

SOUTH LYON MEDICAL CENTER

DEPARTMENT: BILLING

**SUBJECT: FINANCIAL ASSISTANCE POLICY
CHARITY CARE & LOW INCOME UNINSURED/UNDERINSURED**

POLICY NO: _____

PAGE NO: 1 OF 14

EFFECTIVE: _____

REVISED: 2/16,3/17,3/18,10/19,10/22

CROSS:

APPROVED:

POLICY:

South Lyon Medical Center (SLMC) will provide, without exception, care for emergency medical conditions to all patients seeking such care, regardless of ability to pay or to qualify for financial assistance, in accordance with the requirements of the Emergency Medical Treatment and Active Labor Act (EMTALA). Other services not meeting the standard of emergency medical condition will be evaluated on a case by case basis. South Lyon Medical Center's mission statement, "to provide access to quality health care services needed by the community", reflects South Lyon Medical Center's social accountability to the communities in which we are located. Providing charity care (financial assistance) to the low-income uninsured/underinsured, along with other community benefit services are important evidence of South Lyon Medical Center's mission fulfillment. It is imperative that the determination, reporting & tracking of charity care are in concert with our not-for-profit mission and community obligation.

Partial and/or full charity care will be based on the individual's ability to pay as defined by Federal Poverty Income Guidelines and the attached sliding scale. Confidentiality of information and individual dignity will be maintained for all that seek charitable services. The handling of personal health information will meet all HIPAA requirements.

This policy along with individualized implementation procedures will be used by all locations and all providers billing for services provided by SLMC. Any modification must be approved in writing by SLMC Administration and the SLMC Board of Directors. A decision on eligibility will be made as soon as possible after receipt of the completed application. Any sliding fee discount will be applied to charges up to 240 days from the patient's first bill.

DEFINITIONS

- AGB – Amounts generally billed for emergency and other medically necessary care to individuals who have insurance coverage.

- ECA - extraordinary collection actions which is defined by Regulation 501(r) as:
 - Selling an individual's debt to another party, subject to some exceptions
 - Adverse reporting to credit reporting agencies or credit bureaus
 - Deferring, denying or requiring payment before providing medically necessary care due to nonpayment for previously provided care
 - Actions that require a legal process, including but not limited to:
 - ◦ Placing a lien on property
 - ◦ Foreclosing on real property
 - ◦ Attaching or seizing a bank account or other personal property

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- ◦ Commencing civil action against an individual
- ◦ Causing an individual's arrest
- ◦ Causing an individual to be subject to a writ of body attachment
- ◦ Garnishing an individual's wages

- FAP – Financial Assistance Policy

- FPIG - Federal Poverty Income Guidelines

- SLMC – South Lyon Medical Center

PURPOSE:

- The purpose of this policy is to define the eligibility criteria and requirements for Financial Assistance in accordance with 501(r) regulations and HRSA participation.

- Definition of Charity Care:
 - A low-income patient is eligible for Charity Care consideration based on meeting the income eligibility criteria as established by the Federal Poverty Income Guideline (FPIG) Sliding Scale.

- Final determination regarding eligibility for charity care for patients traveling from outside of the hospital's primary medical service area is left to the discretion of the SLMC administration. The primary medical service area for South Lyon Medical Center as defined in the SLMC's Community Health Needs Assessment consists of three zip code areas: 89430 (Smith Valley), 89444 (Wellington) and 89447 (Yerington).

PROCEDURE:

- Eligibility Criteria:
 - Charity Care Application: (See Attachment A):
 - A low-income hospital patient from SLMC's primary medical service area who indicates the financial inability to pay a bill for a medically necessary service shall be evaluated for charity care assistance.

