

Document Title	Financial Assistance Program (Charity Care)	Version	1
Approved By	EXECUTIVE DIRECTOR REVENUE CYCLE OPERATIONS	Approval Date	02/08/2022
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“The policies, procedures and forms in the manual are intended as guidelines. It is recognized that situations can be unique. Personnel are expected to use established practice and sound judgment in making decisions during their daily activities.”

POLICY:

St. Mary’s and Clearwater Valley Hospital and Clinics (SMH/CVH) provides medically necessary care regardless of ability to pay or insurance coverage status. SMH/CVH believes that medically necessary health care services should be accessible to all, regardless of age, gender, geographic location, cultural background, physical mobility or ability to pay. SMH/CVH is committed to excellence in providing high quality health care services, while serving the diverse needs of those living within its service area.

This policy describes the SMH/CVH Financial Assistance eligibility requirements and approval process. Generally, eligibility for Financial Assistance is determined by comparing the patient’s household income to the current year Federal Poverty Level Income Guidelines (FPG) as established by the Department of Health and Human Services, and eligible living and medical expenses to qualifying criteria.

Purpose:

The purpose of this policy is to establish and describe SMH/CVH Financial Assistance Policy and eligibility requirements, which are designed to promote access to medically necessary care for those without the ability to pay, and to offer a discount from billed charges for individuals who are able to pay for only a portion of the costs of their care.

Definitions:

Financial Assistance – For the purposes of this policy, “financial assistance” includes charity care and other financial assistance programs offered by SMH/CVH for appropriate services for which SMH/CVH does not expect to be reimbursed due to a patient’s inability to pay, and ineligibility to qualify for government or other available financial assistance programs.

Bad Debt – Accounts are considered bad debt when the patient has demonstrated an unwillingness to pay his/her portion of the SMH/CVH hospital or professional services bill(s), and has not provided documentation required to support the Financial Assistance application process. This applies to uncollectable billed amounts, excluding contractual adjustments, arising from failure to pay by patients or guarantors whose care has not been classified as Financial Assistance eligible.

Discretionary Expenses – A discretionary expense is a patient’s or guarantor’s cost that is not determined to be essential for the operation of the household. This includes expenses that can be reduced or eliminated without having an immediate impact on the patient.

Eligible living and medical expenses – Patient or guarantor expenses not classified as discretionary.

Eligibility – a determination made by SMH/CVH based upon required financial documentation to verify the patient’s inability to pay for medically necessary services provided to that patient.

Federal Poverty Guidelines – (defined through Federal DHS, updated annually on the CVH/SMH website, following government published updates.)

Catastrophic Care – a circumstance of extraordinary medical expense from which a patient or guarantor would not have the ability to pay off the bill in their lifetime, given the patient or guarantor's validated income and available resources, without it resulting in a severe financial hardship.

Presumptive Eligibility – Established and defined criteria through which SMH/CVH may determine a patient's eligibility for Financial Assistance in the absence of supporting documentation. In this event, SMH/CVH may use outside agency information to complete the eligibility determination and level of financial assistance awarded.

Examples:

- Homelessness or Transient
- Deceased with no Estate
- Severe mental illness
- Social/Family abandonment

Family – A group of two or more persons related by *birth, marriage, or adoption*, who live together; all such related persons are considered as members of one family. This may include individuals residing together who have consented to an arrangement similar to ties of blood or marriage. An unmarried person living alone will be considered a family for purposes of this policy.

Income – Personal Income: Total cash receipts and gross wages before taxes, welfare payments, Social Security payments, strike benefits, unemployment or disability benefits, child support, or alimony, and investment activities paid to the individual and/or family members. Business Income, EBIDA: Profit or Loss (from Line 29, Schedule C), excluding Depreciation, Interest, and Amortization. Requires detail from Line 48, to have 'Other Expenses' considered.

Assets – Any item of economic value owned by an individual or corporation, especially that which could be converted to cash. Examples include: checking and savings accounts, securities, real estate, car, boat, life insurance, IRA, trust accounts, and other property.

