

FRANCES MAHON DEACONESS HOSPITAL

621 3rd Street South
Glasgow, MT 59230

DEPARTMENT: PATIENT FINANCIAL SERVICES

POLICY PFS 210

SUBJECT: Financial Assistance Policy (FAP)

PURPOSE:

Frances Mahon Deaconess Hospital (FMDH) is committed to providing access to emergency and medically necessary affordable healthcare services to all patients regardless of their ability to pay. FMDH intends, with this policy, to establish a process for use in circumstances in which Financial Assistance, compliant with all federal, state, and local laws, shall be offered to those receiving services. The policy addresses:

- Patient Notification of Financial Assistance.
- Financial Assistance Eligibility Criteria.
- Instructions for Applying for Financial Assistance.
- Determination and Patient Notification.
- The method of calculating amounts charged to individuals who qualify for assistance under this policy.
- Measures to widely publicize the policy.

RESPONSIBILITY:

- Patient Financial Representative (PFR) and Financial Counselor (FC) are responsible for instituting.
- Director of Patient Financial Services is responsible for managing the policy.

SCOPE:

- This policy applies to all emergency and medically necessary inpatient and outpatient services provided to patients who qualify for Financial Assistance in accordance with the terms and conditions listed in this policy. For these purposes, the policy also covers the rendering of professional services by physicians and other providers employed or contracted by FMDH, as listed on Attachment #1 of this policy. Any other physician or provider of care at FMDH are not subject to this policy and each patient will be responsible for satisfaction or resolution of any bills issued by such physicians or providers for their professional services.
- FMDH will provide health care services to individuals that need emergency or medically necessary care, regardless of the ability of the

patient to pay for such services and regardless of whether such patients may qualify for Financial Assistance under this policy.

- FMDH will not engage in any actions that discourage individuals from seeking emergency medical care, such as by demanding that emergency department patients pay before receiving treatment or by permitting debt collection activities in the emergency department or other areas where such activities could interfere with the provision of emergency care on a non-discriminatory basis.
- Any services that are deemed as not Medically Necessary are not eligible for Financial Assistance.

DEFINITIONS:

- 1. Medically Necessary Health Care Services:** Emergency medical services provided in in an Emergency setting, Services for which, if not promptly treated, would lead to an adverse change in the health status of an individual. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting, and medically necessary services, evaluated on a case-by-case basis at FMDH's discretion. Attachment #1 of this policy includes a listing of eligible and non-eligible services and providers.
- 2. Amounts Generally Billed (AGB):** Amounts Generally Billed (AGB) means the amounts generally billed for emergency or other medically necessary care to individuals who have insurance covering such care. AGB percentage is determined annually by using a 12-month measurement period utilizing the look back method. The AGB percentage is all claims allowed by Medicare and all private health insurers divided by gross charges for those claims. All claims included those for the Hospital and Glasgow Clinic as well as for Hi-Line Medical Services, as it is a significantly related entity. The measurement period is 7/1 through 6/30 of each year and the start date for the new calculation will be 10/1 of each year which is within the 120-day requirement.
- 3. Completed Application:** A completed Financial Assistance Application (FAA) form, signed, and dated, and supporting proof of income.
- 4. Eligibility Period:** The period during which FMDH will accept and process FAAs. This period shall be from the date of service until 240 days after FMDH provides the patient with the first billing statement for the care provided.
- 5. Extraordinary Collection Actions:** Those actions that FMDH may take in event of nonpayment following the expiration of the notification period. These may include referral to an external collection agency, the reporting of adverse information about the individual to consumer credit reporting agencies or credit bureaus, garnishment of an individual's wages, and/or commencement of a legal civil action against an individual.
- 6. Financial Assistance:** Either full or partial reduction in charges to patients for emergency or Medically Necessary Health Care Services, in the case of patients who have qualified for Financial Assistance, Medically Indigent, or are Presumptively Eligible as those terms are defined in this policy. Financial

Assistance does not include contractual shortfalls from government programs, but may include insurance co-payments, deductibles, or both.

