

<b>ADM 01.60 Financial Assistance Program</b>	
<b>Original Date:</b> 7/1/2013	<b>Effective Date:</b> 3/11/2021
<b>Number:</b> ADM 01.60	<b>Version:</b> 8
<b>Facility (Scope):</b> Organization-wide	

**POLICY STATEMENT:**

Roundup Memorial Healthcare’s (RMH) mission and values encourage reaching out to people in the community we serve to provide care to all persons, including individuals and families with financial limitations. We are committed to providing financial assistance to persons who have health care 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.

The Financial Assistance Program is not a substitute for personal responsibility. Patients are expected to cooperate with R M H’s procedures for obtaining financial assistance and to contribute to the cost of their care based on their individual ability to pay. R M H established the following provisions in order to manage financial resources in a responsible manner and to assist the most persons in need.

This policy allows RMH to determine eligibility for financial assistance for patients who meet the established eligibility criteria. This policy does not offer a provision for assistance to patients with sufficient means who refuse to pay for the medical services rendered to them or to their family members. The Financial Assistance Program is intended to be the last payment resort after exhausting all other options. The policy also identifies steps RMH will take to communicate the availability of financial assistance. Any information gathered by R M H during this process is subject to RMH’s policies on protection of confidential information.

**DEFINITIONS:**

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

Financial Assistance: Health care services that have or will be provided but are never expected to result in cash inflows. Financial assistance results from a provider’s policy to provide health care services free or at a discount to individuals who meet the established criteria.

Family: Defined by the Census Bureau as a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service’s rules, if the 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.

Family Income: Income is the total annual cash receipts before taxes from all sources which includes, but is not limited to, wages and salaries before deductions, net receipts from non-farm self-employment income, net receipts from farm self-employment, social security payments, railroad retirement, unemployment compensation, workers compensation benefits, veteran’s payments, public assistance payments, Supplemental Security Income, Social Security Disability Income, alimony, child support, military allotments, private pensions, government pension, annuity payments, college or

university scholarships, grants, fellowships, dividends, interest net rental income, net payments, net gambling or lottery winnings, assistance from outside the household and other miscellaneous sources.

Noncash benefits (such as food stamps and housing subsidies) do not count as income.

Federal Income Poverty Guidelines: The most recent published federal income poverty guidelines for a household, which shall be revised and attached to this policy when they are published by the U.S. government.

Legal Guardian: A recognized legal surrogate for the patient with regard to medical and financial decisions, who would be authorized under Montana law to receive confidential health care information on the patient. This includes parents who are legally responsible for their minor children, close family members who are recognized by the patient or Montana law as having the legal ability to act on the patient's behalf with regard to medical and/or financial decisions, or a legal guardian under Montana law.

Responsible Party: The patient or any individual legally obligated to pay for the patient's debts for medical care, excluding third party payers. An adult patient, living in the household of the relative other than a spouse – including an adult, unmarried child living at home – will be considered the “responsible party” for purposes of this policy, without regard to the assets and income of the other relatives living in the household (except a spouse).

Third Party Payer: Any financial agent or entity, such as an insurance carrier, HMO, employee benefit plan, or government payer, with a legally enforceable obligation to pay for services billed to patient by R M H (Responsible parties, as defined herein, are not considered third party payers.)

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.

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

### **PROCEDURE:**

#### 1. Services Eligible Under this Policy:

The following medically-necessary health care services are eligible for financial assistance:

- A. Emergency medical services provided in an emergency room setting;
- B. Services for a condition which, if not treated, would lead to an adverse change in the health status of an individual;
- C. Non-elective services provided in the clinic setting; and
- D. Medically-necessary services, evaluated on a case-by-case basis at Roundup Memorial Healthcare's discretion.

