

 <p>AN AFFILIATE OF UHealth</p> <p><u>Title</u> <b>Financial Assistance</b></p> <p><u>Scope/Number</u> <b>HW060</b></p>	<p><u>Effective Date</u> January 2018</p> <p><u>Last Review Date</u> February 2022</p> <p><u>Next Review Date</u> February 2025</p>
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**SCOPE:** All Iverson Memorial Hospital (IMH) departments and clinics.

**INTENT:** To provide a framework for IMH’s provision of free or reduced-cost care or financial assistance to certain IMH patients who meet the guidelines set forth in this Policy.

**DEFINITIONS:**

- **Catastrophic Assistance:** Assistance provided to patients who may qualify for Financial Assistance but do not meet the definition of indigent. This takes into consideration the cost for a specified plan of care and the ability to pay or borrow money to pay. This may result in the adjustment of some or all of the outstanding balance.
- **Emergency Medical Condition:** The term Emergency Medical Condition is defined as set forth in EMTALA (42 U.S.C. § 1395dd) and Patient Care policy.
- **Emergency Treatment:** Emergency Treatment means the medical evaluation, care or treatment provided for an Emergency Medical Condition.
- **Family:** Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. If a patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of Financial Assistance. Significant others are also considered family.
- **Family Income:** Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:
  - Includes earnings, unemployment compensation, workers’ compensation, Social Security, Supplemental Security Income, public assistance, veterans’ payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources;
  - Noncash benefits (such as food stamps and housing subsidies) do not count;
  - Determined on a before-tax basis;

- Excludes capital gains or losses; and
- If a person lives with a family, includes the income of all family members (Non-relatives, such as housemates, do not count).
- **Medical Indigence:** The lack of adequate financial reserves to pay for medical care from a person or family able to manage other basic living expenses.
- **Medically Necessary Care:** Medically Necessary Care is defined as those health care services that satisfy the definition of “Medically necessary” for purposes of the Wyoming Medicaid Program set forth by the Wyoming Administrative Procedures Act in Chapter 25, Section 4 of the Wyoming Rules and Regulations. Medically Necessary Care services are required to diagnose, treat, cure or prevent an illness, injury or disease which has been diagnosed or is reasonably suspected to relieve pain or to improve and preserve health and be essential to life.
- **Responsible Party:** A Responsible Party as used in this Policy is the patient if the patient is at least eighteen (18) years old and is not claimed by another person as a dependent for federal tax purposes. If the patient is under the age of eighteen (18), the Responsible Party shall be the patient’s parents (natural or adoptive) or legal guardians, unless someone else claims the patient as a dependent for federal tax purposes. If the patient is claimed as a dependent by another person for federal tax purposes, the Responsible Party shall be the person claiming the patient as a dependent.
- **Students:** Individuals who are enrolled full-time in an accredited college or university and are receiving at least twelve (12) credit hours a semester.
- **Underinsured Patient:** A patient that has a level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.
- **Uninsured Patient:** A patient without a level of insurance or third party assistance to meet his/her payment obligations.
- **Financial Assistance:** Financial Assistance refers to health care services provided by IMH without charge or at a discount to qualifying patients. The following health care services include those that are eligible for Financial Assistance:
  - Medically Necessary Care. These services must be:
    - Consistent with the diagnosis and treatment of the client's condition;
    - In accordance with the standards of good medical practice among the provider's peer group;
    - Required to meet the medical needs of the client and undertaken for reasons other than the convenience of the client and the provider; and
    - Performed in the most cost effective and appropriate setting required by the client’s condition.

- Emergency Treatment. Per the Patient Care policy, IMH will provide Emergency Treatment to persons who present themselves to IMH's dedicated emergency departments, without discrimination, regardless of ability to pay or to qualify for Financial Assistance and in accordance with the requirements of EMTALA. In recognition of its obligations under EMTALA, IMH will not undertake any action that would discourage an individual from seeking Emergency Treatment.
- Accounts with final outstanding balances of at least \$500.
- Accounts that are not in bad debt status or have been in bad debt status for a period of six months or less.

**POLICY:** Financial Assistance may be provided to persons with health care needs, who are Uninsured, Underinsured, ineligible for a government program, or are otherwise unable to pay for emergency treatment or medically necessary care based on their individual financial or hardship situation.

Consistent with its mission to deliver compassionate, high quality, and affordable health care services, and to advocate for those who are in financial need, IMH strives to ensure that the financial capacity of persons who need health care services does not prevent them from seeking or receiving proper care. IMH will provide Emergency Treatment to persons who present themselves to IMH's dedicated emergency departments, without discrimination, regardless of their eligibility for financial or government assistance as further described in Section B.1.b. of this Policy.

IMH does not consider Financial Assistance to be a substitute for personal responsibility. Patients are expected to cooperate with IMH's procedures for obtaining Financial Assistance or other forms of payment, and to contribute to the cost of their care based on their individual ability to pay. Persons with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets.

IMH considers a patient with a non-contracted Medicaid plan eligible for a presumptive charity care write off when the services were emergent and obtained through the Iverson Emergency Department. If a patient has out of state Medicaid and receives outpatient services, the patient may be responsible for charges but would be eligible to apply for financial assistance.

