



DEPARTMENT: Business Office	POLICY DESCRIPTION: Financial Assistance
EFFECTIVE DATE: 09/14	REVISION DATE: 01/21, 05/21, 09/24
LAST REVIEW DATE: 09/24	
APPROVED DATE: 02/21, 06/21, 09/24	

SCOPE:

This policy pertains to all business office staff. Carroll County Memorial (CCMH) 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, 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 medically necessary conditions to individuals regardless of their eligibility for financial assistance or for government assistance. Additionally, CCMH agrees not to discriminate in the provision of services to an individual based on: the individual’s inability to pay; whether payment for those services would be made under Medicare, Medicaid, or Children’s Health Insurance Program (CHIP); the individual’s race, color, sex, national origin, disability, religion, age, sexual orientation, or gender identity.”

POLICY:

1. Eligibility Considerations

a. Who Qualifies?

- i. All patients who have completed an Application Financial Assistance. The granting of financial assistance will be based on income and family size and will not take into account the individual’s race, color, sex, national origin, disability, religion, age, sexual orientation, or gender identity; or the individual’s inability to pay; whether payment for those services would be made under Medicare, Medicaid, or CHIP. Additional factors may be used for those above 200% of the Federal Poverty Guidelines (FPG).
 - 1. Patients or financially responsible parties with family income of 100% to 200% of federal poverty level (FPL) or less may be eligible for a discount up to 100%. Patients or financially responsible parties with family income over 250% to 400% of the FPL may be eligible for a discount up to 60%.
 - 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.

- b. Patients who qualify presently or have qualified previously for this program, will not be disqualified from future consideration.
- c. No qualified patient will be charged more than AGB (Amount Generally Billed) calculated using the lookback method based on Medicare fee for service rates. See the Financial Assistance Policy (FAP) at <https://www.carrollcountyhospital.org/patients/financial-assistance-policy>
- d. Exceptions to Qualification

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- i. Failure to submit to FAP application within one year after the first post discharge statement.
 - ii. The lack of attempt to make payments on account, or acceptance of a formal payment plan.
- e. For patients found to be above 200% FPG, 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

2. Application Process

- a. Financial Assistance applications can be obtained through the Business Office at 1502 North Jefferson or on Carroll County Memorial Hospital’s website <https://www.carrollcountyhospital.org/patients/financial-assistance-policy>. Completed applications must be submitted to the Business Office within one year of the first post-discharge statement. Collection efforts may begin 120 days after the first post-discharge statement is issued. To be considered complete, 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 the financial assistance application determination has been made. Approval for Financial Assistance is valid for one year. Applications must be resubmitted every year to verify that the information provided has not changed.
- b. Verification of Income
 - i. Verification of income and family size is required for any Financial Assistance request.
 - 1. Proof of Income
 - a. IRS Tax Return from most recent year and all applicable schedules
 - i. W-2 from most recent tax year for each working adult in the household
 - ii. Social Security Benefit Verification Letter from the most recent year for each person receiving Social Security benefits.
 - iii. Statement of weekly unemployment benefits
 - iv. Paystubs from the most recent three months for each working adult in the household.
 - v. Self-declaration of income
- 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.

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- d. All applicants will be notified of their approval or denial in writing. Information related to decisions will be maintained and preserved in a centralized confidential digital file, in an effort to preserve the dignity of those receiving free or discounted care. Applicants who have been approved for will be logged in Carroll County Memorial Hospital’s practice management system, noting names of applicants, dates of coverages, and percentage of coverage.
- e. Appeal: Patients/guarantors may appeal a financial assistance determination by providing additional information such as income verification or an explanation of extenuating circumstances to the Patient Finance Specialist Supervisor within 10 days of receiving notification of determination. The Patient Finance Specialist Supervisor and Chief Financial Officer will review all appeals.

3. 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 FY2024 the AGB discount is 46%. 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. Family Size: Family is defined as: a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family. Carroll County Memorial Hospital will also accept non-related household members when calculating family size.

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- g. 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, and 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.
 - ii. Applicant assessment
 - 1. FPL will be assessed using only income and family size.
- h. Elective Care: The patient's condition permits time for medical services to be scheduled and the care is not medically necessary.
- i. 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.
- j. Income: Income includes: gross wages; salaries; tips; income from business and self-employment; unemployment compensation; workers' compensation; Social Security; Supplemental Security Income; veteran's payments; survivor benefits; pension or retirement income; interest' dividends' royalties; income from rental properties, estates, and trusts; alimony; child support; assistance from outside the household; and other miscellaneous sources.
- k. Line of Credit (LOC): An arranged amount of standing credit that a bank's customer may draw upon at any time.
- l. 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.
- m. 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.
- n. 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.
- o. Underinsured: A patient that is exposed to significant financial losses due to inadequate health insurance coverage.
- p. Uninsured Patient: A person who has no health insurance, or no health insurance coverage.

4. Presumptive Financial Assistance Eligibility

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- 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 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.
 - x. Active Out of State Medicaid

5. Administrative Guidelines

- a. Annual Review - The Financial Assistance Policy will be updated based on the current Federal Poverty Guidelines. Carroll County Memorial Hospital will also review possible changes in our policy and procedures and, for examining institutional practices which may serve as barriers preventing eligible patients from having access to our community care provisions.
- b. Budget - During the annual budget process, an estimated amount of Sliding Fee Discount Program services will be placed into the budget as a deduction from revenue.
- c. Notification: Carroll County Memorial Hospital will notify patients of the Financial Assistance Policy by:
 - i. Payment Policy Brochure will be available to all patients at the time of service.
 - ii. Notification of the Financial Assistance Program will be offered to each patient upon admission.
 - iii. Financial Assistance Program application will be included with collection notices sent out by Carroll County Memorial Hospital.
 - iv. An explanation of our Financial Assistance Program and our application form are available on Carroll County Memorial Hospital’s website.
 - v. Carroll County Memorial Hospital places notification of Financial Assistance Program in the clinic waiting area.

REFERENCES: