

 <p>SUBJECT: FINANCIAL ASSISTANCE POLICY</p>	<p>REFERENCE #</p>
<p>DEPARTMENT: BUSINESS OFFICE</p>	<p>1 of 10</p> <p>EFFECTIVE DATE: 10/1/2016</p>

Purpose

The financial assistance policy (“FAP”) sets forth the commitment of Stroud Regional Medical Center to assist eligible community members who do not have financial resources for medically necessary and emergency care and defines the eligibility criteria and processes for administration of the program.

Policy

I. General

- A. Stroud Regional Medical Center (“Hospital”) is committed to providing quality healthcare services to our community and strives to ensure that patients receive essential emergency and other medically necessary healthcare services regardless of their ability to pay. The Hospital will provide financial assistance for emergency and medically necessary services to eligible persons who do not have the financial means to pay for services in accordance with this FAP.
- B. Financial assistance includes free and discounted covered services to individuals who meet the criteria under this FAP and are determined to be eligible.
- C. Individuals who come to the Hospital emergency department will receive care for emergency medical conditions without discrimination and without regard to ability to pay or eligibility for financial assistance, in accordance with the Emergency Medical Treatment and Labor Act (“EMTALA”) and implementing regulations and the Hospital’s EMTALA policy. The Hospital does not engage in action that discourage individuals from seeking emergency medical care, such as demanding payment before treatment for emergency medical conditions.
- D. Defined terms used in this FAP are set forth below in Section II.

II. Definitions

For the purpose of this FAP, the terms are defined as follows:

- A. **Amounts Generally Billed (“AGB”):** Pursuant to Internal Revenue Code Section 501(r)(5), individuals eligible for financial assistance will not be charged more than amounts generally billed to individuals who have insurance covering such care.

- B. **AGB Percentage:** A percentage of gross charges that a hospital facility uses to determine the AGB for any emergency or other medically necessary care it provides to an individual who is eligible for assistance under the FAP.
- C. **Application Period:** The time period in which an individual may apply for financial assistance. To satisfy the criteria outlined in IRC §501(r)(6), the Hospital allows individuals up to 240 days from the date the individual is provided with the first post-discharge billing statement to apply for financial assistance.
- D. **Eligibility Criteria:** The criteria set forth in this FAP (and supported by procedure) used to determine whether or not a patient qualifies for financial assistance.
- E. **Emergency Care:** Treatment of life-threatening or seriously debilitating medical conditions requiring immediate attention.
- F. **Extraordinary Collection Actions (“ECA”):** The following actions to obtain payment for covered emergency and medically necessary services:
 - 1. Selling an individual’s debt to another party;
 - 2. Reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus;
 - 3. Deferring, denying or requiring payment before providing medically necessary care because of an individual’s nonpayment for previously provided care;
 - 4. Placing a lien on an individual’s property;
 - 5. Foreclosing on an individual’s real property;
 - 6. Attaching or seizing an individual’s bank account or other personal property;
 - 7. Commencing a civil action against an individual;
 - 8. Causing an individual’s arrest;
 - 9. Causing an individual to be subject to a writ of body attachment; and
 - 10. Garnishing an individual’s wages.
- G. **FAP-eligible:** Individuals who are eligible for full or partial financial assistance under this policy.
- H. **Federal Poverty Guidelines (“FPG”):** The Federal Poverty Guideline is the amount of gross income that a family needs for food, clothing, transportation, shelter and other necessities as set by the Department of Health and Human Services. Federal Poverty Guidelines are used to determine eligibility for financial assistance under this FAP.