To manage its resources responsibly and to provide the appropriate level of Financial Assistance to the greatest number of persons in need, IMH has established the following guidelines.

**PROCEDURE:**

1. **Financial Assistance Process:** Financial need will be determined in accordance with procedures that involve an individual assessment of financial need and will include the following:
  - a. **Step 1.** The patient or Responsible Party will complete and submit an application for Financial Assistance to the IMH Patient Financial Services Department. As part of the application process, the patient or Responsible

Party will provide personal, financial and other information and documentation relevant for IMH to make a proper determination of financial need.

- b. **Step 2.** IMH will review the applications for Financial Assistance. As part of its review process, IMH may use external publicly available data sources that provide information on a patient or Responsible Party's ability to pay (such as credit scoring). IMH may make reasonable efforts to explore appropriate alternative sources of payment and coverage from public and private payment programs. IMH may also take into account the patient or the Responsible Party's available assets, and all other financial resources available to the patient.<sup>1</sup>
- c. **Step 3.** IMH will review the patient or the Responsible Party's outstanding accounts receivable for prior services rendered at IMH and the patient or the Responsible Party's payment history.
- d. **Step 4.** All completed applications will be reviewed by IMH's Financial Counselor, the PFS or Revenue Cycle Director and the CFO for final approval/denial. Requests for Financial Assistance shall be processed promptly.
- e. **Step 5.** IMH will notify the patient or applicant in writing within 30 days of receipt of a completed application.<sup>2</sup>

## **2. Financial Assistance for Students**

- a. Students are not eligible for the Financial Assistance set forth in this Policy. Instead, Students may apply for an interest-free, \$50 per month payment plan for four years or until they graduate, whichever occurs first. If a patient's spouse or significant other is a student, the patient is only eligible for the student Financial Assistance program as described in this section.
- b. The patient will be required to provide verification of current enrollment from the institution before a student payment plan will be initiated. The patient must provide this verification for each semester he or she is in school.

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<sup>1</sup> It is preferred, but not required, that a request for Financial Assistance and a determination of financial need occur prior to rendering of non-emergency medically necessary services. IMH may also require the completion of a Financial Assistance application for patients unable to meet the minimum up-front payment for non-emergency medically necessary services. The need for Financial Assistance shall be re-evaluated at the request of the patient for subsequent services if the last financial application approval was completed not more than six months prior to the request, or at any time additional information relevant to the eligibility of the patient for Financial Assistance becomes known.

<sup>2</sup> If the patient is approved for a Financial Assistance write off that leaves a patient responsibility amount, the approved repayment plan must be adhered to. If the patient is unable to meet repayment requirements, the patient must contact IMH prior to missing a scheduled payment. If the patient defaults on a repayment plan set up under a Financial Assistance approval, all monies previously written off will be reapplied to the patient account and will become the patient's responsibility.

- c. Each semester, letters will be sent to patients who have failed to provide verification of their enrollment in school. These patients will be given a three week period to return the required documentation. If this paperwork is not received by the end of that three-week period, the student payment plan will become void, and the patient will be responsible for the full balance due.
- d. The student repayment plan will remain in effect for three months following graduation. At that time the patient is responsible for payment in full, setting up a standard payment plan or applying for Financial Assistance.

### **3. Eligibility Criteria for Patients**

- a. Eligibility for Financial Assistance will be considered for those persons who are Uninsured, Underinsured, ineligible for any government health care benefit program, and who are unable to pay for Emergency Treatment or Medically Necessary Care, based upon a determination of financial need in accordance with this Policy. The granting of Financial Assistance shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.
- b. The following factors may be used in determining the amount of Financial Assistance granted:
  - i. Individual or family income and net worth;
  - ii. Employment status and earning capacity;
  - iii. Family size;
  - iv. Other financial obligations; and
  - v. Other sources of payment for the services rendered.
- c. Assets: Assets also affect the amount of Financial Assistance that may be awarded. It is not the desire or intent of this Policy to force people to sell assets or incur additional debt as a result of having to receive Emergency Treatment or other Medically Necessary Care. However, as a county facility, IMH and its Board of Directors have certain fiduciary duties to the residents of Albany County, Wyoming that require Financial Assistance only be granted to those residents truly in need. Therefore, the following asset limits apply:
  - d. Individual: Liquid asset threshold equals \$8,000.
  - e. Family: Liquid asset threshold equals \$15,000.
  - f. Liquid assets are those assets that are easily converted into cash. Money market accounts, certificates of deposit (CDs), cash, checking and savings accounts, stocks, bonds, mutual funds and life insurance cash value, are examples of liquid assets. The liquid asset threshold is calculated using these types of accounts.

- g. If the patient's liquid assets total exceeds \$8,000 (Individual) or \$15,000 (Family) and the excess over \$8,000 (Individual) or \$15,000 (Family) is more than the outstanding balance, the patient does not qualify for Financial Assistance.
- h. If the patient qualifies under the sliding fee scale for a 100% discount, and liquid asset total exceeds \$8,000 (Individual) or \$15,000 (Family) and the excess over \$8,000 (Individual) or \$15,000 (Family) is less than the outstanding balance, the patient will owe the excess amount, and the balance will qualify for Financial Assistance.

