

**Schneck Medical Center  
Seymour, Indiana**

## **ORGANIZATION WIDE**

**FUNCTION: Management of Information**

### **FINANCIAL ASSISTANCE POLICY**

**PURPOSE:** To provide guidelines for Financial Assistance to uninsured and under-insured patients who do not have adequate financial resources to pay for emergency care and medically necessary hospital services. Schneck Medical Center recognizes its obligations as a tax-exempt governmental and charitable provider of healthcare and will provide emergent and medically necessary hospital services to all patients regardless of their ability to pay.

#### **DEFINITIONS:**

AGB-Amount Generally Billed to individuals who have insurance

CHCJC-Community Health Center of Jackson County

CSA-Community Services Administration

Eligible Charges – Total charges billed for services, including amounts billed to insurance and those remaining as coinsurance, deductible, and copayment.

Eligible Individual-An individual who applies for the program and meets the qualifications as outlined in this Financial Assistance Policy.

Emergency Medical Care - care to treat a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention may result in: serious impairment to bodily function, or serious dysfunction of any bodily organ or part, or placing the health of the individual in serious jeopardy

Financial Assistance-Healthcare services provided to patients at no charge or at a rate that is less than full charges based upon financial need of the patient or family

HCI-Hospital Care for the Indigent

Organization-Schneck Medical Center

Liquid Assets – Cash or assets that can be readily converted to cash.

Medically Necessary Care – care determined to be medically necessary by the treating physician or considered by Medicare to be a covered service – meaning that it is needed

to prevent, diagnose, or treat an illness, injury, condition, disease, or its symptoms and meets accepted standards of medicine; provided, however, that any services that are considered to be cosmetic or elective in nature shall not be medically necessary  
Other Sources of Payment – any and all health insurance coverage, employer health plan coverage, membership in a health care sharing ministry, HCI, Medicaid, other insurance coverage or any other third-party that is legally or contractually obligated to contribute to the payment of a client’s medical expenses

**EQUIPMENT:** The Meditech system, personal computer, reports generated from the Meditech computer system

## **PROCEDURE:**

### **1. GENERAL POLICY**

It is Schneck Medical Center's policy to provide emergency and other medically necessary care to all individuals regardless of their ability to pay. Moreover, Schneck Medical Center will provide services to all patients for emergency medical conditions without discrimination (within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd)) regardless of their eligibility under this Financial Assistance Policy. Patients and/or the persons responsible for payment of hospital services will receive notice of Schneck Medical Center’s Financial Assistance program prior to, or following, the provision of service. Such notice will describe the patient’s rights under this Financial Assistance Policy. A list of healthcare providers covered by this policy is available through Schneck Medical Center's website or by contacting the Schneck Medical Center Patient Financial Services department.

### **2. ELIGIBILITY FOR FINANCIAL ASSISTANCE**

- 2.1 Individuals who are clients of the CHCJC, as evidenced by a valid CHCJC identification card, will be presumed eligible for Financial Assistance amount as stated on their CHCJC identification card, provided they have no Other Sources of Payment. CHCJC clients presumed eligible based on the CHCJC identification card rate, may also be eligible for additional Financial Assistance if he or she qualifies under the terms of this policy. The financial assistance amount will be the greater of the amount stated on the CHCJC identification card or the amount determined by completion of the financial assistance application. Schneck does not use a Presumptive Eligibility analysis for anyone but the CHCJC beneficiaries. All other patients will be screened for eligibility for Financial Assistance.
- 2.2 Individuals, or families, whose annual gross income is at or below 200% of the current CSA Poverty Income Guidelines and secure Liquid Assets less than \$12,000 per family member will be considered eligible for full Financial Assistance, provided they have no Other Sources of Payment.

2.3 For those not eligible for full financial assistance as outlined above, Schneck Medical Center recognizes that financial hardships nonetheless may exist. Therefore, partial Financial Assistance will be granted to individuals and families with an annual gross income between 200% and 300% of the current CSA Poverty Income Guidelines and secure Liquid Assets less than \$12,000 per family member. For such individuals and families, Financial Assistance will be calculated as a percentage of total Eligible Charges according to the following schedule:

% of CSA Poverty Guidelines	% of Partial Financial Assistance on Eligible Charges
201% to 225%	80%
226% to 300%	60%

A family will be considered the patient and all other related persons living in the residence that constitute one taxable unit.

**3. APPLICATION PROCESS AND RELATED ISSUES**

3.1 Except as provided in Subsection 3.1(a) of this Policy, all individuals will be required to complete and submit a Financial Assistance application to be considered for Financial Assistance. All individuals other than those who are eligible for Financial Assistance under Section 2.1 of this Financial Assistance policy also shall be required to submit all documentation identified by the Financial Assistance application, including the last three months' paystubs, the last three months' bank statements, the previous year's Federal tax form, and/or additional documentation that verifies household income, household size, and household Liquid Assets. In all cases, the decision to grant or deny Financial Assistance will be based on all information provided by or on behalf of the patient. Patients and others may request assistance with an Application for Financial Assistance, as well as other information regarding the Financial Assistance Policy, through the office of Patient Financial Services in person at 100 North Walnut Street, Seymour, Indiana, or by calling (812) 522-0414.

