits under this Policy.

B. Financial Assistance Application

1. Patients applying for assistance under this Policy will be required to complete a Financial Assistance Application.
 - a. Patients must include the following documentation with their Financial Assistance Application:
 - i. Copy of most recent signed federal tax return (including all pages and schedules)
 - ii. Copy of two (2) most recent pay stubs showing year to date income.
 - iii. Copies of documentation, income-generating statements or award letters to verify additional Household income such as:
 - Disability
 - Social Security
 - Unemployment
 - Bank Statements
 - Retirement/Pension amounts
 - Alimony or Child Support
 - Rental or Estate Income
2. Patients or their Guarantors wishing to apply for Financial Assistance are encouraged to submit a Financial Assistance Application within ninety days (90) days of their discharge. Patients or their Guarantor may submit an application up to two-hundred and forty (240) days from the date of the patient's post-discharge billing statement. However, accounts may be subject to ECA collection efforts as defined in Section V, Subsection D of this Policy as soon as one hundred and twenty (120) days after patients or their Guarantor(s) have been provided the first post-discharge billing statement.
3. Patients or their Guarantors submitting an incomplete application will receive written notification of the application's deficiency, the additional information or documentation necessary to complete the application, and contact information for Patient Financial Accounts Representative within thirty (30) days after the date upon which the application was first submitted. The application will be held open for a period of sixty (60) days from the date the deficiency notification is mailed.
 - a. DCH will suspend any ECA defined in Section V, Subsection D of this Policy until the

application is complete or the patient/Guarantor fails to cure any deficiencies in the application prior to the end of the allotted sixty (60) day period described in Section V(B)(3) above.

- b. Deficient application(s) which are not corrected within the sixty (60) day period following the hospital's written notification to the patient/Guarantor of such deficiency shall be deemed withdrawn and shall require no further action on the part DCH.
4. The patient, and/or their representative, such as the patient's physician, family members, Guarantor, legal counsel, community or religious groups, social services or hospital personnel may request a Financial Assistance Application to be mailed to a patient's or Guarantor's primary mailing address free of charge.
5. DCH keeps all applications and supporting documentation confidential.

C. Eligibility Determination

1. DCH shall provide the patient or Guarantor with a Financial Assistance determination within thirty (30) days of receiving a completed Financial Assistance Application and all requested documentation.
2. If a patient or Guarantor is granted less than full assistance and the patient or Guarantor provides additional information for reconsideration, DCH may amend a prior Financial Assistance Determination.
3. All Financial Assistance determinations are final unless amended pursuant to Section V(C)(2) above.
4. A patient's Financial Assistance Application and eligibility determination are specific to each individual date(s) of service and related patient encounters.

D. Refunds

1. Patient/Guarantor who are determined to be eligible for assistance under this Policy and remitted payment to DCH in excess of their responsibility will be alerted to the overpayment as soon as practicable after discovery of the overpayment.
2. Patient/Guarantor with an outstanding account balance on a separate account not eligible for assistance under this Policy will have any refund amount applied to the separate account.
3. Patient/Guarantor with no outstanding account balance will be issued a refund check for their overpayment as soon as reasonably possible.