



<b>SUBJECT:</b> FINANCIAL ASSISTANCE PROGRAM	<b>REVIEWED:</b> 11/23/2020
DEPARTMENT: PATIENT FINANCIAL SERVICES	REVISED: 11/23/2020

**Purpose:**

The Purpose of this policy is to further the charitable mission of Phelps Memorial Health Center (the Hospital”) by providing financially disadvantaged and other qualified patients free or discounted care when applicable.

**Definitions:**

1. **Uninsured:** A patient who (i) has no health insurance or coverage under governmental health care programs, and (ii) is not eligible for any other third party payment such as worker's compensation or claims against others involving accidents.
  
2. **Underinsured:** A patient who (i) has limited health insurance coverage that does not provide coverage for hospital services or other medically necessary services provided by the Hospital, (ii) has exceeded the maximum liability under his/her insurance coverage, or (iii) has a copay or deductible assessed under the patient's insurance contract.
  
3. **Household:** The number of persons used for income inclusion to apply the family size to the income guidelines. To determine the Household the Hospital utilizes the State of Nebraska DHHS Medicaid "family Size/Economic Unit Determination" policy and definitions.
  
4. **Household Income:** The total income of all members living in the patient's Household over the twelve (12) months prior to application for assistance under this policy.
  
5. **Medically Necessary Care:**
  - a. For the Uninsured, the definition of medically necessary care is as applied by Nebraska Medicaid.
  
  - b. For the Underinsured, the definition of medically necessary care is as applied by the patient’s respective insurer.
  
6. **Federal Poverty Level:** Established using the Federal Poverty Guidelines as updated annually by the United States Government. The then current Federal Poverty Guidelines



will be utilized by the Hospital in determining eligibility for financial assistance.

7. **Application Period:** Begins on the date care is provided to the patient and ends on the later of (i) the 240th day after the date the first post- discharge (whether inpatient or outpatient) billing statement is provided to the patient OR (ii) not less than 30 days AFTER THE DATE the Hospital provides the patient the requisite final notice to commence ECAs.
8. **Extraordinary Collection Actions or ECAs:** The following are Extraordinary Collection Actions that may be taken by the Hospital in the event of nonpayment of patient account balances:

Reporting to credit bureaus

Legal suit

Selling the account to third party

Garnishment of wages

Sending or referring outstanding bills to collection agencies is not an ECA.

**Policy:**

1. The Hospital will provide all patients an avenue to apply for financial assistance to receive free or discounted care consistent with requirements of the Internal Revenue Code and implementing regulations.
2. Eligibility for financial assistance will be based on a review of information submitted in a financial assistance application (and other established avenues), which will be processed and evaluated based on the eligibility criteria and other factors set forth in this policy.
3. Patients who believe they may qualify for financial assistance under this policy are required to submit an application on the Hospital's financial assistance application form during the Application Period. Completed applications must be returned to: Phelps Memorial Health Center, Patient Financial Services Department, 1215 Tibbals St. Holdrege, NE 68949 or they may be submitted in person at the Patient Financial Services Department at the entrance of the Hospital or they may be emailed to [finassist@phelpsmemorial.com](mailto:finassist@phelpsmemorial.com).
4. Patients who are deemed eligible for financial assistance under this policy will not be charged for care covered by this policy more than amounts generally billed (AGB) by the Hospital to individuals who have health insurance covering such care. Discounts granted to eligible patients under this policy will be taken from gross charges.



5. Patients will be provided notice of the availability of financial assistance. To that end, patients will be offered a plain language summary of the financial assistance policy prior to discharge. Furthermore, all billing statements will include a conspicuous written notice regarding the availability of assistance, including the contact information identifying where the patient may obtain further information and financial assistance-related documents and the website where such documents may be found.
6. Emergency medical treatment will be provided without regard to ability to pay and regardless whether the patients qualifies for financial assistance under this policy. The Hospital will not take any action that may interfere with the provision of emergency medical treatment, for example, by demanding payment prior to receiving treatment for emergency medical conditions or permitting debt collection activities that interfere with the provision of emergency medical care in the emergency department. Emergency medical treatment will be provided in accordance with Hospital policies governing and implementing the Emergency Medical Treatment and Active Labor Act.

