

	Manual	Hutchinson Regional Medical Center
	Section (Department)	Patient Accounts
	Title	Financial Assistance Policy
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I. PURPOSE

Hutchinson Regional Medical Center, Inc. (HRMC) provides Financial Assistance to qualifying persons who need our emergency or Medically Necessary care. To manage our resources and provide as much assistance as possible to people in financial need, HRMC establishes the following financial assistance policy (FAP).

II. POLICY

- A. HRMC does not want a person's financial condition to prevent them from seeking or receiving necessary health care services. To this end, we provide Financial Assistance to qualifying patients for all emergency and Medically Necessary care that HRMC provides.
- B. HRMC provides all of care, without discrimination. We provide care involving Emergency Medical Conditions regardless of an individual's ability to pay.

C. Definitions:

1. **Financial Assistance:** Is providing free or discounted emergency or Medically Necessary care to persons who meet HRMC's criteria under this FAP because they are unable to pay for some or all of their care.
2. **Family:** Using the Census Bureau definition, means two or more people who reside together and who are related by birth, marriage, or adoption. If the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of determining Financial Assistance.
3. **Family Income:** Family Income is determined by the Census Bureau definition, which uses the following income when computing federal poverty guidelines:
 - a. Includes all wages and earnings, unemployment compensation, workers' 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;
 - b. Non-cash benefits (such as food stamps and housing subsidies) do not count;
 - c. Determined on a before-tax basis;
 - d. Excludes capital gains or losses; and
 - e. If a person lives with a Family, includes the income of all Family members.
4. **Uninsured:** The patient has no level of insurance or third party assistance to help meet his/her payment obligations.
5. **Gross Charges:** The total charges at HRMC's full-established rates for the provision of patient care services before deductions from revenue are applied.
6. **Medically Indigent:** Patients that HRMC determines are unable to pay some or all of their medical bills because their medical bills exceed fifty percent (50%) of their Family Income or assets (for example, due to catastrophic costs or conditions), even though they may have income or assets that exceed the eligibility requirements of this FAP.

7. **Emergency Medical Condition:**

(A) A medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain, psychiatric disturbances and/or symptoms of substance abuse) such that the absence of immediate medical attention could reasonably be expected to result in:

- (1) placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy; or
- (2) serious impairment to bodily functions; or
- (3) serious dysfunction of any bodily organ or part; or

(B) for a pregnant woman who is having contractions –

- (1) There is inadequate time to effect a safe transfer to another hospital before delivery; or
- (2) That transfer may pose a threat to the health or safety of the woman or the unborn child.

8. Extraordinary Collection Actions: May include, but are not limited to, filing a civil lawsuit; requesting issuance of a bank or wage garnishment; attaching non-exempt property; filing liens on primary residences; reporting to credit agencies; and taking other lawful collection action (e.g., Hearing in Aid of Execution).

9. Medically Necessary: Non-elective healthcare services or items reasonable and necessary for the diagnosis or treatment of illness or injury.

III. **SCOPE**

This policy applies to all emergency and Medically Necessary care that HRMC provides. The Patient Financial Services (PFS) Department (e.g., Patient Access and Patient Accounts) is responsible for this policy.

IV. **PROCEDURE**

A. **Eligibility for Financial Assistance**

1. In general, Financial Assistance is available to a qualifying patient with Family Income that does not exceed 200% of the Federal Poverty Guidelines (FPG), and who meets the other criteria set forth in this FAP. For example, if a patient's Family Income is less than 200% of the FPG, but they have cash or cash equivalents (e.g., a savings account, investments or other non-exempt assets) exceeding \$10,000.00 they would not qualify for assistance under this FAP.
2. A qualifying patient who is Medically Indigent, and who meets the other criteria set forth in this FAP, is eligible to receive Financial Assistance.
3. A "qualifying patient" is an individual who (i) submits a fully completed and signed application form with all required documentation to HRMC; (ii) fully cooperates with HRMC and its staff; and (iii) is not excluded under FAP, Section IV.B.
4. To be eligible for Financial Assistance based on FPG, a qualifying patient must be uninsured; and they cannot be eligible for any government healthcare benefit programs.
5. To receive an uninsured discount, qualifying patients cannot have any third-party insurance coverage.
6. On a case-by-case basis, HRMC determines, in its sole discretion, whether a patient is eligible for Financial Assistance based on the criteria in this FAP. However, HRMC applies this FAP consistently.
7. If a person has previously qualified, he/she must reapply for Financial Assistance for any emergency or Medically Necessary care involving any new encounters, *i.e.*, encounters that are not on sequential dates of service.

