South Peninsula Hospital	**SUBJECT:** Patient Financial Assistance	**POLICY #** HW-074 **Page 1** of **5**
SCOPE: Hospital-Wide **RESPONSIBLE DEPARTMENT:** Patient Financial Services		**ORIGINAL DATE:** 5/29/96 **REVISED:** 5/07/18; 2/24/21
APPROVED BY: Chief Financial Officer		**EFFECTIVE:** 2/24/21

PURPOSE:
Guidelines for the provision of financial assistance for patients receiving care from South Peninsula Hospital.

DEFINITION(S):
Amounts Generally Billed: The percentage of charges allowed by a combination of Medicare and commercial insurance which is calculated by the hospital annually.
Catastrophic Medical Event: An accident or illness which causes a patient's medical or hospital bills after payment by third-payers to exceed 100 percent of the person's annual disposable income. A patient who incurs catastrophic medical expenses may qualify for financial assistance when payment would require liquidation of assets critical to living.
Eligible Medical Services: Includes medically necessary inpatient and outpatient medical treatment, diagnostic and ancillary services.
Emergency Care: Care provided to a patient with an emergent medical condition as defined in the Emergency Medical Treatment and Active Labor Act (EMTALA).
Excluded Services: Cosmetic services, clinic office visits, elective, or routine procedures such as mammograms, routine laboratory tests, or routine imaging procedures for non-urgent or non-life threatening procedures or services.
Federal Poverty Level (FPL): A measure of income issued every year by the Department of Health and Human Services. The U.S. Government uses the FPL to determine who is eligible for federal subsidies and aid.
Financial Assistance: A mechanism for discounting charged and/or assisting patients to pay their medical care.
Limited Resources: A person, who is uninsured, underinsured, and/or who has income at or below three hundred percent (300%) of the federal poverty levels for Alaska.
Medically Necessary Treatment: Those services determined to be necessary as defined by utilization criteria for inpatient and outpatient care.
Sliding Scale Discount: Patients whose income falls between 100% and 300% of the Federal Poverty Guidelines may have their medical bills reduced by an amount in direct relationship to their income.

POLICY:
A. South Peninsula Hospital (SPH) shall provide health care services to all persons in need of medical attention. Financial assistance will not be available for medically unnecessary procedures.
B. Free or discounted health services may be provided to persons who cannot afford to pay, including those who are uninsured or underinsured and/or not eligible for any private or public health care program. Individuals qualifying for financial assistance must meet established criteria.
C. All patients will be treated with respect and fairness, regardless of their ability to pay. Qualification for financial assistance shall be based on the patient's ability to pay, and not on age, sex, race, creed, disability, sexual orientation, or national origin.
D. The patient financial assistance program will be modified to adhere to the established CMS poverty guidelines and qualification requirements. Financial assistance will be provided to serve patients, while maintaining fiscal responsibility to the hospital. Eligibility criteria and amounts of assistance may be modified based on budget constraints.
E. Appropriate signage will be displayed in the facility, specifically in patient intake areas, to create awareness of the financial assistance programs available. In addition, any patients noted to be uninsured upon registration will be offered the opportunity to complete a financial assistance application.
F. Patients are offered a Financial Assistance Program brochure upon registration and in the inpatient admission packet.
G. The SPH external website contains information regarding the Financial Assistance Program, internal policy, application, plain language summary, and can be found on the hospital URL https://www.sphosp.org

H. The Financial Assistance Program at SPH covers multiple providers. The following is a list of providers that deliver services at SPH and that honor the FAP determination.
   1. South Peninsula Hospital
   2. South Peninsula Hospital Physician Group (Including Emergency Room Physicians, Radiologists, Anesthesiologists)
   3. Hospitalists providing inpatient services
   4. All SPH Outpatient Clinics

I. The following is a list of provides that deliver services at SPH and do not honor FAP determination:
   1. CellNetix Pathology
   2. Non-SPH employed physicians not described in the above covered providers, do not routinely accept the Financial Assistance Program determinations.

J. Information gathered for Financial Assistance will include information sent-forth by applicants in written form and information provided orally through telephone or in-person conversations with hospital personnel.

K. The need for Financial Assistance is sensitive and personal issue for recipients. Confidentiality of information and preservation of individual dignity shall be maintained for all who seek Financial Assistance. Orientation of staff and the selection of personnel who will implement this policy shall be guided by SPH values. No Information obtained in the patient's Financial Assistance application may be released to a third party unless the patient gives express permission for such release.

L. Financial Assistance documents shall be retained in accordance with established record retention policy.

PROCEDURE:

A. Applying for Financial Assistance
   1. An application for Financial Assistance must be received in order to be considered for financial assistance. Patients will obtain a copy of the Financial Assistance application and complete it along with the required documentation attachments to the best of their ability.
      a) Required documentation for patient/guarantor who is NOT self-employed:
         1) Completed application
         2) Statement of circumstance
         3) Bank statements for the most recent 3-months including checking, savings, certificates of deposits, retirement plans etc.
         4) Last year tax return or statement of no taxes filed
         5) Last 2-month of pay stubs, indicating year to date earnings and/or unemployment check stubs or determination letter.
         6) Driver's license for all adults in household
         7) Birth certificates for all minors in household.
      b) Required documentation for patient/guardian who is self-employed:
         1) Financial Statement
         2) Brief written or typed explanation of applicant's circumstances
         3) Last two years Business Tax Returns, including: if any, IRS forms 1120, 1120S, 1065 or 1049 Schedule C
         4) Last two years Personal Income Tax return, including, if any IRS Forms 1040, 1040ES, 1040EZ
         5) Calendar year to date Balance Sheet and Income Statement (Earnings Statement) for personal business, ending with the month prior to application for financial assistance
   2. Completed applications may be submitted as follows:
      a) Turned into the Front Desk or Financial Counselor offices in the main SPH Hospital location
      b) Faxed to registration office at 907-235-0251
      c) Mailed to:
         South Peninsula Hospital
         Attention: Financial Counselor
         4300 Bartlett St
         Homer, AK 99603
      d) Send via email to financialcounseling@sphosp.org

3. Financial Counselors are available to answer questions or to assist in completing the application. They can be contacted at 907-235-0298 or 907-235-0218
4. Accounts still in the active collection process that have not been turned to Bad Debt status are always eligible for financial assistance consideration.
5. If the account is in a Bad Debt status, applications for financial assistance can be submitted up to 240 days after the date of the first billing. After 240 days, the account is no longer eligible for financial assistance. If an application on an account that is in Bad Debt status is received within the 240-day period, the Financial Counselor will notify the Collection Agency to pend any Extraordinary Collection Activity that may have been imitated.

B. Eligibility Considerations
1. Financial assistance is generally secondary to all other financial resources available to the patient including insurance, government programs, third party liability, and personal assets.
2. Credit report with open lines of credit indicative of resources to pay the patient's bill may be reason for denial.
3. Family size (number of individuals living in household)
4. Employment status and future earning capacity.
5. Cosmetic or other services that are not medically necessary are not eligible for financial assistance. A patient may qualify and be approved for Financial Assistance, but a service may be determined to not meet the medical necessity criteria. If a procedure or service's medical necessity is in question, whether it has already been performed or is scheduled to be performed in the future, it will be reviewed be the Revenue Cycle Team and compared to Medicare or other managed care insurance's medical necessity guidelines, along with information in the medical record and the opinion of the physician(s) involved in the patient's care. A determination will be made, and final decision will be provided to the patient.
6. Other catastrophic or hardship circumstances may be considered in rendering a charity decision. (CFO determination only).
7. Medicaid Eligibility can be proof of indigence
8. Medical Indigence – Evaluate additional circumstances
   - Medical bills combined, is greater than 30% of annual gross income.
   - The hospital may consider other financial assets and liabilities of the person when determining the ability to pay.
   - A determination of a person's ability to pay the remainder of the bill will be based on whether the patient reasonably can be expected to pay the account in full over a 2-year period.
9. Other catastrophic or hardship circumstances may be considered in financial assistance decision. (CFO determination only)