**Procedure:**

**1. Eligibility Criteria**

**a. Financially Indigent**

- i. To qualify as Financially Indigent, the patient must be Uninsured or Underinsured and meet both of the following criteria:
  1. Have a Household Income of equal to or less than 200% of Federal Poverty Level; and

**b. Medically Indigent**

- i. To qualify as Medically Indigent, the patient must be Uninsured or Underinsured and the patient's total medical bills with the Hospital must exceed 12 percent (12%) of Household Income.

**c. Failure to Apply for Government Programs**

- i. Patients who may be eligible for Medicaid, Medicare, or other governmental medical assistance programs and fail to apply for such programs within thirty (30) days of the Hospital's request may not be considered eligible for financial assistance under this policy even though they may otherwise qualify as Financially Indigent or Medically Indigent.



**d. Non-Assignment**

- i. Regardless of the eligibility criteria set forth above, a patient who is a participant or beneficiary of an employee benefit plan, insurer, or other non-governmental payer, with which the Hospital has no contractual agreement whether directly or through a network relationship, governing access to and payment for Hospital goods and services and for whom the Hospital has not or does not accept assignment, may not be eligible for financial assistance under this policy.

**e. Service Area**

- i. Regardless of the eligibility criteria set forth above, patients must reside within the Hospital's Service Area to be eligible for financial assistance on Medically Necessary Care.
- ii. For purposes of clarity, patients who qualify as Financially Indigent or Medically Indigent will be eligible for financial assistance on Emergency Medical Care regardless of the patient's primary residence.
- iii. The Hospital's Service Area is defined as the following counties:
  - Phelps
  - Franklin
  - Furnas
  - Gosper
  - Harlan
  - Kearney
  - Norton, KS
  - Philips, KS

**f. Categories of Care Eligible for Financial Assistance**

- i. Provided that the patient qualifies as Financially Indigent or Medically Indigent and satisfies the other eligibility criteria set forth herein, the following classes of care are eligible for financial assistance under this policy:
  - 1. Emergency Medical Care
  - 2. Medically Necessary Care

**2. Covered Providers**

- a. Care provided by the Hospital, Hospital-based physicians and Hospital-based



practitioners are to be covered by this policy.

- b. Care provided by Family Medical Specialties and any other independent service provider is not subject to this policy. Patients should contact these other providers to determine whether care is eligible for financial assistance.
- c. Patients may obtain a current list of providers who are and are not subject to this policy as no charge by visiting the Patient Financial Services office at the front entrance of the hospital at 1215 Tibbals St, Holdrege, NE 68949, by requesting one by mail at 1215 Tibbals St, Holdrege, NE 68949 Attn: Patient Financial Services, by calling 308-995-2211 and asking for the financial assistance representative or by visiting <https://www.phelpsmemorial.com/health-center/financial-assistance>.

### 3. Limitation on Charges & Calculation of Amount Generally Billed

#### a. Calculation of Amounts Generally Billed

- i. The "Amount Generally Billed" or "AGB" is the amount the Hospital generally bills to insured patients. The Hospital determines its AGB utilizing the method detailed below.
- ii. The Hospital utilizes the look-back method to establish its AGB and AGB Percentage. The AGB is the Hospital's gross charges multiplied by the AGB Percentage. Patients may obtain the Hospital's most current AGB Percentage and a description of the calculation in writing free of charge by visiting the Patient Financial Services office at the front entrance of the hospital at 1215 Tibbals St, Holdrege, NE 68949, by requesting one by mail at 1215 Tibbals St, Holdrege, NE 68949 Attn: Patient Financial Services, by calling 308-995-2211 and asking for the financial assistance representative.
- iii. The Hospital calculates its AGB and AGB Percentage on an annual basis. For purposes of this policy, each new AGB and AGB Percentage will be implemented within 120 days of the 12-month period used by the Hospital to calculate the AGB Percentage.

#### b. Amount of Financial Assistance/Discount

- i. Patients who qualify for financial assistance as Financially Indigent are eligible for 100% financial assistance on their balances; provided, however, that established co-pay amounts related to professional services provided by providers who are subject to this policy (as described above) shall not be subject to 100% financial assistance. Patients will remain responsible for their co-pay amounts related to professional services provided by providers who are subject to this policy (as described above) unless the co-pay charged and collected, when combined with other amounts charged and collected, exceed the AGB for the care provided. In any such event, the co-pay will be discounted such that the patient does not pay more than AGB for the care provided.