- I. **Financial Assistance:** In accordance with this FAP, financial assistance provides patients with free or discounted emergency or other medically necessary healthcare if they are determined to be eligible.
- J. **Gross charges:** The standard or retail rates charged for the provision of patient care services before deductions, contractual allowances or discounts.
- K. **Income:** In accordance with the Census Bureau definitions when computing federal poverty guidelines, income includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates and trusts, educational assistance, alimony, child support, and assistance from outside the household.
- L. **Medically necessary:** Medical services or items reasonable and necessary for the diagnosis or treatment of illness or injury.
- M. **Notification Period:** 120-day period, which begins on the date of the 1st post-discharge billing statement, in which no ECAs may be initiated against the patient.
- N. **Plain Language Summary ("PLS"):** A written statement which notifies an individual that the Hospital offers financial assistance under this FAP and provides additional information in a clear, concise and easy to understand manner.
- O. **Uninsured:** A person receiving healthcare services who does not have health insurance or third-party coverage to assist with meeting payment obligations.
- P. **Underinsured:** A patient who has some level of insurance or third-party assistance but whose out-of-pocket expenses exceed the patient's financial abilities.

III. Financial Assistance Eligibility Criteria

- A. Financial Assistance is available to individuals who are uninsured or underinsured, ineligible for any government health care benefit program, and unable to pay for their care, based upon a determination of eligibility in accordance with this FAP.
- B. The granting of financial assistance is based on an individual determination of eligibility under the criteria in this FAP and does not take into account age, gender, race, national origin or immigrant status, sexual orientation, or religious affiliation.
- C. The following two methods are used to determine eligibility:

1. **Presumptive Eligibility**

A patient may be eligible for financial assistance **without providing the financial information required in sections VI. E. 1&2 below**, if verifiable information from the patient, a family member, an agency or other source supports the patient's eligibility based on participation in government assistance programs, including:

- A. State-funded prescription program
- B. Participation in Women,
- C. Infants and Children programs (WIC);
- D. Oklahoma Sooner Care eligibility (for a period not covering the services);
- E. Food stamp eligibility;
- F. Subsidized school lunch program eligibility;
- G. Residence in low income/subsidized housing;
- H. Homeless shelter or assistance.

2. **Income Based Eligibility**

- A. Patients with income less than or equal to 200% of the Federal Poverty Guidelines (“FPG”) are eligible for free care.
- B. Patients with income greater than 200% but less than or equal to 300% of FPG are eligible for discounted care.

IV. Covered Services

Financial assistance is only available for emergency and other medically necessary healthcare services rendered by the Hospital and the Hospital providers who are covered under this FAP. Please refer to Appendix A for the Hospital’s provider listing which includes providers who render emergency and other medically necessary services within the Hospital facility and whether or not the provider is covered under this FAP. This provider listing will be reviewed quarterly and updated as necessary.

V. Applying for Financial Assistance

- A. Patients may request financial assistance by completing a Financial Assistance Application (“Application”).
 - 1. The Application is available on the website at <http://stroudhospital.com> or <http://onecura.org>
 - 2. Applications are available at the Hospital’s Business Office or by calling the Business Office at (918) 968-3571.
- B. Financial representatives are available at the Hospital’s Business Office from 8am to 5pm to assist patients with the Application.
- C. Patients are encouraged to request assistance before being discharged from the Hospital, but an Application may be submitted at any time during the 240 days following the date of the first post-discharge billing statement.

- D. Patients are expected to cooperate with the Application process, including providing financial and other information to determine eligibility.
- E. **Required Documentation:** The following information is required in order to for the Hospital to make a FAP-eligibility determination
 - 1. Applications Based on Presumptive Eligibility
 - A. Two forms of personal identification i.e. current driver's license, Social Security card, birth certificate or passport
 - B. Evidence of participation in one or more of the assistance programs listed in Para. 3.C.1 above.
 - 2. Applications Based on Income Eligibility
 - A. Two forms of personal identification i.e. current driver's license, Social Security card, birth certificate or passport;
 - B. Most recent Federal tax return (1040);
 - C. Most recent pay stub.

