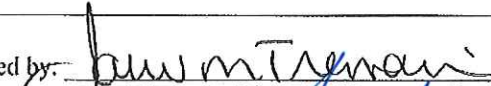
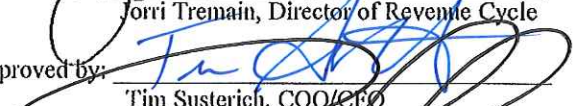





Memorial Healthcare

826 W. King Street
Owosso, MI 48867

POLICY & PROCEDURE

Title or Subject: Financial Assistance (Charity Care)	
Scope of Involvement: All hospital departments	
Policy Number: 103.01q	Initiated by:  Jorri Tremain, Director of Revenue Cycle
Supersedes policy no.: 103.01p	Approved by:  Tim Susterich, COO/CEO
Date effective: January 1, 2016	Approved by:  Brian Long, President/CEO
Reviewed on:	

POLICY STATEMENT:

Memorial Healthcare recognizes that all individuals are not equally capable of meeting the burden of payment for health care services. This policy ensures that financial assistance for emergency or medically necessary services is provided to eligible individuals. Regardless of eligibility determination, confidentiality of the information submitted and individual dignity will be maintained for all those who seek financial assistance. This policy will be applied without discrimination based on race, color, national origin, gender or physical handicap.

PURPOSE:

This policy applies to all Memorial Healthcare facilities and wholly owned physician practices. This policy does not cover services provided by physicians providing services under contract such as, Emergency room physicians, Radiologists, Pathologists, Hospitalists, Anesthesiologists or Cardiologists.

Public Notice of Policy:

Notification concerning the existence of Hospital's Financial Assistance Policy (Exhibit B) will be posted within Hospital's facilities where patients seek to obtain services. Upon request, a copy of the pertinent policy will be made available in a timely manner and free of charge from Patient Financial Services. A plain language summary of the policy is located on the Hospital website at www.Memorialhealthcare.org and is also printed on the back of all patient statements and in all Inpatient Admission handbooks. Patient Financial Services staff will inform patients expressing financial difficulty of this policy and will mail a copy of the Financial Assistance Policy to the patient at no charge. All Registration areas will offer a copy of the plain language summary to all patients.

Limitations:

If a patient's care is part of the services ordered by Health Delivery Inc. (HDI), financial assistance will be given based on the information received from the HDI representatives. This applies to Laboratory and Plain Film X-ray's only. All other service types will follow guidelines as outlined in this policy

Financial Assistance is primarily given to residents of Hospital's service area. If the patient is out of this area, special approval will need to be given by the Director of Revenue Cycle.

Financial Assistance will not be approved for procedures that are not medically necessary without special approval to be given by the Director of Revenue Cycle.

Cosmetic Surgery procedures are exempt from this policy and will not be considered for Financial Assistance.

Long Term Care, Occupational Health and Sports physicals are exempt from this policy and will not be considered for Financial Assistance.

Eligibility Determination:

The Patient Financial Services staff will, upon request, discuss with any patient, prospective patient or guarantor the details of the pertinent policy, and the policy's potential applicability to the circumstances of that patient or prospective patient. Consideration of patient eligibility for Financial Assistance may also occur upon the request of the patient or guarantor.

To be eligible for financial assistance the patient, prospective patient or guarantor must do the following:

- Determination must be made that patient is not eligible for Medicaid either thru a denial from the Department of Human Services or following screening by Memorial Healthcare staff or eligibility partner. Exceptions must be approved by Director of Revenue Cycle.
- Complete Memorial Healthcare Financial Assistance Application in its entirety, supply all verification documents and fully cooperate with Patient Financial Services Staff in the application review process.

Discounts Offered Uninsured Patients:

Amounts required to be paid by eligible patients is limited to amounts generally billed and collected from individuals with insurance covering emergency or medically necessary care. The discount offered is determined on a case by case basis in order to limit any payments required to equal 115% of Medicare collections for the actual services received by the patient. Patients eligible for financial assistance under this policy will receive assistance according to the following sliding scale based on the Federal Poverty Guidelines (FPG) established by the U.S. Department of Health and Human Services.

Criteria:

Patients will be eligible for Financial Assistance when family income is less than 250% of the Federal Poverty Guidelines. Patients who complete a Financial Assistance application within the specified timeframes will be eligible for discounts based on the criteria below:

Annual Family Income:

<133% of FPG = 100% discount

133%-250% of FPG = Payment required is limited to 115% of Medicare payments received for the same services. This approximates a 70-75% discount but will vary on a case by case basis.

No patient that is < 250% FPL will be charged more than 115% of Medicare payment for emergency or other medically necessary services.

Discounts Offered Underinsured Patients:

Memorial recognizes that patients may have out of pocket costs such as deductibles, co-payments and co-insurance that may cause a financial hardship for their family. Discounts for Insured patients will also follow Federal Poverty Guidelines and will be granted for family incomes up to 250% of FPG based on the following sliding scale.

