

<b>Policy</b>	<b>Financial Assistance Policy</b>	
	Department(s): Policy - Administration	
Approved By: Melanie Urban		Approval Date: 09/07/2022

**Purpose**

This policy establishes the framework by which Pawnee Valley Community Hospital fulfills its statutory mandate and continues its historic tradition of care to medically indigent citizens of Kansas. Further, this policy will provide the guidance necessary to assist patients who do not otherwise have the ability to pay fully for medically necessary health care as prescribed by their physician. Pawnee Valley Community Hospital is committed to delivering high quality healthcare services and striving to ensure that lack of financial capacity does not deter those in our county from seeking or receiving the medically necessary that we are able to provide.

The financial assistance provided by Pawnee Valley Community Hospital is not a substitute for personal responsibility. Patients are expected to cooperate with the Pawnee Valley Community Hospital’s procedures for obtaining financial assistance or other forms of payment, and when able, all financial assistance applicants are expected to contribute to the cost of their care.

**Responsibility**

The Revenue Cycle Director is responsible for developing, implementing, and managing (maintaining) this policy. The Pawnee Valley Community Hospital Administrator is responsible for approving this policy.

**Scope**

This Financial Assistance Policy (FAP) applies to all patients who receive medically necessary services at Pawnee Valley Community Hospital and who meet certain financial guidelines. But delivery of charitable care and financial assistance does not obligate Pawnee Valley Community Hospital to provide continuous care, unless the services and support are unique to our organization. Pawnee Valley Community Hospital will serve the emergency health care needs of patients who present to the Emergency Room of Pawnee Valley Community Hospital, regardless of their ability to pay for care. Although patients at Pawnee Valley Medical Associates are included in this policy, qualification for clinic patients is based solely on income and family size.

Services that are covered under this policy include:

- A. Emergency medical services provided in an emergency room setting
- B. Services for a condition which, if not properly treated, would lead to an adverse change in the health status of an individual
- C. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting
- D. Medically necessary services, including standard of care services as part of a qualifying research trial, evaluated on a case-by-case basis
- E. Qualifying hospital and hospital-owned clinic services (see qualification exceptions for Pawnee Valley Medical Associates above).

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Exclusions to this policy include:

- A. Patients receiving care at a Federally Qualified Health Center (FQHC);
- B. Patients receiving transplant related services;
- C. Patients who are not United States Citizens or Permanent Resident Aliens, except for those with emergency healthcare needs other than transplant related services.
- D. Patients receiving experimental and investigational procedures
- E. Patients who electively come to Pawnee Valley Community Hospital with either an out-of-network or non-contracted payer
- F. Newly-introduced technology/services, evaluated on a case-by-case basis

### **Definitions**

**Alien** - Any person not a citizen or national (a person owing permanent allegiance to a state) of the United States.

**Emergency medical conditions** – Defined within the meaning of section 1867 of the Social Security Act (42.U.S.C. 1395dd).

**Family Income** – Defined by the Census Bureau which includes:

1. Earnings, unemployment compensation, worker's compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources
2. Noncash benefits (such as food stamps and housing subsidies) do not count
3. Determined on a pre-tax basis
4. Excludes capital gains or losses
5. If a person lives with a family, includes the income of all family members (non-relatives, such as housemates, do not count)

**Federal Poverty Guidelines** - In February of each year the Federal Government releases an official income level for poverty called the Federal Poverty Guidelines (FPG). The benefit levels of many low-income assistance programs are based on these poverty figures. For purposes of this policy, Pawnee Valley Community Hospital will use The Federal Poverty Guidelines that are issued each year in the Federal Register by the Department of Health and Human Services (HHS). For a table of the guidelines for the current year, see Addendum.

**Financial Assistance** – Healthcare services that have been or will be provided but are never expected to result in cash. Financial assistance results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established financial criteria.

