

**POLICY AND/OR PROCEDURE**

TITLE: Financial Assistance  
POLICY NUMBER: 003.003  
DEPARTMENT: Patient Accounts/Business Office  
EFFECTIVE: October 16, 2017

**Purpose**

To provide a consistent method of determining eligibility in the Financial Assistance program for all Munson Healthcare facilities, to include Munson Medical Center, Paul Oliver Memorial Hospital, Kankaska Memorial Health Center, Munson Healthcare Cadillac Hospital, Munson Healthcare Grayling Hospital, Munson Healthcare Charlevoix Hospital, and Munson Healthcare Manistee Hospital. Please review [Addendum A - Physician Practices Who Do or Do Not Follow MHC's Financial Assistance Policy](#).

To implement this policy, Munson Healthcare intends to, and shall, comply with Internal Revenue Code section 501(r), Public Act 107, and all other federal, state, and local laws, rules and regulations that may apply to activities conducted pursuant to this policy.

To communicate the availability of financial assistance to patients and the public for those who qualify.

**Philosophy**

MHC will not deny appropriate care to any individual requiring treatment or prevention of an illness that is deemed emergent or medically necessary.

MHC is committed to providing financial assistance to persons who have healthcare needs and are uninsured or ineligible for a government program, in whole or in part, for medically necessary care based on a determination of their individual financial situation in accordance with this policy.

Financial assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with Munson Healthcare's procedures for obtaining financial assistance or other forms of payment, and are expected to contribute to the cost of their care based on their individual ability to pay.

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 or immigrant status, sexual orientation, religious affiliation, or any other protected class.

Financial assistance under this policy is intended to assist uninsured individuals and shall not be granted to any third party payors, including but not limited to auto insurance plans, workers compensation plans, commercial insurance plans or government insurance plans.

The determination to grant financial assistance under this policy is solely at the discretion of MHC.

## **Definitions**

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

Financial Assistance: Health care services that have or will be provided without charge or at a discount to individuals who meet the criteria established in this policy.

FAP: Financial Assistance Policy.

Munson Healthcare: This includes Munson Medical Center, Paul Oliver Memorial Hospital, Kalkaska Memorial Health Center, MHC Charlevoix, MHC Cadillac and MHC Grayling.

Family: Patient, patient's spouse (if patient files tax returns as Married Filing Jointly) and all of patient's dependents, as claimed on responsible party's tax return.

Family Income: Income is calculated using a family's Modified Adjusted Gross Income (MAGI). If anyone in the family is self-employed, the following business deductions will be added to MAGI: depletion, depreciation and travel, meals and entertainment. These deductions will not be allowed in determining income. Business expenses listed as "other" will be evaluated on an individual basis. If there has been a change in income since the last tax return, current income will be used to determine eligibility.

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

Federal Poverty Level (FPL): The set minimum amount of gross income that a family needs for food, clothing, transportation, shelter and other necessities. In the United States, this level is determined by the Department of Health and Human Services.

Medically Necessary Care: According to Medicare.gov, 'medically necessary' is defined as "health-care services or supplies needed to prevent, diagnose, or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine".

Application Period: The period during which MHC must accept and process an application for financial assistance under the FAP. The application period begins on the date the care is provided and ends on the 240th day after MHC provides the first discharge billing statement.

EMTALA: Federal Emergency Medical Treatment and Active Labor Act.

Look Back Method: A method in which a hospital facility computes at least annually a percentage discount to apply against the hospital facility's gross charges for care provided to FAP-eligible individuals.

Service Area: The counties to which a specific hospital offers Financial Assistance. Please review [Addendum C - Service Areas](#).

### **Commitment to Providing Emergency Medical Care**

MHC provides, without discrimination, care for emergency medical conditions to individuals regardless of their ability to pay or eligibility for financial assistance. MHC hospitals will not engage in actions that discourage individuals from seeking emergency medical care. Emergent care will be provided without interference from debt collection or demands for prepayment of services prior to treatment. All MHC hospitals fully comply with EMTALA.

