

## **Cleveland Area Hospital** **Financial Assistance Policy**

Cleveland Area Hospital (“CAH”) provides emergency and medically necessary care, without discrimination, to individuals, regardless of their ability to pay. CAH also offers financial assistance to individuals who qualify based on their particular financial situation.

**Purpose:** To establish the guidelines used by CAH to determine whether an uninsured or underinsured individual receiving hospital services is eligible for free or partially discounted care.

- **Uninsured:** An uninsured individual has no level of insurance or third party assistance to assist with meeting his/her payment obligations.
- **Underinsured:** An underinsured individual has some level of insurance or third-party assistance (such as catastrophic medical coverage or non-Title 19 Medicaid) but still has out-of-pocket expenses that exceed his/her financial abilities. This definition does not apply to individuals who are obligated to pay standard-level deductibles, co-pays, and co-insurances as part of their membership in a medical insurance plan.

**Scope:** This Financial Assistance Policy (“Policy”) applies to all representatives and employees of CAH who communicate with individuals about financial assistance.

**Supervising Department:** The CAH Admissions/Financial Counseling Department will administer this Policy and the Chief Financial Officer shall have final authority for determining whether CAH has made reasonable efforts to determine an individual’s eligibility for financial assistance. However, the thorough exploration of possible payment sources and the proper and timely review and determination of financial assistance eligibility are the responsibility of all CAH representatives involved in the Financial Assistance Application process.

### **POLICY**

CAH is committed to providing benefits to the community in accordance with prudent financial stewardship. As a not-for-profit, municipal-sponsored healthcare provider, CAH will provide medically necessary services at no charge or at a reduced charge based on a sliding scale to individuals who meet the specific criteria defined in this Policy. These criteria shall be consistently applied.

#### **I. Available Care:**

The following types of care are available to individuals who qualify for financial assistance:

- A. Emergency medical services provided in an emergency room setting;
- B. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
- C. Non-elective services, evaluated on a case-by-case basis at CAH's discretion; and

Once determined, eligibility will last for a 6 month period and may be extended or waived based on the individual circumstances of the individual. Any exceptions will be made at the discretion of the Chief Financial Officer.

## **II. Initial Consideration of Third-Party Payment Sources**

All possible third-party payment sources (for example, Medicaid, Indigent Funds, Indian Benefits, or Crime/Reparation Funds) must be reviewed and evaluated before an individual's account may be considered for financial assistance to assure that CAH's assets are prudently managed.

## **III. Emergency Medical Treatment and Active Labor Act (EMTALA)**

- A. Subject to EMTALA requirements, when an individual receives services at CAH, he or she shall be notified that payment in full is expected at the time of the service.
- B. If payment is not possible at the time of service, the individual shall be advised of CAH's policy regarding installment payment plans. At that time, insurance or other payment sources will be identified and recorded, in accordance with EMTALA, as soon as possible after the individual has been stabilized.
- C. If an individual does not have insurance, or cannot provide evidence of insurance, he or she will be classified as "Self-Pay" and will be provided a copy of this Policy, the Plain-Language Summary of this Policy, and the Financial Assistance Application Form (collectively, the "FAP Forms").

## **IV. Eligibility Criteria for Financial Assistance, Including Free or Discounted Care**

**A. Income:** CAH uses the current year's Federal Poverty Guidelines (attached), published annually, to assist in determining eligibility for financial assistance. An individual's income, taking into account family size, must be at or below 200% of the Federal Poverty Guidelines to receive a 100% discount on hospital care. The following sliding scale is used to determine levels of eligibility for individual s whose income is above 200% of the Federal Poverty Guidelines:

Gross Wages and Assets as a Percentage of the Federal Poverty Guidelines	Percentage of individual Liability Allowable for Financial Assistance
200% or less	100%
201% to 220%	90%
221% to 240%	80%
241% to 260%	70%
261% to 280%	60%
281% to 300%	50%
All uninsured individuals not qualifying for charity care will receive a 40% "Self-pay" discount from billed charges. This discount does not apply to amounts owed after the application of insurance payments such as co-pays, co-insurance and deductibles.	

- A **“family”** is a group of two people or more (one of whom is the householder) related by birth, marriage or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.
- **“Family Income”** 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.
- **Note:** Income includes the income of all family members and is determined on a before-tax basis. Income excludes capital gains or losses and non-cash benefits such as food stamps and housing subsidies. Income from non-relatives, such as roommates is excluded.

**B. Assets:** If the individual’s or responsible party’s assets (except primary residence) exceed \$10,000.00 in value, CAH will consider 25% of the “unencumbered value” of the assets as income, which will be included in the annual income amount for purposes of determining eligibility for financial assistance and discounted care.