Completed Applications may be mailed to:

Stroud Regional Medical Center
Attn: Business Office Manager
2308 Highway 66 West
Stroud, OK 74079

VI. Determination of Eligibility for Financial Assistance.

- A. Incomplete Applications: If there is inadequate documentation to determine eligibility, the Hospital will send written notice, including a copy of the plain language summary of this FAP, requesting the additional information that is needed to determine eligibility and providing a reasonable amount of time (30 days) to submit the requested documentation.
- B. Complete Applications: Determination of eligibility will be made within 30 days of receipt of a complete application and supporting documentation.
- C. Collection Activities: While an application is pending, the Hospital (or others acting on their behalf) will suspend any extraordinary collection activities.
- D. Notice: The individual or responsible party will be notified of the determination in writing. The notice will include:
 - 1. The basis for the determination;
 - 2. A billing statement indicating the amount owed and how that amount was determined;

3. How information pertaining to AGB may be obtained, if applicable.
- E. **Period of Eligibility:** The determination of eligibility will be effective for covered services provided within six months of the determination.
- F. **Refund:** Any excess payments made by an FAP-eligible individual will be refunded.
- G. **Reconsideration:** If an application is denied, a request for reconsideration and additional documentation may be submitted to the Hospital's Business Office.

VII. Basis for Calculating Amounts Charged

- A. **Presumptive Eligibility.** Individuals who meet the criteria for Presumptive Eligibility as defined in this FAP, are eligible for 100% assistance.
- B. **Income Eligibility**
 1. Any individual determined to be eligible for financial assistance under the Income Eligibility criteria of this FAP will not be charged more than AGB for any emergency or other medically necessary healthcare services. Any FAP-eligible individual will always be charged the lesser of AGB or any discount available under this policy.
 2. The Hospital uses the "Look-Back Method" to calculate AGB under Internal Revenue Code §501(r). The AGB % is calculated annually and is based on all claims allowed by Medicare fee-for-service over a 12-month period, divided by the gross charges associated with those claims. The AGB % is applied to gross charges to determine the AGB.
 3. The Hospital's AGB percentage will be calculated annually. The calculated AGB percentage as well as an accompanying description of the calculation are available upon request and free of charge by calling the Business Office at (918) 968-3571.
 4. Uninsured or underinsured patients determined eligible will receive financial assistance for covered services on a sliding fee scale, related to the Federal Poverty Guidelines (FPG).
 1. Individuals whose household income is at or below 200% of the FPG are eligible for 100% financial assistance.
 2. Individuals whose household income is above 200% but not more than 300% of the FPG are eligible for financial assistance based on the following sliding scale.

Income as a Percentage of FPG	Percentage of Charges To Be Paid by Patient
Less than or equal to 200%	0%
Greater than 200% but less than or equal to 225%	20%
Greater than 225% but less than or equal to 250%	40%
Greater than 250% but less than or equal to 275%	60%
Greater than 275% but less than or equal to 300%	80%

3. Individuals who qualify for discounts/partial financial assistance under this FAP will pay the lesser of the discount amount or AGB.
- C. Patients who are not eligible for financial assistance under this FAP but face financial hardships may qualify for a payment plan for up to 24 months, without interest.

VIII. Notice of Financial Assistance (Widely Publicizing)

- A. The Hospital will widely publicize this financial assistance policy to our patients and the community in the following ways:
1. The FAP, Financial Assistance Application and Plain Language Summary are all available on-line at the following websites: <http://onecura.org> and [http:// stroudhospital.com](http://stroudhospital.com)
 2. Signs informing patients about the availability of financial assistance will be conspicuously posted in public locations including the Hospital emergency room and patient registration department.
 3. A Plain Language Summary of this policy will be offered as part of the intake process.
- B. Paper copies of the FAP, Application and Plain Language Summary are available upon request, without charge, by mail and are available within hospital facilities, including the emergency room and Business Office.
- C. Billing Statements will include notice of the availability of financial assistance, the website and a phone number for additional information.
- D. The Hospital will make reasonable efforts to inform members of the community and community organizations of the availability of financial assistance under this FAP.
- E. The FAP, Financial Assistance Application and Plain Language Summary will be available in English and the primary language of populations with limited English

proficiency (LEP) that constitute the lesser of 1,000 individuals or 5% of the community within the Hospital's primary service area.

