

**PURPOSE:**

To provide a fair and comprehensive system of distributing financial assistance to those individuals financially unable to pay for medically necessary healthcare services. Financial assistance is available to patients who meet the financial guidelines herein regardless of age, sex, race, disability, national origin, religion, or the ability to pay. In accordance with the Christian philosophy of Henderson Health Care Services, Inc. ("HHCSI"), it is our policy to provide a reasonable amount of services (taking into account fiscal sustainability of HHCSI) without charge to eligible patients who are not financially able to pay for medically necessary healthcare. Patients and/or guarantors (whether by statute, common law or contract) are sometimes referred to in this Policy as "patient/guarantors."

The Policy addresses:

- Eligibility criteria for financial assistance;
- The extent to which financial assistance includes free or discounted care;
- The basis for calculating amounts charged to eligible patient/guarantors;
- The method for applying for assistance; and

Measures to widely publicize the Policy.

**POLICY:**

**A. Fundamentals:** This policy applies to all medically necessary hospital & clinic care, regardless of hospital & clinic location or type of service. This policy does not apply to assisted living facility services and long-term care services provided in locations other than HHCSI's licensed hospital and clinic facilities.

HHCSI reserves the right to allow or disallow medical financial assistance. This decision will be based on the patient/guarantor's ability to pay as determined by financial review and analysis of household income level. An application for medical financial assistance should be completed when it is evident that a patient does not have third party coverage or will have a substantial personal payment responsibility and does not have the resources to make such a payment. Patients/guarantors may request an application for medical financial assistance from the Chief Financial Officer or Patient Accounts Clerk. Completed applications with all supporting documentation may be returned to the Chief Financial Officer or Patient Accounts Clerk.

HHCSI shall exercise its best judgment in determining the ability of patients and/or legally responsible individuals to make payments for services, taking into consideration the rights and human dignity of the individual.

The individual's right of self-determination dictates the retention of choice whether or not they seek medical financial assistance. Therefore, in all cases, the request for assistance and proof of eligibility is the patient/guarantor's responsibility.

This medical financial assistance is a resource of last resort and is only available when all other recovery sources and assets have been exhausted. Applicant must have a letter of



Medicaid denial, dated no more than 30 days before application date. Failure to provide the letter will result in immediate denial of application for medical financial assistance. If the pertinent service appears to HHCSI to be for an injury giving rise to a hospital or other medical lien in favor of HHCSI that HHCSI believes could be reasonably and cost effectively implemented through notice by HHCSI, the patient/guarantor shall be ineligible for financial assistance until such time, if ever, as HHCSI determines that a medical lien will not provide a resource sufficient to fully satisfy the pertinent HHCSI charges. Notice of a medical lien by HHCSI, however, shall not waive or reduce HHCSI's other remedies or rights, except to any extent required by law.

HHCSI also reserves the right to deny financial assistance to patient/guarantors who fail to take reasonable steps applying for Medicare and other governmental medical assistance programs in which they may be entitled to participate, and for failure to comply with this policy's provisions.

Any healthcare services deemed non-medically necessary or cosmetic in nature are not eligible for medical financial assistance. HHCSI reserves the right to determine qualifying/eligible elective procedures.

Patient accounts that have been referred to an outside collection agency will not be eligible for medical financial assistance unless extenuating circumstances exist.

Medical financial assistance is provided to patients with demonstrated inability to pay as contrasted with bad debt, which results from unwillingness to pay. Financial assistance, which may include free or discounted care, may be extended to (a) the "Financially Indigent", those patients who are uninsured or underinsured and have household incomes equal to or less than 200% of the Federal poverty guidelines or (b) are determined by the HHCSI to be "Medically Indigent."

Upon timely request for an Application, HHCSI will take no further extraordinary collection action directed at the applicant until it has determined the applicant's eligibility for financial assistance hereunder.

**B. Definitions:** The following definitions shall apply to this Policy:

"Eligible" as used in the context of "Eligible for financial assistance" and similar contexts, means the pertinent patient/guarantor has completed a financial assistance application and been approved for a specific amount or percentage of financial assistance.

"Medically indigent" means persons whom the organization has determined are unable to pay some or all of their medical bills because their medical bills exceed a certain percentage of their family or household income or assets (for example, due to catastrophic costs or conditions) even though they have income that otherwise exceed the Federal poverty guidelines adopted by HHCSI for free or discounted care under this Policy. The HHCSI also reviews other factors in evaluating whether a person is medically indigent, including:

- a. Net worth, including liquid and non-liquid assets.
- b. Employment status.
- c. Adjusted annual household income.
- d. Financial obligations, including child support and living expenses.
- e. Existing and future obligations for health care services.
- f. Availability of third party payment.
- g. Need for medical services.

“Underinsured”: Patient has limited insurance coverage that does not provide coverage for HHCSI services, or maximum liability under insurance coverage has been exceeded.

“Uninsured”: Patient has no insurance or coverage under governmental programs, and is not eligible for any other third party payment such as worker’s compensation or claims against others involving accidents.

**C. Adjustment to charges:** In compliance with Section 501(r)(5), the hospital charges for a patient/guarantor with no insurance coverage who completes a financial assistance application and is Eligible for financial assistance will be reduced to the best negotiated commercial insurance rate, considering formally contracted rates. This reduction in charges is not applicable to any charges outside of the licensed hospital facility. This percentage reduction will be updated annually. The discount described below shall be applied to the adjusted charges in determining the Eligible patient/guarantor’s remaining financial responsibility.