**C. Presumptive Financial Eligibility:** An individual is presumed to be eligible for financial assistance and will not be required to submit an Application Form if the individual:

- is homeless;

- qualifies for food stamps;
- qualifies for subsidized school lunch program;
- has accounts included in the individual's and/or responsible party's personal bankruptcy;
  - has accounts returned by the collection agency as uncollectible due to bankruptcy;
  - is a documented immigrant that does not qualify for any Federal programs specifically designated for *undocumented immigrants*;
  - guarantor is deceased with no estate in probate;
  - is enrolled in State Medicaid insurance programs that use a defined family income at or below 200% of the Federal Poverty Guidelines; and
  - is enrolled in State Assistance Programs that use a defined family income at or below 200% of the Federal Poverty Guidelines.

However, care shall be taken by CAH to verify that individuals with presumptive financial eligibility actually meet the criteria for such eligibility. The specific condition(s) warranting financial assistance shall be properly documented in each instance.

**D. Special Considerations:** If an individual's financial, medical, or social situation is so complex or unusual that the decision to provide financial assistance warrants special consideration, the individual's Application Form will be referred to the Chief Operating Officer for review. If a determination that the individual is ineligible for financial assistance, the individual may request that the Chief Financial Officer review the Application Form to make a final determination. The Chief Financial Officer has the final authority regarding the determination of an individual's eligibility for financial assistance. Any person can make a request for special consideration.

## **V. Basis for Calculating Amounts Charged to Patients**

**A.** CAH uses the Prospective Method to determine the amounts generally billed to patients who have insurance coverage ("AGB").

**B.** An individual who is eligible for financial assistance will not be charged more than AGB.

**C.** CAH will limit the charges for any medical care to an individual who is eligible for financial assistance to less than the "gross charges" for that care. Gross charges are the hospital's full, established prices for medical care that the hospital consistently and uniformly charges all patients before applying any contractual allowances, discounts, or deductions.

## **VI. Method of Applying for Financial Assistance**

**A. Application:** An individual may apply for financial assistance by completing a Financial Assistance Application Form (“Application Form”) and submitting it along with the required documentation to CAH at the address listed on the Application Form.

**B. Required Documents:** The required documents to be submitted are:

- Completed and signed Application Form;
- Two most recent pay stubs for every family member;
- Prior two years’ tax returns for every family member;
- Previous 2 month’s bank statements for every family member;
- Documents that reflect current investments or other sources of income or savings for the individual and family members; and
- Other information the individual feels would be helpful in making a determination.

**C. Incomplete Application Forms:** Incomplete Application Forms will be documented in the individual’s records, and the Financial Counseling Manager (or another appropriate Admissions Department Representative) will contact the individual to gather any additional information needed. During this time, normal billing procedures will continue.

**D. Application Form Period:** CAH will accept Application Forms for financial assistance within 240 days from the date of the initial billing for the individual’s care.

**E. Final Determination:** In most cases, a final determination of eligibility for financial assistance will be made within 30 days of receipt of a completed Application Form and supporting documentation by CAH. In the event that CAH requires additional time to make a determination, CAH will use reasonable efforts to inform the individual of the approximate time needed and suspend any collection actions until a final determination has been made.

**F. Notification of Final Determination:** CAH will use reasonable efforts to notify each individual in writing of its final determination within 5 days of making such final determination. If the Application Form is denied, a reason for such denial will be included in the notification. If the Application Form is approved, the account will be discounted and appropriately written off as charity care using the applicable adjustment codes and with appropriate review as documented in the Write-off and Approval Limits Policy. A copy of all documentation will remain on file for a period of 3 years.

**G. Objective Criteria:** All eligibility decisions shall be based on objective criteria contained in the documentation received. CAH Financial Counseling/Admissions representatives shall not make or assist in making financial

assistance eligibility determinations for friends or relatives. Any such Application Form must be transferred to another representative for review.

**H. Limited Basis for Denial:** Information received, but not requested on the Application Form may not be the basis for the denial of an individual's eligibility for financial assistance.

**I. Lack of Supporting Documentation:** In situations where copies of the proper supporting documentation cannot be provided, the Financial Counseling Manager or another appropriate Admissions Department Representative shall fully document his or her review of the financial criteria on which the financial assistance determination was made.

**J. Anti-Discrimination:** The decision to approve or deny an Application Form for financial assistance will be made objectively and without discrimination based on race, gender, ethnicity, national origin, immigration status, religion or address.

## **VII. Actions the Hospital May Take in the Event of Nonpayment**

CAH will have the right to refer and transfer unpaid accounts to a collection agency in the following situations:

**A.** When the individual has been set up on payment arrangements directly with CAH, but has not made the minimum monthly payment within 60 days.