2. Eligibility Criteria:

- A. Financial assistance under this policy is available without regard to the patient's race, color, creed, national origin, age, disability, handicap status, health care condition, or marital status.
- B. Patient care, which is not medically necessary, including elective, cosmetic, or other care deemed to be generally non-reimbursable by traditional insurance carriers and government payers, shall not be considered eligible for financial assistance.
- C. Minor children/Divorced Parents – for the minor children of divorced parents, when both parents/legal guardians are responsible parties, information regarding both parents will be required to complete a Financial Assistance Application. However, if after reasonable efforts, circumstances prevent the applicant from obtaining financial information for all responsible parties, information from responsible parties residing in the same household of the minor child/children will be used to make the determination.
- D. Financial assistance provided by RMH under this policy is secondary to all other third parties and financial resources available to the patient. This includes, but is not limited to:
  - Group or individual medical insurance plans
  - Employee benefit plans
  - Worker's Compensation plans
  - Medicaid, State or County Medical programs
  - Other state, federal or medical programs
  - Third party adjudged to be legally liable for a patient's medical expenses (i.e., auto accidents or personal injury claims)
  - Any other persons or entities that have a legal responsibility to pay for the medical services
  - Crime Victims eligible for financial assistance
  - Medical care cost covered by government programs of other countries
- E. To the extent that charges for medically necessary services provided by RMH are not paid for by third-party coverage, a 100% financial assistance reduction may be provided to cover RMH's charges for patients where:
  - The gross income of the responsible parties is up to 125% of the Federal Income Poverty Guidelines as adjusted for household size.
- F. Partial financial assistance may be provided if:
  - The gross income of the responsible parties is greater than 125% and less than or equal to 200% of the Federal Income Poverty Guidelines as adjusted for household size.
- G. Partial assistance will be determined as a percentage of the amount owed to RMH, based upon where the application falls on the Federal Income Poverty Guidelines.
- H. RMH will consider the following circumstances and other similar circumstances in evaluating applicants who do not otherwise qualify for financial assistance under this policy.
  - Catastrophic medical debt will be defined as medical debt which is more than 25% of the annual income of the patient's family. All Roundup Memorial Healthcare debt in excess of the 25% would be adjusted off to financial assistance.
    - i. For uninsured patients, the time frame calculation for the annual income cap will be based on a 12-month period.

- ii. For underinsured patients, the time frame calculation for the annual income cap will be based on the 12-month calendar year (January – December).
    - I. Furthermore, other circumstances may compellingly show that full payment of outstanding medical expenses could cause serious social and financial hardship to the patient or the household. These circumstances may warrant that an exceptional financial assistance reduction be considered.
3. Application Process:
  - A. All patients (or their legal guardians) desiring consideration for Roundup Memorial Healthcare's Financial Assistance Program must apply for assistance in writing and must disclose financial information that RMH considers pertinent to the determination of the patient's eligibility for financial assistance. Financial assistance is available only to cover charges billed to patients by RMH.
  - B. Patients (or their legal guardians) requesting financial assistance must authorize RMH to make inquiries of employers, banks, credit bureaus, and other institutions for the purpose of verifying information RMH requires in order to determine eligibility for financial assistance.
  - C. The completed Financial Assistance application must be accompanied by legible and accurate photocopies of the following documents as needed for purposes of verifying eligibility:
    - Complete IRS tax returns for the most recently completed calendar year of all responsible parties;
    - Payroll check stubs or other documentation of monthly income sources reflecting income of all responsible parties for at least the three months prior to the application;
    - Written verification from public assistance agencies, such as Medicaid or other county medical, reflecting denials of eligibility (upon request) and as appropriate;
    - Written verification of denial for unemployment or worker's compensation benefits (upon request) and as appropriate.
  - D. Income will be annualized, when appropriate, based upon documentation provided.
  - E. Confidentiality of information will be maintained for all who seek and/or receive assistance, as required by RMH policy and federal and state law. Copies of the supporting documents will be kept with the application form.
  - F. RMH may request additional documentation and/or information, which, in the exercise of reasonable discretion, RMH determines is needed to verify eligibility for financial assistance and to complete the processing of the application.
4. Eligibility Determination:
  - A. When considering a financial assistance application, Roundup Memorial Healthcare may request the patient first pursue other resources of payment, including but not limited to Medicaid, county or state medical assistance, crime victims' fund, Supplemental Social Security Income or Disability Income (SSI or SSDI), or other third-party payers as appropriate.
  - B. The instructions required to complete the Financial Assistance application will be furnished to patients, their legal guardians, or any persons authorized to act on behalf of the patient.