3.2 To be eligible for financial assistance, an applicant must submit a Financial Assistance application within 240 days from the date the first statement was made available to the individual. Schneck Medical Center may take follow up steps to collect an outstanding balance as described in section 5.2 of the Credit and Collection Policy, which policy may be obtained through Schneck Medical Center's website or upon request to Schneck Medical Center by contacting the Patient Financial Services Department. Additionally, if the individual fails to apply for Financial Assistance within 120 days, Schneck Medical Center may take

an Extraordinary Collection Action upon 30 days' written notice as outlined in section 5.3 of the Credit and Collection Policy. The Director of Patient Financial Services has final authority for determining reasonable efforts have been made in the determination of eligibility for Financial Assistance prior to engaging in Extraordinary Collection Action. Schneck Medical Center will accept and process Financial Assistance applications within the application period which ends on the 240<sup>th</sup> day following the date of the first statement.

- 3.3 The annual gross income figure used to determine eligibility for Financial Assistance will be the last three months income, as documented by the last three months payroll pay stubs from all family income earners, multiplied by four. An exception to this may be made if, in the opinion of the Director of Patient Financial Services, the three-month income is not reflective of the applicant's true ability or inability to meet his/her obligation. In this event, the income figure used will be that which is most reflective of the applicant's true ability or inability to meet his/her obligations. Family income is determined using the Census Bureau definition, which follows the following standards:
- a. Income shall include earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Social Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates and trusts, educational assistance, alimony, child support, and assistance from outside households and other miscellaneous sources.
  - b. Income shall not include noncash benefits, such as food stamps and housing subsidies, or capital gains or losses.
  - c. Income shall be determined on a before-tax basis.
  - d. A family will be considered the patient and all other related persons living in the residence that constitute one taxable unit, as evidence by tax returns and or legal decrees. If a legal decree assigns tax dependent status to someone outside of the household, Hospital may choose to consider the tax dependent as part of the household if the household is receiving child support income for the dependent.
- 3.4 Schneck Medical Center shall not charge any Eligible Individual more for emergency or other medically necessary care than AGB, meaning the amount generally billed to individuals who have insurance covering such care. Schneck Medical Center shall calculate its AGB pursuant to the Look-Back Method, as described in Section 1.501(r)-5 of the Treasury Regulations.
- a. Under the Look-Back Method for calculating AGB, Schneck Medical Center will use its gross charges as a starting point for its billing calculations. The AGB Percentage is reached by dividing the sum of all

Schneck Medical Center's claims for emergency and other medically necessary care that were allowed by all health insurers over the prior 12 month period and , by the sum of the associated gross charges for such claims. When calculating the allowed claims, Schneck Medical Center shall include the full amount allowed by the health insurer, including both the amount the insurer will pay or reimburse and the amount (if any) the individual is personally responsible for paying in the form of co-payments, coinsurance and deductibles. In calculating the AGB Percentage, Schneck Medical Center shall include fee-for-service claims paid by a combination of fee-for-service claims paid by Medicare Part A or B and claims paid by private health insurers. So long as an AGB Percentage exists for each emergent and medically necessary service, Schneck Medical Center may calculate one AGB Percentage, separate AGB Percentages for different categories of services, or separate AGB Percentages for individual items and services. Schneck Medical Center's AGB Percentage(s), as well as additional information regarding Schneck Medical Center's calculation of AGB, shall be posted on Schneck Medical Center's website or may be requested from Schneck Medical Center free of charge by calling the office of Patient Financial Services at (812) 522-0414.

- b. Schneck Medical Center shall, at all times, make reasonable efforts to determine whether a patient is eligible for Financial Assistance. If Schneck Medical Center has billed an amount to an individual who has not submitted an application for Financial Assistance as of the date of the charge and is later determined to be eligible for Financial Assistance, Schneck Medical Center will make appropriate adjustments to the amounts charged and issue a refund to the patient, if necessary. In this manner, Schneck Medical Center intends to satisfy the requirements for the safe harbor described in Section 1.501(r)-5(d) of the Treasury Regulations.
- c. Schneck Medical Center will not charge any Eligible Individual more than the AGB amount for emergency or other medically necessary care, and in all cases, the charge to an Eligible Individual will be less than Schneck Medical Center's gross charges. If an Eligible Individual only is eligible for a discount that would still leave him or her personally responsible for paying an amount exceeding the AGB amount, that discount shall be increased so that the Eligible Patient only is personally required to pay the AGB amount.

- 3.5 An individual whose annual gross income exceeds 300% of the current CSA Poverty Income Guidelines will be excluded from the consideration for assistance unless unusual circumstances exist. In this event, the decision to grant assistance will be made by the Director of Patient Financial Services and the Vice President of Fiscal Services.

