

# Henderson Health Care Services

## MEDICAL FINANCIAL ASSISTANCE POLICY

### PURPOSE

The purpose of this policy is to further the charitable mission of Henderson Health Care Services, Inc. (“HHC”) by providing financially disadvantaged and other qualified patients with an avenue to apply for and receive free or discounted care consistent with requirements of the Internal Revenue Code and implementing regulations. Patients and/or guarantors (whether by statute, common law or contract) are sometimes referred to in this Policy as “patients”.

### POLICY

#### I. ELIGIBILITY CRITERIA

The following classes of individuals and categories of care are eligible for financial assistance under this policy:

##### A. Financially Indigent

To qualify as Financially Indigent, the patient must be Uninsured or Underinsured and have a Household Income of equal to or less than 300% of Federal Poverty Level. The following definitions apply to such eligibility criteria:

"Uninsured": A patient who (i) has no health insurance or coverage under governmental health care programs, and (ii) is not eligible for any other third party payment such as worker's compensation or claims against others involving accidents.

"Underinsured": A patient whose health insurance coverage does not provide full coverage for all their medical expenses; for example (i) has limited health insurance coverage that does not provide coverage for medically necessary services provided by the HHC, (ii) has exceeded the maximum liability under his/her insurance coverage, or (iii) has a remaining copay, deductible or coinsurance due from patient.

"Household Income": The total income of all members living in the patient's household over the twelve (12) months prior to application for assistance under this policy.

"Household": Persons occupying the same household and who are identified as dependents for tax purposes.

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## **B. Medically Indigent**

To qualify as Medically Indigent, the patient must have medical bills from HHC in excess of 20% of the patient's Household Income.

## **C. Failure to Apply for Medicaid**

Patients who may be eligible for Medicaid and fail to apply for Medicaid within thirty (30) days of the HHC Financial Assistance Application submission are not considered eligible for financial assistance under this policy.

## **D. Categories of Care Eligible for Financial Assistance**

Provided that the patient qualifies as either Financially Indigent or Medically Indigent, the following classes of care are eligible for financial assistance under this policy:

- Medically necessary care provided by the licensed hospital
- Medically necessary care provided by the certified rural health clinics

Regardless of a patient's status as Financially Indigent or Medically Indigent, cosmetic procedures are not eligible for financial assistance under this policy. Services provided under the licensed assisted living facility and long-term care facility are not eligible for financial assistance.

## **II. COVERED PROVIDERS**

Care provided by HHC and HHC-employed physicians and practitioners and any paid contracted physicians is covered by this policy. The list of eligible physicians and practitioners is maintained in a separate list and can be obtained by contacting the Patient Financial Services office at 402-723-4512.

Care provided by independent community physicians and other independent service providers is not subject to this policy. Patients should contact these other providers to determine whether care is eligible for financial assistance.

## **III. LIMITATION ON CHARGES & CALCULATION OF AMOUNT OWED**

Patients who are deemed to be eligible for financial assistance under this policy will not be charged for care covered by this policy more than Amounts Generally Billed by HHC to individuals who have health insurance covering such care. Discounts granted to eligible patients under this policy will be taken from gross charges.

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## A. Calculation of Amounts Generally Billed

The "Amount Generally Billed" or "AGB" is the amount HHC generally bills to insured patients. HHC determines its AGB utilizing the method detailed below.

HHC utilizes the look-back method to establish its AGB and AGB Percentage. The AGB is HHC's gross charges multiplied by the AGB Percentage. HHC's current AGB Percentage is 78%. The AGB Percentage is calculated by dividing the total of all claims allowed by health insurers during the prior 12-month period by the total gross charges for those claims. Claims are considered to be "allowed" not based upon when the care was provided, but when the insurer determines the allowable amount of the claim. The amount "allowed" includes the amount the insurer will pay plus the amount for which the individual is personally responsible (including co-pays and deductibles). Allowed claims are included in the AGB Percentage calculation regardless of whether they have been paid or collected. "Health insurers" for purposes of this definition are Medicare fee-for-service and all private health insurers.