 - The standard application form will be used to document each patient's overall financial situation. This application is available in the primary language(s) of the

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- SLMC service area in English and Spanish.
 - Once a determination has been made, a notification form will be sent to each applicant advising them of South Lyon Medical Center's decision.
 - A patient's employment status may be taken into consideration when evaluating charity care status as well as potential payments from pending litigation and third-party liens related to the incident of care.
 - The amount and frequency of hospital bills may also be considered.
 - The data used in making a determination concerning eligibility for charity care will be verified to the extent practical in relation to the amount involved.
 - If SLMC determines a patient is eligible for a discount based on third-party information, the patient will be notified regarding the basis of the determination and the method to apply for a more generous discount.
- **Partial Charity Care: (See Attachment B):**
 - Partial charity care will be granted to patients earning between up to two hundred fifty percent (250%) of the most recent Federal Poverty Income Guidelines (FPG). For these patients, South Lyon Medical Center will use the sliding fee schedule (attachment B) and will provide a discount from total charges based upon the income level of the applicant.
 - The discount applied for patients with earnings up to 250% of the most recent Federal Poverty Income Guidelines (FPIG) will be equal to or greater than Amounts Generally Billed (AGB) for emergency or other medically necessary care to individuals who have insurance coverage. SLMC determines AGB based on all claims paid to SLMC by Medicare and private health insurers (including payments by Medicare beneficiaries or insured individuals themselves), over a 12-month period, divided by the associated gross charges for those claims (Look-back Method). Patients may request in writing the current AGB percentage. The discount will be applied to patients completing the application process and meeting the criteria:

Family Income as a percentage of FPIG	Discount off Gross Charges
>171% - 250%	55%
>100% - 170%	75%
≤100%	100%

- **Expense Qualification for catastrophic charity care discount not subject to Federal Poverty Income Guidelines:**
 - The patient's Allowable Medical Expenses must exceed 30 percent of his or her Family Income determined as follows:
 - The Hospital will multiply the Family Income as determined in the Definition of Income section by thirty percent (30%).
 - The SLMC will determine the patient's Allowable Medical Expenses as care for emergency and other medically necessary care. Other medical services may be eligible for financial assistance as determined by SLMC administration.
 - The Hospital will compare thirty percent (30%) of the Family Income as determined in Definition of Income section to the total amount of the patient's Allowable Medical expenses. If the total of the Allowable Medical Expenses is greater than thirty percent (30%) of the Family Income, then the patient meets the Catastrophic Charity Care qualification. The Hospital will subtract thirty percent (30%) of the Family Income from the Allowable Medical Expenses to determine the amount by which the Allowable Medical Expenses exceed the available income; this amount is then eligible for a charity care-write-off.
- **Eligibility Period:**
 - The eligibility period is twelve (12) months from the date of the initial eligibility determination, unless over the course of that time the patient's Family Income or insurance status changes to such an extent that the patient becomes ineligible. Charity discounts will be applied to additional emergency and other medically necessary care provided by the hospital for a period of twelve (12) months. Eligibility will be reviewed biannually for accuracy and determination.
- **Discount Expiration:**
 - The charity discount will be in effect from the date of application approval (not submission) and will expire after three hundred sixty-five (365) days. The applicant will then have to reapply for the discount in order to extend the eligibility period for an additional twelve (12) months. Administration reserves the right to bill (with or without a discount) any charges that may be accrued between subsequent applications and approval.
- **Retrospective Allowances:**
 - Charity discounts will be applied to patients with accounts who apply and are approved by meeting the FPIG within 240 days of the first patient billing. This applies to accounts

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turned over to an outside agency for collection purposes within this time limit.

- Homeless Patients:
 - Emergency Department patients without a payment source may be classified as charity if they do not have a job, mailing address, residence, or insurance. Consideration must also be given to classifying Emergency Department only patients who do not provide adequate information as to their financial status. In many instances, these patients are homeless and have few resources to cover the cost of their care and therefore will be awarded the highest charity discount.

 - Collection Agency:
 - All accounts including those sent to collection agencies must comply with 501(r) requirements concerning Extraordinary Collection Actions (ECA).
 - No ECAs will be initiated for at least 120 days after the first post-discharge billing statement while determining if an individual is FAP-eligible.
- Before engaging in ECAs, SLMC and its designees will:
- Notify the individual via a written notice indicating financial assistance is available
 - Provide a plain language summary of the FAP
 - Makes a reasonable effort to orally notify the individual about the FAP
 - These efforts will be completed at least 30 days before initiating ECAs
- If a collection agency identifies a patient meeting the hospital's charity care eligibility criteria, their patient account may be considered charity care, even if they were originally classified as a bad debt.
 - Collection agency patient accounts meeting charity care criteria will be returned to the hospital billing office and reviewed for charity care eligibility and SLMC will do the following:
 - All ECAs will be suspended.
 - A determination of FAP eligibility will be made, and if the patient eligible for a discount
 - SLMC will provide a revised billing statement.
 - SLMC will refund any payments in excess of discounted patient responsibility.
 - SLMC will take all reasonable available measures to reverse any ECAs.
 - If the application is incomplete, SLMC will send a written notice to the applicant describing the information needed to complete the application process.
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- Special Circumstances:
 - Deceased patients without an estate or third-party coverage will be eligible for charity.
 - Patients who are in bankruptcy or recently completed bankruptcy may be eligible for charity.