<u>Annual Family Income</u>	<u>Amount of Discount</u>
< 150% FPG	100%
150-175% FPG	75%
176-200% FPG	50%
201-250% FPG	25%
> 250% FPG	0%

Individuals or Families above 250% of the Federal Poverty Guidelines may receive financial assistance if they are financially unable to meet monthly extended payment plan arrangements. Those patients who contact the Patient Financial Services department indicating they are unable to meet their obligation will be asked to complete a financial assistance application and based upon income may be eligible for a reduced payment that will be capped at a percentage of their income based on the following scale:

<u>Annual Family Income</u>	<u>Percentage of Income Used to Determine Monthly Payment</u>
251 – 350% FPG	5%
351 – 450% FPG	6%
451 - 550% FPG	7%
551 – 650% FPG	8%
651 – 750% FPG	9%
> 750%	10%

PROCEDURE:

1. Any patient that requests information regarding Financial Assistance (Charity Care) or reduced cost care, shall be given the Financial Assistance Documents Checklist (Exhibit C). The Patient Financial Services staff will provide assistance to complete the application and associated documents.
2. All information furnished will be treated as confidential.
3. Upon completion of the required application and associated documents, the Patient Financial Services staff will make an initial eligibility determination.
4. The Self Pay Specialist and/or Financial Counselors are authorized to approve Financial Assistance in the amount of \$1000 or less. The Manager of Patient Financial Services is authorized to approve Financial Assistance in the amount of \$5000 or less. The Director of Revenue Cycle will make a final determination of approval or denial for accounts in an amount of \$25,000 or less. Final determinations for any amount in excess of \$25,000 will be approved by the Hospital CFO.
5. Patients applying for financial assistance shall receive a letter stating whether or not they are eligible for Financial Assistance, and the extent of their eligibility.
6. Patients may be proactively screened for presumptive financial assistance through credit reporting mechanisms prior to being referred to Care Payment for an extended payment plan.

7. The Director of Revenue Cycle shall periodically review the policy with Patient Financial Services, MMA Billing /Receptionists, and Patient Access staff to ensure that forms and procedures are functioning properly.

Definitions:

Family: Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of Financial Assistance determination.

Household Income: Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veteran's payments, pension or retirement income, interest, dividends, rental income, royalties, income from estates, trusts, educational assistance, alimony and child support as well as other miscellaneous sources.

Uninsured: A patient that has no insurance to pay for medical expenses incurred.

Underinsured: A patient that has some level of health insurance however has medical expenses that exceed financial ability to pay.

Elective Services: Scheduled admissions, surgeries or procedures that are not related to a life threatening or debilitating condition as determined by the ordering provider.

Medically Necessary: Those medical services which are provided in accordance with professionally recognized standards of practice and are appropriate and necessary for the symptoms, diagnosis and treatment of the patient as attested to by the ordering provider and not furnished primarily for the convenience of the patient.

Billing and Collection Practices:

Memorial will not engage in Extraordinary Collection Activities prior to making a reasonable effort to determine whether a patient qualifies for Financial Assistance under this policy for a minimum of 120 days from the date of the first billing statement. In addition a patient will be eligible for consideration of this policy for up to 240 days from the date of the first billing statement even if the account has been referred for collection activity. For further details regarding Memorial's Billing and Collection practices a copy of our policy (#103.09a) can be requested from the Patient Financial Services Department free of charge.

Exhibit B

Notification of Policy

MEMORIAL HEALTHCARE

FINANCIAL ASSISTANCE POLICY

Memorial Healthcare is proud of its mission to provide quality care to all patients in the community we serve. If you do not have health insurance or worry that you may not be able to pay for part or all of your care, we may be able to help. Memorial Healthcare provides Financial Assistance to patients based on their income, assets, and financial needs. In addition, we may be able to work with you to arrange a manageable payment plan.

A copy of our complete Financial Assistance Policy is located on our website at www.Memorialhealthcare.org, or can be requested from our Patient Financial Services department at 989-720-2000, or in person at our Cashier office located on our Main Campus at 826 W. King St., Owosso, MI 48867.

We will treat your questions and any information you provide us with confidentiality and courtesy.

Exhibit C

Financial Assistance Documents Checklist

Financial Assistance Application Documents Checklist

Patient Name: _____

Account No.: _____

Service Date: _____

To process your application for Financial Assistance, the following information maybe required to determine eligibility:

_____ Proof of Income Two most recent pay stubs from each employed individual living in the household or explanation of income is required.

_____ Previous Calendar Year's Tax Return A copy of the previous year's tax return(s) filed by you and your spouse.

_____ Bank Statement A copy of your statement(s) from ALL bank accounts showing the balance(s) on the date of service.

_____ Medicaid Application A copy of a completed Medicaid application or letter of denial. Refusal to provide this information will result in a denial of financial assistance.

_____ MICHILD Application (if under the age of 19) A copy of a completed MICHILD application. Refusal to provide this application will result in a denial of charity care status.

_____ Other

Upon furnishing the above noted information, your application for Financial Assistance will be reviewed for eligibility. Should you fail to provide the required information in the timeframe given below, your account will continue in our collections process and an invoice for your outstanding balance due will be forwarded to you directly for payment to Memorial Healthcare. If financial assistance is approved, a letter will be sent to you about the decision. A new financial assistance application may be requested every 3 months.

The Financial Assistance Application is due within 30 days of date mailed by Memorial Healthcare.

Your due date is _____.

Reviewed/Approved:
Medical Staff Department/Committee _____
Hospital Committee _____
Med Executive Committee _____
Board _____