**B.** When the individual has not been set up on payment arrangements and has not made any payment within 120 days.

**C.** When the individual's insurance has paid its portion of the benefits and indicates a remaining balance or co-insurance or deductible as the individual's responsibility, and the individual fails to make a payment, or has set up a payment arrangement, and fails to make the minimum monthly payment within 60 days, or has failed to respond to CAH's internal collection efforts after 120 days and 2 statements, plus 2 collection letters have been sent.

**D.** When the individual fails to provide CAH with accurate insurance filing information, and after correspondence or attempts to contact the individual have failed for a 120-day period after the first billing.

**E.** When the individual fails to provide CAH with accurate contact information, such as phone or address, and statements and correspondence are returned undeliverable for a 120-day period after the first billing.

**F. Note:** CAH does not anticipate taking extraordinary collection actions ("ECAs") before it has made reasonable efforts to determine whether an

individual qualifies for financial assistance. If CAH takes an ECA prior to making reasonable efforts to determine whether the individual qualifies for financial assistance, and the individual does qualify for financial assistance, then CAH will reverse its ECAs so taken. If an individual has submitted a timely Application Form for financial assistance, referral to a collection agency will not be made until a determination has been made as to whether the individual will receive financial assistance.

**G.** Only after reasonable efforts and a final determination have been made on whether an individual is eligible for financial assistance, CAH or its agents may engage in ECAs against the individual in the event of nonpayment. ECAs include actions taken against an individual related to obtaining payment of a bill for care that require a legal or judicial process, including, but not limited to, the following:

- Placing a lien on an individual's property, such as pending insurance settlements;
- Commencing a civil action against an individual;
- and
- Selling an individual's debt to another party.

#### **VIII. Measures to Widely Publicize the Financial Assistance Policy within the Community**

CAH widely publicizes its Policy by making the FAP Forms accessible to individuals in the following ways:

**A.** Via hospital website link at no charge, in downloadable and printable form found at:

<https://www.clevelandareahospital.com/policies-and-practices>

**B.** Via phone request that the FAP Forms be mailed to the individual free of charge.

**C.** Via mail on billing statements that include the Plain-Language Summary of the Financial Assistance Policy and instructions on where the individual can obtain a full-text version of the Policy and Application Form.

**D.** Via conspicuously placed signage in public areas of the hospital with instructions informing visitors on where to obtain copies of the FAP Forms in person at the hospital, via mail, email, or via the website.

**E.** Via paper copies of the FAP Forms upon request and without charge, for distribution in public locations in the hospital.

**F.** Via personal delivery of the FAP Forms to each individual upon request and without charge upon admission and discharge from the hospital.

**G.** Via distribution of the Plain-Language Summary of the Financial Assistance Policy to local community organizations and government agencies who serve populations and address health needs of low income people.

**H.** The FAP Forms will be available in English until there is another primary language spoken by more than 10% of the population in the community served by CAH (Pawnee or Osage County, Oklahoma).

**IX. After Eligibility Approval:**

**A.** After an individual has been determined to be eligible for financial assistance, CAH will coordinate with the individual and/or guarantor to set up a payment plan for the balance due.

**B.** The individual and/or guarantor must enter into a formal payment plan agreement either in writing or via telephone.

**C.** CAH shall notify the individual and/or guarantor that breach of the payment plan agreement will result in the account becoming due and payable immediately.

**X. Miscellaneous**

**A. Incarcerated Individuals:** For incarcerated individuals who receive medical services from CAH while in custody, a claim will be submitted to the entity responsible for such custody. If the individual was not incarcerated at the time of service but is in custody while CAH is initiating collection procedures, the individual shall remain responsible for the balance and normal collection procedures shall be followed.

**B. Patient Privacy:** Information regarding individual's health information shall be shared and communicated with other departments only on an "as needed" basis, and in compliance with state and federal law, including the minimum necessary disclosure rules of the Health Insurance Portability and Accountability Act ("HIPAA").

**C. Quality Control:** The Chief Financial Officer (or his/her designee) will review a representative sample of submitted Application Forms (both approved and denied) on at least an annual basis to ensure that a fair and consistent process is followed in making determinations with all Application Forms.

**XI. Adoption of Policy**

This Financial Assistance Policy has been adopted by the Board of Trustees of CAH and is made effective as of \_\_\_\_\_, 2013, and may be amended at anytime with or without notice.

2020 Poverty Guidelines (48 States and D.C.)	
Persons in Family/Household	Poverty Guideline
1	\$ 12,760
2	\$ 17,240
3	\$ 21,720
4	\$ 26,200
5	\$ 30,680
6	\$ 35,160
7	\$ 39,640
8	\$ 44,120
For Families/Households with more than 8 persons, add \$4,480 for each additional person	