

## St. Cloud Regional Medical Center

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<b>FINANCIAL ASSISTANCE/CHARITY CARE POLICY</b>	<i>original policy date</i>	1-1-2016	1 of 8	

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### **POLICY STATEMENT:**

In order to serve the health care needs of our community, **St. Cloud Regional Medical Center** will provide financial assistance/charity care to patients without financial means to pay for *Inpatient, Observation and Emergency Room hospital services*.

Financial Assistance/Charity care will be provided to all patients without regard to race, creed, color, or national origin and who are classified as financially indigent according to the hospital's eligibility criteria.

If there are state specific laws that conflict with any portion of this policy, those sections have been identified and edited to comply with said law. In addition, attached to this policy are copies of each law as verification of requirements.

### **PURPOSE:**

To properly identify those patients who are financially indigent, who do not qualify for state and/or government assistance, and to provide assistance with their Inpatient, Outpatient Observation and Emergency Room medical expenses under the guidelines for Financial Assistance/Charity Care.

### **ELIGIBILITY FOR FINANCIAL ASSISTANCE/CHARITY CARE**

#### **1. FINANCIALLY INDIGENT:**

- A. A financially indigent patient is a person who is uninsured and is accepted for care with no obligation or a discounted obligation to pay for services rendered based on the hospital's eligibility criteria as set forth in this Policy.
- B. To be eligible for financial assistance/charity care as a financially indigent patient, the patient's total household income shall be at or below 200% of the current Federal Poverty Income Guidelines. (see Exhibit D) The hospital may consider other financial assets and liabilities for the person when determining eligibility.
- C. The hospital will use the most current Federal Poverty Income Guideline issued by the U.S. Department of Health and Human Services to determine an

individual's eligibility for charity care as a financially indigent patient. The Federal Poverty Income Guidelines are published in the Federal Register in January or February of each year and for the purposes of this Process will become effective the first day of the month following the month of publication. (see Exhibit E)

- D. In no event will the hospital establish eligibility criteria for financially indigent patients which sets the income level for financial assistance/charity care lower than that required for counties under the State Indigent Health Care and Treatment Act, or higher than 200% of the current Federal Poverty Income Guidelines. However, the hospital may adjust the eligibility criteria from time to time based on the financial resources of the hospital and as necessary to meet the charity care needs of the community.
- E. Patients covered by out of state Medicaid where the hospital is not an authorized provider and where the out of state Medicaid enrollment or reimbursement makes it prohibitive for the hospital to become a provider, will be eligible for charity upon verification of Medicaid coverage for the service dates, since they will be considered uninsured. No other documents will be required in order to approve the charity application. The patient will not be required to make a formal financial assistance/charity application. The hospital may submit the application and verification of Medicaid coverage as proof of qualification.

## **2. PRESUMPTIVE ELIGIBILITY:**

- A. Patients covered by out of state Medicaid where the hospital is not an authorized provider and where the out of state Medicaid enrollment or reimbursement makes it prohibitive for the hospital to become a provider, will be eligible for financial assistance upon verification of Medicaid coverage for the service dates, since they will be considered uninsured. No other documents will be required in order to approve the financial assistance application. The patient will not be required to make a formal financial assistance/charity application. The hospital may submit the financial assistance application and verification of Medicaid coverage as proof of qualification.
- B. Medicaid patients who exhaust their coverage and benefits will also be eligible for financial assistance for medically necessary hospital services.
- C. Deceased patients with no estate will automatically qualify for financial assistance, whether insured or uninsured.

## **3. MEDICALLY INDIGENT:**

- A. A medically indigent patient is a person who is uninsured or whose medical bills after payment by third party payers exceed a specified percentage of the person's annual gross income and who is unable to pay the remaining bill.
- B. To be eligible for financial assistance as a medically indigent patient, the patient's total household income shall be at or below 400% of the current Federal Poverty

Income Guidelines (see exhibit E) **and** their hospital medical expenses for the proceeding 12 month period exceeds 25% of the family annual gross income.

- C. The hospital may consider other financial assets and liabilities for the person when determining eligibility, but in no case will the hospital require a patient to 'spend down' more than 50% of their savings in order for the patient to qualify for financial assistance towards their remaining balance.
- D. If a patient meets the medically indigent income and medical expense criteria, and have no savings or assets, they will be eligible for a full write-off of the hospital medical expenses.

### **FACTOR TO BE CONSIDERED FOR CHARITY DETERMINATION**

- A. The following factors are to be considered in determining the eligibility of the patient for financial assistance/charity care:
  - 1. Gross Income
  - 2. Family Size
  - 3. Employment status and future earning capacity
  - 4. Other financial resources
  - 5. Other financial obligations
  - 6. The amount and frequency of hospital and other medical bills
- B. The income guidelines necessary to determine the eligibility for financial assistance/charity care discounts are attached on *Exhibit "D"*. The current Federal Poverty Guidelines are attached as *Exhibit "E"* and they include the definition of the following:
  - 1. Family
  - 2. Income

### **FAILURE TO PROVIDE APPROPRIATE INFORMATION**

- A. Failure to provide information necessary to complete a financial assessment within 30 days of the request may result in a negative determination.
- B. The account may be reconsidered upon receipt of the required information, providing the account has not been written off to bad debt.

