

## VIRGINIA GAY HOSPITAL & CLINICS FINANCIAL ASSISTANCE POLICY

### **Financial Assistance Policy**

Virginia Gay Hospital and its affiliated clinics (VGH) are committed to providing professional care with a personal touch. As part of that commitment, VGH appropriately serves patients in difficult financial circumstances and offers financial assistance to those who have an established need to receive medically necessary medical services.

Financial Assistance is defined as healthcare services provided at no charge or at a reduced charge to patients who do not have nor cannot obtain adequate financial resources or other means to pay for their care. This is in contrast to bad debt, which is defined as patient and/or guarantor who, having the financial resources to pay for health care services, has demonstrated by their actions an unwillingness to resolve a bill. The granting of financial assistance shall be based on an individualized determination of financial need, and shall not take into account race, creed, gender, national origin, disability, age, social immigrant status, or sexual orientation.

### **Purpose**

This policy serves to establish a fair and consistent method for uninsured and under-insured patients to apply and be considered for financial assistance related to emergency and other medically necessary care.

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

**Applicant:** Patient or other individual responsible for payment of the patient's care who seeks financial assistance.

**Bad Debt:** The cost of providing care to persons who are able but unwilling to pay all or some portion of the medical bills for which they are responsible.

**Financial Assistance:** The cost of providing free or discounted care to individuals who cannot afford to pay all or a portion of their hospital medical bills based on the eligibility rules identified in this Policy.

**Gross Charges:** The full established price for medical care provided to patients.

**Income:** Family income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

- Includes earnings, unemployment compensation, worker’s compensation, Social Security, Supplemental Security Income, public assistance, veterans’ payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and miscellaneous sources;
- Noncash benefits (such as food stamps and housing subsidies) do not count;
- Determined on a before-tax basis;
- Excludes capital gain or losses; and,
- If a person lives with a family, includes the income of all family members (non-relatives, such as housemates, do not count).

**Uninsured:** The patient has no level of insurance or third-party assistance to assist with meeting his/her payment obligations.

**Underinsured:** The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

**Medically necessary:** As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

**Measures to Publicize the Financial Assistance Policy**

Notification about financial assistance available from VGH which shall include a contact number shall be disseminated by VGH by various means, which may include, but are not limited to, the publication of notices in patient bills and by posting notices in emergency rooms, admitting and registration departments, hospital business offices. VGH also shall publish and widely publicize a summary of this Financial Assistance Policy on the facility website, in materials available in patient access sites. Such notices and summary information shall be provided in the primary language spoken and any other language spoken by 5% of the community population serviced by VGH.

**Providers Covered Under This Policy**

All VGH employed medical providers rendering care at VGH are covered under this policy. Please see Attachment A for a detailed covered services listing.

**Procedure**

For purposes of this policy, financial assistance refers to healthcare services provided by VGH without charge or at a discount to qualifying patients. The following healthcare services are eligible for financial assistance.

1. Emergency medical services provided in an emergency room setting;
2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and,

4. Medically necessary services, evaluated on a case-by-case basis at VGH's discretion. Eligibility for financial assistance will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care program, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. The granting of financial assistance shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social immigrant status, sexual orientation, or creed. VGH shall determine whether or not patients are eligible to receive financial assistance for deductibles, co-insurance, or co-payment responsibilities.

**Eligibility Criteria for Financial Assistance:**

Eligibility for Financial Assistance requires the complete cooperation of the applicant during the application process including:

1. Completion of the financial assistance application including all required documents.
2. Meet annual household income and family size criteria as set forth in the Federal Poverty Guidelines for the previous tax year.
3. A demonstrated inability to pay for services.

**Method of Applying for Financial Assistance**

It is preferred but not required that a request for financial assistance and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle. The need for financial assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient for assistance becomes known.

Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may:

- Include an application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need;
- Include the use of external publically available data sources that provide information on a patient's or a patient's guarantor's ability to pay (such as credit scoring);
- Include reasonable efforts by VGH to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs;
- Take into account the patient's available assets, and all other financial resources available to the patient; and,
- Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.

The patient is required to submit documentation of their financial status. The patient must submit a completed Financial Assistance Application.

- As a minimum requirement, the patient must furnish a copy of last year's tax return, copy of most recent paycheck stub/voucher, and a copy of Job Service of Iowa Income/Unemployment report for the last four quarters.
- Accounts eligible for financial assistance are to be addressed within 240 days of first bill.