Indigent Persons – Patients who have exhausted any third-party sources, including Medicare, Medicaid and County, and whose income is equal to or *below 200%* of the federal poverty standards adjusted for family size, or is otherwise not sufficient to enable them to pay for the care or to pay deductibles or coinsurance amounts required by a third party payer.

Uninsured – No third party insurance coverage. Health savings accounts, for the purpose of this policy, are considered insurance. Depending on other available resources, an uninsured patient is not necessarily assumed to also be indigent or otherwise eligible for financial assistance.

Eligibility requirements:

Information regarding eligibility and the Financial Assistance application process is available and can be obtained at all points of patient registration at SMH/CVH, from Financial Counselors, Customer Service, and Social Services

Departments, and is located through SMH/CVH website.

1. A Financial Assistance request should be initiated by the patient, guarantor, or appropriate agent representing the patient. Patients demonstrating and/or communicating a need for assistance will be evaluated according to this policy.
2. Patients who may be eligible for Financial Assistance shall be identified as early as possible in the patient care cycle. However, determination of eligibility can take place after discharge at any point in the billing cycle.
3. After a request has been initiated, the patient will be screened by a Financial Counselor. This screening process will give the patient a preliminary determination if sufficient eligibility is indicated to allow the application process to move forward.
 - a. If preliminary eligibility is indicated, the patient will receive a Financial Assistance application
 - b. The Financial Counselor will instruct the patient or responsible party that the application must be completed, signed and submitted to an authorized SMH/CVH representative within 30 days of the screening date, or such time that is medically and reasonably feasible to submit the required documentation. Collection efforts will not be initiated during the financial assistance determination process provided the responsible party is cooperative with the hospital's efforts to reach an initial determination of sponsorship status.
4. In order to be evaluated for Financial Assistance, it is the responsibility of the patient/guarantor to submit verification of annual income and assets through the completion and timely submission of a Financial Assistance Application.
 - a. During the screening and application process, the patient's account(s) will maintain a "Self Pay" status, which will allow the billing and collection process to continue. This billing classification will not change until a final approval decision has been recorded.

5. **Determination of Eligibility:**

A valid completed Financial Assistance Application will include the following documented information:

- a. Current, valid Picture I.D.
- b. Proof of income, to include:
 - i. The patient's most recent filed Federal Tax Return (if tax return covers a prior calendar year, then a current W-2 form for all household/family members will also be required).
 - ii. Current three months of employer pay stubs
 - iii. Copies of all checking, savings and other bank statements for last three months
 - iv. Social security benefits
 - v. Disability and/or Unemployment benefits received
 - vi. Current food stamps award letter from patient's state of residence
 - vii. Written documentation from other income source. To include assistance received from an individual or organization.
 - viii. A copy of a most recent application denial from County program or Medicaid
 - ix. Proof of mortgage, rent and utilities payment.
- c. Proof of income excludes non-cash benefits (such as housing subsidies), capital gains or losses, and household income from non-family persons. However, non-family persons, such as

roommates, may be considered if expenses are shared.