7. **Medically Indigent:** If a guarantor's gross annual income falls outside of the matrix but their medical expenses in relation to their income would cause undue financial hardship to the family support system, Financial Assistance may still be considered at the FC's discretion. The hospital may pull a credit report or supplemental information to confirm data provided to the hospital on the application as long as there is a signature under the certification section of the application.
8. **Notification Period:** The period during which FMDH will make every reasonable effort to inform the patient of the availability of financial assistance under this policy prior to initiating extraordinary collection actions. This period shall be from the date of service until 120 days after FMDH provides the patient with the first billing statement for the care provided.
9. **Patient(s):** The person who FMDH provides services and/or the person who is legally responsible for payment for such services.
10. **Dual Eligible:** Medicare beneficiaries who receive Medicaid assistance, including those who receive the full range of Medicaid benefits and those who are Qualified Medicare Beneficiaries (QMB), Specified Low Income Medicare Beneficiaries (SLMB), and Qualifying Individuals (QI).
11. **Presumptively Eligible:** There are instances when a patient may appear eligible for financial assistance discounts, but there is no financial assistance form on file due to a lack of supporting documentation. There might be adequate information provided by the patient through other sources, which could provide sufficient evidence to provide the patient with financial assistance. In the event there is no evidence to support a patient's eligibility for financial assistance, FMDH could use outside agencies in determining estimated income amounts for the basis of determining financial assistance eligibility and potential discount amounts. Presumptive eligibility may be determined based on individual life circumstances that may include:
 - a. Homeless
 - b. Supplemental Nutrition Program (SNAP) eligibility
 - c. Deceased with no estate.
 - d. Mentally incapacitated with no one to act on his or her behalf.
 - e. Medicaid eligible, but not on the date of service or for non-covered services
 - f. Dual Eligible: Medicare beneficiaries who receive Medicaid assistance, including those who receive the full range of Medicaid benefits and those who are Qualified Medicare Beneficiaries (QMB), Specified Low Income Medicare Beneficiaries (SLMB), and Qualifying Individuals (QI). Discount dependent on level of Medicaid coverage in relation to current discount scale.
 - g. Enrolled in one or more governmental programs for low-income individuals having eligibility criteria.
 - h. Incarceration in a penal institution

POLICY:

1. **Patient Notification:** FMDH will make all reasonable efforts to notify a patient regarding the availability of Financial Assistance under this policy by:
 - a. Attempting to determine whether a patient has third-party coverage for any part of the emergency or Medically Necessary Health Care service provided.
 - i. If a patient does not have third-party coverage, the Financial Counselor will be contacted to speak with Inpatient and with outpatient cases exceeding \$1,000 in total charges to determine if the patient qualifies for third party funding.
 - ii. If a patient does not have or qualify for third party funding the FC will explain the FAP, provide an Application for Financial Assistance, and provide assistance with completing the Application, if desired.
 - b. Offering the Patient a plain language summary of the Financial Assistance available under this policy at the time of admission or before discharge from FMDH.
 - c. Providing the information during the Notification Period about the availability of Financial Assistance on at least three (3) billing statements and all other written communications to the patient.
 - d. Informing patients during the Notification Period about the availability of Financial Assistance during oral inquiries regarding the amount due for the care that occurred.
 - e. Providing the patient with at least one written notice informing the patient about the Extraordinary Collection Actions that FMDH may take if the patient does not submit an Application for Financial Assistance or pay the amount due by at least thirty days following the date of the notice. The notice will not be mailed or delivered to a patient prior to the end of the Notification Period giving the patient 30 days to respond; and
 - f. FMDH will not engage in any Extraordinary Collection Actions against a patient until such time as it determines the patient's eligibility for Financial Assistance under this policy during the 120-day Notification Period and has provided the patient with the notice as described above.
2. **Patient Eligibility Criteria:** Financial Assistance will be given for emergency or Medically Necessary Health Care services to patients who qualify based on information provided via the Application for Financial Assistance or to patients who have been determined to be Presumptively Eligible. In addition, Financial Assistance may be provided in other circumstances on a case-by-case basis as determined by FMDH FC.
 - a. The FC will oversee the FAA process. Financial Assistance under this policy is a resource of last resort and is provided to patients who are uninsured, or underinsured, are unable to pay for their care based upon a determination of financial need in accordance with this Policy. Determination of eligibility of a patient for Financial Assistance shall be applied regardless of the source of referral and without discrimination as to race, color, creed, national origin, age, handicap status, or marital status.

If a patient provides information that is inaccurate or misleading, the patient may be deemed ineligible for Financial Assistance and, accordingly, may be expected to pay their bill in full.

- b. Patients desiring consideration under the FMDH FAP must apply for Financial Assistance and are required to fully complete FMDH's Application for Financial Assistance possibly disclosing the required financial information. It is preferred, but not required, that a request for financial assistance and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at a later point in the collection cycle.
 - i. Exceptions:
 1. If a patient has been determined to be Presumptively Eligible for Financial Assistance under this policy.
 - ii. Application for Financial Assistance can be obtained from the following locations:
 1. www.fmdh.org
 2. e-mail request to pfr@fmdh.org or ruth.winder@fmdh.org
 3. or in person at all Patient Access areas in FMDH, 621 3rd Street S., Glasgow, MT 59230
 - iii. Patients needing assistance for completing the Application for Financial Assistance should contact the FMDH FC at:
 1. (406) 228-3633
 2. e-mail to ruth.winder@fmdh.org
 3. or in person at FC's office at FMDH
 - iv. Patients seeking Financial Assistance under this policy may be required to apply, and may request assistance in applying, for Medicaid or other government programs prior to applying for Financial Assistance or as soon as it is identified that the patient may be eligible for another program.
 - v. Completed applications for Financial Assistance must be returned during the Eligibility Period in any of the following ways:
 1. Online at www.fmdh.org
 2. In person with the FC at FMDH or at Patient Financial Services at FMDH, 621 3rd Street S., Glasgow, MT 59230
or
 3. Mail to FMDH, ATTN: FC, 621 3rd Street S., Glasgow, MT 59230, or
 4. Fax to ATTN: FC at (406) 228-3632

3. Patient Application Process:

- a. **Completed Applications:** In the event that FMDH receives a completed Application for Financial Assistance during the Eligibility Period, FMDH will suspend any Extraordinary Collection Actions that may be in effect for no more than 30 days. The application must be complete and be accompanied by the following types of documentation:
 - i. IRS tax return with all schedules of the individual/household, and any additional tax return where the individual is claimed as a

- dependent, any operating note, K-1, OR other documentation to be used to identify an applicant's income, assets, and liabilities.
- ii. Paystubs or proof of other monthly income sources for the last 90 days. This could include but is not limited to Social Security Income and Pension Benefits.
- iii. Checking and savings account balances, investment account balances, copies of SNAP and proof of child support.
- iv. Failure to provide this information may result in the denial of Financial Assistance under this policy.
- v. FMDH may not deny a patient assistance under this policy for the failure to provide information that was not required to be submitted in either this policy or the Application for Financial Assistance.
- vi. Personal assets (investments, bank accounts, etc.) and business assets versus liability (debt) information (Corporations, partnerships, etc.) are reviewed in determining eligibility for assistance. The Montana Cadastral Land website may be accessed to confirm ownership and value of property. Personal assets versus liability (debt) information (boat, RV, auto, residence) are reviewed for purposes of determining monthly obligations for patients that did not receive a 100% write-off or were ineligible for any discount.
- vii. Communal living organizations tax returns

b. Incomplete Applications:

- i. Provide the patient with a written notice that:
 - 1. informs the patient about the Extraordinary Collection Actions that FMDH may initiate or resume if the Application for Financial Assistance is not completed; and
 - 2. Allows the patient 30 days to respond to the written notice.
 - ii. If after the written notice as provided above, the patient fails to complete the Application for Financial Assistance within 30 days, FMDH may initiate or resume Extraordinary Collection Actions.
- 4. Patient Notification of Determination:** The patient shall be notified of the determination within thirty (30) working days of receipt of the completed application and FMDH will suspend any Extraordinary Collection Actions for at least 30 days. The notification will include the following:
- a. If approved for Financial Assistance under the provision of this policy:
 - i. Discount gross charges as described in the "Method of Charging" section of this policy.
 - ii. Provide patient with a billing statement that indicates the amount patient owes if they are not eligible for free care.
 - iii. Refund any excess payments made by the individual beyond the discounted gross charges on eligible accounts, if necessary and
 - iv. Take all reasonably available measures to reverse any Extraordinary Collection Actions that occurred.