- 3.6 A family who exceeds Liquid Assets of \$12,000 per individual will be excluded from the consideration for assistance unless unusual circumstances exist. In this event, the decision to grant assistance will be made by the Director of Patient Financial Services and the Vice President of Fiscal Services.
- 3.7 After a determination has been made that an individual qualifies for Financial Assistance, the Director of Patient Financial Services and the Vice President of Fiscal Services may review whether the patient has other sources of payment available, such as health insurance, HCI, Medicaid eligibility, or liability claims, and may reduce the amount of Financial Assistance accordingly. This includes situations where an individual has assets, other than income, sufficient to satisfy his/her obligations. If a patient who otherwise is eligible for financial assistance has health insurance or is covered by a governmental program, then the financial assistance will be adjusted as follows:
- a. No patient is eligible for financial assistance for any charges or portion of charges that are covered by existing insurance, third party liability, or through a governmental program that covers the patient. A patient specifically may not decline to use his or her own coverage through health insurance, third party liability, or a governmental program and instead obtain financial assistance from Schneck Medical Center.
  - b. If the amount owed by a patient who is insured or is covered by third party liability or a governmental program is greater than the amount of the patient's coverage, then the patient is responsible for the difference unless special circumstances exist. Such circumstance may include, if a patient's benefits are exhausted, charges are eligible for financial assistance.
  - c. If the amount owed by a patient who is insured or is covered by third party liability or a governmental program is less than the amount of the patient's coverage, then the patient will not be responsible for any portion of the charges that are paid by insurance.
  - d. Charges or portion of charges deemed non-covered by existing insurance, third party liability, or through a governmental program that covers the patient are not eligible for Financial Assistance.
  - e. Charges for inpatient hospitalization after the stay has been deemed to be no longer medically necessary per Medicaid guidelines and/or no longer have Prior Authorization from Medicaid or the MCE are not eligible for Financial Assistance.
- 3.8 The following situations will exclude an individual from eligibility for Financial Assistance:

- a. An individual's failure to apply for outside assistance, or failure to provide information which would lead to the discovery of the availability of outside assistance, such as health insurance, HCI, Medicaid eligibility, or liability claims. An exception to the foregoing may be made, if in the opinion of the Director of Patient Financial Services, extenuating circumstances exist(ed).
  - b. An individual's failure to secure health insurance made available to him/her at group premium rates by his/her employer or union.
  - c. Any individual who fails to respond to the offer of Financial Assistance.
- 3.9 Any individual denied Financial Assistance in part or in total will be notified that he/she has the option of appealing his/her case to the Director of Patient Financial Services and the Vice President of Fiscal Services. Such appeal must be received no later than thirty (30) days from the date of notification of denial.
- 3.10 Schneck Medical Center will widely publicize this Financial Assistance Policy as required by Internal Revenue Code Section 501(r) and the corresponding Treasury Regulations. Pursuant to such Regulations, this Financial Assistance Policy, a Summary of the Policy and the Financial Assistance Application shall be made available in English and the primary language spoken by each limited English proficiency group that constitutes the lesser of 1,000 individuals or 5% of the community served by Schneck Medical Center (which as of the date this policy was approved was Spanish).
- 3.11 Referral of patients for Financial Assistance may be made by any member of the staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors. A request for Financial Assistance may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.
- 3.12 Reasonable efforts have been made to determine whether an individual is eligible for Financial Assistance if Schneck Medical Center notifies the individual about the program, Schneck Medical Center provides the individual or, where applicable, his or her family member(s), with information relevant to completing the application, and Schneck Medical Center makes and documents its determination as to whether the individual is eligible for assistance under the policy.
- 3.13 Schneck Medical Center shall not engage in any debt collection activities in the emergency department or in other hospital venues that could interfere with the treatment of emergency medical conditions without discrimination.

**Reference:**

Schneck Credit and Collection Policy  
 Internal Revenue Code Section 501(r)  
 Section 1.501(r) of Treasury Regulations

<b>Proposed by:</b> <i>Malenzi Smith</i>	<b>Title: Director, Patient Financial Services</b>	<b>Date:</b> 12/7/2020
<b>Reviewed by:</b> <i>Rita Hollen</i>	<b>Title: Chairperson, Policy and Procedure Committee</b>	<b>Date:</b> 12/9/2020
<b>Reviewed by:</b> <i>Sheryl A. ...</i>	<b>Title: Director, Patient &amp; LTC Services</b>	<b>Date:</b> 12/9/20
<b>Reviewed by:</b> <i>[Signature]</i>	<b>Title: Director, Patient Access</b>	<b>Date:</b> 12/10/20
<b>Approved by:</b> <i>Deborah Mann</i>	<b>Title: Vice President Finance and CFO</b>	<b>Date:</b> 12/14/2020
<b>Approved by:</b> <i>[Signature]</i>	<b>Title: President/ CEO</b>	<b>Date:</b> 12/21/20
<b>Approved by:</b> <b>Board of Trustees Minutes</b>	<b>Title: Chairman- Board of Trustees</b>	<b>Date:</b> 12/21/20