HHC calculates its AGB Percentage on an annual basis. For purposes of this policy, each new AGB Percentage will be implemented within 120 days of the 12 month period used by HHC to calculate the AGB Percentage.

## B. Amount of Financial Assistance/Discount

Patients who qualify for financial assistance as **Financially Indigent** are eligible for financial assistance based upon the following sliding fee scale:

		<b>Federal Poverty Income Percentage Allowed</b>				
<b>Family Size</b>	<b>2023 FPL</b>	<b>100%</b>	<b>80%</b>	<b>60%</b>	<b>40%</b>	<b>20%</b>
<b>1</b>	<b>\$14,580</b>	<b>\$21,870</b>	<b>\$25,515</b>	<b>\$29,160</b>	<b>\$36,450</b>	<b>\$43,740</b>
<b>2</b>	<b>\$19,720</b>	<b>\$29,580</b>	<b>\$34,510</b>	<b>\$39,440</b>	<b>\$49,300</b>	<b>\$59,160</b>
<b>3</b>	<b>\$24,860</b>	<b>\$37,290</b>	<b>\$43,505</b>	<b>\$49,720</b>	<b>\$62,150</b>	<b>\$74,580</b>
<b>4</b>	<b>\$30,000</b>	<b>\$45,000</b>	<b>\$52,500</b>	<b>\$60,000</b>	<b>\$75,000</b>	<b>\$90,000</b>
<b>5</b>	<b>\$35,140</b>	<b>\$52,710</b>	<b>\$61,495</b>	<b>\$70,280</b>	<b>\$87,850</b>	<b>\$105,420</b>
<b>6</b>	<b>\$40,280</b>	<b>\$60,420</b>	<b>\$70,490</b>	<b>\$80,560</b>	<b>\$100,700</b>	<b>\$120,840</b>
<b>7</b>	<b>\$45,420</b>	<b>\$68,130</b>	<b>\$79,485</b>	<b>\$90,840</b>	<b>\$113,550</b>	<b>\$136,260</b>
<b>8</b>	<b>\$50,560</b>	<b>\$75,840</b>	<b>\$88,480</b>	<b>\$101,120</b>	<b>\$126,400</b>	<b>\$151,680</b>
<b>For each additional person add:</b>	<b>\$5,140</b>	<b>\$7,710</b>	<b>\$8,995</b>	<b>\$10,280</b>	<b>\$12,850</b>	<b>\$15,420</b>
<b>FPL</b>		<b>150%</b>	<b>175%</b>	<b>200%</b>	<b>250%</b>	<b>300%</b>

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Patients who qualify for financial assistance as **Medically Indigent** will be responsible for their medical bills up to 20% of their Household Income. Any remaining amount will be considered for financial assistance under this policy.

If financial assistance provided to the patient results in a charge of greater than AGB, the patient shall be provided additional financial assistance such that the patient is not personally responsible for more than AGB. In determining whether an eligible patient has been charged more than AGB, HHC considers only those amounts that are the personal obligation of the patient. Amounts received from third party payors are not considered charged or collected from the patient.

## **IV. APPLICATION PROCESS & DETERMINATION**

Patients who believe they may qualify for financial assistance under this policy are required to submit an application on HHC's financial assistance application form during the Application Period. Completed applications must be returned to HHC's Patient Financial Services at 1621 Front Street, Henderson, NE 68371.

For purposes of this policy, the "Application Period" begins on the date care is provided to the patient and ends on the later of (i) the 240<sup>th</sup> day after the date the first post-discharge (whether inpatient or outpatient) billing statement is provided to the patient OR (ii) not less than 30 days after the date the Hospital provides the patient the requisite final notice to commence extraordinary collection actions ("ECAs").