- d. Proof of Assets, to include supporting documentation of:
 - i. Value of home (if owned)
 - ii. Vehicles
 - iii. Assets available through a family or other Trust
 - e. In the event that the responsible party is not able to provide any of the documentation described above, SMH/CVH may rely upon written and signed statements from the responsible party in the verification process. This circumstance should be a rare occurrence, with a final determination of financial assistance eligibility or classification as “indigent” authorized by both the Financial Counseling Manager and the Director of Patient Access and Financial Clearance.
 - i. Based on the information provided and the verification process, after review of the Application, the Revenue Cycle Director, or designee, may waive documentation requirements, when it is apparent that the patient or responsible party clearly meets the Financial Assistance guidelines.
6. SMH/CVH will complete the review and approval process within seven business days from receipt of the completed application, at which time a decision letter will be mailed to the patient or responsible party.
 7. SMH/CVH will approve Financial Assistance only after all other means of financial support are exhausted from available payment sources, including but not limited to Medicaid and Idaho’s County Programs.
 8. Once the patient meets eligibility requirements, any outstanding balances from prior services that are owed by the patient as of the date of application, for deductible, coinsurance or where the insurance benefits have been exhausted, and which have not previously been assigned to bad debt, may qualify for Financial Assistance. In such cases, the determination of the benefit will be based upon the patient balance due at time of application, and not the original billed amount.
 9. Financial Assistance eligibility and discount determination is based on the patient’s medical expenses, financial status at the time of application, and may also be impacted by the household’s discretionary expense. (See “Determination of Eligibility”, below.) In certain circumstances, in the absence of qualifying documentation, the patient may meet presumptive eligibility criteria.
 10. Patients eligible for Financial Assistance will be informed in writing of the determination (approval, partial approval, or denial) within 14 days of SMH/CVH receiving a completed and signed application. For patients awarded less than 100% Financial Assistance, this notification letter will include instructions to contact the Financial Counselor to arrange payment (which may include terms of a payment plan) of outstanding amounts due.
 11. Patients whose application has been denied will be sent a letter explaining the reason for the denial and a contact number should they wish to discuss the application further.
 12. Patients whose application has been denied have an option to appeal the decision. The Financial Counseling Committee, or designee, will make final determination on appealed decisions. The Responsible Party may appeal the determination once by providing additional verification of income or family size within forty (40) calendar days from the date of the first determination letter.

13. Approval of Financial Assistance is granted on basis of all current hospital or professional services accounts and/or outstanding balances included for consideration in the application process.
14. Financial Assistance applications may be considered for up to six (6) months forward from current service date(s) covered through the application process, unless the patient or guarantor's ability to pay has changed during the eligible time period. Should future care, within the six month application period, be considered for eligibility, it is the patient's responsibility to inform SMH/CVH of any change in financial status, and it is the SMH/CVH representative's responsibility to validate the information provided.

Pending Medicaid or County - Effect on Financial Assistance Eligibility

The pending Medicaid or County and Financial Assistance application processes are not concurrent events. Determination of Medicaid and/or County benefit must be finalized prior to evaluating an application for Financial Assistance. If a Financial Assistance application is completed, it will pend until a decision from the County or State Medicaid agency is returned. Otherwise, it is the patient's responsibility to SMH/CVH Financial Counseling after receiving a State or County denial, should the patient wish to pursue Financial Assistance.

LEVELS OF FINANCIAL ASSISTANCE

For individual accounts with patient responsibility below \$50.00, Financial Assistance does not apply. If multiple account balances in combination exceed \$50.00, patients may be eligible for financial assistance.

Level of Financial Assistance	Qualifying Federal Poverty Level
100% Assistance Award	0-175% of FPL
50% Assistance Award	176-200% of FPL
30% Assistance Award	201-250% of FPL

Special Circumstances and Presumptive Eligibility

A patient who is unable to provide documentation or who is unable to follow the application procedures may receive full or partial financial assistance, with the approval of the Chief Financial Officer or Director of Revenue Cycle Operations. The SMH/CVH authorized representative must document the decision, including the reasons why the patient did not meet criteria outlined in the policy. Circumstances may include, but are not limited to, deceased with no estate, homeless, transient, severe mental illness, and social/family abandonment.

Out of State Medicaid – No Provider Number

Patients who are a current approved member of a non-participating Out of State Medicaid program (for which SMH/CVH is not enrolled), where a provider number is not available, and whose prorated charges are less than twenty-five hundred dollars (\$2,500), may also satisfy the Special Circumstances or Presumptive Eligibility criteria. In such circumstance, the account will be forwarded to the Billing Department Supervisor for review and approval. If Charges are over twenty-five hundred dollars (\$2,500) to twenty-five thousand (\$25,000), the account will be escalated to the Financial Counseling Manager or designee to review and approve. Amounts greater than \$25,000, require approval from the Executive Director, Revenue Cycle Operations. In such cases, the patient must provide documented proof of current Medicaid eligibility in their state of residence. For these patients, the Out of State Medicaid plan will be replaced with the Financial Assistance classification. At the discretion of the Financial Counseling Manager, retroactive enrollment in an Out of State Medicaid program may be pursued.