**D. Investigation, documents, and general provisions:** HHCSI reserves the right to pull a credit report on any applicant applying for medical financial assistance and reserves the right to deny the application based on information obtained in the credit report, should it indicate any non-disclosure of information or patient/guarantor submission of misleading information.

It is the applicant’s responsibility to provide proof of income and/or proof of any other information provided on the application as requested by HHCSI. Required income verification information includes:

- W-2 forms for each member of household
  - Previous two years income tax returns
  - Three months most current employment pay stubs
  - Three months most current bank statements
  - Businesses must provide a balance sheet showing business assets and liabilities
- Failure to provide this information will result in immediate denial of application.

Any application that is deemed incomplete or inaccurate by HHCSI could be denied. All applications will be reviewed and a determination made with the following approval limits:

- Administration ----- Adjustment up to \$1,000
- Board of Directors ----- Adjustment exceeding \$1,000



HHCSI, upon approval of application, will determine services eligible up to the date of approval. Any services provided by HHCSI after that date will require a new application. Notification of medical financial assistance approval or denial will be made by mailed letter to the patient/guarantor upon final determination. HHCSI will offer to discuss payment plan options with the patient/guarantor for any partial medical financial assistance considerations, if a timely response by the patient/guarantor occurs. When HHCSI's

tentative analysis is that a patient/guarantor is likely to receive some (but not 100%) discount on the charges and in HHCSI's view it is practical to do so, the patient/guarantor shall be required to discuss with HHCSI options for paying the likely remaining balance before HHCSI completes approval of financial assistance to that patient/guarantor.

It is currently HHCSI's policy that all financial documentation pertaining to the application and determination will be kept on file for a reasonable time with the Patient Accounts Clerk. Nothing in this policy precludes HHCSI from using the financial documentation for patient account collection purposes or other patient account, planning or (without personally identifiable names and ID numbers) statistical purposes, to the extent allowed by law. HHCSI shall have the right to change this confidentiality at any time in its discretion.

**E. Financially indigent income guidelines:**

**Methodology:** "Sliding Scale Method" with income guidelines as published in the Federal Register annually to determine the dollar amount to be considered as assistance for eligible patients/guarantors utilizing the following guidelines:

Decisions on approvals/denials of medical financial assistance will be made according to established dollar level approval. First, HHCSI will determine whether it considers the patient/guarantor to be uninsured or underinsured. Then, assuming a patient/guarantor is underinsured or uninsured, partial or full financial aid will be determined by the current year *Federal Poverty Income Percentage Allowed* method listed below. Household income exceeding 200% of the current year Federal Poverty Income Level is not be eligible for medical financial assistance.

**Guidelines:**

Federal Poverty Income Percentage Allowed					
Family Size	2014 FPL	100%	75%	50%	25%
1	\$11,670	\$14,588	\$17,505	\$20,423	\$23,340
2	\$15,730	\$19,663	\$23,595	\$27,528	\$31,460
3	\$19,790	\$24,738	\$29,685	\$34,633	\$39,580
4	\$23,850	\$29,813	\$35,775	\$41,738	\$47,700
5	\$27,910	\$34,888	\$41,865	\$48,843	\$55,820
6	\$31,970	\$39,963	\$47,955	\$55,948	\$63,940
7	\$36,030	\$45,038	\$54,045	\$63,053	\$72,060
8	\$40,090	\$50,113	\$60,135	\$70,158	\$80,180
For each additional person add:	\$4,060	\$5,075	\$6,090	\$7,105	\$8,120
FPL		125%	150%	175%	200%



Family members are defined as persons occupying the same household and who are identified as dependents for tax purposes.

Discount levels are based upon the annual changes in Federal Poverty Levels issued by the Federal Government. The Discount Levels are automatically indexed to the Federal Poverty Levels without prior approval by HHCSI Board of Directors.

**F. Medically indigent guidelines:**

**Methodology:** Applications for financial assistance as a medical indigent will be accepted one time per year per household. HHCSI shall consider the factors mentioned in the above definition of "medically indigent." Applicants qualifying as medically indigent will receive assistance at the highest income category under the financially indigent guidelines (25% discount level), unless HHCSI determines that circumstances justify a greater assistance amount.

Decisions on approvals/denials of medical financial assistance will be made according to established dollar level approval.

**G. Emergency medical treatment:** Emergency medical treatment will be provided without regard to ability to pay and regardless of whether the patient qualifies for financial assistance under this Policy. Emergency medical treatment will be provided in accordance with the requirements of the Emergency Medical Treatment and Active Labor Act ("EMTALA") and the requirements of Section 501(r) of the Internal Revenue Code. There will be no discrimination against patients based on ability to pay in the provision of emergency medical treatment.

**H. Policy distribution:** This Policy will be made widely available to patients, including the following:

- a. The policy will be posted on the hospital's website.
- b. The policy will be provided to patient/guarantors upon request.

In addition, a summary of the Policy together with appropriate contact information to receive a copy of the Policy shall be included in the envelope with all billing invoices, posted in the hospital's emergency area waiting room and in the hospital lobby, posted in the hospital's admissions office, and provided to patients in their admission packet.

**I. Example forms:** These forms may be modified with express approval of the Chief Financial Officer.