



Memorial Health Care Systems

MEMORIAL HOSPITAL FINANCIAL ASSISTANCE POLICY EFFECTIVE 10/1/2016

PURPOSE

The purpose of this policy is to further the charitable mission of Memorial Health Care Systems by providing financially disadvantaged and other qualified patients with an avenue to apply for and receive free or discounted care provided within hospital-licensed space at Memorial Hospital (the "Hospital") consistent with requirements of the Internal Revenue Code and implementing regulations.

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 250% 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 who (i) has limited health insurance coverage that does not provide coverage for hospital services or other medically necessary services provided by the Hospital, (ii) has exceeded the maximum liability under his/her insurance coverage, or (iii) has a copay or deductible assessed under the patient's insurance contract.

"Household Income": The total annual income of the patient, their spouse or domestic partner, anyone residing at the patient's residence with financial obligation to the household, and for patients under 19 years of age, their parents or caretaker relative. The total annual income will be annualized based on the average monthly gross income in the six (6) months immediately prior to application for assistance under this policy; provided, however, that in the event the patient or a member of the patient's household whose income is included in the above definition became employed within the past six (6) months or had his/her employment terminated within the past six (6) months, income may be annualized using less than six (6) months' data to accurately reflect current financial circumstances.

B. Medically Indigent

To qualify as Medically Indigent, the patient must have current unpaid medical bills for services rendered within the past six (6) months from the date of the application from any source in excess of 30 percent 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 Hospital's request 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:

- Emergency medical care
- Medically necessary care, which is defined for purposes of this policy as care that is medically necessary in the determination of the treating physician.

Regardless of a patient's status as Financially Indigent or Medically Indigent, cosmetic procedures and assisted living are not eligible for financial assistance under this policy. Likewise, only emergency medical care and medically necessary care provided within licensed hospital space at Memorial Hospital and the related professional services provided by Covered Providers within licensed hospital space at Memorial Hospital are eligible for financial assistance.

II. COVERED PROVIDERS

Care provided within Memorial Hospital and care provided within Memorial Hospital by Hospital-employed physicians and practitioners and contracted emergency room physicians are covered by this policy ("Covered Providers").

With the exception of care provided by Hospital's contracted emergency room physicians, 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.

Patients may obtain a current list of Covered Providers and providers who are not subject to this policy at no charge by visiting the hospital reception area or patient accounts department, calling the hospital patient accounts department at (402) 646-4704 or visiting www.mhcs.us/fap.

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 the Hospital to individuals who have health insurance covering such care.

A. Calculation of Amounts Generally Billed

The "Amount Generally Billed" or "AGB" is the amount the Hospital generally bills to insured patients. The Hospital utilizes the prospective method to establish AGB. Accordingly, the AGB equals the amount Medicare would allow for the care provided if the patient was a Medicare fee-for-service beneficiary, including all co-pays and deductibles. The Medicare allowed amount for hospital inpatient and outpatient services will be the interim payment rate used by Medicare. For professional services, the Medicare allowed amount will be determined using the Medicare fee schedule.

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:

FPL	0% to 150%	151% to 161%	162% to 172%	173% to 183%	184% to 194%	195% to 205%	206% to 216%	217% to 227%	228% to 238%	239% to 250%
Discount	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%

Discounts granted to Financially Indigent patients under this policy will be taken from the lesser of the AGB for the care provided or the amount personally owed by the patient.

Patients who qualify for financial assistance as **Medically Indigent** will be responsible for a prorated percentage of their outstanding and unpaid medical bill owed to the Hospital compared to their total outstanding and unpaid medical bills from all providers for services rendered within the past six (6) months from the date of the application, up to 30% of their annual Household Income. Any remaining amount will be considered financial assistance under this policy. For example purposes only, if a patient has \$25,000 in total currently outstanding medical bills of which \$5,000 is owed to the Hospital, and if that patient's Household Income was \$50,000, the patient would be personally responsible for \$3,000 to the Hospital. (Maximum responsibility - \$15,000 (\$50,000 x .30); Prorated responsibility to Hospital - 20% (\$5,000 / \$25,000); Adjusted patient balance - \$3,000 (20% x \$15,000)).

