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| <u>SUBJECT:</u> | FINANCIAL ASSISTANCE POLICY |
| <u>DATE APPROVED:</u> | 02/14/2020 |
| <u>APPROVER(S):</u> | Board of Directors, John Olivares (Chief Financial Officer), Karen Barber (CEO) |

POLICY:

The hospital shall contribute appropriate resources, advocacy and community support to promote the health status of the community, which it serves, within its economic ability to do so. Financial assistance will be provided to patients with a demonstrated inability to pay. The purpose of this policy is to establish criteria for determining if a patient's account qualifies for financial assistance. The amount of financial assistance to be made available, as well as any other changes to this policy, shall be assessed and determined by the hospital's Chief Executive Officer on an annual basis, and will adhere to federal and state guidelines for tax-exempt and non-profit facilities, as applicable. The amount of financial assistance as well as the other terms of this policy may be changed by the hospital's Chief Executive Officer, subject to the approval of Community Hospital Corporation.

PROCEDURE:

1. Non-Discrimination. The hospital is a non-profit corporation offering financial assistance to qualified patients. The hospital will not discriminate on the basis of race, ancestry, religion, national origin, citizenship status, age, disability or gender in its consideration of a patient's qualification for financial assistance.
2. Patient Classification. The classification of a patient as being eligible for financial assistance shall occur at the time sufficient information has been obtained to verify the patient's inability to pay for needed medical services, and as soon as possible after the patient first presents for services or indicates an inability to pay for services. It is ultimately the patient's responsibility to provide the necessary information to qualify for financial assistance.
3. Other Payor Sources. Patients must fully cooperate and comply with eligibility requirements for any other healthcare program(s) for which they may be qualified prior to their evaluation for financial assistance. Federal and/or state assistance may be available for those who meet qualifications. Before financial assistance is provided, all available avenues of assistance from third-party payors must be exhausted.
 - a. Any Self Pay patient will automatically be extended a 35% discount at time of billing. (Any such discount would be reversed if a third party payor is identified.)
 - b. All self pays will be screened upon receipt of information for any community or hospital assistance, such as Medicaid and Financial Assistance.

4. Medical Necessity. This policy applies to all emergency and other medically necessary care provided in this hospital or any substantially related entity of the hospital. All services must be medically necessary in order to qualify for financial assistance (e.g., elective services such as cosmetic surgery do not qualify for financial assistance). Eligible services will be based on those services for which Medicare provides coverage.
5. Eligibility Criteria. All patients may apply for financial assistance at any time during the continuum of care or after care is received. Each patient's situation will be evaluated according to relevant circumstances, such as income, assets or other resources available to the patient or patient's family when determining the ability to pay the outstanding patient account balance. Taking this information into consideration, the attached Financial Assistance Eligibility Discount Guidelines (Attachment A) are utilized to determine what amount, if any, of the outstanding patient account balance (based on gross charges) will be discounted after payment by all third parties. **PLEASE NOTE: The financial assistance offered under this policy does not apply to physician or other professional fees billed separately from the hospital's fees. The hospital reserves the right to further limit the services covered by this policy.**
6. Method for Applying for or Obtaining Financial Assistance.
 - a. Application Process. Applying for financial assistance can be initiated by a patient requesting assistance in person, over the phone at 361-293-2321, through the mail at 1200 Carl Ramert Drive, Yoakum, TX 77995, or via the hospital's website (www.yoakumhospital.org). Additionally, the hospital can initiate a financial assistance application on behalf of the patient.
 - b. Presumptive Eligibility for Financial Assistance. The hospital may review credit reports and other publicly available information to determine, consistent with applicable legal requirements, estimated household size and income amounts for the basis of determining financial assistance eligibility when a patient does not provide a financial assistance application or supporting documentation. The Hospital may use data from a 3rd party vendor to determine presumptive eligibility for Financial Assistance.
 - c. Assistance with Application Process. The hospital's financial counselors are available to answer questions and provide information about this policy and to assist with the financial assistance application process. The hospital's financial counselors may be reached between the hours of 8:00 a.m. and 5:00 p.m. Monday through Thursday by calling 361-293-2321.
7. Length of Eligibility. Once financial assistance has been approved, it is effective for all outstanding patient accounts and for all services provided within six (6) months after the financial assistance application is signed by the patient or responsible party or the hospital employee ("Date of Completion"). Financial assistance may be extended for an additional six (6) months with affirmation of the patient's income or estimated income and household size. All patients must reapply after the initial twelve (12) month period is over. Approval under Section 6(b) above will only apply to the date(s) of service on the patient account balance being evaluated. Eligibility will not apply to accounts for future dates of service.
8. Basis for Calculating Amounts Charged; Amounts Generally Billed. The level of financial assistance will be based on a classification as "Financially Indigent" or "Medically Indigent" or

