Memorial Hospital
Carthage, Illinois

POLICY TITLE: Financial Assistance Policy
RECOMMENDED BY: Revenue Cycle Teams
CONCURRENCE(S): Affiliates
REVIEWED: _____
ADMINISTRATIVE APPROVAL: _____

SUPERSEDES: Uncompensated Services
EFFECTIVE DATE: October 2006
REVISED: 04/08, 05/13, 12/13, 02/14, 07/14, 02/15, 6/15, 12/15, 01/16, 02/16, 06/16, 02/17, 05/17, 02/18, 07/19, 02/20, 02/21, 09/21, 10/21, 02/22

MEDICAL STAFF/DIRECTOR APPROVAL: _____

Policy:
Memorial Hospital and affiliates are everything you would expect from your health care provider – a trusting, loving, caring approach to each individual patient. As part of this commitment, Memorial Hospital and affiliates, a non-profit organization, serve patients in difficult financial circumstances and offers financial assistance to those who have an established need to receive medically necessary medical services.

Financial Assistance is defined as healthcare services provided at no charge or at a reduced charge to patients who do not have nor cannot obtain adequate financial resources or other means to pay for their care. This is in contrast to bad debt, which is defined as patient and/or guarantor who, having the financial resources to pay for health care services, has demonstrated by their actions an unwillingness to resolve a bill.

The granting of charity shall be upon the determination of an individual's inability to pay: regardless of whether payment for services would be made under Medicare, Medicaid, or CHIP; and the individual's race, color, sex, national origin, disability, religion, age, sexual orientation or gender identity.

Included: Screening and/or wellness services that fall within the recommendations of the American Cancer Society Guidelines.

The following services are specifically excluded from the Financial Assistance Policy for Memorial Hospital and affiliates:

1. Elective fertility and/or infertility services, cosmetic services, etc.
2. Mole or wart removal unless medically necessary
3. Joint Replacement
4. Elective procedures not considered to be medically necessary
5. Treatment for chronic conditions
6. Medical marijuana services as they are cash based.
7. This is not an all-inclusive list and is subject to addition/deletion.

Purpose:
To establish policies and procedures necessary to insure that patients of Memorial Hospital and affiliates, who for economic and financial reasons cannot meet the requirements of the collection policy, are provided with Memorial Hospital's Financial Assistance Policy.

Covered Providers:
Memorial Hospital, Memorial Medical Clinics, Memorial Medical Clinics Employed Providers, AIMS Physicians, Hancock County Senior Services Association.

Non-Covered Providers:
Clinical Radiologists, Heart Care Midwest, Blessing Physician Services, Burlington Neurology, Central IL Pathology, Poplar Health, Quincy Medical Group Radiology, VRad, Springfield Clinic, McDonough Eye Associates, Prairie Heart Institute, Peoria Echo, Illinois Cancer Care, Quincy Medical Group, Illinois Bariatric Center, Richard Sowlles, DPM, Midwest Orthopedic Specialists, Unity Point Health – Methodist Hospital, Central Illinois Allergy and Respiratory, GastroHealth of Illinois and Illinois Cancer Care

Procedure:
Eligibility criteria for financial assistance are based on the Federal Poverty Income Guidelines.

A. The following definitions will be used in determining eligibility for services provided at no charge or at reduced charges:

   a. **Family:**
      1. Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption is a family. If a person lives with a family, income included is the income of all related family members. Income from non-relatives, such as housemates, does not count.

      2. According to the Internal Revenue Service 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. Additionally, income from anyone that is financially responsible for the applicant should be included on the application.

   b. **Income**:
      1. Family income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines. For administrative purposes income data for part of a year may be annualized in order to determine eligibility. For instance, three months of income will be multiplied by 4 to annualize the 12 months of income. Income taxes from the previous year may also be required for income verification.

      2. Income is determined on a before-tax basis and includes wages and salaries before any deductions (as verified by copies of a W2, income tax return, or check stub); 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, strike benefits from union funds, annuity payments and miscellaneous sources.

      3. Net receipts from non-farm self-employment (receipts from a person's own unincorporated business, professional enterprise, or partnership, less deductions for business expenses).

4. Net receipts from farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper, less deductions for farm operating expenses excluding depreciation and any loss carried forward).

5. Income excludes: capital gains or losses, tax refunds, loans, or compensation for injury; Any non-cash benefits, such as the employer-paid or union-paid portion of health insurance or other employee fringe benefits, food or housing received in lieu of wages, the imputed value of rent from owner-occupied non-farm or farm housing, and such Federal non-cash benefit programs as Medicare, Medicaid, food stamps, school lunches, and housing assistance.

B. Eligibility for charity will be considered for those individuals who are uninsured and underinsured for services without third party payments, and for those who are unable to pay for their care based upon a determination of financial need in accordance with this policy.

C. All patients are billed according the Average Generally Billed for emergent or medically necessary care using the Look Back Method.