RMH will provide personnel to assist patients/legal guardians in understanding the criteria for eligibility and how to fill out the application.

- C. The patient and/or responsible party will be given twenty (20) business days from receipt of an application to complete and return the Financial Assistance application. Special circumstances may warrant an extension of the twenty (20) business days allocated to complete the Financial Assistance application.
- D. Financial assistance may be determined at the time of application or may occur at any other time, upon request and qualifications under this policy.
- E. If RMH determines that any material documentation or information submitted is untrue or falsified, the application will be denied. RMH will not reconsider an application if RMH determines that the applicant has intentionally misrepresented material information related to eligibility criteria or documentation.

5. Communication of the Financial Assistance Program to Patients and the Public:

Notification about financial assistance availability from RMH, which shall include a contact number, shall be disseminated by Roundup Memorial Healthcare by various means, which may include, but are not limited to, the publication of notices in patient bills and post or distribute notices on facility campus, and at other organizations as RMH may elect. Such information shall be provided in the primary languages spoken by the population serviced by R M H. Referral of patients may be made by any member of the R M H staff or medical staff, including physicians, nurses, patient account representatives, social workers, and case managers. 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.

6. Notification:

RMH will notify the patient, patient's legal guardian, and/or responsible party in writing of the final determination within forty-five (45) calendar days of RMH's receipt of a completed application. The notification will include a determination of the amount for which the patient and/or responsible party will be financially accountable. Denials will be written and include instructions for appeal or reconsideration.

7. Appeals:

- A. The patient and/or responsible party may appeal a denial of eligibility for financial assistance by providing additional information to the Patient Account Representative within 14 calendar days of receipt of notification of denial. All appeals will be reviewed by the Patient Accounts Manager for a final determination. If the final determination affirms the previous denial of financial assistance, written notification will be sent the patient, legal guardian, and/or responsible party.
- B. If an appeal is filed within 12 calendar days of final determination, any collection efforts will be suspended pending the final outcome of the appeals process.

8. Collection Agency Accounts:

Accounts assigned to an outside collection agency or attorney will not be eligible for financial assistance. However, in unusual situations where a patient's circumstances have changed after an account is assigned to an out collection agency or attorney, Roundup Memorial Healthcare will consider exceptions to this provision of this policy. The Patient Account Representative, Business Office Manager and Chief Executive Officer have the authority to grant exceptions.

9. Discounted Charges for Eligible Patients:

- A. Patients determined to be eligible for financial assistance are not charged more than AGB (Amount Generally Billed) for emergency or other medically necessary care. eligible patients with insurance coverage are not personally responsible to pay more than AGB after all payments by the health insurer have been applied.
- B. RMH uses the look-back method to determine the amounts generally billed to individuals who have insurance covering emergency or other medically necessary care.
- C. The AGB percentages were calculated using all by Medicare and Medicaid insurers, including Medicare Advantage and traditional Medicare, for inpatient and outpatient services over a 12-month period. Total expected payment form allowed claims was divided by the total billed charges for the same claims. The AGB percentages are updated annually. The current RMH percentage is 72.65%.

10. Policy Administration:

This policy shall be supervised by the Patient Account Representatives who shall be responsible for administering the program, assuring that determination for financial assistance meets the requirements of this policy, and notifying the patient and/or responsible party of the final determination. The Business Office Manager and Chief Executive Officer must approve the applications. In implementing this Policy, RMH 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.

**ADDITIONAL POLICY INFORMATION:**

<b>Type:</b> CAH 2-Year Review	<b>Owner:</b> Heather Welch, Business Office Manager
<b>Replaces:</b> None	
<b>Other required review/approval(s) (name, title, date):</b> Holly Wolff, CEO	
<b>Regulatory or Accreditation Agency:</b>	