Approved Policy or Procedure

CATEGORY: Finance

TITLE: Financial Assistance Policy

POLICY NUMBER: ADMIN M13

Purpose:

In accordance with its stated mission, Lawrence Memorial Health Foundation, Inc. dba Lawrence Memorial Hospital (LMH) is committed to providing financial assistance to people who are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay for emergency and other medically necessary care. LMH will provide care of emergency medical conditions to individuals regardless of their ability to pay.

Definitions:

Uninsured – Patients or guarantors that have no third-party payer source at the time of admission

Underinsured – Patients or guarantors that have a third-party payer source at the time of admission but do not have the means to pay for residual healthcare account balances after the third party pays

Non-Covered Services - The following charges are excluded from any consideration for financial assistance:

- Cosmetic procedures not covered by any payer
- Elective procedures not covered by any payer
- Penalties assessed by the payer because the patient failed to abide by their insurance plan rules

Household Income – The combined gross income of all the members of a household who are 18 years old and older is considered to be household income. Individuals do not have to be related in any way to be considered members of the same household.

Presumptive Eligibility – A determination that a patient is presumed eligible for charity when adequate information is provided by the patient or other sources which allow LMH to determine that the patient qualifies for charity.

Policy:

LMH will give a 43% discount from billed gross charges per individual account to patients without insurance. Following a determination of the Financial Assistance Policy (FAP) eligibility, an eligible individual will not be charged more for emergency, medically necessary care, or other medical care covered under the FAP than the Amounts Generally Billed (AGB) to individuals who have insurance covering such care. LMH has calculated the current AGB to be 57% of gross charges. Therefore, LMH will give the following discount from GROSS billed charges (before 40% discount stated earlier) **to eligible FAP individuals** for inpatient or outpatient gross charges:

The method of calculation of the Amounts Generally Billed to individuals who have insurance covering such care was the look-back method. LMH reviewed claims allowed during the 12-month period ending January 31, 2023 for this calculation.

LMH will provide direct financial assistance (*charity*) using a sliding scale (25%-100%) based upon income levels up to 350% of the current *Federal Income Poverty Guidelines* as established by the Department of Health and Human Services. Eligibility for financial assistance (direct, payment plan or discount) will be subject to a review of income and reasonable expenses for the purposes of:

- Establishing proof of income and indigence
- Standardizing and equalizing the process of granting assistance
- Assuring that all relevant considerations are made in reviewing the request for assistance

Procedures:

1. In order to be eligible for financial assistance, a Financial Assistance Application must be completed and submitted along with the required documentation. Patients will be offered a Financial Assistance Application with their admissions papers. Additionally, the application will be available free of charge on the Lawrence Memorial Hospital website or upon request (see forms section below). The following documents must be submitted in order to be evaluated:
   - Financial Assistance Application (Completed and Signed)
   - Proof of Income (W-2, Income Tax Forms, Check Stubs, etc.)
   - Proof of Public Assistance (Proof of Food Stamps & HUD)

2. Completed Financial Assistance Applications that have been evaluated and approved by a related/affiliated facility of St Bernards Medical Center (SBMC) will be accepted as approved.

3. The application will be evaluated as follows:
   - Evaluate the patient's income and compare with the sliding scale income tables based on the Poverty Guidelines.

Poverty Income Guideline for 2024:

Discount Table												
Household Size	Discount Rate											
	100%	100%		75%		50%		25%		0%		
1	15,060	15,060	30,120	30,121	37,650	37,651	45,180	45,181	52,710	52,711	60,240	
2	20,440	20,440	40,880	40,881	51,100	51,101	61,320	61,321	71,540	71,541	81,760	
3	25,820	25,820	51,640	51,641	64,550	64,551	77,460	77,461	90,370	90,371	103,280	
4	31,200	31,200	62,400	62,401	78,000	78,001	93,600	93,601	109,200	109,201	124,800	
5	36,580	36,580	73,160	73,161	91,450	91,451	109,740	109,741	128,030	128,031	146,320	
6	41,960	41,960	83,920	83,921	104,900	104,901	125,880	125,881	146,860	146,861	167,840	
7	47,340	47,340	94,680	94,681	118,350	118,351	142,020	142,021	165,690	165,691	189,360	
8	52,720	52,720	105,440	105,441	131,800	131,801	158,160	158,161	184,520	184,521	210,880	
		2.0 Poverty		2.5 Poverty		3.0 Poverty		3.5 Poverty		4.0 Poverty		

(Note: This table is to be updated annually as the Poverty guidelines are published)

- Match the patient's immediate family size and annualized household income with the sliding scale amount in the table. The amount to reduce/write off will be the % at the top of the table.

- The FAP eligible determination will be considered to be effective for a period of 12 months following the date of approval unless evidence is received of a change in income or family size that would deem the eligibility no longer valid.

4. Patients/Guarantors receiving 100% financial assistance will be refunded any payments received in the six (6) months preceding the date of approval. Payments received after the date of approval, and within the 12month effective period, are to be refunded as well for those receiving 100% adjustment.

5. Patients/Guarantors receiving less than 100% financial assistance are encouraged to set up a payment plan for the remaining balance with the following guidelines:

   (a) Sixty (60) months maximum preferred

   (b) Minimum payment of $50.00 per month expected, but a $25.00 per month payment may be accepted based on ability to pay

6. Presumptive Eligibility for Charity will be considered in instances when a patient may appear eligible for charity discount, but there is no financial assistance form on file due to lack of supporting documentation, an incomplete or no application available. In the event there is no evidence to support a patient's eligibility for charity, LMH will base their determination on the below criteria:

a.) Means-tested public program eligibility
b.) Patient is deceased with no known estate

c.) Transient, homeless persons, incarcerations
d.) International student with no support group
e.) Persons with unknown identity
f.) 3rd party score below 100% FPG establishing charity-qualified conditions
g.) Validated 3rd party score from 100% - 149% FPG income level and/or another one of the criteria listed

7. LMH offers charity to patients with Medicaid as primary payer or secondary payer on billable patient charges.

8. A charity write-off will be given to any account with a balance of $9.99 or below.

9. Patients who desire to pay their account balances quickly may be offered a PROMPT PAY discount of 5% on remaining balance. Discounts will NOT be given on accounts that have already been turned over for collections to a credit bureau.

10. No financial assistance will be granted on accounts that are in bankruptcy or have been finalized for legal action.

Billing & Collection:

- When allowed by contract or regulatory statute, LMH will send regular summary patient statements and detail itemized statements when requested by the patient or responsible party. Any attorney request for billing statements will be fulfilled by sending detail itemized statements when proper patient or legal authorization is provided.

- LMH sends a letter to all Blue Cross, Commercial, Managed Care, Medicare, and Medicare Advantage patients 30 days after final bill to verify insurance coverage. A request is made to the patient at that time to contact the Business Office with any corrections or additions to their current insurance coverage. Once the primary insurance plan has paid and amounts due from the patient/guarantor are determined, the accounts begin the billing cycle described below for self-pay patients/guarantors. LMH billing cycles for sending self-pay patient/guarantor statements are as stated below:

    - Statement cycle commences at discharge

    - First bill is produced with Financial Assistance Summary (FAS) included on second page of bill. It is the obligation of the patient/guarantor to provide a correct mailing address at the time of service or upon moving.

    - Successive statements sent monthly.

    - After 90-day period has lapsed, a notification letter is sent stating a deadline that is no earlier than 30 days after the date that the written notice is provided at which time the account will be assigned to collection

agency and reported as a negative item with a credit bureau. After 180-day notification period, LMH Business Office Director or assigned manager will review accounts to ensure all reasonable efforts to determine FAP eligibility have been made and approve accounts prior to assigning to a collection agency.

- LMH will accept and process Financial Assistance Applications from an individual that has not previously been determined whether FAP eligible from day 181 to day 240 from first post-discharge statement.

- Patients with Medicaid as the primary payer or Medicare patients with Medicaid as secondary payer should not have statements mailed to them.

- LMH and its external collection agencies may also take any and all legal actions including, but not limited to, telephone calls, emails, mailing notices, and skip tracing to obtain payment for medical services provided.

- LMH will make a reasonable effort to orally communicate with the patient/guarantor about its FAP and about how assistance may be obtained with the FAP application process before an account is turned over to a collection agency and reported as a negative item with a credit bureau.

Forms:

- The Financial Assistance Application form is available free of charge on the Lawrence Memorial Hospital website and upon request.

- A printed copy of this Financial Assistance Policy is available free of charge on the LMH website or upon request.

- A Financial Assistance Summary is available free of charge on the LMH website, upon display at the facility, included in the self-pay admission packet, and upon request.

- Patient Matters has been identified as an available source of assistance with the FAP applications.

List of Providers:

LMH has a number of providers, other than the hospital itself, that deliver emergency or other medically necessary care in the hospital facility. Some of these providers are covered by the hospital facility's FAP and some are not. Please see the attached detailed list of these providers showing which are covered by the LMH's FAP and which are not:

Providers Covered under LMH Financial Assistance Policy from time to time on a case by case basis include:

- Family Medical Center

Providers Not Covered under LMH Financial Assistance Policy include:

- Associated Radiologists, Ltd
- St. Bernards Ob-Gyn Associates
- St. Bernards Wound Healing
- St. Bernards Heart & Vascular
- UAMS

Effective Date: May 1997

Date of Revision: 12/1/1990; 07/2004; 01/08/2008 ajones; 04/21/2009 ajones; 11/11/2009 ajones; 2/21/2011 vwagner; 03/01/2011 ajones; 01/06/2012 vwagner; 8/7/2013 vwagner; 8/25/2014 vwagner; 11/13/14 myork; 3/15/2015 myork;11/11/15 myork; 12/18/15 myork; 11/16/16 vwagner; 2/7/2017 vwagner; 07/19/2018 vwagner; 05/07/2019 ajones; 11/13/2020 measton; 02/18/2021 vwagner; 4/27/2021 measton; 03/09/2022 vwagner; 1/20/2023 tdcombs/vwagner; 02/15/2024 gmclhanon

Date of Review: Annually

Source: Current Practice; *2024 Federal Poverty Income Guidelines*

Authorized By: Administration, Medical Staff, Board of Governors

Units Primarily Affected: All