- ii. Patients who qualify for financial assistance as Medically Indigent will be responsible for the medical bills up to the greater of 12% of their Household Income. Any remaining amount will be considered financial assistance under this policy.
- iii. If after financial assistance is granted to a patient as set forth above, the patient is still personally responsible for a charge of greater than AGB, the patient shall be provided additional financial assistance such that the patient is not personally responsible for more than AGB. In determining whether an eligible patient has been charged more than AGB, the Hospital considers only those amounts that are the personal obligation of the patient. Amounts received from third party payers are not considered charged to or collected from the patient.

#### 4. Application Process & Determination

- a. Patients who believe they may qualify for financial assistance under this policy are required to submit an application on the Hospital's financial assistance application form during the Application Period. Patients may obtain a copy of this policy, a plain language summary of this policy, and a financial assistance application free of charge by:
  - i. Mail: 1215 Tibbals St. Holdrege, NE 68949 Attn: Patient Financial Services
  - ii. Calling 308-995-2211 and requesting the financial assistance representative
  - iii. E-mailing [finassist@phelpsmemorial.com](mailto:finassist@phelpsmemorial.com)
  - iv. Download from <https://www.phelpsmemorial.com/health-center/financial-assistance>
  - v. In person at:
    - 1. The emergency room
    - 2. Any admission areas
    - 3. Patient financial services location at the front entrance of the hospital at 1215 Tibbals St. Holdrege, NE 68949

For questions and/or assistance with filling out a financial assistance application, the patient may contact patient financial services through any of the above methods.

#### b. Completed Applications

- i. Completed applications must be submitted in person or via mail to the Patient Financial Services department at 1215 Tibbals St, Holdrege, NE



68949 or via email at [finanassist@phelpsmemorial.com](mailto:finanassist@phelpsmemorial.com). To be considered "complete" a financial assistance application must be submitted during the Application Period and provide all information requested on the form and in the instructions to the form.

- ii. Upon receipt of a completed application during the Application Period, the Hospital will suspend any ECAs taken against the patient, and process, review and make a determination on the application as set forth below. The Hospital may, in its own discretion, accept complete financial assistance applications submitted after the Application Period.
- iii. Determination of eligibility for financial assistance shall be made by the financial assistance committee.
- iv. Unless otherwise delayed as set forth herein, a determination on the application shall be made within 20 days of submission. Patients will be notified of the Hospital's determination as set forth in the Billing and Collection provisions detailed herein.
- v. The Hospital will not consider an application incomplete or deny financial assistance based upon the failure to provide any information that was not requested in the application or accompanying instructions. The Hospital may take into account in its determination (and in determining whether the patient's application is complete) information provided by the patient other than in the application.
- vi. If a patient submits a completed financial assistance application during the Application Period and the Hospital determines that the patient may be eligible for participation in a governmental medical assistance program such as Medicaid or Medicare, the Hospital will notify the patient in writing of such potential eligibility and request that the patient take steps necessary to enroll in such program. In such circumstances the Hospital will delay the processing of the patient's application until the patient's application for the governmental medical assistance program is completed, submitted to the requisite governmental authority, and a determination has been made. If the patient fails to submit an application to a governmental medical assistance program within thirty (30) days of the Hospital's request, the Hospital will process the completed financial assistance application and financial assistance will be denied due to the failure to meet the eligibility criteria set forth herein.

### **c. Incomplete Applications**



- i. Incomplete applications will not be processed by the Hospital.
- ii. If a patient submits an incomplete application, the Hospital will suspend ECAs and provide the patient with written notice setting forth the additional information or documentation required to complete the application. The written notice will include the contact information (telephone number, and physical location of the office) of patient financial assistance. The notice will provide the patient with at least 20 days to provide the required information.
- iii. If the patient submits a completed application prior to the end of the Application Period, the Hospital will accept and process the application as complete.

**d. Presumptive Eligibility**

- i. The Hospital reserves the right to provide financial assistance even though an application has not been submitted, in which case the patient will be provided the maximum possible level of financial assistance. Circumstances in which presumptive eligibility may be utilized include, but are not limited to: homelessness, participation in WIC program, food stamp eligible, low income housing eligible, patient deceased with no assets, or incarceration.
- ii. Previously submitted financial assistance applications may also be used for presumptive eligibility.

**5. Notice**

- a. Patients will ideally be offered a plain language summary of the financial assistance policy upon admission to the Hospital but in no event later than discharge.
- b. All billing statements will include a conspicuous written notice regarding the availability of assistance, including the contact information identifying where the patient may obtain further information and financial assistance-related documents and the website where such documents may be found.
- c. The Hospital will post notice of the availability of financial assistance in conspicuous areas of the Hospital, which at a minimum, include the emergency department and patient admission areas.