### **Services Not Eligible under this Policy:**

The following healthcare services are not eligible for financial assistance:

- Non-medically necessary services of any kind including but not limited to sterilization reversals, infertility treatment, breast augmentation, and/or any cosmetic procedures
- Outpatient pharmacy services, except for initial ED visit and IV Therapy Meds Program
- Procedures that are determined to be experimental in nature by the FDA
- Other items or procedures not normally covered by insurance, e.g. hearing aids
- Co-pays, deductibles, and/or co-insurance (Medicaid co-pays and/or co-insurance are excluded if they meet Financial Assistance income guidelines.)

### **Provider List**

Addendum A lists physician practices that provide emergency or other medically necessary care at a MHC facility and indicates which practices are covered under this Financial Assistance Policy. Please review [Addendum A - Physician Practices Who Do or Do Not Follow MHC's Financial Assistance Policy](#).

### **Financial Assistance Eligibility Criteria**

Prior to seeking financial assistance, the patient and MHC will pursue all possible forms of third party payment. MHC reserves the right to investigate, verify, and request assignment of:

- All benefits from any third party insurance source
- All benefits from State and Federal assistance programs for which the individual may be eligible (e.g. Medicaid)
- All benefits from any outside financial assistance program
- Pending litigation

Services eligible under this policy will be made available to the patient on a sliding fee scale, in accordance with need. Uninsured patients whose family income meets the following criteria will be eligible for a discount on gross charges as follows:

- Up to 200% of the FPL: 100% discount on gross charges
- Between 201% and 300% of the FPL: 75% discount on gross charges
- Between 301% and 400% of the FPL: 65% discount on gross charges

Presumptive Financial Assistance Eligibility: There are instances when a patient may appear eligible for financial assistance discounts, but there is no financial assistance application on file due to a lack of supporting documentation. Often there is adequate information provided by the patient or 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, MHC, in its sole discretion, may use information provided by outside agencies in determining estimate income amounts for the basis of determining financial assistance eligibility for potential discount amounts. Presumptive eligibility may be determined on the basis of individual life circumstances. Please review [Addendum B - Presumptive Eligibility Determination](#).

COBRA Payments: When a patient has services at MHC and it is determined that the patient is eligible for COBRA and cannot purchase COBRA themselves, MHC, in its sole discretion, may elect to purchase the COBRA coverage for them. COBRA will be purchased for patients whose family income is up to 250% FPL and the benefit outweighs the costs of the assistance. Need for continuation of COBRA coverage will be evaluated monthly.

The applicant will be expected to cooperate and assist with all applications for benefits from federal, state or other charitable sources. Based on extenuating circumstances, the need for all of the supporting documentation may be waived at the discretion of an MHC financial director.

It is expected that a patient who may be Medicaid eligible apply for Medicaid. In order to receive financial assistance, the patient must apply for Medicaid and be denied for any reason other than the following:

- Did not apply;
- Did not follow through with the application process;
- Did not provide requested verifications

Failure by the patient or guarantor to fulfill all responsibilities under any of the above programs, or who do not provide the requested information necessary to completely and accurately assess their financial situation in a timely manner, may result in denial of the application for financial assistance. If at a later date it is discovered that the application was falsified, MHC reserves the right to cancel any financial assistance care awarded and bill the patient the account balance.

### **Application Process**

Each applicant will be required to complete a written or oral Financial Assistance Application and supply all required information.

Printed copies of the Plain Language Summary, the Financial Assistance Policy, the Credit and Collection Policy, and the Financial Assistance Application are available at no cost in English and Spanish at Registration, Patient Account office, Emergency Room areas, and on the MHC website at [www.munsonhealthcare.org/financialhelp](http://www.munsonhealthcare.org/financialhelp)

Details of the required information to be submitted can be found on the website.

