

Hegg Memorial Health Center

Avera Health 

SUBJECT: Financial Assistance Requests	POLICY NUMBER: B-104
DEPARTMENT: Business Office	PAGE: 1 of 1
INITIATOR: Lori Eppinga	EFFECTIVE DATE: 3-15-05
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I. Introduction

In a spirit of charity and justice, Hegg Memorial Health Center exists in response to God’s calling for a healing ministry to the sick, the elderly and oppressed, and to provide healthcare services to all persons in need, without regard to the consideration of race, sex, creed, national origin or ability to pay.

Our philosophy on providing healthcare for sick and needy patients:

- A. We believe that providing healthcare for those who require it is an obligation of justice, as well as charity and mercy.
- B. We believe that all persons have a right to medically necessary healthcare and equal access to diagnostic and therapeutic treatment regardless of financial status.
- C. We believe caring and ensuring equal access to medically necessary healthcare is a societal obligation and should be shared by all healthcare institutions and society in general.
- D. We believe that our healthcare organizations, because of deep concern for human dignity, have an obligation to respond as fully as possible to the healthcare needs of the poor and medically indigent in our area.
- E. We believe that we have a dual responsibility to maintain a leading role in providing medically necessary, cost effective healthcare for the poor and medically indigent and to take an advocacy role by working toward adequate reimbursement of healthcare services for the poor and medically indigent.

II. Purpose

The purpose of this policy is to state specifically how Hegg Memorial Health Center views charity care, how request for charity care will be addressed, and to ensure that Hegg Memorial follows and applies uniform billing practices.

This policy is specifically targeted at low-income, uninsured patients who meet certain eligibility requirements and is not intended to be applied to insured patients who have the means to accept the responsibility for their incurred charges.

Hegg Memorial recognized that certain state and/or federal laws require it to make good-faith efforts to collect all accounts and as such, collection agency services will be utilized in accordance with standard business industry practice.

Additionally, Hegg Memorial recognized that certain state and/or federal laws do not allow discounts to all patients and as such, Hegg Memorial will only consider discounts on a case-by-case basis as requested by the patient or his or her legal representative or guardian. Hegg Memorial also recognized that laws may prevent it from discounting or waiving certain co-pays, deductibles and the like.

III. Guiding Principles

- A. Hegg Memorial will provide community assistance to patients and families when charges for hospital/clinical services received create an undue financial hardship.
- B. Hegg will create a process in which the financial ability of the patient is evaluated and charity care provided relative to the patient's financial situation.
- C. Hegg Memorial will provide a uniform, consistent billing practice and charity care program throughout Hegg Memorial Hospital and Hegg Medical Clinic.

IV. Policy

A. Open Door Services

Hegg Memorial Health Center shall maintain an open door policy to provide medically necessary medical care to the community. (No limitations or situations for rendering care will be based on the patient's ability to pay.)

B. Charity Care Services

Charity care services represent those categories of service provided to patients when full payment based on established rates is not expected or received. Those that qualify for charity care services will be identified by each healthcare organization's business office and so classified in the specific accounts of the organization's accounting records.

Circumstances that may qualify a patient for charity care are:

- 1) Continued collection efforts would place an extreme financial hardship on an individual or family;
- 2) Collection of the account would force an individual or family to lose their only source of income.
- 3) A family has lost its sole source of support through death or disability and there are inadequate existing assets, resources, insurance settlements, pending inheritance, or income available to satisfy the debt in a reasonable period of time.
- 4) Inability to secure adequate funding from Federal/State/Local assistance programs and/or insurance coverage.
- 5) Demonstration of the patient's inability to pay rather than unwillingness to pay.

Circumstances that may disqualify a patient for charity care are:

- 1) Fraud (lying on the Financial Assistance Application & Patient Financial Information Form).
- 2) Patient or legal representative/guardian unresponsive to requests for information.
- 3) Refusal to fully complete Financial Assistance Application & Patient Financial Information Form.
- 4) Refusal to provide requested documentation of income and assets.

Public Notice, Posting, and Communication with Patients.

- 1. Hegg Memorial shall post a notice regarding the availability of financial assistance for services provided to low-income/uninsured patients.

Notices shall be posted in English and Spanish in a visible manner in locations where there is a high volume of inpatient or outpatient admitting/registration, such as emergency departments, billing offices, admitting offices, and outpatient service settings as well as the organizations website.

2. Posted notices shall contain the following:

- a) A statement indicating that the organization has a financial assistance policy for low-income/uninsured patients who may not be able to pay their bill and that this policy provides for charity care and reduced-payment for healthcare services; and
- b) Identification of a contact phone number that a patient can call to obtain more information about the financial assistance policy and about how to apply for such assistance.