B. **Exclusions**

The following persons are not eligible for Financial Assistance:

1. Patients who are dependent students and their parents' income/resources exceed the FAP's established standards for income and resources.
2. Patients who have cash or cash equivalents and are able to pay a portion of their account, but who refuse to make payment arrangements.
3. Patients, who appear to qualify for Medicaid, but refuse to cooperate with filling out an application, or refuse to follow through with the application, or fail to provide written proof (e.g., the denial letter from Medicaid).
4. Patients seeking elective procedures, e.g., cosmetic surgery.
5. Patients who are not U.S. Citizens.

C. Services Eligible For Financial Assistance

1. Except as set out on the Provider List, charges for the following HRMC services are eligible for Financial Assistance:
 - a. Services to screen and stabilize any Medically Necessary or Emergency Medical Conditions in an emergency room setting;
 - b. Services to screen and stabilize any Medically Necessary or Emergency Medical Conditions in a non-emergency room setting; and
 - c. Any other Medically Necessary care.
2. We maintain a list of other providers who render services at HRMC. You may view this list to determine if these providers are covered by our FAP. This Provider List is on our website at www.hutchregional.com.

D. How to Apply For Financial Assistance

1. Individuals may apply for Financial Assistance, free of charge, by submitting an application form, and the required documents. This form includes instructions on how to complete the application, and the documents we require.
2. Individuals can obtain the instructions and form by:
 - a. Visiting HRMC's Patient Access areas, or by meeting with one of our Financial Counselors.
 - b. Calling HRMC's PFS Department at 620-665-2024. We will mail the materials to you.
 - c. Visiting HRMC's website to download and print the materials.
 - d. Asking for the form from the collection agency if your account has been turned over to an agency for non-payment.
3. Completed forms and required documents should be sent to HRMC, Attn: PFS Department 1701 E. 23rd Avenue, Hutchinson, KS 67502.
4. You may visit with one of our Financial Counselors, or a representative of our PFS Department. Our Financial Counselors are located in the hospital in our Patient Access department. Our PFS representatives are located in the Pavilion Building, next to the hospital. To speak to someone on the telephone about this financial assistance policy or the application process, please call **620-665-2024**.
5. We send all completed and signed application forms to the PFS Director. The PFS Director will evaluate and process all applications. If we receive an incomplete application, the PFS Director (or designee) will stop further collection activity to notify the applicant and ask for the missing information or documents.
6. Within 30 days after our receipt of a completed application (including all required documents), HRMC will send a letter notify the applicant of our determination.

E. Matters We Consider When You Apply for Financial Assistance

1. HRMC determines Financial Assistance by an individual assessment of financial need; and eligibility determinations will include:

- a. An application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information (including documents) to determine financial need.
 - b. The use of external publicly available data sources that provide information on a patient's or patient's guarantor's ability to pay. For example, HRMC may obtain a credit report.¹ From your credit report, we will review it to verify the assets you report to us, credit card availability, and other matters in such reports that reflect your financial condition. By signing the application, **please note** that you are giving us permission to obtain your credit report.
 - c. Reasonable efforts by HRMC to explore appropriate sources of payment and coverage from public and private payment programs. We will assist patients with completing applications for such programs.
 - d. An assessment of the patient's available assets and income, and all other financial resources available to the patient as disclosed by the information requested by the application.
2. To see a complete list of information and documents we require, please see the application form and instructional materials. We will not deny Financial Assistance due to an applicant's failure to provide information or documents that we have not asked for in the FAP or application.

