



<b>DEPARTMENT: Business Office</b>	<b>POLICY DESCRIPTION: Financial Assistance</b>
<b>EFFECTIVE DATE: 09/2014</b>	<b>REVISION DATE: 02/2019</b>
<b>APPROVED BY GOVERNING :</b>	

**SCOPE:** This policy pertains to all business office staff. Carroll County Memorial is dedicated to the health and well-being of all we serve. We are committed to providing financial assistance to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay for necessary healthcare services based on their individual financial situation. Consistent with our commitment to deliver compassionate, high quality, affordable healthcare services and to advocate for those who are underprivileged, CCMH strives to ensure that the financial capacity, of people who are in need of health care services, does not prevent them from seeking or receiving care. CCMH will provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility for financial assistance or for government assistance.

**POLICY:**

**1. Eligibility Considerations**

a. Who Qualifies?

- i. Patients who have completed a Carroll County Memorial Hospital Financial Assistance Policy and are determined to be eligible for financial assistance. The granting of financial assistance shall be based on individualized determination of financial need and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.
  - 1. Patients or financially responsible parties with family income of 100-200% of federal poverty level or less may be eligible for a discount up to 100%. Patients or financially responsible parties with family income over 200-300% of the federal poverty level may be eligible for a discount from 60-90%.
  - 2. Catastrophic Medical cases where a patient/guarantor who has suffered a catastrophic medical incident resulting in medical bills that exceed one's annual income, or if in any given three (3) consecutive months, whose medical bills exceed 20% of their gross income plus assets for the year; thereby concluding that one's unpaid hospital charges exceed their ability to pay. The balance owed of these patients will be subject to a sliding scale and partial assistance may be applied.
  - 3. Patients who are uninsured or underinsured.
  - 4. Patients with a current Missouri Medicaid card or on a Missouri Medicaid Spend Down plan.
  - 5. Patients whose stay exceeds the current Medicaid benefits limit.
  - 6. Patients who are in primary and secondary service areas around Carroll County or on an as needed basis.
    - a. Area Codes:
      - i. Primary: 64633
      - ii. Secondary: 64601, 64682, 64622, 64623, 65236, 64639, 64668, 64096

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- b. Patients, who qualify presently or have qualified previously for this program, will not be disqualified from future consideration. However, if a completed application has not been received within three months after the first post discharge bill within a three month period, all information will need to be resubmitted and re-reviewed.
- c. No patient will be charged more than AGB (Amount Generally Billed) calculated using the lookback method based on Medicare fee for service rates. See the FAP at <https://www.carrollcountyhospital.org/patients/financial-assistance-policy>
- d. Exceptions to Qualification
  - i. Failure to submit to FAP application within 240 days after the first post discharge statement.
  - ii. The lack of attempt to make payments on account, or acceptance of a formal payment plan.
  - iii. Applicants who refuse to purchase or find assistance for federally-mandated health insurance, when they are eligible to do so.
- e. Assistance is generally secondary to all other financial resources available to the patient including:
  - i. Insurance
  - ii. Government programs such as but not limited to *VA benefits, Medicare, Medicaid, Medicaid CHIP, Healthcare exchange plans*
  - iii. Third party liability
  - iv. Personal assets including existing assets, credit cards, and open lines of credit

## **II. Application Process**

- a. Financial Assistance applications can be obtained through the Business Office at 1502 North Jefferson. Completed applications must be submitted to the Business Office within 240 days of the first post-discharge statement. However, collection efforts may begin 120 days the first post-discharge statement is issued. To be considered completed applications must be legible, signed, dated, and must include applicable and requested attachments. If married, the patient must provide the requested information for both the patient and spouse. Applications not meeting these conditions may be returned to applicant or considered denied. An incomplete application that has been returned or considered denied may be resubmitted one time within application period. Upon receipt of a completed application, collection activity will be suspended until FAP determination has been made.
- b. Verification of Income, Expenses, Liabilities, and Assets
  - i. Verification of income and asset documentation is required for any Financial Assistance request.
    - 1. Attachments
      - a. Proof of Identity
        - i. Photo copy of drivers' license or government issued state id
      - b. Proof of Residency
        - i. Copy of utility bill