D. Applications for financial assistance can be picked up and should be returned to Patient Accounts, 1454 N CO RD 2050 E, PO Box 160, Carthage, IL 62321. All inquiries about this policy should be referred to Patient Accounts – 217-357-6591. Applications are available at all facility locations and on Memorial Hospital's web site at www.mhtlc.org. (Translation services are available upon request.)

E. Applications for financial assistance will be available on accounts for 240 days from first bill past discharge. Once presumptive eligibility has been determined or an application for financial assistance has been received, extraordinary collection actions on all accounts including accounts at the collection agency will be suspended until determination of eligibility is finalized and the patient has been sent a 30 day notice of the determination and a financial assistance brochure.

F. Applicants requesting financial assistance under this policy may be asked to provide the following information: a completed application, income verification and income taxes from the previous year.

G. Income verification may include, but is not limited to, income taxes, paycheck stubs, or notes from employers for gross taxable wages and salaries, gross income less employment expenses (excluding depreciation and any loss carried forward) for self-employed or any other form of taxable income. Consideration of applications will not take place until all needed income verification is received.

H. It is preferred but not required that a request for charity and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle.

I. Determination of eligibility will remain valid for six (6) months from the date of approval for all services without outstanding third party payments as long as funds are available. If there is a change in financial circumstances, an updated or new application must be completed.

Size of Family		100% Assistance *No Patient Share	Tier One *Patient Share is 25%		Tier Two *Patient Share is 50%	
1	$13,590	$20,385	$20,386	$27,180	$27,181	$32,200
2	$18,310	$27,465	$27,466	$36,620	$36,621	$43,550
3	$23,030	$34,545	$34,546	$46,060	$46,061	$54,900
4	$27,750	$41,625	$41,626	$55,500	$55,501	$66,250
5	$32,470	$48,705	$48,706	$64,940	$64,941	$77,600
6	$37,190	$55,785	$55,786	$74,380	$74,381	$88,950
7	$41,910	$62,865	$62,866	$83,820	$83,821	$100,300
8	$46,630	$69,945	$69,946	$93,260	$93,261	$111,650

J. If a household income falls within the guidelines listed below, the members of the household unit are entitled to discounted services according to the guidelines. The household income must be at or below the guidelines listed below:

*For family units with more than 8 members, add $4,720 for each additional member >8.
*Percentages are calculated on balances after all possible payers have remitted.

K. The balance the patient owes after financial assistance is applied must be no more than 50% of the original total charges. Therefore, any balance after financial assistance is applied that is over 50% of the original total charges will have an additional discount applied to bring the patient portion to no more than 50% of the original total charges.

L. PRESUMPTIVE ELIGIBILITY: A patient may appear eligible for charity care discounts, but there is no financial assistance form or due to a lack of supporting documentation. Often there is adequate information provided by the patient through other sources, which could provide sufficient evidence to provide the patient with charity care assistance.

In the event there is no evidence to support a patient's eligibility for charity care, Memorial Hospital and affiliates could use outside agencies in determining estimate income amounts for the basis of determining charity care eligibility and potential discount amounts. Presumptive eligibility may be determined on the basis of individual life circumstance. In these situations, a patient is deemed to be eligible for 100% write off. A patient in this situation is presumed to be eligible and therefore does not need to complete a financial assistance application if they can provide proof that they meet one of the following criteria:

a. Patient states that he/she is homeless. The due diligence efforts must be documented.
b. Patient is deceased with no known estate.
c. Patient is mentally incapacitated with no one to act on their behalf.
d. Patient is currently eligible for Medicaid, but was not eligible on a prior date of service or for non-covered services. Instead of making the patient duplicate the required paperwork Memorial Hospital will rely on the financial assistance determination process from Medicaid.
e. Patients eligible for energy assistance or food stamps.
f. Accounts deemed uncollectible by a contracted collection agency.

g. In the event of "special" circumstances where the income exceeds the poverty guidelines but medical bills are high, the Director of Revenue Cycle and/or Chief Financial Officer may determine partial or full eligibility provided proper documentation is available.

M. Applicants approved for reduced charges must pay their portion within the guidelines of the Financial and Collection Policy. Other collection efforts may be pursued if balance is not paid within the guidelines established in the Financial and Collection Policy. This policy is available upon request from Patient Accounts.

N. All applicable uninsured discounts will be applied according to the Uninsured Patient and Prompt Pay Discount Policy.

O. Credit balances will be reviewed and reconciled according to the Financial and Collection Policy.

P. Application for financial assistance will be forwarded to the Director of Revenue Cycle for approval. Determination will be made within thirty (30) days of receipt of all requested information. Approved applications resulting in a write off of more than $2,501 will be countersigned by the Chief Financial Officer (CFO) or Chief Executive Officer (CEO).

Q. In implementing this policy, Memorial Hospital'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.