F. Financial Assistance Eligibility - "Deemed" Status

1. There may be instances when an individual appears to be eligible for Financial Assistance, but they are not a "qualified patient" (e.g., there is no application on file or the application lacks the required documentation). If there is adequate information, which appears to establish eligibility, HRMC may grant Financial Assistance, in spite of a failure to comply with our application requirements. For example, HRMC may "deem" a person to be eligible for Financial Assistance based on any one or more of the following:
 - a. Homeless status.
 - b. Food stamp eligibility.
 - c. Persons who have filed bankruptcy within two years from the date of the Financial Assistance application.
 - d. Low income/subsidized housing when it is provided as a valid address.
 - e. Deceased – no estate-no assets-no medical assistance.
 - f. Disabled patients with limited or no income.
 - g. Patients who are Medically Indigent.
 - h. Medicaid patients who have exceeded the maximum allowable days.
 - i. Medicaid patients who have exhausted their benefits during the particular admission or service.
 - j. Medicaid patients who are approved for coverage but have a "spend down" to meet.
 - k. Private pay patients who meet the assistance guidelines established in this FAP.
2. If Financial Assistance is granted at less than a 100% discount, individuals will be given the opportunity to apply to see if they qualify for larger discounts.

G. Amounts Charged to Eligible Patients

1. Financial Assistance. The amount of charges, if any, for services eligible for Financial Assistance will be made on a sliding scale, in accordance with financial need, as determined by reference to FPG. We will consider the FPG in effect at the time we make the

¹ The Fair Credit Reporting Act (FCRA), Section 604(a)(3)(F) permits a credit reporting agency to provide a report to any party who has a legitimate business need for the information in connection with a business transaction that is initiated by the consumer.

determination. For Family Incomes between 125% and 200% of FPG, the Financial Assistance is:

Income as Percent of FPG	Percent of Discount Applied to Gross Charges
125%	100%
150%	85%
175%	75%
200%	67%

2. If HRMC determines a patient is eligible for a 100% discount, that patient will not receive any future bills based on undiscounted Gross Charges. If a patient is eligible for less than a 100% discount, they will need to resolve the remaining balance, but in no event will the discount be less than the amounts generally billed (AGB) to insured individuals who receive the same care.
3. The basis for the maximum amounts that HRMC will charge patients qualifying for Financial Assistance for emergency or other Medically Necessary care is as follows:
 - a. We do not charge patients who are eligible for Financial Assistance more than the AGB to insured individuals who receive the same care. In other words, the discounts available under the FAP will be equal to or greater than the applicable AGB percentage.
 - b. We determine AGB on an annual basis using the “look-back” method. HRMC calculates the AGB for any emergency or Medically Necessary care that we provide to a person who is eligible for Financial Assistance by multiplying the Gross Charges for that care by one or more ABG percentages. HRMC calculates its AGB percentages by dividing the sum of all emergency and Medically Necessary care allowed by the sum of the associated Gross Charges for that care. More specifically, these AGB percentages are based on 12-months of claims that have been allowed for emergency and Medically Necessary care by Medicare fee-for-service, all private health insurers and by the patient. The financial assistance discount percentage will be multiplied by Gross Charges to determine the AGB that will be billed to the patient. A schedule detailing our methodology for calculating the current AGB percentage(s) is available, free of charge, upon request. To request this information, please call 620-665-2024.
 - c. HRMC will apply its AGB percentage by the 45th day after the end of the 12-month period that HRMC used to calculate the AGB percentage. Until calculated, we use the ABG percentage from the prior 12-month period. Our current AGB is 67 percent. Going forward, we will report the most current AGB on our website.
4. Uninsured Patients. An uninsured patient may qualify for Financial Assistance if he/she is medically indigent, or his/her income qualifies under the FPG. If a discount is applied and the patient qualifies for other coverage, e.g., if after the discount is applied you qualify for Medicaid, we will reverse the discount.
5. Medically Indigent. If we award Financial Assistance at less than 100%, medically indigent patients are eligible to receive discounted rates, in an amount equal to the applicable AGB. In addition, HRMC will give consideration to the monthly expenses of the Family.
6. Extraordinary Circumstances. HRMC reserves the right to grant Financial Assistance to patients in extraordinary circumstances (e.g., terminal illness), even if they do not meet the guidelines of this FAP.
7. Additional Sources of Assistance. The Midland Group helps us screen our patients for Medicaid eligibility. They also help individuals complete Medicaid applications. The Midland Group’s representative is located in the hospital’s Patient Access department. You may call this person at 620-513-3240. In addition, several other funds (e.g., Myton Memorial Fund, Iva

Thomson Trust Fund, and Jennings Fund) may be available to pay for healthcare-related expenses. These funds are held by the Hutchison Regional Medical Foundation. Our PFS staff will assist you with the Foundation's application process. You can call them at 620-665-2024.