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- ii. Note: If the applicant is living with a friend or relative, a signed letter confirming the patient’s residence must be submitted along with a copy of the friend or relatives photo ID (which must have a signature). We may request that the letter be notarized.
- c. Proof of Income
  - i. Last 6 months of pay stubs
  - ii. If you are self-employed (includes farming income): A copy of your last 6 months income statement for the last 6 months self-employment or a copy of your general business ledger/business checking account summary
  - iii. If you are not employed:
    - 1. A copy of benefit confirmation from Social Security, disability, public assistance, workers compensation, trust fund, unemployment, military support, child support, and alimony
    - 2. Public assistance check
    - 3. Retirement checks
  - iv. If you are employed and divorced: Last 6 months of pay stubs and proof of child support and alimony paid or received. If you do not receive child support or alimony, please enclose a copy of the divorce decree where such is stated that it is not required.
- d. Other information that maybe requested:
  - i. A copy of your Medicaid denial
  - ii. A copy of the available plans from the Marketplace or private insurance broker
  - iii. W-2 copies for the past 2 years
  - iv. Federal Income Tax return if required to file for the past 2 years
  - v. Copies of medical expenses including outstanding bills from other medical providers outside of Carroll County Memorial Hospital
  - vi. A copy of your bank statements for the past 6 months
  - vii. Dividends, interest or estate trusts
  - viii. Rent or lease income
  - ix. List of real estate owned
- c. Notification: Carroll County Memorial Hospital’s decision to provide financial assistance in no way affects the patient’s/guarantor’s financial obligation to their physician or other health care providers outside of CCMH and its covered entities.
- d. All applicants will be notified of their approval or denial in writing.
- e. Appeal: Patients/guarantors may appeal a financial assistance determination by providing additional information such as income verification or an explanation of extenuating

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circumstances to the Patient Advocate Supervisor within 10 days of receiving notification of determination. The Patient Advocate Supervisor and Director will review all appeals.

### III. Definitions

- a. **Amounts Generally Billed (AGB):** The average amount for emergency or other medically necessary patient services, using Medicare fee-for-service rates. CCMH calculates AGB using the “look-back method” as defined in section 501 (r) (5) (b) (3) of the Internal Revenue Code. CCMH will limit amounts billed for emergency or other medically necessary care provided, to individuals eligible for assistance, to amounts not to exceed the AGB. CCMH will update the AGB annually. For the FY2019 the AGB discount is 45%. The AGB will be updated annually within 120 days of CCMH fiscal year end.
- b. **Assets:** Cash or assets, which can easily converted to cash (CDs and money market accounts). Assets include but are not limited to checking accounts, savings accounts, stocks, bonds, Certificates of Deposits, cash and equity in property owned, excluding the primary residence.
- c. **Bad Debt:** Charges resulting from treatment for services provided to a patient and/or guarantor who, having the financial resources to pay for healthcare services, has demonstrated by his/her actions and unwillingness to comply with the contractual arrangements to resolve a bill or satisfy their outstanding obligations.
- d. **Bankrupt:** A legally declared inability or impairment of ability of an individual or organizations to pay their creditors. Creditors may file a bankruptcy petition against a debtor ("involuntary bankruptcy") in an effort to recoup a portion of what they are owed. However, in the majority of cases, bankruptcy is initiated by the debtor (a "voluntary bankruptcy" that is filed by the bankrupt individual or organization).
- e. **Catastrophic Medical Assistance: Financial assistance may be offered to those** with catastrophic healthcare bills. For example, patients may qualify for full or partial financial assistance if, in any given three-month window, their medical bills exceed 20% of their annual gross income plus assets.
- f. **Financial Assistance:** Financial assistance is defined as medical services provided at no charge or at a reduced charge to patients who are uninsured or underinsured and unable to pay based on income level, financial analysis, demographic indicators and/or further healthcare needs based on diagnosis. Financial assistance does not include: bad debt, contractual allowances from government programs, contractual allowances from insurance or uninsured patient discounts.
  - i. Two types of Financial Assistance offers exist at Carroll County Memorial Hospital
    1. **Full Financial Assistance:** Those patients who will qualify for fully discounted services.
    2. **Partial Financial Assistance:** Those who are eligible to receive partial discounts.
- g. **Elective Care:** The patient’s condition permits time for medical services to be scheduled and the care is not medically necessary.

