

# **John Ed Chambers Memorial Hospital, Inc**

## **Financial Assistance Policy**

### **I. POLICY**

John Ed Chambers Memorial Hospital, Inc. recognizes, as a not-for-profit health care delivery system, its obligation to provide financial assistance to patients in need of emergency or medically necessary care. Chambers Memorial is dedicated to a mission of public financial assistance through providing care for members of our society who benefit from its services without regard to race, sex, creed, national origin, or station in economic or social life. Chambers Memorial is committed to making available, in such a way as to preserve human dignity and worth, the full resources of the health care system to those persons who are unable to pay. At the same time, Chambers Memorial must operate its facilities in the most efficient and economical manner possible, to assure a strong future financial position necessary for the payment of its debts, provision of future technological developments, needed medical supplies, replacement of facilities, and reserves for emergencies.

The Board of John Ed Chambers Memorial Hospital, Inc. is committed to the provision of financial assistance to patients who are in need of care, having selected Chambers Memorial for this care, and a determination has been made that the facility is the most appropriate facility for providing such care of service and there is no other more suitable facility or program available to such patient where compensated care could be provided. Further, this policy prohibits Chambers Memorial from engaging in actions that discourage individuals from seeking emergency medical care, such as demanding payment before receiving treatment for emergency medical conditions or by permitting debt collection activities that interfere with the provision of emergency medical care.

Consistent with its mission to deliver compassionate, high quality, affordable healthcare services and to advocate for those who are poor and disenfranchised, John Ed Chambers Memorial Hospital, Inc. strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. John Ed Chambers Memorial Hospital, Inc. will provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility for financial assistance or for government assistance.

It is necessary to adhere to an “open door” philosophy of furnishing adequate diagnostic and therapeutic services for emergencies in order to avoid claims of improper rejection, inappropriate transfers or lack of recognition of cases requiring immediate attention in the emergency room. John Ed Chambers Memorial Hospital, Inc. conforms with existing EMTALA laws and provides treatment for emergency medical conditions without regard to their ability to pay.

Accordingly, the following guidelines will be followed in providing financial assistance:

1. Financial assistance is provided in the following ways:
  - Uncompensated Services
  - Reduced Compensated Services
  - Discounted Services
2. Each Request for financial assistance will be evaluated on its own merits utilizing established patient accounts procedures based on this policy. Evaluation of the need for a particular patient will likely include such factors as: a) income, assets, and liabilities, b) the medical condition of the patient, c) the potential for long term medical care, d) availability of other forms of reimbursement whether insurance, social programs, or other financial resources, and e) suitability of the facility for the patient’s particular needs and whether a more appropriate facility is available at which some form of payment would be available.
3. All patients will be offered, as part of the registration and/ or discharge process, a copy of the plain language summary of this policy. Additionally, all patients identified as potential financial assistance

recipients or anyone requesting financial assistance will be offered the opportunity to apply for financial assistance. If this evaluation is not conducted until after the patient leaves the facility, or in case of outpatients or emergency patients, the Financial Counselor will mail a financial assistance application to the patient for completion. In addition, the hospital will provide a plain language summary of the financial assistance policy to the patient with all billing statements and communications within the first 120 days following the first billing statement.