C. Billing and collections

At the time of billing, the organization shall provide to all low-income/uninsured patients the same information on services and charges that it provides to all other patients receiving care.

When sending a bill to an uninsured patient, Hegg Memorial shall include with the bill all of the following information:

- a) A statement that indicates that if the patient meets certain income requirements the patient may be eligible for financial assistance for help in paying for the services that were provided; and
- b) A statement that provides the patient with an organization contact resources from which the patient may obtain information about the organization's financial assistance policy for low-income/uninsured patients and how to apply for such assistance for the payment of services that were provide.
- c) Notices and contact information may be printed and attached to statements that are past due or the required payment was not made.

If the patient qualifies for the financial assistance policy for low-income/uninsured patients and is cooperating with the organization with regard to efforts to settle an outstanding bill within a reasonable time period, the organization or its agent shall not send the unpaid bill to any outside agency if doing so may negatively impact a patient's credit. At such time as the organization sends the uncollected account to an outside collection agency, the amount referred to the agency shall reflect the reduced-payment level for which the patient was eligible under the organization's financial assistance policy for low-income/uninsured patients.

Any extended payment plans offered by a hospital in settling the outstanding bills of low-income/uninsured patients who qualify for financial assistance shall be interest-free so long as the repayment schedule is met.

D. Data Compilation and Reporting Requirements

Hegg Memorial Hospital shall post on its website or otherwise make available to the public on a reasonable basis notification that it has a financial assistance program for low-income/uninsured patients and the organization's contact person or department to request financial assistance.

The Hegg Memorial Office shall annually compile and post on its website or otherwise make available to the public on a reasonable basis the following data:

1. The amount of charity care provided based on charges.
2. The un-reimbursed costs of care provided to beneficiaries of government programs including, but not limited to, Medicare, Medicaid and county indigent programs with this item being defined as the shortfalls between costs and off-setting reimbursement/revenue that a hospital experiences in providing care.

E. Protocols

Hegg Memorial Hospital is required to:

1. Utilize a standardized financial assistance request form when charity care is requested (Attachment I)
2. Provide information on Public Assistance Benefits with appropriate contact information from each organization. (Attachment II)
3. Utilize a discount grid structure that takes into account income, assets, and federal poverty guidelines. Hegg Memorial Hospital may adjust the grid structure and discount percentages as necessary.

V. Definitions

Charity Care is defined as the portion of patient care services provided by Hegg Memorial Hospital which a third-party payer is not responsible and a patient has the inability to pay. Charity care does not include bad debt, contractual adjustments, or un-reimbursed costs (payment shortfalls). Charity care may include unpaid coinsurance, deductibles, and non-covered services if the patient meets Hegg Memorial's charity care criteria. Any portion of services that a patient is unable to pay can count as charity care. Hegg Memorial may determine or re-determine a patient's eligibility for charity care any time information on the patient's eligibility becomes available.

Financially Indigent shall mean the uninsured or underinsured patient who is provided care with no obligation or a discounted obligation to pay for the services rendered. The patients are also defined as poor or economically disadvantaged and have income at or below federal poverty levels.

Medically Indigent shall mean the patient who's medical or hospital bills, after payment by third-party payers, exceed the financial resources available to the patient. The patient who incurs catastrophic medical expenses is classified as medically indigent when payment would required liquidation of assets critical to living or would cause undue financial hardship to the family support system. In addition, medically indigent shall also include catastrophic medical expenses of patients where after payment by third-party payers, the residual amount exceeds the financial resources available to the patient.

Bad Debt is defined as those amounts that are uncollectible and do not meet the charity care services eligibility criteria. Bad Debt is the result of unsuccessful collection efforts on accounts of patients unwilling to pay. There should not be charity care implications in collections efforts on accounts of patients unwilling to pay.

ATTACHMENT II

PUBLIC ASSISTANCE BENEFITS

You may be eligible for MEDICAID or for other state or federal benefits that would pay for all or part of your medical bill.

We have enlisted the Midland Group to help explore what benefits may be available to you. The Midland Group is a public interest law firm that provides free legal services to those who qualify. A representative from the Midland Group will contact you to determine whether it is appropriate for them to assist you in making an application for benefits.

If the Midland Group accepts your case, they will follow you case until your application has been approved or denied. All of this will be done at no charge to you.

If you have any questions regarding this information, contact:

The Midland Group
625 S. Minnesota Ave, Suite 101
Sioux Falls, SD 57104
(605) 339-3310 or 1-800-595-7868

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