“Catastrophically Medically Indigent,” as defined below. In all situations, once the patient is determined to qualify for financial assistance, that individual will not be charged more for emergency or other medically necessary care than the **amounts generally billed** to individuals who have insurance covering such care (“AGB”). In determining AGB, the hospital has initially elected to use the “look-back method” in which the AGB percentages are based on Medicare fee for service and all private care insurers as the primary payer, as outlined in Internal Revenue Code (IRC) Section 501(r). The hospital, in accordance with applicable regulations, may change the methodology for calculating AGB in the future. Information regarding the hospital’s calculation of AGB can be obtained free of charge by contacting the Chief Financial Officer.

9. Financially Indigent. “Financially Indigent” means a patient whose Yearly Household Income (as defined below) is less than or equal to 200% of the Federal Poverty Guidelines (“FPG”). These Financially Indigent patients are eligible for a 100% discount on outstanding patient account balances as set forth in Part 1 of the Financial Assistance Eligibility Discount Guidelines (Attachment A).
10. Medically Indigent. “Medically Indigent” means a patient whose medical or hospital bills from all related or unrelated providers, after payment by all third parties, exceed 10% of such patient’s Yearly Household Income, whose Yearly Household Income is greater than 200% but less than or equal to 400% of the FPG, and who is unable to pay the outstanding patient account balance. These Medically Indigent patients are eligible for a discount on outstanding patient account balances as set forth in Part 2 of the Financial Assistance Eligibility Discount Guidelines (Attachment A).
11. Catastrophically Medically Indigent. “Catastrophically Medically Indigent” means a patient whose medical or hospital bills from all related or unrelated providers, after payment by all third parties, exceed 10% of such patient’s Yearly Household Income, whose Yearly Household Income is greater than 400% of the FPG, and who is unable to pay the outstanding patient account balance. These Catastrophically Medically Indigent patients are eligible for a discount on outstanding patient account balances as set forth in Part 3 of the Financial Assistance Eligibility Discount Guidelines (Attachment A).
12. Financial Assistance Eligibility Discount Guidelines. The Financial Assistance Eligibility Discount Guidelines are attached to and are made a part of this policy (Attachment A). The method for determining appropriate discount percentages will be reviewed annually to ensure patients’ outstanding account balances after discount are no more than AGB.
13. Determination of Eligibility for Financial Assistance. Determination of eligibility for financial assistance will be in accordance with procedures that may involve (a) an application process, in which the patient or the patient’s guarantor is required to supply information and documentation relevant to making a determination of financial need; and/or (b) the use of credit reports and other publicly available information that provide information on a patient’s or a patient’s guarantor’s ability to pay.
14. Yearly Household Income and Household Size. If the patient is an adult, “Yearly Household Income” means the sum of the total yearly gross income or estimated yearly income of the patient and the patient’s spouse, and “Household Size” includes the patient, the patient’s spouse, and any dependents (as defined by the IRC). If the patient is a minor, “Yearly Household Income” means the sum of the total yearly gross income or estimated yearly income of the patient, the patient’s mother and the patient’s father, and “Household Size” includes the

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patient, the patient's mother, the patient's father, dependents of the patient's mother, and dependents of the patient's father.