4. Uncompensated/Reduced Compensation Services will be limited to those patients whose family income is below (110%) of the national poverty guidelines. The prevailing national poverty guidelines will be the basis for determining eligibility, and can be requested in writing, free of charge from the hospital or at [www.acf.hhs.gov](http://www.acf.hhs.gov)
5. Uncollectible accounts, accounts that were not reviewed by the financial counselor at the time of admission, and/or questionable collectible amounts may qualify for financial assistance during the collection process if the patient's family income is below 110% of the national poverty guidelines. The prevailing national poverty guidelines will be the basis for determining eligibility, and can be requested in writing, free of charge from the hospital or at [www.acf.hhs.gov](http://www.acf.hhs.gov)
6. In the following situations a patient is deemed to be eligible for 100% reduction of charges:
  - a. If the patient is currently eligible for Medicaid but was not eligible on a prior date of service, the facility will apply its financial assistance policy retroactively for the previous accounts.
  - b. If the patient states he or she is homeless and the facility, through its own diligence, does not find any evidence to the contrary.
  - c. If the patient is mentally or physically incapacitated and has no one to act on his/her behalf.
7. In the event of a patient's death, the family of the deceased patient will be given the opportunity to complete an application for financial assistance which will be processed according to this Policy.
8. Chambers Memorial will provide any member of the public or state governmental entity a copy of its financial assistance policy and application, upon request, free of charge, by calling the John Ed Chambers Memorial Hospital Business Office at 479-495-2241, or by writing the Business Office at 719 Detroit Ave, Danville, AR 72833. The policy will also be available on the hospital website at <http://www.chambershospital.com/images/financialassistance.pdf>, at all points of registration within the facility, and will be provided by mail to anyone requesting it at no charge. A plain language summary of the policy will be made available in these locations as well. Notices of this Financial Assistance Policy will also be included on billing statements.
9. This Financial Assistance Policy applies only to Emergency and Medically Necessary Services and does not apply to elective procedures. A list of providers covered by this policy may be requested, free of charge from the hospital (see Policy 8).
10. This Policy will be applied equally to all patients regardless of payer source. Applications that do not meet the criteria set forth in this Policy may, in extraordinary circumstances be approved by the Chief Executive Officer.
11. Uninsured patients and patients who qualify for financial assistance will not be charged for emergency or other medically necessary care at rates higher than the "amounts generally billed" to individuals who have insurance coverage. The use of gross charges to such patients is prohibited. For purposes of this policy, "amounts generally billed" or AGB will be determined using the "look back" method by taking 12 months' claims paid by Medicare Fee for Service and all Private Insurances and calculating the average discounts give to those payers. The discount percentage will

be reviewed annually, and any appropriate adjustments will be made to be effective on the first date of the upcoming fiscal year. The current AGB discount for Chambers Memorial Hospital is 35%.

## II. DEFINITIONS

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

**Charity Care:** Healthcare services that have been or will be provided but are never expected to result in cash inflows. Charity care results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established criteria.

**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 the provision of financial assistance.

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

- Includes earnings, unemployment compensation, workers' 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 other miscellaneous sources;
- Noncash benefits (such as food stamps and housing subsidies) do not count;
- Determined on a before-tax basis;
- Excludes capital gains 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.

**Gross charges:** The total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied.

**Emergency medical conditions:** Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).

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

**Notification period:** Begins on the first date of care and ends on the 120<sup>th</sup> day after Chambers Memorial provides the individual with the first post-discharge billing statement for the care

**Application period:** Begins on the date care is provided and ends on the 240<sup>th</sup> day after the hospital facility provides the individual with the first post-discharge billing statement for the care.

## **Medicare Bad Debt Financial Assistance Services**

### **PURPOSE**

To ensure that requests for uncompensated service, reduced compensation services and discount services are handled consistently, accurately, and timely.

### **POLICY**

1. John Ed Chambers Memorial Hospital provides uncompensated, reduced compensation or discount services to all eligible persons unable to pay. Pam Payne in the Business Office is available Monday –Friday from 8:00 am to 4:30 pm to help complete financial assistance applications. Her direct number is 479-495-6355.
2. Eligibility for uncompensated services is limited to persons whose verifiable family income is equal to or less than 110% of the current poverty income guidelines as established by the Department of Health and Human Services.
3. Eligibility for reduced compensation services is limited to persons whose verifiable income is greater than 110% of the current poverty income guidelines but not greater than 200% of the current poverty income guidelines as established by the Department of Health and Human Services.
4. Accounts that have been placed with a third-party collection agency are eligible for benefits provided that they meet appropriate guidelines. If approved, the account will be pulled from agency and reinstated for charitable consideration.
5. Acceptable income verification includes, but is not limited to:
  - A. Most Recent Federal Income Tax Return.
  - B. Most Recent Federal Income Tax Return, plus employer’s verification of earnings for current year.
  - C. For Self-Employed Individuals, their most recent Federal Income Tax Return, and a copy of the last four quarterly returns.
  - D. Bank Statements with Social Security Deposits.
  - E. If a patient doesn’t have the listed documentation needed for the financial assistance application, he or she may call the John Ed Chambers Memorial Hospital Business Office at 479-495-2241 and discuss other evidence that may be provided to demonstrate eligibility
6. The ‘notification period’ begins on the first date of care and ends on the 120<sup>th</sup> day after Chambers Memorial provides the individual with the first post-discharge billing statement for the care. The ‘application period’ begins on the date care is provided and ends on the 240<sup>th</sup> day after the hospital facility provides the individual with the first post-discharge billing statement for the care. Chambers Memorial sends out account statements on a 30-day cycle. There are three statements and two collection letters generated. The first collection letter states a deadline, which is no earlier than 30 days after the date that the written notice is provided, after which extraordinary collection actions may be initiated. Extraordinary collection actions will not be taken during the notification period. All statements and letters will include a copy of the Financial Assistance Policy Plain Language Summary. After the final collection letter is sent,