**Financially Indigent Patients** – Patients who are (1) uninsured or underinsured and (2) whose gross income is from 0% to 300% of the Federal Poverty Guidelines, are referred to as Financially Indigent Patients.

**Gross charges** - Total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied

**Medically Indigent Patients** – Patients, who are (1) uninsured or underinsured and (2) whose incurred medical liabilities owed to Pawnee Valley Community Hospital are equal to, or exceed, 50% of their gross annual income, are referred to as Medically Indigent Patients.

**Medically necessary** – Services that are reasonable or necessary for the diagnosis or treatment of an illness or injury

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**Non-Resident Alien** – An individual granted permission by the United States Government to enter the United States on a temporary basis as a non-immigrant for purposes which include tourism, business, education, medical care, or temporary employment.

**Out of Network Patients** – Patients who (1) have insurance coverage for which there is no out-of-network benefit payable, (2) who have been advised in advance of services that their insurer requires the services be provided by a healthcare facility other than Pawnee Valley Community Hospital, and (3) who still elect to receive services at Pawnee Valley Community Hospital knowing that they will be liable for all charges resulting from such an out of network election, are referred to as Out of Network Patients.

**Permanent Resident Alien** – An alien admitted to the United States as a lawful permanent resident. An illegal alien who entered the United States without inspection is not a permanent resident alien. Lawful permanent residents are legally accorded the privilege of residing permanently in the United States.

**Self pay discount** – Discount applied to amounts due from patients for uninsured services.

**Service Area** – Only patients who are legal citizens of Pawnee County, Kansas are eligible for this program

**Underinsured** – Patient has some form of third-party assistance but still has out-of-pocket expenses that exceed his/her ability to pay

**Uninsured** – Patient has no form of third-party assistance to assist with financial responsibility for medical services

## Policy

### FINANCIAL ASSISTANCE PROGRAM

#### Eligibility

Financial assistance applies to patient liability only, including but not limited to, deductibles, co-payments, and co-insurances. The granting of financial assistance will be based on an individualized determination of financial need and will not take into account age, gender, race, social status, sexual orientation, or religious affiliation. Anyone who does not want to receive Medicare benefits, but who otherwise qualifies for Medicare benefits (e.g., is at least 65 years old), must present a completed IRS form 4029. Eligibility for financial assistance is determined by the patient's family income, assets, and family size. Services eligible under this policy will be made available to the patient on a sliding scale in accordance with financial need as determined in reference to the FPG in effect at the time of the determination. A patient must be Financially Indigent or Medically Indigent at the time of application. The financial assistance discount is based on a sliding scale of between 0 – 400% of the FPG for the current year, as follows:

#### *Additional Considerations:*

- A. Nothing in this Policy shall prohibit the Pawnee Valley Community Hospital from offering further discounts or more favorable financial assistance than that set forth above based upon the circumstances.
- B. A Patient must have complied with all insurance requests for information such that lack of response to their insurance company requests for information is not the reason for any lack of coverage for the services being requested through the FAP.
- C. A Patient must receive medically necessary services to qualify (for example, eligibility is

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not available for elective services such as cosmetic surgery). In general, coverage guidelines will mirror Medicare coverage guidelines.

- D. Patients whose family income exceeds 400% of the FPG may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of the Pawnee Valley Community Hospital.
- E. Please note that modifications to previously administered discounts will be made if subsequent information indicates the information relied upon was inaccurate.
- F. The Pawnee Valley Community Hospital shall provide charity/financial assistance to patients who are provided services through any community indigent program (e.g., WyJo Care, OB Package) that the Pawnee Valley Community Hospital has entered into a participation agreement where services will be provided as charity, as well as patients who are victims of sexual assault. Such participation is at the discretion of the Pawnee Valley Community Hospital with these community indigent programs as well as the decision to provide charity care to victims of sexual assault.
- G. Services defined and processed by State Medicaid/KanCare/Sobra programs as a non-covered benefit (e.g., remit codes of 96, 204 or 256) may be deemed as charitable services by Pawnee Valley Community Hospital as those State programs are defining such services as due from the patient when non covered by the State program under which benefits are paid. Pawnee Valley Community Hospital will also provide charity/financial assistance when the State program denies coverage of service due to days in the hospital exceeding a State defined amount of days for which they will provide coverage.