Patients may obtain a copy of this policy, a plain language summary of this policy, and a financial assistance application free of charge (i) by mail by calling 402-723-4512, (ii) by e-mail (upon patient election) by e-mailing [ayost@hendersonhealth.org](mailto:ayost@hendersonhealth.org), (iii) by download from [www.hendersonhealth.org](http://www.hendersonhealth.org), or (iv) in person at (a) the emergency room, (b) any admission areas, or (c) Patient Financial Services at 1621 Front Street, Henderson, NE 68371

### **A. Completed Applications**

Upon receipt, HHC will suspend any ECAs taken against the patient and process, review and make a determination on completed financial assistance applications submitted during the Application Period as set forth below. HHC may, in its own discretion, accept complete financial assistance applications submitted after the Application Period.

Determination of eligibility for financial assistance shall be made by the following individual(s):

<u>Potential Write-off Amount</u>	<u>Approval Authority</u>
\$0.00 - \$1,000	Chief Executive Officer
\$1,001 - & Above	Board of Directors

Unless otherwise delayed as set forth herein, such determination shall be made within 45 days of submission of a timely completed application. Patients will be notified of HHC's determination

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as set forth in the Billing and Collection provisions detailed in the separate Billing and Collection Policy.

To be considered "complete" the financial assistance application must provide the following:

- W-2s from prior 2 years for all members of the patient's household
- Income tax returns from prior 2 years for all members of the patient's household
- Employment pay stubs from prior 3 months for all members of the patient's household
- Bank account statements from prior 3 months for all members of the patient's household

HHC will not consider an application incomplete or deny financial assistance based upon the failure to provide any information that was not requested in the policy or application. HHC may take into account in its determination (and in determining whether the patient's application is complete) information provided by the patient other than in the application.

For questions and/or assistance with filling out a financial assistance application, the patient may contact Patient Financial Services at 1621 Front Street, Henderson, NE 68371, or by calling 402-723-4512 or emailing [ayost@hendersonhealth.org](mailto:ayost@hendersonhealth.org).

If a patient submits a completed financial assistance application during the Application Period and HHC determines that the patient may be eligible for participation in Medicaid, HHC will notify the patient in writing of such potential eligibility and request that the patient take steps necessary to enroll in such program. In such circumstances HHC will delay the processing of the patient's financial assistance application until the patient's application for Medicaid is completed, submitted to the requisite governmental authority, and a determination has been made. If the patient fails to submit an application within thirty (30) days of HHC's request, HHC will process the completed financial assistance application and financial assistance will be denied due to the failure to meet the eligibility criteria set forth herein. A Medicaid determination letter must be within 30 days (prior or after) the date of the application, determination letters prior to 30 days before the application date are not accepted.

## **B. Incomplete Applications**

Incomplete applications will not be processed by HHC. If a patient submits an incomplete application, HHC will suspend ECAs and provide the patient with written notice setting forth the additional information or documentation required to complete the application. The written notice will include the contact information (telephone number, and physical location of the office) of the Patient Financial Services. The notice will provide the patient with at least 30 days to provide the required information; provided, however, that if the patient submits a completed application prior to the end of the Application Period, HHC will accept and process the application as complete.

## **C. Presumptive Eligibility**

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HHC reserves the right to provide financial assistance even though an application has not been submitted for the applicable care. HHC may utilize previous FAP applications to determine the assistance provided to the patient. If the patient is provided less than the maximum possible level of financial assistance, HHC will:

- Notify the patient regarding the basis for the presumptive financial assistance;
- Notify the patient as to how to apply for potentially more financial assistance;
- Give the patient a reasonable amount of time to apply for more generous assistance before initiating ECAs; and
- If the individual submits a completed application seeking additional financial assistance during the later of the Application Period or the response time set forth in the notice, process the application in accordance with this policy.