H. Communication of the Financial Assistance Program Within the Community

1. Upon admission or before discharge, we provide oral and written information about our FAP.
2. HRMC widely publicizes this FAP, application form, and plain language summary in our community by various means, which may include, but are not limited to, posting printable versions on HRMC's website at www.hutchregional.com², and by posting conspicuous notices in various waiting rooms, Patient Access areas, HRMC's PFS offices, and in other public places as HRMC may elect.
3. HRMC also makes these materials available upon request, free of charge, through the mail or by asking for copies in our Emergency Department or from our Patient Assess staff. See Section IV.D 3 and 4 for contact information. Such notices and summary information shall be provided in the primary languages spoken by the population we service.

I. Collection Action

1. In the event of non-payment, HRMC will make efforts to obtain payment, which includes sending billing statements or letters; making telephone calls; and/or sending your account to an authorized party, *i.e.*, collection agency. To decide what action to take, HRMC considers a patient's good faith effort to apply for a government benefit program or for Financial Assistance under this FAP. We also consider a patient's good faith effort to comply with any payment agreement(s) with us.
2. During all discussions, we make "reasonable efforts" to see if an individual qualifies for Financial Assistance by requiring our staff to tell our patients about our FAP. During the 120-day period post discharge, a written summary of this FAP will be on our billing statements.
3. For patients who qualify for Financial Assistance and are cooperating in good faith to resolve their discounted hospital bills, HRMC may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all internal collection efforts.
4. For at least 120 days from the date of the first post-discharge billing statement, HRMC will refrain from using Extraordinary Collection Actions (ECA). In addition, prior to using any ECA, HRMC makes reasonable efforts to determine whether the patient is eligible under this FAP. Reasonable efforts include each of the following:
 - a. Validating that the patient owes the unpaid bills and that we have identified and billed all sources of third-party payments.
 - b. Documenting that HRMC has offered or has attempted to offer the patient an opportunity to apply for Financial Assistance and that the patient has not complied with HRMC's application requirements.
 - c. Sending letters requesting specific information in the event we receive an incomplete application.
5. If we intend to take any ECA earlier than the 240th day from and after the date HRMC provides its first post-discharge billing statement, HRMC (or its authorized party) will send a written notice to the patient at least 30 days prior to such actions. The notice will inform him/her of the potential ECA if they do not submit an application for Financial Assistance, or pay the amount due by the notice's deadline.
6. Prior to the expiration of 240-day period (described above), HRMC will process completed application forms. The applicant should return the completed application form and the required documents within thirty (30) days from the date of his/her receipt of the application.

² From the first page of our website, click on the words "Patient Accounts" located in the upper right corner of the page.

7. The PFS Director will determine whether HRMC has made “reasonable efforts” before HRMC uses any ECA.

J. Non-Discrimination

1. General. HRMC grants Financial Assistance based on an individualized determination of financial need, and we do not discriminate based on any legally protected class, *e.g.*, age, gender, race, social or sexual orientation or religious affiliation.
2. Emergencies. We provide care on a non-discriminatory basis to individuals for Emergency Medical Conditions regardless of their ability to pay.

K. Referrals or Requests for Financial Assistance

1. Any employee, chaplain, religious sponsor or our medical staff (*e.g.*, physicians and mid-levels) may refer a patient to the PFS Department to see if he/she is eligible under this FAP.
2. The patient or Family member, close friend, or associate of the patient, subject to applicable privacy laws, may request Financial Assistance.

L. Regulatory Requirements

1. HRMC complies with all other federal, state, and local laws, rules, and regulations that may apply to its activities under this FAP.

V. REFERENCES

I.R.S. Code § 501(r)(5)
Policy KK 114, EMTALA