### **Methods by Which Patients May Apply for Financial Assistance**

Financial assistance requests can be made by contacting the Customer Service department via telephone, email, fax, or written correspondence or by visiting the Patient Financial Services Department. Pawnee Valley Community Hospital requires re-application or additional screening for financial assistance every 180 days. For emergent cases, FAP determination shall take place only after all medical screenings and evaluations are completed.

Financial need will be determined in accordance with procedures that involve an individual assessment of financial need and may:

- A. Include an application process, in which the patient or the patient's guarantor is required to cooperate and supply personal, financial, and other information and documentation relevant to making a determination of financial need, including but not limited to:
  - 1. A copy of the Applicant's most recent as-filed Federal Income Tax Return (including a copy of the Applicant's W-2 Form(s)) shall be provided by the Applicant to the Financial Advisors or, if applicable, written verification from a public welfare agency or other governmental agency attesting to the Applicant's income status;
  - 2. Copies of the Applicant's two most recent payroll vouchers (i.e., check stubs) shall be provided by the Applicant to the Financial Advisors;
  - 3. A credit report for the Applicant may be obtained by the Financial Advisors;
- B. Include the use of external, publicly available data sources that provide information on a patient's or a patient's guarantor's ability to pay (such as credit scoring);

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- C. Include reasonable efforts by Pawnee Valley Community Hospital to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs;
- D. Take into account the patient's available assets, and all other financial resources available to the patient; and
- E. Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history

### **Amounts Charged to Patients**

For patients who are uninsured, the financial assistance discount is applied to gross charges for the eligible services after first deducting the self pay discount. In no event are gross charges billed to a patient approved for financial assistance, without a corresponding discount. (See Addendum C)

### **Presumptive Financial Assistance Eligibility**

Separate from assessment of a formal application for financial assistance described in (B) above, patients may also be presumed to be eligible for financial assistance based on evidence provided via use of a third-party screening tool. Presumptive financial assistance is reviewed for uninsured accounts before qualifying for bad debt placement. Presumptive financial assistance is available to non-Medicare patients only. Medicare patients are not eligible for nor will they be considered for presumptive financial assistance.

In order to qualify for a full or partial adjustment under presumptive financial assistance, the patient must have a federal poverty level no higher than 400%. The federal poverty level is obtained from the third-party screening tool and accounts that meet the standard criteria are adjusted to the percentage based on the sliding scale. Presumptive financial assistance adjustments are made on the remaining account balance after the self pay discount is applied on the gross charges.

Information obtained from the third-party screening tool will verify the patient's financial status and may be utilized as the sole documentation source to make a financial assistance determination.

### **Relationship to Collection Policies**

Upon granting approval for 100% financial assistance, all collection efforts related to that amount will cease. Pawnee Valley Community Hospital will not turn over any account approved for 100% financial assistance to a collection agency or report it to a credit agency. Normal collection efforts will be applied to balances remaining after application of all discounts.

Pawnee Valley Community Hospital will not impose extraordinary collection efforts such as wage garnishment, 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 policy.

### **Communication of the Financial Assistance Program to Patients and Within the Community**

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Pawnee Valley Community Hospital will make available to the public information on how financial assistance is available. Methods of providing this financial assistance information may include:

- A. Placing signage, information, or brochures in appropriate areas of Pawnee Valley Community Hospital (e.g., the emergency department, organized registration areas, inpatient and outpatient admission areas, and the business office) stating that Pawnee Valley Community Hospital offers financial assistance and describing how to obtain more information about the Program.
- B. Placing a note on or with the bill and statements regarding how to request information about financial assistance.
- C. Information about the Financial Assistance program can be found on patient billing statements, Pawnee Valley Community Hospital's web site, or by visiting Patient Financial Services.