If financial assistance provided to Medically Indigent patients results in a remaining balance that is 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, the Hospital 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 the Hospital's financial assistance application form during the Application Period. Completed applications must be returned to:

Memorial Hospital
Attn: Patient Accounts
300 N. Columbia Ave.
Seward, NE 68434

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 240th 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) 646-4704, (ii) by e-mail at patient.accounts@mhes.us, (iii) by download from www.mhes.us/fap, or (iv) in person at (a) the emergency department, (b) the hospital admission department (adjacent to hospital lobby), or (c) the hospital patient accounts department (adjacent to hospital lobby).

A. Completed Applications

Upon receipt, the Hospital 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. The Hospital 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 - \$5,000	Hospital Business Office Director
\$5,001 - \$10,000	Chief Financial Officer
\$10,001- & Above	Chief Executive Officer

Unless otherwise delayed as set forth herein, such determination shall be made within 30 days of submission of a timely completed application. Patients will receive written notification within 5 business days following the Hospital's determination.

To be considered "complete" a financial assistance application must provide all information requested on the form and in the instructions to the form. The Hospital will not consider an application incomplete or deny financial assistance based upon the failure to provide any information that was not requested in the application or accompanying instructions. The Hospital 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 the hospital patient accounts department (i) by calling (402) 646-4704, (ii) by e-mail at patient.accounts@ mhcs.us, or (iii) in person at the hospital patient accounts department (adjacent to hospital lobby).

If a patient submits a completed financial assistance application during the Application Period and the Hospital determines that the patient may be eligible for participation in Medicaid, the Hospital 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 the Hospital 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 the Hospital's request, the Hospital 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.

B. Incomplete Applications

Incomplete applications will not be processed by the Hospital. If a patient submits an incomplete application, the Hospital 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 patient financial assistance. The notice will provide the patient with at least 14 days to provide the required information; provided, however, that if the patient submits a completed application prior to the end of the Application Period, the Hospital will accept and process the application as complete.

C. Presumptive Eligibility

The Hospital reserves the right to provide financial assistance even though an application has not been submitted for the applicable care and a previous financial assistance application was completed within the last 12 months. When available the Hospital will utilize previous financial assistance applications that were completed within the last 12 months to determine the assistance provided to the patient. If the patient is provided less than the maximum possible level of financial assistance, the Hospital 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.

The Hospital reserves the right to provide financial assistance even though an application has not been submitted and a previous financial assistance application was not completed within the last 12 months, in which case the patient will be provided the maximum possible level of financial assistance.

V. COLLECTION ACTIONS

Patients will be offered a plain language summary of the financial assistance policy upon admission to the Hospital. Furthermore, all billing statements will include a conspicuous written notice regarding the availability of assistance, including the contact information identifying where the patient may obtain further information and financial assistance-related documents and the website where such documents may be found.

The Hospital or its authorized representatives may refer a patient's bill to a third party collection agency or take any or all of the following extraordinary collection actions ("ECAs") in the event of non-payment of outstanding bills:

- Reporting to credit bureaus
- Legal suit
- Garnishment of wages

The Hospital may refer a patient's bill to a collection agency 90 days from the date the first bill for care was provided to the patient. The Hospital will not take ECAs against a patient or any other individual who has accepted or is required to accept financial responsibility for a patient unless and until the Hospital has made "reasonable efforts" to determine whether the patient is eligible for financial assistance under this policy. The patient accounts department is responsible to determine whether the Hospital has engaged in reasonable efforts to determine whether a patient is eligible for financial assistance.

A. No Application Submitted

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

1. Does not take ECAs against the patient for at least 120 days from the date the Hospital 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) the Hospital 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 this policy with the aforementioned notice; and
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, the Hospital has provided the patient with the notice required in this policy.

B. Incomplete Applications

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

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 Hospital department that can provide a financial assistance application and assistance with the application process. The notice shall provide the patient with at least 14 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, the Hospital 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 the Hospital 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 the Hospital has requested that the patient apply for Medicaid, the Hospital will suspend any ECAs it has taken against the patient until the patient's Medicaid application has been processed

or the 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, the Hospital 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 the Hospital (unless such amount is less than \$5); and
3. Take reasonable measures to reverse any ECAs taken against the patient.

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 Policy entitled "Transfer and Emergency Examination (EMTALA)". The Hospital 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 Hospital policies governing and implementing the Emergency Medical Treatment and Active Labor Act.