### **EXCEPTION TO DOCUMENTATION REQUIREMENTS**

The CFO may waive the documentation requirements and approve a case for Financial Assistance/Charity Care; at his/her sole discretion based on their belief the patient does/should qualify for financial assistance/charity. The

amount or percentage of financial assistance/charity care discount will be left to the CFO's discretion. Waiver of the documentation requirements should be noted in the comments section on the patient's account, as well as the percent or dollar amount approved for Financial Assistance/Charity adjustment, printed out and attached to the Financial Assistance (FA) form.

#### **5. TIME FRAME FOR ELIGIBILITY DETERMINATION**

A determination of eligibility will be made by the Business Office within 30 working days after the receipt of all information necessary to make a determination.

**Exhibit A**  
**Financial Assistance Form**  
Financial Assistance Program Application

Patient Account Number: \_\_\_\_\_ Date of Application \_\_\_\_\_

**PATIENT INFORMATION**

**PARENT/GUARANTOR/SPOUSE**

Name \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

City \_\_\_\_\_

State/Zip \_\_\_\_\_

State/Zip \_\_\_\_\_

SS# \_\_\_\_\_

SS# \_\_\_\_\_

Employer \_\_\_\_\_

Employer \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

City \_\_\_\_\_

State/Zip \_\_\_\_\_

State/Zip \_\_\_\_\_

Work Phone \_\_\_\_\_

Work Phone \_\_\_\_\_

Length of Employment \_\_\_\_\_

Length of Employment \_\_\_\_\_

Supervisor \_\_\_\_\_

Supervisor \_\_\_\_\_

**RESOURCES**

Checking:    yes\_\_\_           no\_\_\_

Vehicle 1: Yr \_\_\_\_\_ Make \_\_\_\_\_ Model \_\_\_\_\_

Savings:     yes\_\_\_           no\_\_\_

Vehicle 2: Yr \_\_\_\_\_ Make \_\_\_\_\_ Model \_\_\_\_\_

Vehicle 3: Yr \_\_\_\_\_ Make \_\_\_\_\_ Model \_\_\_\_\_

Cash on hand: \$ \_\_\_\_\_

**Exhibit A (continued)  
Financial Assistance Program Application**

INCOME

Patient/Guarantor: Wages(monthly): _____	Spouse/Second Parent: Wages(monthly): _____
Other Income: Child Support: \$_____	Other Income: Child Support: \$_____
VA Benefits: \$_____	VA Benefits: \$_____
Workers' Comp: \$_____	Workers' Comp: \$_____
SSI: \$_____	SSI: \$_____
Other: \$_____	Other: \$_____

LIVING ARRANGEMENTS

Rent \_\_\_\_\_ Own \_\_\_\_\_ Other (explain) \_\_\_\_\_

Landlord/Mortgage Holder: \_\_\_\_\_

Phone Number \_\_\_\_\_ Monthly payment \$ \_\_\_\_\_

REQUIRED DOCUMENTS

The following documents must be attached to process your application for Charity Care/Financial Assistance:

Proof of Income: Prior year income tax return, last 3 months bank statements, last 4 pay check stubs, if applicable, or a letter from employer, or letter from Social Security, etc. Other documents as requested.

Proof of Expenses: Copy of mortgage payment or rental agreement, copies of all monthly bills (including credit cards, bank loans, car loans, insurance payments, utilities, cable and cell phones). Other documents as requested.

The information provided in this application is subject to verification by the hospital and has been provided to determine my ability to pay my debt. I understand that any false information provided by me will result in denial of any financial assistance by the hospital.

**The Hospital reserves the right to pull a copy of your credit report.**

**Signature of Applicant** \_\_\_\_\_

**Hospital Representative Completing Application:** \_\_\_\_\_

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**The below signatures is indication of your review of the application and supporting documentation and that you find the information to meet policy requirements.**

**Approval/Authorization of Charity Write-Off**                      **Amount Approved \$** \_\_\_\_\_

**BOM** \_\_\_\_\_    **CEO** \_\_\_\_\_  
**CFO** \_\_\_\_\_

**Exhibit B**

**Income Guidelines for Determining % of Financial Assistance/Charity Care  
Discount  
(For Financially Indigent Patients)**

Based on Current Year's Federal Poverty Income Guidelines

<u>% of Poverty Income</u>	<u>Discount from charges</u>
Equal to or Below Poverty	100%
101%-200%	100%

**Exhibit C**  
**Federal Poverty Income Guidelines 2016**

Reference: Federal Register: January 25, 2016, Volume 81, Number 15 pp. 4036-4037

<b>The 2016 Poverty Guidelines for the 48 Contiguous States and the District of Columbia</b>	
<b>Persons in family</b>	<b>Poverty guideline</b>
1	\$11,880
2	16,020
3	20,160
4	24,300
5	28,440
6	32,580
7	36,730
8	40,890
For families with more than 8 persons, add \$4,160 for each additional person.	

<b>2016 Poverty Guidelines for Alaska</b>	
<b>Persons in family</b>	<b>Poverty guideline</b>
1	\$14,840
2	20,020
3	25,200
4	30,380
5	35,560
6	40,740
7	45,920
8	51,120
For families with more than 8 persons, add \$5,200 for each additional person.	

Charity Care Policies to use the new income guidelines effective February 1<sup>st</sup>, as well as any other polices that use the Federal Poverty Income Guidelines (FPI). As noted in the Federal Register notice, there is no universal administrative definition of income that is valid for all programs that use the Federal poverty income guidelines (FPI). The office or organization that administers a particular program or activity is responsible for making decisions about the definition of income used by that program. To find out the specific definition of income used by a particular program, you must consult the office or organization that administers that program.