that account or accounts may be referred to a third-party collection agency. Any collection agency utilized by Chambers Memorial Hospital will agree to refrain from abusive collection practices. Extraordinary collection efforts which include sending to Chamber's third-party credit agency, reporting to credit agencies, filing lawsuits, garnishing wages and placing liens will not be pursued unless we have made reasonable efforts to determine if the individual is eligible for assistance under this Policy. "Reasonable Efforts" include notifying individuals of Financial Assistance upon admission and in all written communications with the individual concerning the bill. CMH will also make reasonable efforts to orally notify the individual about Financial Assistance. In addition, after the 120-day notification period, CMH Collections will review the account to ensure all reasonable efforts to determine FAP eligibility have been made and approve accounts prior to assigning to a collection agency. CMH will accept and process FAP Applications from a person that has not previously been determined FAP eligible from day 121 to day 240 from the first post-discharge statement and all extraordinary collection efforts will cease until determination of eligibility.

7. If the patient submits an incomplete financial assistance application within the application period, Chambers Memorial shall suspend collection efforts and provide the patient with a written notice describing the additional information/documentation that is required to complete the application and includes contact information for assistance with the application process. If the patient fails to provide the additional information requested by the date specified in the written notice, Chambers Memorial may initiate or resume extraordinary collection efforts. If an individual, who initially completes an incomplete financial assistance application, later submits a complete application by the completion deadline, the individual is considered to have submitted a complete application during the application period. CMH will then need to determine whether the individual is financial assistance eligible.

If an individual submits a complete financial assistance application during the application period, CMH suspends any extraordinary collection actions taken against the individual, documents a determination as to whether the individual is Financial Assistance eligible and notifies the individual in writing of the eligibility determination and the basis for the determination. For eligible individuals, CMH provides a billing statement which indicates the amounts the individual owes as a financial assistance eligible individual and how to access information regarding amounts generally billed.

8. Patients, who are found to qualify for financial assistance and were originally charged more than amounts generally billed for medical services, shall be reimbursed for any amounts paid in excess of that patient's maximum out-of-pocket charge for the services determined using amounts generally billed. Chambers Memorial will also take all reasonably available measures to reverse any ECAs taken against the individual, including vacate judgements, lift any lien or levy and remove from the patient's credit report any information that was reported to a consumer reporting agency or credit bureau.
9. A copy of the Billing and Collections Policy can be obtained from Michaelle Cornwell in the Business Office or by calling 479-495-6219. You can also email her at [michaellecornwell@chambershospital.com](mailto:michaellecornwell@chambershospital.com)