C. Qualification for Financial Assistance

Patients may qualify for one or more of the following financial assistance programs:
1. Financial Assistance Program eligible patients will not be charged more than the Amounts Generally Billed (AGB) percentage established by South Peninsula Hospital annually using the look back method. The amount charged is defined as the balance they are personally responsible for paying after all deductions and discounts including the FAP discount have been applied, and less any amounts reimbursed by insurance.
2. The AGB percentage for fiscal year 2021 is 56.5%, reflecting a discount of 43.5%, based on calculations from the fiscal year 2020.
3. Charges will be placed on the patients account equal to that found in the facility item master for that date of service, regardless of financial assistance eligibility.
4. Full Financial Assistance: Patients whose income level is at or below 100% of the Alaska Federal Poverty guidelines may be considered for a full waiver of their medical bill.
5. Partial Financial Assistance: Patients whose income level is between 100 and 300% of the Alaska Federal Poverty guidelines may receive a partial medical bill waiver on a sliding scale.
6. A point based system will be used to evaluate the following criteria: income, assets, credit, and liabilities. Points are assigned based on the information that is provided by the patient in the application,

as well as other outside organizations to verify assets, financials, and credit history. Points will be translated as follows:
   a) 76-100 points qualifies patient for 100% assistance
   b) 51-75 points qualifies patient for 75% assistance
   c) 30-50 points qualifies patient for 50% assistance
7. Medicaid eligibility can be proof of indigence.
8. Medicaid Recipients Assistance: Patients receiving Medicaid assistance and unable to make their Medicaid co-payment may qualify for financial assistance. Co-payments of $50.00 or less will automatically qualify. Medicaid patients with Co-payments of $50.00 or more will need to apply for assistance.
9. Deceased Recipients Assistance: Deceased patients with no open probate or assets and are deemed uncollectible, will qualify for financial assistance with the probate and asset documentation.
10. Catastrophic Financial Assistance: Partial or full medical bill waiver for a patient with qualified medical bills in excess of $5,000 and:
    a) Has suffered a catastrophic medical event as defined in the policy definitions.
       and/or
    b) Does not have the resources, income, and assets to pay the bill as determined by the Financial Assistance Committee.

D. Determination
1. To qualify for financial assistance, the patient, guardian, relative, or patient representative must complete the financial assistance application and provide required supporting documentation (see page 4 of this policy for list of required documentation).
2. The patient shall generally start the application process prior to provision of services unless the patient is in an urgent or emergent care situation. The application process may be delayed for a limited time while attending to the patient's medical needs. Applicants will have 90 working days from the initial date of billing to complete the application process to be considered for financial assistance. The application must be fully approved within 240 days from the initial date of billing. If there is a question regarding the urgency of the patient's need for care, the Financial Counselor should immediately consult with the clinical department manager or the Director of Patient Care Services before denying care.
3. Determination of eligibility will be made by the PFS Department within 30 working days, after receipt of all necessary information, to make determination. A determination of eligibility for financial assistance may be made on a partially completed application without all of the required documentation items, if the patient or information is not reasonably available and eligibility is warranted under the circumstances
4. All patients shall be considered fairly and equally using objective criteria that are compliant with federal and state regulations. Decisions shall be made after examining a patient's resources, which could include, but are not limited to, an analysis of assets, liabilities, income and expenses and any extenuating circumstances that would affect the decision. Decisions on financial assistance will be documented and include information to substantiate the decision.
5. A patient may appeal the financial assistance decision to the Financial Assistance Review Committee.
6. The Revenue Cycle Director shall meet with the CFO for any accounts appealed up to $24,999.
7. The CFO shall review any appealed decisions in excess of $25,000 with the CEO.
8. Approved Financial Assistance Applications are valid for 6-months from the date of approval. Services rendered after 6-months from the date of approval, will require additional documentation to support the need of continued financial assistance.
9. Patients, who qualify for Medicaid, may qualify for a financial assistance adjustment of their co-pay after Medicaid has made payment. If no payment is received for lack of eligibility in the Medicaid Program, the patient will need to fill out a Financial Assistance application. If no payment on a claim is received from Medicaid due to the patient having restricted Medicaid and the patient has not provided a letter of referral from the Restricted Medicaid Physician assigned to their case, the patient will need to complete a Financial Assistance Application and indicate in the letter of circumstances why a letter of referral cannot be provided, for each date of service being applied for. The application will then be reviewed to determine if the Medicaid resource would be considered exhausted for each date of service.
10. Patients will be notified of financial assistance determination in writing.
11. Approval of financial assistance is based on need, and are reviewed and approved by the Financial

Counselors, Revenue Cycle Director, CFO and CEO. See below for approval limits:

- Revenue Cycle Director – $1 to $5000
- Chief Financial Officer - $5001 to $24,999
- Chief Executive Officer – Over $24,999

ADDITIONAL CONSIDERATION(S):
N/A

REFERENCE(S):
N/A

CONTRIBUTOR(S):
Finance Director; Chief Financial Officer; Policy Committee