- v. The remaining self-pay balance will be set up on a monthly payment plan. Extended Payment Plans may be given for up to 24 months.
 - vi. The hospital FC reserves the right, in its discretion, to re-determine a patient's eligibility for Financial Assistance based on changed circumstances, or changes in the terms or conditions of this policy.
- b. If not approved for Financial Assistance under the provision of this policy:
- i. Provide the patient with instructions on how to set up a payment plan and deadline to avoid FMDH from initiating any Extraordinary Collection Actions.
 - ii. Provide the patient with a written notice of the Extraordinary Collection Actions FMDH may take or resume in the event of non-payment of the amount(s) owing and
 - iii. Include instructions for appeal or reconsideration.
5. **Method of Charging:** All patients are billed gross charges. Gross charges are discounted based on income levels, asset versus liability levels, medical indigence, dual eligibility, and the medical necessity of the service. Therefore, gross charges are used as a starting point to calculate discounts to those eligible for financial assistance. If a patient is determined to qualify for Financial Assistance under this policy, the patient's billed charges will be no more than the same Amounts Generally Billed (AGB) for emergency or other Medically Necessary Health Care Services as patients who have insurance coverage. The calculation for AGB is defined above in the definition section of this policy and the percentage is noted on Attachment #1 of this policy.
6. **Financial Assistance Discounts:**
- a. Federal Poverty Guidelines Discount:
 - i. The Patient's annual household income is compared to the most current published "Annual Update of the HHS Poverty Guidelines" that are in effect. FMDH's gross charges for inpatient and outpatient services will be discounted by the sliding scale of 200% - 300% of the Federal Poverty Guideline.
 - ii. The Poverty Guideline can be found at <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines> and is updated annually at the beginning of each calendar year when the government poverty guideline is updated.
 - b. Medically Indigent Discount:
 - i. Available to patients who have a large balance remaining after all third-party payments have been considered. The balance under consideration is that amount which is deemed the patient's financial responsibility.
 - ii. This Financial Assistance is available to patients without respect to Federal Poverty Guidelines, but they must follow the same process as all other patients seeking Financial Assistance based upon Federal Poverty Guidelines.
 - iii. Nothing in this policy shall prevent FMDH from offering reduced or more favorable Financial Assistance based upon the

circumstances. All decisions regarding the interpretation and application of Financial Assistance offered under this policy are the sole discretion of FMDH FC and are subject to review by the Director of Financial Services to ensure compliance.

7. **Collection Practices:** FMDH's management shall develop policies and procedures for internal and external collection practices which include the following:
 - a. Actions the hospital may take in the event of nonpayment (i.e., collections action and reporting to credit agencies)
 - b. Consider the extent to which the patient qualifies for financial assistance.
 - c. A patient's good faith effort to apply for a governmental program or for financial assistance from FMDH.
 - d. A patient's good faith effort to comply with his or her payment agreements with FMDH.
 - e. For patients who qualify for financial assistance and who are cooperating in good faith to resolve their discounted hospital bills, FMDH may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts. FMDH 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 FAP. 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 the hospital.
 - ii. Documentation that FMDH has offered 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 the hospital's application requirements.
 - iii. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.
 - f. In implementing this Policy, FMDH's management shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy.
8. **Appealing A Financial Assistance Determination:**
 - a. The patient may appeal a denial of eligibility for Financial Assistance by providing additional verification of income, medical debt, or family size to the FC within 30 calendar days of receipt of notification. The FC will review all appeals for a final determination. Written notification of the final determination will be sent to the patient.
9. **Community Notification:**
 - a. This policy, Application for Financial Assistance form, a plain language summary of the policy, and any notices or publications regarding the policy will be made available on FMDH's website in English and in any other language spoken by the lesser of 1,000 or 5% of the residents of the

community served by the FMDH as determined using the most current data published by the Census Bureau.

- b. This policy, Application for Financial Assistance form and plain language summary shall be available upon request, without charge, from FMDH Patient Financial Services, in the Emergency Department, Patient Access Areas, from the FMDH FC office, and by mail.
- c. A plain language summary shall be conspicuously displayed in FMDH patient waiting areas, Emergency Department, and in Patient Financial Services in a manner that is reasonably calculated to attract visitor's attention.
- d. A plain language summary of this policy will be offered to all patients upon admission or discharge at FMDH.
- e. A plain language summary is included with all financial assistance applications that are mailed at patients request.
- f. FMDH will provide the plain language summary of the policy to local service organizations to ensure those that are most likely to require Financial Assistance are aware of FMDH's policy.
- g. Discuss Financial Assistance with patients when they call about their bill.
- h. Contact information for the FC can be found in the Application for Financial Assistance form, on the hospital website – www.fmdh.org.

REVIEW AND REVISION STATEMENT:

- Review at least every 2 years or as needed. Final responsibility is with FC.
- Hospital Board gives CEO authority to approve the updating of the attachments to this policy so long as the attachments remain consistent with the terms of the policy.