IX. Billing and Collection

The Hospital is committed to bill patients and insurance carriers in a manner that is understandable, professional, compassionate and in compliance with all Federal, State and Local and rules including IRC §501(r).

Procedures:

- A. Patients shall be registered in a manner that ensures the capture of the information necessary to effectively provide medically necessary care and to professionally bill for services rendered.
- B. For all insured patients, the Hospital will bill all third-party payer information (as provided by or verified by the patient) on a timely basis. The Hospital will make reasonable efforts to collect from an insurance carrier prior to billing the patient for services rendered.
- C. Once a patient's claim is processed by their insurance, the Hospital will send the patient a bill indicating the patient responsibility. Additionally, if a patient has no third-party coverage they will receive a bill indicating their patient responsibility. This will be the patients first post discharge billing statement. The date on this statement will begin the Application and Notification Periods (defined in Section II).
- D. After the patient receives their first post discharge billing statement, the Hospital will send out 2 additional letters (30 days and 90 days from the date of the first post-discharge billing statement).
- E. All patients have the opportunity to apply for financial assistance during the Application Period. The Hospital will accept and process all Applications for financial assistance available under this policy submitted during the Application Period.
- F. If, after exhausting all reasonable efforts, during the Application Period to collect the patients self-pay balance is unsuccessful, the Hospital will write-off the remaining patient balance to bad debt.
- G. Within the billing cycle the Hospital may send accounts to "early-out". During this time period, third parties acting on behalf of the Hospital may contact the patients via telephone to collect payment. No ECA's (defined in Section II) will be taken against the patient while the account is in the early-out cycle.
- H. The facility may turn any unpaid amounts over to a collection agency, which could affect your credit status. We may also sell you unpaid bills to a company that could pursue collections from you, in which case we would no longer be able to provide you any financial assistance or payment options.

X. Compliance with IRC §501(r)(6)

The Hospital, or any third parties acting on its behalf, does not engage in any ECA's against its patients at any time during the organization's billing the collection cycle.

In the event that the hospital ever decides to impose ECA's to obtain payment for hospital services provided, in accordance with IRC §501(r)(6) it will implement and adhere to the following:

- A. The Hospital will not engage in any ECAs prior to the expiration of the Notification Period.
- B. Subsequent to the Notification Period, the Hospital, or any third parties acting on its behalf, may initiate ECAs against a patient for an unpaid balance if a FAP-eligibility determination has not been made or if an individual is ineligible for financial assistance.
- C. The Hospital may authorize third parties to initiate ECAs on delinquent patient accounts after the Notification Period. They will ensure reasonable efforts have been taken to determine whether or not an individual is eligible for financial assistance under this FAP and will take the following actions at least 30 days prior to initiating any ECA:
 1. The patient will be provided with written notice which:
 - (a) Indicates that financial assistance is available for eligible patients;
 - (b) Identifies the ECA(s) that the Hospital intends to initiate to obtain payment for the care; and
 - (c) States a deadline after which such ECAs may be initiated.
 2. The patient will receive a copy of the PLS with this written notification; and
 3. Reasonable efforts will be made to orally notify the individual about the FAP and how the individual may obtain assistance with the financial assistance Application process.

APPENDIX A:

The following is list of providers, by service line, that provide emergency or other medically necessary healthcare services within the hospital facility.

List of Providers who are covered under this Financial Assistance Policy:

- Emergency Department
- Hospitalists

List of Providers who are not covered under this Financial Assistance Policy:

- Anesthesia
- Cardiology
- Dentistry
- Dialysis (New Direction Acute Dialysis)
- Imaging (Diagnostic Imaging Associates)
- One Cura Family Clinic
- Nephrology
- Surgery
- Wound Care