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- Governmental Assistance:
 - In determining whether each individual qualifies for charity care, other county or governmental assistance programs may also be considered but will not be a deciding factor. Many applicants are not aware that they may be eligible for assistance such as Medicaid, Nevada Check Up, Victims of Crime, Indigent Accident Fund, or local/state welfare.
 - The entity should assist the individual in determining if they are eligible for any governmental or other assistance.
 - Persons eligible for programs such as Medicaid but whose eligibility status is not established for the period during which the medical services were rendered, may be granted charity care for those services. An entity may make the granting of charity contingent upon applying for governmental program assistance. This may be prudent, especially if the particular patient requires ongoing services.
- Time Requirements for Determination:
 - While it is desirable to determine the amount of charity care for which a patient is eligible as close to the time of service as possible, there is no rigid limit on the time when the determination is made. In some cases, eligibility is readily apparent, and a determination can be made before, on, or soon after the date of service. In other cases, it can take investigation to determine eligibility, particularly when the patient has limited ability or willingness to provide needed information.
 - Every effort should be made to determine a patient's eligibility for charity care. In some cases, a patient eligible for charity care may not have been identified prior to initiating external collection action. Accordingly, South Lyon Medical Center's collection agency(s) are made aware of the policy on charity care and communicate the FAP availability and process to patients.
 - Once determination is established, client must notify facility of any changes in income, of family size within ten (10) days and the client(s) will need to submit a new application.
- Definition of Income:
 - Annual family earnings before taxes, less payments made for alimony and child support will be calculated from prior year's W-2s, 1099s, tax returns and current payroll and bank statements.
 - Proof of earnings may be determined by annualizing year-to-date family income, giving consideration for current earning rates.

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- Approval Matrix of who can grant Charity Care Write-off's:
 - The CEO and/or the CFO may approve charity write-offs. Transfer of any remaining balance after the charity adjustment to a collection agency must be approved by the Business Office Manager.

SLIDING FEE APPLICATION

Once your application is submitted for review and upon approval, you may be eligible for a discount ranging from fifty-five percent (55%) to one hundred percent (100%) based on your household size and monthly income.

If approved, coverage will apply to Clinics visits, Emergency Department visits and outpatient lab work and radiology services. Applicants approved for this program will be eligible for one (1) year from the date of decision.

Applicants who are approved are responsible to pay their percentage at the time of service for non-emergency and other non-medically necessary care or make arrangements in advance with the Financial Counselor.

Please complete the following application and return with the following documentation:

- All monies received within the last sixty (60) days (pay stubs, government letter of assistance or copy of check or child support payments) for all members of household.
- Copy of last income tax return or letter explaining why you do not file.
- W-2s, 1099s for previous tax year.
- Photo ID for all adults in the household.

Please allow up to fourteen (14) days for processing of application.

South Lyon Medical Center is an equal opportunity provider. South Lyon Medical Center reserves the right to resent or deny approval of any discount if the applicant knowingly and willfully submits information that is identified or found to be fictitious.

Any changes in come or family size must be reported within ten (10) days.

If you have any questions regarding the program, please feel free to contact the Financial Counselor.

463-2301 ext. 6437

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STATEMENT OF FINANCIAL CONDITION (Attachment A)

PATIENT NAME _____ SPOUSE _____

ADDRESS _____ PHONE _____

ACCOUNT # _____

(PATIENT) (SPOUSE)

FAMILY STATUS: List all dependents eighteen (18) years of age or under, full time student, or disabled.

Proof of student or disability may be required.