- d. The Hospital will publicize this policy and all other related financial assistance documents on its website at: <https://www.phelpsmemorial.com/health-center/financial-assistance>.
- e. The Hospital will take other reasonable measures to inform and notify the public of the availability of financial assistance.

## 6. Collection Actions

- a. The Hospital will not take ECAs against a patient or any other individual who has accepted or is required to accept financial responsibility for a patient unless and until the Hospital has made "reasonable efforts" to determine whether the patient is eligible for financial assistance under this policy. The Chief Financial Officer is responsible to determine whether the Hospital has satisfied the "reasonable efforts" standard. Upon making the determination that "reasonable efforts" have been satisfied, the Hospital or its authorized representatives may take the ECAs listed in this policy that are described in the final notice against a patient or any other individual who has accepted or is required to accept financial responsibility for a patient.
- b. The Hospital may refer a patient's bill to a collection agency 120 days from the date the first bill for care was provided to the patient, which is not an ECA. No "reasonable efforts" determination need be made prior to referring a patient's bill to a collection agency. The Hospital will ensure all agreements with third parties require compliance with this policy and applicable regulations.
- c. **No Application Submitted.** If a patient has not submitted a completed financial assistance application during the Application Period, the Hospital has taken "reasonable efforts" so long as it:
  - i. Does not take ECAs against the patient for at least 120 days from the date the Hospital provides the patient with the first post-discharge bill for care;
  - ii. Provides at least thirty (30) days' written notice to the patient that:
    1. Notifies the patient of the availability of financial assistance;
    2. Identifies the specific ECA(s) the Hospital intends to initiate against the patient, and
    3. States a deadline after which ECAs may be initiated that is no



earlier than 30 days after the date the notice is provided to the patient;

- iii. Provides a plain language summary of the financial assistance policy with the aforementioned notice; and
- iv. Makes a reasonable effort to orally notify the patient about the potential availability of financial assistance at least 30 days prior to initiating ECAs against the patient describing how the individual may obtain assistance with the financial assistance application process.

**d. Incomplete Application.** If a patient submits an incomplete financial assistance application during the Application Period, "reasonable efforts" will have been satisfied if the Hospital:

- i. Provides the patient with a written notice described in 4.c.ii of this policy; and
- ii. Suspends ECAs that have been taken against the patient, if any, for not less than the response period allotted in the notice.

If the patient fails to submit the requested information within the allotted time period, ECAs may resume; provided, however, that if the patient submits the requested information during the Application Period, the Hospital must suspend ECAs and make a determination on the completed application.

**e. Completed Application.** If a patient submits a completed financial assistance application during the Application Period, "reasonable efforts" will have been made if the Hospital does the following:

- i. Suspends all ECAs taken against the individual, if any;
- ii. Makes a determination as to eligibility for financial assistance as set forth in this policy; and
- iii. Provides the patient with a written notice either (i) setting forth the financial assistance for which the patient is eligible or (ii) denying the application. The notice must include the basis for the determination.

If the Hospital has requested that the patient apply for governmental medical assistance programs, the Hospital will suspend any ECAs it has taken against the patient until the patient's application for such a program has been processed or



the patient's financial assistance application is denied due to the failure to timely apply for such coverage.

If a patient is eligible for financial assistance, the Hospital will: (i) provide the patient with a refund for any amount the patient has paid in excess of the amount owed to the Hospital (unless such amount is less than \$5); and take reasonable measures to reverse any ECAs taken against the patient.

- f. **Presumptive Eligibility.** If a patient has been granted financial assistance based on a presumptive eligibility determination, the Hospital has provided the patient with the notice required in the financial assistance policy so long as the financial assistance provided is 100% financial assistance.

**REFERENCE:**

26 CFR Parts 1, 53, and 602 - Additional Requirements for Charitable Hospitals; Community Health Needs Assessments for Charitable Hospitals; Requirement of a Section 4959 Excise Tax Return and Time for Filing the Return; Final Rule - December 31, 2014

<https://www.federalregister.gov/documents/2014/12/31/2014-30525/additional-requirements-for-charitable-hospitals-community-health-needs-assessments-for-charitable>

IRS 501(r) final rule <https://www.irs.gov/charities-non-profits/charitable-organizations/requirements-for-501c3-hospitals-under-the-affordable-care-act-section-501r>