## **RESPONSIBILITY**

Business Office Director  
Financial Counselor

Admissions Director  
Admissions Office Staff

**PROCEDURE INDEX:**

- I. Process Steps
- II. Reduced Compensation Services Schedule

**PROCEDURE:**

- I. Process Steps
  - 1. Patient or representative requests financial assistance.
  - 2. Patient or representative completes application.
  - 3. Patient Financial Services reviews application for completeness within 10 days of receipt. If it is not complete the patient or representative is contacted for missing and needed information. The application does not move forward until information is received. Applications are renewed yearly therefore the patient has 365 days to complete in each year.
  - 4. Patient Financial Counselor reviews income verification documentation to confirm all documentation is reported. If there is needed documentation the Financial Counselor will contact the patient or representative. The application does not move forward until received.
  - 5. The Financial Counselor reviews the services provided to verify the service is not covered by other third-party payers. If it is covered, the patient or representative is contacted, and these avenues will be pursued.
  - 6. The Financial Counselor can refer the account to the appropriate management for determination of eligibility if there is a question of extraordinary circumstances.
  - 7. If an account is with a collection agency, the Financial Counselor can provide the patient an application and collection efforts can be suspended until a final determination can be made. Applications are accepted at any time and renewed yearly. Extraordinary collection efforts cannot be taken until the hospital has made reasonable efforts to determine whether an individual is eligible for financial assistance. Additionally, Chambers Memorial will notify the individual about the financial assistance policy and refrain from any extraordinary collection efforts for at least 120 days from the date the hospital facility provides the first post-discharge billing statement. In the case of an individual who submits an incomplete financial assistance application, Chambers Memorial will notify that individual about how to complete and give a reasonable amount of time to do so. Prior to any extraordinary collection efforts, Chambers Memorial will provide the individual with a written notice that indicates financial assistance is available for eligible individuals, identifies the extraordinary collection efforts it intends to initiate to obtain payment for the care, and states a deadline after which such extraordinary collection efforts may be initiated that is no earlier than 30 days from the date on the notice. Chambers Memorial will also make reasonable efforts to orally notify the individual about the hospital's financial assistance policy and about how they may obtain assistance with the application process.

8. The Family income is compared to the current Poverty Guidelines by the Financial Counselor. If the family income is at or below 110% of the said guidelines, the account is discounted 100% and the patient or representative is notified.
9. If the family income exceeds 110% of the Poverty Guidelines, the Financial Counselor compares family income to the reduced compensation schedule as outlined in Procedure II. If the family income meets the requirements, the patient or representative is notified of acceptance, details of discount Procedure are explained, payment plan is established, the account is discounted appropriately and notes detailing discounts are placed on the patients account record.
10. If the account is ineligible for reduced compensation benefits, the patient or representative is notified of denial. A payment plan with appropriate discount is established.
11. If an individual has applied for and received financial assistance within the previous twelve months and the individual's financial situation has not changed, the individual will be deemed to be eligible for financial assistance without having to submit a new application for financial assistance.
12. All applications for financial assistance will be maintained for a period of one year.
13. After the patient's bill is reduced by the discounts based upon the financial assistance eligibility discount guidelines, the patient is responsible for the remainder of the outstanding patient account balance.

## **II. Presumptive Financial Assistance Eligibility.**

There are instances when a patient may appear eligible for charity care discounts, but there is no financial assistance form on file due to a lack of supporting documentation, an incomplete application, or no application available. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with charity care assistance. In the event there is no evidence to support a patient's eligibility for charity care, John Ed Chambers Memorial Hospital, Inc. could use outside agencies in determining estimate income amounts for the basis of determining charity care eligibility and potential discount amounts. Once determined, due to the inherent nature of the presumptive circumstances, the only discount that can be granted is a 100% write off of the account balance. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

- a. State-funded prescription programs;
- b. Homeless or received care from a homeless clinic;
- c. Participation in Women, Infants and Children programs (WIC);
- d. Food stamp eligibility;
- e. Subsidized school lunch program eligibility;
- f. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down);
- g. Low income/subsidized housing is provided as a valid address; and
- h. Patient is deceased with no known estate.

- i. Members of the household whose income was not included to determine Medicaid Eligibility will not be listed on the application nor receive financial assistance with this household; they will need to apply individually.
- j. Only Straight Medicaid receives full financial assistance. Those with subsidized versions of Medicaid will receive the discount based on the income level that qualified them for their version of Medicaid.

**III. Reduced Fee Discount Table**

<b><u>INCOME</u></b>	<b><u>DISCOUNT</u></b>
Poverty Level @ 111% up to 250%	90%
Poverty Level @ 251% up to 275%	70%
Poverty Level @ 276% up to 300%	50%

Discounts are applied to the patient’s account balance.

**RELATED MATERIALS**

- 1. Department of Health and Human Services Poverty Guidelines available at [www.acf.hhs.gov](http://www.acf.hhs.gov).
- 2. Reduced Fee Discount Table in Section III
- 3. Providers Covered by Financial Assistance Policy in Policy #8.

**DISTRIBUTION**

Business Office  
 Admissions  
 Administration