Referral of patients for financial assistance may be made by any member of Pawnee Valley Community Hospital staff or medical staff, including, but not limited to, physicians, nurses, financial advisors, social workers, case managers, chaplains, and religious sponsors. Requests for financial assistance can be made by the patient, family member, close friend, or associate of the patient, in accordance with applicable privacy laws.

Requests for financial assistance will be responded to promptly in writing within 14 days of receipt of the corresponding completed application. If approved, the response will state the amount of financial assistance provided and remaining balance, if any.

### **Exceptions**

For exceptions, "hardship" documentation may be required to qualify for financial assistance and will be reviewed on a case-by-case basis.

### **Covered and Non-covered Providers**

Refer to Addendum D.

### **Regulatory Requirements**

Pawnee Valley Community Hospital will comply with all applicable federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this policy.

### **Related Documents**

1. Forms –
  - a. Financial Assistance Policy Summary (BUS116 in Access eForms)
  - b. Financial Assistance Application (BUS116a in Access eForms)
2. Work Instructions – N/A
3. Policies – N/A
4. Source(s) – N/A

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## **ADDENDUM A**

Sliding Discount based on percentage of current Federal Poverty Guidelines (also impacted by family size):

- a. 0 – 130% of FPG: 100% Discount
- b. 131 – 175% of FPG: 75% Discount
- c. 176 – 250% of FPG: 50% Discount
- d. 251 – 400% of FPG: 30% Discount

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**ADDENDUM B**

If the Applicant is eligible for the FAP (as outlined in this policy), reduction or waiver of amounts will be authorized by appropriate Pawnee Valley Community Hospital individuals:

- A. Staff \$0.00 – \$1,000
- B. Manager \$1,000.00 – \$40,000
- C. Director \$40,000.00 – \$174,999.99
- D. Vice President \$175,000.00 and above

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## **ADDENDUM C**

### **AMOUNTS GENERALLY BILLED CALCULATION**

Amounts Generally Billed is the sum of all amounts of claims that have been allowed by health insurers divided by the sum of the associated gross charges for those claims.

AGB % = Sum of Claims Allowed Amount \$ / Sum of Gross Charges \$ for those claims

Allowed Amount = Total charges less Contractual Adjustments If no contractual adjustment is posted then total charges equals the allowed amount. Denial adjustments are excluded from the calculation as denials do not impact allowed amount.

#### **Pawnee Valley Community Hospital**

On an annual basis the AGB is calculated for each hospital.

- Look Back Method is used. A twelve (12) month period is used.
- Includes Medicare Fee for Service and Commercial payers
- Excludes Payers: Medicaid, Medicaid pending, uninsured, self-pay, motor vehicle and liability, and worker's compensation.

Effective: January 1, 2022

Pawnee Valley Community Hospital 60%

Pawnee Valley Medical Associates 30%

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## **ADDENDUM D**

### **COVERED AND NON-COVERED PROVIDERS**

#### **Pawnee Valley Community Hospital Financial Assistance Policy Covered and Non Covered Entities and Provider Group List**

Last Updated: August 2022

Pawnee Valley Community Hospital and Pawnee Valley Medical Associates are covered by this Policy.

#### **Entities and Providers Not Covered by this Policy:**

Physicians or medical professionals provide care to patients or assist with patient treatment by reading lab work, interpreting medical tests, performing medical tests and individual patient physician services. The physicians and medical professionals not employed by Pawnee Valley or HaysMed are not covered by this Policy. The following are not covered by this policy:

- Dr. Mark Van Norden
- Dr. Son Truong, Sleep and Diagnostic Center
- Dr. Trent Smith, DDS
- Eye Specialists of Hays
- Renal Care Group of the Midwest, Inc. (Fresenius Medical Care)
- Radiology Associates of Hays
- Quest Diagnostics

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