Catastrophic Financial Assistance

If a patient meets the conditions through which catastrophic financial assistance may apply, the financial counselor will submit the application for consideration to the department manager or to the Director of Revenue Cycle for final determination. The patient will be notified of approval or denial, within seven business days, as per policy.

Non-Medically Necessary Care:

- Financial Assistance is not applicable to non-emergent services, such as elective services or procedures that do not meet criteria for medical necessity, as determined by a physician or care manager. Examples of non-emergent services: Department of Transportation Physicals and Sports Physicians.
- Financial Assistance will not be granted for services not covered by Medicaid per the patient's state-specific guidelines of medically necessary care. Such non-covered, non-emergent services will be identified through the pre- authorization process, and may result in a delayed decision. The referring physician's office staff, the financial counselor or the Financial Clearance Specialist will notify the patient if there is a possibility that services may be deemed non-medically necessary. Examples of services not covered by Medicaid: circumcisions and reversal of voluntary sterilization procedures.
- Financial Assistance will not be granted for Medicaid accounts where Emergency room visits or Rehab/Therapy services have exceeded the maximum allowable visits for the patient.

Patient Cooperation Standards

A patient must exhaust all other possible payment options, including private coverage, federal, state and local medical assistance programs, and other forms of assistance provided by third-parties, prior to being considered for any level of SMH/CVH Financial Assistance. Failure on the part of the responsible party to cooperate with SMH/CVH in the eligibility process shall be grounds for denial of any benefit covered by this policy. If at any point during the Financial Assistance review process, it becomes apparent that the patient is eligible for Insurance coverages through a Family member or is eligible for an APTC tax credit and is not utilizing this credit, the account may be ineligible for Financial Assistance.

Continuing Eligibility

For a patient to remain eligible for SMH/CVH Financial Assistance, the patient/guarantor must apply for and continue to pursue all other benefits for which they are entitled, or may become entitled, including Medicare, Medicaid, Social Security Disability, or any other state or federal programs. This responsibility continues until the patient or guarantor receives documented approval or denial from the applicable benefit program. If the patient is denied benefits due to lack of cooperation, SMH/CVH Financial Assistance may not be granted or may be revoked, and any benefits may be subject to review and may be reversed. Should this occur, any current or outstanding balances may revert back to the financial responsibility of the patient or guarantor.

The patient or responsible party is required to reapply for Financial Assistance, should any change in the patient's household size, status, or income level occur. This requirement is applicable at any time following the original decision.

Approval authority for Financial Assistance

- The department manager may approve up to \$25,000, based on the application meeting policy criteria.
- Director of Revenue Cycle Operations may approve financial assistance up to \$50,000, based on



Financial Counseling recommendation and the application meeting policy criteria.

- Amounts greater than \$50,000 require approval from the Chief Financial Officer.
- Catastrophic financial assistance or other extenuating circumstance decisions, requires approval from the Director of Patient Access and Financial Clearance or the Chief Financial Officer.

All personal and financial documentation submitted by the patient or guarantor to support the Financial Assistance application process, will be maintained as part of the patient's confidential record and protected in accordance with the Health Information Portability and Accountability Act (HIPAA) and the SMH/CVH retention policy.

Addendum A Financial Assistance Application - Addendum A

Addendum B Financial Assistance Poverty Guidelines - Addendum B

Addendum C Financial Assistance Approval Letter - Addendum C

Addendum D Financial Assistance Denial Letter - Addendum D

COMPLIANCE CRITERIA

List Departments affected by this document and which Committees approved this document (including your own service line committee).

Departments Affected	Approved by:	Date Approved