### **Application Process**

Applicants who want to apply for financial assistance may apply by either requesting the application form or downloading and printing the financial assistance application form at no charge.

### **Basis for Calculating the Amounts Generally Billed**

The amount the patient is expected to pay and the amount of financial assistance offered depends on the patient's insurance coverage and income. The Federal Income Poverty Guidelines will be used in determining the amount of the write-off and the amount charged to the patients. Amounts charged for emergency and medically necessary medical services to patients will not be more than the amount generally billed to individuals with insurance covering such care.

The basis for calculating amounts charged to patients, VGH has chosen to use the look-back method; based on actual past claims paid to VGH by Medicare fee-for-service together with all private health insurers. VGH will provide an itemized statement to the patient showing the charges and the discount amount applied to the patients account. The discount will be applied once the patient has submitted a complete application for financial assistance.

VGH's values of human dignity and stewardship shall be reflected in the application process, financial need determination, and granting of assistance. Requests for assistance shall be processed promptly and VGH shall notify the patient or applicant in writing within 30 days of receipt of a completed application.

There are instances when a patient may appear eligible for financial assistance discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the patient through other sources, which could provide sufficient evidence to provide the patient with financial assistance. In the event there is no evidence to support a patient's eligibility for financial assistance, VGH could use outside agencies in determining estimate income amounts for the basis of determining financial assistance eligibility and potential discount amounts. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

1. State-funded prescription programs;
2. Homeless or received care from a homeless clinic;
3. Participation in Women, Infants and Children programs (WIC);
4. Food stamp eligibility;
5. Subsidized school lunch program eligibility;

6. Eligibility for other state or local assistance program that are unfunded (e.g., Medicaid spend-down);
7. Low income/subsidized housing is provided as a valid address; and,
8. Patient is deceased with no known estate.

Services eligible under this Policy will be made available to the patient in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination. Anyone applying for financial assistance with a household income at or below 220% of the federal poverty guidelines will qualify for a 100% discount for medically necessary services provide. The chart below outlines those details.

**Maximum Annual Income Limits**

Family Size	Discount
	100%
1	\$32,076
2	\$43,384
3	\$54,692
4	\$66,000
5	\$77,308
6	\$88,616
7	\$99,924
8	\$111,232
FPL	220%

VGH’s management shall develop policies and procedures for internal and external collection practices (including actions the hospital may take in the event of non-payment, including collections action and reporting to credit agencies) that take into account the extent to which the patient qualifies for assistance, a patient’s good faith effort to apply for a governmental program or for assistance from VGH, and a patient’s good faith effort to comply with his or her payment agreements with VGH. For patients who qualify for assistance and who are cooperating in good faith to resolve their discounted hospital bills, VGH may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts VGH will not impose extraordinary collections actions such as wage garnishments; liens on primary residences, or other legal actions for any patient without first making reasonable efforts to determine whether that patient is eligible for financial assistance under this financial assistance policy. Reasonable efforts shall include:

1. Validating that the patient owes the unpaid bills and that all sources of third-party payment have been identified and billed by the hospital.

2. Documentation that VGH has or has attempted to offer the patient the opportunity to apply for financial assistance pursuant to this policy and that the patient has not complied with the hospital's application requirements.
3. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.

### **Collection Activity**

VGH will not engage in extraordinary collection actions before it makes a reasonable effort to determine whether a patient is eligible for financial assistance under this policy.

Reasonable efforts shall include:

1. Validating that the patient owes the unpaid bills and that all sources of third-party payment have been identified and billed by the hospital;
2. Documentation that VGH has offered or has attempted to offer the patient the opportunity to apply for financial assistance pursuant to this policy and that the patient has not complied with VGH's application requirements;
3. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.

Extraordinary collections actions may include actions such as:

1. Wage garnishments
2. Liens on primary residences, or
3. Other legal actions

If our collection agency identifies a patient is meeting financial assistance eligibility criteria, the patient's account may be considered for financial assistance. Collection activity will be suspended on accounts, and the financial assistance application will be reviewed. If the entire account balance is adjusted, the account will be returned. If a partial adjustment occurs, the patient fails to cooperate with the financial assistance process, or if the patient is not eligible for financial assistance, collection activity will resume.

In implementing this Policy, VGH's management shall comply with all other federal, state, and local laws, rules and regulations that may apply to activities conducted pursuant to this Policy.