**Example 1:** An individual patient that meets income guidelines for 100% write off, has a \$25,000 balance.

Liquid Assets	\$ 10,000.00
Threshold (\$8,000 single/\$15,000 family)	\$ 8,000.00
<b>Excess</b>	<b>\$ 2,000.00</b>

Invoice Amount	\$ 25,000.00
Excess	\$ 2,000.00
<b>Sub Total</b>	<b>\$ 23,000.00</b>

Sub Total	\$ 23,000.00
Write off %	100%
<b>Financial Assistance Write Off</b>	<b>\$ 23,000.00</b>

Invoice Amount	\$ 25,000.00
Financial Assistance Write Off	\$ 23,000.00
<b>Balance Due</b>	<b>\$ 2,000.00</b>

**Example 2:** A family of 3 that qualifies for a 60% write off, has a \$5,000 balance.

Liquid Assets	\$ 18,000.00
Threshold (\$8,000 single/\$15,000 family)	\$ 15,000.00
<b>Excess</b>	<b>\$ 3,000.00</b>

Invoice Amount	\$ 5,000.00
Excess	\$ 3,000.00
<b>Sub Total</b>	<b>\$ 2,000.00</b>

Sub Total	\$ 2,000.00
Write off %	60%
<b>Financial Assistance Write Off</b>	<b>\$ 1,200.00</b>

Invoice Amount	\$ 5,000.00
Financial Assistance Write Off	\$ 1,200.00
<b>Balance Due</b>	<b>\$ 3,800.00</b>

- i. The income level criteria for Financial Assistance are based on current Federal Poverty Guidelines which are issued in January of each year in the Federal Register<sup>3</sup>. The following are general guidelines for Financial Assistance approval:

Federal Poverty Level %		
From	To	W/O %
0.00%	150.99%	100.00%
151.00%	220.99%	80.00%
221.00%	240.99%	60.00%
241.00%	260.99%	40.00%
261.00%	299.99%	20.00%
300.00%	Unlimited	0.00%

- j. Patients whose family income exceeds 350% of the Federal Poverty Level may be eligible to receive discounts as determined by IMH at its discretion on a case-by-case basis based on their specific circumstances, such as the need for Catastrophic Assistance or Medical Indigence.
- k. IMH, at its discretion and based on information obtained, may leave some or all of the financial responsibility to the patient.

#### 4. Communication of the Financial Assistance Program to Patients and Within the Community

- a. Notification about Financial Assistance available from IMH shall be disseminated by various means including notices in patient bills; in emergency rooms; on the IMH Consent form; in admitting locations and waiting rooms; in the IMH Business Office; and other public places as IMH may elect.
- b. IMH also shall publish a summary of this Policy on facility websites, in brochures available in patient access sites, and at other places within the community served by IMH as IMH may elect. Such notices and summary information shall be provided in the primary languages spoken by the population served by IMH.

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<sup>3</sup> The Poverty Guidelines are posted on the U.S. Department of Health & Human Services' Website, at <http://aspe.hhs.gov/poverty/15poverty.cfm>

- c. Referral of patients for Financial Assistance may be made by any member of the IMH staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors. A request for Financial Assistance may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

## **5. Relationship to Collection Policies**

- a. IMH maintains policies and procedures for internal and external collection practices (including actions IMH may take in the event of non-payment, including collections action and reporting to credit agencies) that take into account the extent to which the patient qualifies for Financial Assistance, a patient's good faith effort to apply for a governmental program or for Financial Assistance from IMH, and a patient's good faith effort to comply with his or her payment agreements with IMH.
- b. IMH will not impose extraordinary collections actions such as wage garnishments; liens on primary residences, or other legal actions for any patient without first making reasonable efforts to determine whether that patient is eligible for Financial Assistance under this Policy. Reasonable efforts shall include:
  - i. Validating that the patient owes the unpaid bills and that all sources of third-party payment have been identified and billed by IMH;
  - ii. Documentation that IMH has or has attempted to offer the patient the opportunity to apply for Financial Assistance pursuant to this Policy and that the patient has not complied with IMH's application requirements;
  - iii. Verification that the patient does not qualify for Financial Assistance on a presumptive basis.

**6. Regulatory Requirements:** In implementing this Policy, IMH management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy. IMH shall review this Policy at least annually, and IMH shall make such adjustments to this Policy as necessary to comply with the aforementioned laws.

**SANCTIONS:** Violations of Iverson Memorial Hospital policies or procedures will be reviewed on a case by case basis and may be met with disciplinary action up to and including termination.

### **RELATED POLICIES:**

- HW105 EMTALA

### **REFERENCES:**

- Federal Poverty Guidelines: <http://aspe.hhs.gov/poverty/14poverty.cfm>



This policy is intended as a guideline to assist in the consistent application of Ivinson Memorial Hospital policies and programs for employees. The policy does not create a contract implied or expressed, with any hospital employees who are employees at will. The hospital reserves the right to modify this policy in whole or in part, at any time, at its sole discretion.