Name	Age	Relationship
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

EMPLOYMENT & OCCUPATION

Employer (or business name): _____ Position: _____

Contact Person & Telephone: _____

Spouse Employer: _____ Position: _____

Contact Person & Telephone: _____

CURRENT MONTHLY INCOME

Start: Gross Pay (before deductions) _____

Add: Income from Operating Business (if Self-Employed) _____

Add: Other Income: _____

Interest & Dividends _____

From Real Estate or Personal Property Social Security _____

Other (specify): _____

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Subtract: Alimony, Support Payments Paid (_____)

Equals: Total Current Monthly Income (add Patient+ Spouse Income from above) _____

FAMILY SIZE

Total Family Members (add patient, spouse & dependents from above) _____

This institution is an equal opportunity provider

By signing this form, I agree to allow South Lyon Medical Center and its representatives to check employment and credit history for the purpose of determining my eligibility for a financial discount. I understand that I may be required to provide proof of the information I am providing.

(Signature of Patient or Guarantor)

(Date)

(Signature of Spouse)

(Date)

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CHARITY CARE CALCULATION WORKSHEET – FACILITY USE ONLY

Patient Name: _____ Patient Account #: _____

Special Considerations/Circumstances:

	Yes	No
Does Patient have Insurance?	<input type="checkbox"/>	<input type="checkbox"/>
Is Patient Eligible for Medicare?	<input type="checkbox"/>	<input type="checkbox"/>
Is Patient Eligible for Medicaid?	<input type="checkbox"/>	<input type="checkbox"/>
Is Patient Eligible for Other Government Programs (I.e. Crime Victims, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>
Is Patient Self-Pay?	<input type="checkbox"/>	<input type="checkbox"/>

Charity/Financial Assistance Calculation:

Total Combined Current Monthly Income \$ _____

Family Size (From Statement of Financial Condition) _____

Qualification for Charity Care/Financial Assistance (circle one): Full Partial

(Identify using eligibility guide) Catastrophic No Eligibility

Partial Charity Write-off Calculation (complete this section only if patient qualifies for partial charity care):

A. Total Charges \$ _____

B. Sliding fee % (Attachment B) _____

C. Patient Liability (Line A times Line B) \$ _____

D. Discount Amount (Line A minus line C) \$ _____

Catastrophic Charity Write-off Calculation (complete section only if patient qualifies for catastrophic charity w/o):

A. Patient Liability \$ _____

B. Annual Income \$ _____

C. Patient Liability as Percent of Annual Income _____ %

D. Is Line A divided by Line B greater than .30 (30%)? Yes No

E. If no, patient is not eligible for this type of write-off _____ \$0 _____

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F. If yes, multiply Line B by 30% to identify the patient liability amount \$ _____

G. If yes, Subtract line F from Line A to identify the write-off amount \$ _____

Total Amount of Recommended Charity Write-off(s): \$ _____

Worksheet Completed by: _____ Phone: _____

Approved by: _____

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AUTHORIZED FOR CHARITY WRITE-OFF

APPROVAL MATRIX: to be developed by each entity in accordance with departmental make-up, levels of management and size. For example:

Chief Executive Officer and/or Chief Financial Officer	Above \$10,000
Chief Executive Officer/ Chief Financial Officer	Up to \$10,000
Chief Executive Officer/ Chief Financial Officer	Up to \$1,000

Approval Signature(s)

Date: _____

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NOTIFICATION FORM ELIGIBILITY DETERMINATION FOR CHARITY CARE

South Lyon Medical Center has conducted an eligibility determination for charity care for:

PATIENT'S NAME	ACCOUNT NUMBER	DATE (S) OF SERVICE
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The request for charity care was made by the patient or on behalf of the patient on _____.
This determination was completed on: _____.

Based on the information supplied by the patient or on behalf of the patient, the following determination has been made:

_____ Your request for charity care has been approved for services rendered on _____.
After applying the charity care reduction, the amount owed is \$ _____.

_____ Your request for charity care is pending approval. However, the following information is required before any adjustment can be applied to your account:

_____ Your request for charity care has been denied because:

REASON:

If you have any questions on this determination, please contact:

Financial Counselor 463-2301 ext. 6437