## V. COLLECTION ACTIONS

For further information on the actions HHC may take in the event of non-payment, please see HHC's Billing and Collection Policy. Patients may obtain the Billing and Collection Policy free of charge (i) by contacting Patient Financial Services at [ayost@hendersonhealth.org](mailto:ayost@hendersonhealth.org) or 402-723-4512, (ii) by request in person at Patient Financial Services, the emergency room front desk or the admissions desk, or (iii) by download at [www.hendersonhealth.org](http://www.hendersonhealth.org).

### A. No Application Submitted

If a patient has not submitted a financial assistance application, HHC has taken "reasonable efforts" so long as it:

1. Does not take ECAs against the patient for at least 120 days from the date HHC provides the patient with the first post-discharge bill for care; and
2. Provides at least thirty (30) days' notice to the patient that:
  - Notifies the patient of the availability of financial assistance;
  - Identifies the specific ECA(s) HHC intends to initiate against the patient, and
  - States a deadline after which ECAs may be initiated that is no earlier than 30 days after the date the notice is provided to the patient;
3. Provides a plain language summary of the financial assistance policy with the aforementioned notice; and

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4. Makes a reasonable effort to orally notify the patient about the potential availability of financial assistance at least 30 days prior to initiating ECAs against the patient describing how the individual may obtain assistance with the financial assistance application process.
5. If the patient has been granted financial assistance based on a presumptive eligibility determination, HHC has provided the patient with the notice required in the financial assistance policy.

### **B. Incomplete Applications**

If a patient submits an incomplete financial assistance application during the Application Period, "reasonable efforts" will have been satisfied if HHC:

1. Provides the patient with a written notice setting forth the additional information or documentation required to complete the application. The written notice shall include the contact information (telephone number, and physical location of the office) of the HHC department that can provide a financial assistance application and assistance with the application process. The notice shall provide the patient with at least 30 days to provide the required information; and
2. Suspends ECAs that have been taken against the patient, if any, for not less than the response period allotted in the notice.

If the patient fails to submit the requested information within the allotted time period, ECAs may resume; provided, however, that if the patient submits the requested information during the Application Period, HHC must suspend ECAs and make a determination on the application.

### **C. Completed Applications**

If a patient submits a completed financial assistance application, "reasonable efforts" will have been made if HHC does the following:

1. Suspends all ECAs taken against the individual, if any;
2. Makes a determination as to eligibility for financial assistance as set forth in the financial assistance policy; and
3. Provides the patient with a written notice either (i) setting forth the financial assistance for which the patient is eligible or (ii) denying the application. The notice must include the basis for the determination.

If HHC has requested that the patient apply for Medicaid, HHC will suspend any ECAs it has taken against the patient until the patient's Medicaid application has been processed or the

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patient's financial assistance application is denied due to the failure to timely apply for Medicaid coverage.

If a patient is eligible for financial assistance other than free care, HHC will:

1. Provide the patient with a revised bill setting forth: (i) the amount the patient owes for care provided after financial assistance, (ii) how the revised amount was determined; and (iii) either the AGB for the care provided or instructions on how the patient can obtain information regarding the AGB for the care provided;
2. Provide the patient with a refund for any amount the patient has paid in excess of the amount owed to HHC (unless such amount is less than \$5); and
3. Take reasonable measures to reverse any ECAs taken against the patient.

All applications and supporting documentation will be retained as the property of HHC and held confidentially.

## **VI. EMERGENCY MEDICAL CARE**

Emergency medical treatment will be provided without regard to ability to pay and regardless whether the patient qualifies for financial assistance under the financial assistance policy, See EMTALA Policy. HHC will not take any action that may interfere with the provision of emergency medical treatment, for example, by demanding payment prior to receiving treatment for emergency medical conditions or permitting debt collection activities that interfere with the provision of emergency medical care in the emergency department. Emergency medical treatment will be provided in accordance with HHC policies governing and implementing the Emergency Medical Treatment and Active Labor Act.