

MEMORIAL HOSPITAL PATIENT FINANCIAL SERVICES

Title: HOSPITAL FINANCIAL POLICY
Original Issue Date: 08/09
Review Date: 10/10, 08/11
Revised Date: 12/12, 01/16, 08/20, 08/23, 03/24

PURPOSE:

Memorial Hospital is committed to providing charity care to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. Consistent with the mission to deliver compassionate, high quality, affordable healthcare services and to advocate for those who are poor and disenfranchised, Memorial Hospital strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. Memorial Hospital will provide without discrimination, care of emergency medical conditions to individuals regardless of their eligibility for financial assistance or for government assistance.

POLICY:

This written policy includes:

- Eligibility criteria for financial assistance; free and discounted (partial charity) care.
- Describes the basis for calculating amounts charged to patient eligible for financial assistance under the policy.
- Describes the method by which patients may apply for financial assistance.
- Describes how the hospital will publicize the policy in the community served by Memorial Hospital.
- Limits the amounts that the hospital will charge for emergency or other medically necessary care provided to individuals eligible for financial assistance to the amount generally billed (received by) the hospital for commercially insured or Medicare patients.

DEFINITIONS:

For the purposes of this policy, the terms are defined as follows:

Charity Care: Healthcare services that have been or will be provided but are never expected to result in cash inflows. Charity care results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established criteria.

Family: Using the same definition as defined by ORC 5101:3-2-07.17 for the assessment of HCAP eligibility; "Family" shall include the patient, the 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 in the 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.

Family Income: Using the same definition as defined by ORC 5101:3-2-07.17 "Income" is defined as total salaries, wages, and cash receipts before taxes: receipts that reflect reasonable deductions for business expenses shall be counted for both farm and non-farm self-employment. Income will be calculated by:

- Multiply by four the person's or family's income, as applicable, for the three months preceding the date hospital services were provided;
- Using the person's or family's income, as applicable, for the twelve months preceding the date hospital services were provided.

Uninsured: The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.

Underinsured: The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

Gross Charges: The total charges at the organization's full established rates for the provisions of patient care services before deductions from revenue are applied.

Emergency medical conditions: Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).

Medically necessary: As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

PROCEDURE:

A. **Services Eligible under this Policy.** For purpose of this policy, "charity" or "financial assistance" refers to healthcare services provided by Memorial Hospital without charge or at a discount to qualifying patients. The following healthcare services are eligible for charity:

1. Emergency medical services provided in an emergency room setting.
2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual.
3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting.
4. Medically necessary services, evaluated on a case-by-case basis at Memorial Hospital's discretion.

B. **Eligibility for Charity.** Eligibility for charity will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care benefit program, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. The granting of charity 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.

C. Method by which Patient May Apply for Charity Care.

1. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need and may:
2. Include an application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination.
3. Include the use of external publicly available data sources that provide information on a patient's guarantor's ability to pay (such as credit scoring).
4. Include reasonable efforts by Memorial Hospital to explore appropriate alternative sources of payment and coverage from public and private payment programs and to assist patients to apply for such programs.
 - a) It is preferred but not required that a request for charity and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle. The need for financial assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient for charity becomes known.
 - b) Memorial Hospital's values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of charity. Requests for charity shall be processed promptly and Memorial Hospital shall notify the patient or applicant in writing within 30 days of receipt of a completed application.

D. Presumptive Financial Assistance Eligibility: There are instances when a patient may appear eligible for charity care discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the patient or through other sources which could provide sufficient evidence to provide the patient with charity care assistance. In the event there is no evidence to support a patient's eligibility for charity care. Once determined, due to the inherent nature of the presumptive circumstances, the only discount that can be granted is a 100% write off of the account balance. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

1. State funded prescription programs.
2. Homeless or received care from a homeless clinic.
3. Participation in Women, Infant and Children's programs (WIC).
4. Food stamp eligibility.
5. Subsidized school lunch program eligibility.
6. Eligibility for other state or local assistance programs that are unfunded (i.e., Medicaid spend-down).
7. Low income/subsidized housing is provided as a valid address.
8. Patient is deceased with no known estate.

- E. Eligibility Criteria and Amounts Charged to Patients:** Services eligible under the Policy will be made available to the patient on a sliding fee scale, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination. Once a patient has been determined by Memorial Hospital to be eligible for financial assistance, that patient shall not receive any future bills based on undiscounted gross charges. The basis for the amounts Memorial Hospital will charge patient qualifying for financial assistance as follows:
1. Patient whose family income is at or below 100% of the FPL are eligible to receive free care.
 2. Patients whose family incomes are up to 200% of the FPL are eligible to receive services at discounts ranging from 10% to 90%.
 3. Patient whose family income exceeds 100% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence at the discretion of Memorial Hospital; however the discounted rates shall not be greater than the amounts generally billed to (received by the hospital for) commercially insured (or Medicare) patients.
- F. Communication of the Charity Program to Patients and Within the Community:** Notification about charity available from Memorial Hospital, which shall include a contact number, shall be disseminated by Memorial Hospital by various means, which may include, but are not limited to the publication notices in patient bills and by posting notices in the emergency room, admitting and registration departments, and patient financial services offices. Memorial Hospital also shall publish a summary of this charity care policy on the Memorial Hospital's website. Referral of patients for charity may be made by any member of the Memorial Hospital staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors. A request for charity may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.
- G. Relationship to Collection Policies:** Memorial Hospital management shall develop policies and procedures for internal and external collection practices (including actions the hospital 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 charity, a patient's good faith effort to comply with his or her payment agreements with Memorial Hospital. For patients who qualify for charity and who are cooperating in good faith to resolve their discounted hospital bills, Memorial Hospital may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts. Memorial Hospital will not impose extraordinary collection 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 charity care under this financial assistance policy. Reasonable efforts shall include:
1. Validating that the patient owes the unpaid bills and that all sources or third-party payments have been identified and billed by the Memorial Hospital's billing department.

2. Documentation that Memorial Hospital has or has attempted to offer the patient the opportunity to apply for charity care pursuant to this policy and that the patient has not complied with Memorial Hospital's application requirements.
3. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.

H. **Regulatory Requirements:** In implementing this Policy, Memorial Hospital shall comply with all other federal, state, and local laws, rules and regulations that may apply to activities conducted pursuant to this Policy.

REFERENCES:

None

REVISION TABLE:

Revision Date	Responsible Person	Description of Change
12/12	Shelly Reser	Transfer to new format.
01/16	Shelly Reser	Updated Facility Name, Removed all references from MHUC and updated to Memorial Hospital.
08/20	Shelly Reser	Removed References and Signature Lines
08/23	Shelly Reser	Reviewed, no changes
03/24	Shelly Reser	Removed policy information paragraph.