Financial assistance approvals are valid for one year with a verification of income.

Financial assistance will be considered for prior approval to services or any patient balance still held in accounts receivables at the time of application.

As a general rule, account balances already in collections will require management approval to be eligible for consideration.

Request for financial assistance shall be processed promptly and MHC shall notify the patient or applicant in writing within 30 days of receipt of a completed application.

The Munson Healthcare CFO, Corporate Director Revenue Cycle, Director of Patient Financial Services, and the Munson Financial Assistance Committee have the authority to approve a candidate or change the financial award based on extenuating circumstances. In addition, the Kalkaska Memorial Health Center CFO and CEO have the authority to approve a candidate or change the financial award based on extenuating circumstances for their hospital.

For assistance in completing an application, the patient may contact any MHC patient accounting office as listed at the end of this policy.

### **Appeal Process**

Patients who have been denied financial assistance may request that their case be reviewed by the Munson Financial Assistance Committee for review and/or decision. The request must be made in writing within 30 days of the postmark of the decision letter. The patient's request must detail current financial situation and why they feel they qualify for assistance.

### **Amounts Generally Billed (AGB)**

MHC complies with Internal Revenue Code (IRC), section 501(r), as no patient covered under this policy will be charged more than AGB. MHC determines AGB by multiplying the gross charges for any emergency or other medically necessary care it provides to a FAP-eligible individual by an AGB percentage. MHC calculates the AGB percentage using the look-back method prescribed by the IRS. The percentage is based on all claims allowed by Medicare and private health insurers over a specified 12-month period, divided by the associated gross charges for those claims. AGB percentages are calculated no less than annually for each Munson Healthcare hospital.

Members of the public may obtain the current AGB percentage for any Munson Healthcare hospital (and a description of the calculation) in writing and free of charge by contacting Munson Healthcare Corporate Finance department at 4230 Copper Ridge Dr., Traverse City, MI 49685.

### **Relationship to Collection Policy**

Munson Healthcare's internal and external collection practices referenced in the Credit and Collection Policy (003.001) (including actions the hospital may take in the event of non-payment, including collection actions and reporting to collection agencies) shall take into account the extent to which the patient qualifies for financial assistance, a patient's good faith effort to apply for a governmental program or for financial assistance from MHC, and a patient's good faith effort to comply with his/her payment agreements with MHC. For patients who qualify for financial assistance and who are cooperating in good faith to resolve their discounted hospital bills, MHC may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts on any unpaid balances on accounts that were opened within one year of the date that the patient qualified for financial assistance under this policy. MHC 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 charity care 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 payments have been identified and billed by the hospital;
- 2) Documenting that MHC 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) Documenting that the patient has been offered the opportunity to enter into a payment plan but has not done so, or has entered into a payment plan but has not honored the terms of that plan.

Patients will be notified of the availability of financial assistance for a period of at least 120 days from the date of the first post-discharge billing statement. Patient balances will be eligible for financial assistance consideration for at least 240 days from the date of the first post-discharge billing statement. (See Application Period under definitions).

Members of the public may obtain the current Credit and Collection Policy for any Munson Healthcare hospital in writing and free of charge by contacting Munson Healthcare Patient Financial Services department at 4230 Copper Ridge Dr., Traverse City, MI 49685.

#### **Communication of the Financial Assistance Program to the Public**

Notification about financial assistance available from MHC, which shall include a contact number, shall be disseminated through one or more of the following methods: information brochures available at the registration desks, information posted on facility websites, and/or notices on patient bills; signs posted in emergency departments and urgent cares.

Additionally, Financial Counselors will attempt to visit all uninsured inpatients while the patient is in-house to assess financial need.

A printed copy of this policy, the Credit and Collection Policy, the Plain Language Summary, and the Financial Assistance Application are available at no cost in English and Spanish on the Munson Healthcare website, Registration and Emergency Room areas, or at any Munson Healthcare facility.