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- h. **Emergency Care:** The patient requires immediate medical intervention due to a severe, life-threatening, or potentially disabling condition. Generally, the patient is seen and/or admitted through the emergency room.
  - i. **Income:** As stated in the "Federal Register" from March 4, 1996, the definition of income that was used to establish the Poverty Income Guidelines is as follows: "Income includes money, wages and salaries before any deductions; net receipts from non-farm, self-employment (receipts from a person's own unincorporated business, professional enterprise, or partnership, after deductions excluding non-cash deductions for business expenses); net receipts from farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses excluding non-cash expenses); regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, worker's compensation, veterans payments, public assistance (including Aid to Families with Dependent Children, Supplemental Security Income, Emergency Assistance money payments, and non-Federally-funded General Assistance or General Relief money payments, and training stipends; alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household; private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments; college or university scholarships, grants, fellowships, and assistantships; and dividend, interest, net rental income, net royalties, and net gambling or lottery winnings."
  - j. **Line of Credit (LOC):** An arranged amount of standing credit that a bank's customer may draw upon at any time.
  - k. **Medically Necessary:** Defined as accepted health care services and supplies provided by health care entities, appropriate to the evaluation and treatment of a disease, condition, illness or injury and consistent with the applicable standard of care.
  - l. **Patient:** The terms "patient" and "person" are used throughout this Policy for ease of understanding and drafting. This policy applies to the guarantor or financially responsible party of the patient's account. The term guarantor and financially responsible party is interchangeable with the terms patient and person throughout this Policy, when the guarantor or financially responsible party is different from the Patient.
  - m. **Retail Charges:** The standard rates charged to all patients, which do not reflect any contractual allowances or discounts. These rates are commonly referred to as "gross" charges in the healthcare industry.
  - n. **Underinsured:** A patient that is exposed to significant financial losses due to inadequate health insurance coverage.
  - o. **Uninsured Patient:** A person receiving healthcare services who does not have private healthcare insurance and is not qualified to participate in a governmental program which provide healthcare benefits to its eligible participants (such as Medicare or Medicaid).
- IV. Presumptive Financial Assistance Eligibility**
- a. There are instances when a patient may appear eligible for charity-care discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is



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adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with financial assistance. In the event there is no evidence to support a patient’s eligibility for financial assistance, Carroll County Memorial Hospital could use outside agencies in determining estimate income amounts for the basis of determining financial assistance eligibility and potential discount amounts. Once determined, due to the inherent nature of the presumptive circumstances, the only discount that can be granted is a 100% write-off of the account balance. Presumptive eligibility may be determined on the basis of individual life circumstances which may include:

- i. State-funded prescription programs;
- ii. Homeless or received care from a homeless clinic;
- iii. Participation in Women, Infants and Children programs (WIC);
- iv. Food stamp eligibility;
- v. Subsidized school lunch program eligibility;
- vi. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down);
- vii. Low income/subsidized housing is provided as a valid address;
- viii. Patient is deceased with no known estate; and
- ix. Patient has declared bankruptcy.

<b>PROCEDURE:</b>
<b>REFERENCES:</b>