15. Income Verification. Household income will be documented through any of the following mechanisms:
 - a. Third Party Documentation. By the provision of third party financial documentation including IRS Form W-2 (Wages and Tax Statement); pay check remittance; individual tax return; telephone verification by employer; bank statements; Social Security payment remittance; worker's compensation payment remittance; unemployment insurance payment notice; unemployment compensation determination letters; response from a credit inquiry and other publicly available information; or other appropriate indicators of the patient's income. Third party documentation provided under this subsection will be handled in accordance with the hospital's information security procedures and the requirements of securing protected health information.
 - b. Written Verification. In cases where third party documentation is unavailable, verification of the patient's Yearly Household Income can be done (i) by obtaining a financial assistance application signed by the patient or responsible party attesting to the veracity of the patient's income information provided, or (ii) through the written attestation of the hospital employee completing the financial assistance application that the patient or responsible party verbally verified the patient's income information provided.

In any instance in which the patient or responsible party is unable to provide the requested third party verification of patient's income, the patient or responsible party is required to provide a reasonable explanation of why the patient or responsible party is unable to provide the required third party verification. Reasonable attempts will be used to verify patient's attestation and supporting information.

16. Expired Patients. Expired patients, with no surviving spouse, may be deemed to have no income for purposes of calculation of Yearly Household Income. Documentation of income is not required for expired patients; however, documentation of estate assets may be required. The surviving spouse of an expired patient may apply for financial assistance.
17. Financial Assistance Disqualification. Disqualification after financial assistance has been granted may be for reasons that include, but are not limited to, one or more of the following:
 - a. Information Falsification. Financial assistance will be denied to the patient if the patient or responsible party provides false information including information regarding income, household size, assets or other resources available that might indicate a financial means to pay for care.
 - b. Third Party Settlement. Financial assistance will be denied if the patient receives a third party financial settlement associated with the care rendered by the hospital. The patient is expected to use the settlement amount to satisfy any patient account balances.

18. Relationship to Collections of Accounts Policy. During the verification process, while information to determine a patient's income is being collected, the patient may be treated as a private pay patient in accordance with other hospital policies, including the Collections of Accounts Policy. A copy of the hospital's Collections of Accounts Policy, which explains the actions the hospital

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may take in the event of nonpayment, can be obtained free of charge by contacting the Director of Patient Access or in person at the hospital. After the patient's account is reduced by the discounts based on the Financial Assistance Eligibility Discount Guidelines (Attachment A), the patient is responsible for the remainder of the outstanding patient account balance which shall be no more than AGB. Once the patient qualifies for financial assistance, the hospital will not pursue collections on the amount qualified for financial assistance. Patients will be invoiced for any remaining amounts in accordance with the hospital's Collections of Accounts Policy.

19. Copayments. The hospital reserves the right to bill and collect a reasonable copayment for services rendered from patients who qualify for financial assistance.
20. Relationship to EMTALA and Other Policies. THIS POLICY DOES NOT AFFECT THE HOSPITAL'S OBLIGATION UNDER THE EMERGENCY MEDICAL TREATMENT AND ACTIVE LABOR ACT (EMTALA). THIS POLICY ALSO DOES NOT ALTER OR MODIFY OTHER POLICIES CONCERNING EFFORTS TO OBTAIN PAYMENTS FROM THIRD-PARTY PAYORS.
21. Providers Covered and Not Covered Under this Policy. A list of providers that are covered under this policy and those that are not is maintained at www.yoakumhospital.org. Any questions about inclusion or exclusion of providers that are covered under this policy can be directed to 361-293-2321.

RELATED DOCUMENTS:

See attachment