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| Title: CHARITY/FINANCIAL ASSISTANCE POLICY | | | Pages: Page 1 of 3 |
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| | | | Board of Trustees |

POLICY:

I. Objective

To ensure that Jackson County Memorial Hospital meets its community obligation to provide financial assistance in a consistent and objective manner.

II. Policy

Jackson County Memorial Hospital (JCMH) is committed to providing charity care to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay for medically necessary care based on their individual financial situation. JCMH will provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility for financial or government assistance.

Accordingly, this written policy includes eligibility for financial assistance – free and discounted (partial charity) care; describes the basis for calculating amounts charged to patients eligible for financial assistance under this policy; describes the method by which patients may apply for financial assistance; describes how the hospital will widely publicize the policy within the community served by the hospital; limits the amounts that the hospital will charge for emergency or other medically necessary care provided to individuals eligible for financial assistance to the amount generally received by the hospital for Medicare patients.

Charity is not intended to be a substitute for personal responsibility. Patients are expected to cooperate with JCMH's procedures for obtaining charity or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets. In order to manage its resources responsibly and to allow JCMH to provide the appropriate level of assistance to the greatest number of persons in need, JCMH has established the following guidelines for the provision of patient charity.

III. Definitions

For the purposes 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 JCMH's policy to provide healthcare services free or at a discount to individuals who meet the established criteria.

Household A group of two or more persons related by birth, marriage, or adoption who live together; all such related persons are considered as members of one household. For instance, if an older married couple, their daughter and her spouse and two children, and the older couple's nephew all lived in the same house or apartment, they would all be considered members of a single household. For purposes of this policy, the income of anyone living in the same household as the applicant whose income is used to pay household expenses will be considered when making the charity determination.

Income Money, wages and salaries before any deductions, net receipts from a non-farm self-employment, net receipts from farm self-employment, regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, workers' compensation, veterans' payments, public assistance (including Aid to Families with Dependent Children or Temporary Assistance for Needy Families, Supplemental Security Income and non-federally-funded General Assistance or General Relief money payments), and training stipends, alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household, private pensions, government employee pensions (including military retirement pay) and regular insurance or annuity payments, grants, fellowships, and assistantships, any dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts and net gambling or lottery winnings.

Uninsured An individual who has no level of insurance or third party assistance to assist with meeting his/her payment obligations.

Underinsured An individual with some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial ability to pay.

Gross charges The total charges at the organization's full established rates for the provision of patient care services before discounts are applied.

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

Medically necessary Services or items reasonable and necessary for the diagnosis or treatment of illness or injury and not considered cosmetic in nature; emergency medical services provided in an emergency room setting, services for a condition which, if not promptly treated, would lead to an adverse change in the health status of the individual, non-elective services provided in response to life-threatening circumstances in a non-emergency room setting, and medically necessary services evaluated on a case-by-case basis at JCMH's discretion

Medically indigent An individual whose medical bills after payment by third-party payer(s), if applicable, exceed 100% of the household's annual gross income and who is unable to pay the remaining balance.

IV. Procedures

A. Eligibility Criteria Eligibility will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care benefit 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 will be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.

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. Once a patient has been determined by JCMH to be eligible for financial assistance, the patient shall not receive any future bills based on undiscounted gross charges for the dates of service approved on the application. Only dates of service up to two years prior to the application date will be considered under this policy.

B. Presumptive Eligibility There are instances when a patient may appear eligible for charity care discounts but the financial assistance application is considered incomplete due to lack of income documentation. 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, JCMH may use outside agencies in estimating income 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

1. State-funded prescription programs
2. The patient is homeless or has received care from a clinic for the homeless
3. Participation in Women, Infants and Children (WIC)
4. Food stamp eligibility
5. Subsidized school lunch program eligibility
6. Eligibility for other state or local assistance programs (i.e. Medicaid eligibility in any state)
7. Low income/subsidized housing is provided as a valid address
8. Patient is deceased with no known probate

C. Oklahoma Self-pay Discount OK Self-pay Discount -In 2006, Oklahoma House Bill 2842 established a discount program for qualified self-pay patients. Patients that complete the financial assistance application process may be approved for a discount based on the estimated Medicare reimbursement for services provided as long as the following criteria are met:

1. Patient or responsible party must request a discount on the balance owed.
2. Patient or responsible party's income must fall below 300% of poverty guidelines. Documentation must be submitted with the financial assistance application to show proof of this income.
3. Patient does not have third-party insurance coverage or access to a third party insurance plan.
4. The Director of Revenue Cycle and a member of Senior Management have approved the financial assistance application.

D. Methods to apply and associated documentation The methods by which a patient may apply for assistance may include an application process in which the patient is required to cooperate and supply personal, financial, and other information and documentation relevant to making a determination of financial need.

A patient seeking financial assistance may contact a Financial Counselor located in the hospital through a personal visit with the counselor or via phone at 580-379-5050.

A patient seeking financial assistance may download a printable version of the Financial Assistance Application from JCMH.com and submit the completed application and supporting documentation to a Financial Counselor in person or via fax at 580-379-5099.

A patient seeking financial assistance may request an application from any employee in Patient Access, Patient Accounting or Physician Billing. The completed application will need to be submitted to a Financial Counselor in person or via fax at 580-379-5099.

JCMH may use external, publically available data sources that provide information on a patient's ability to pay such as credit scoring and public tax records. JCMH may explore appropriate alternative sources of payment and coverage from public and private payment programs and may assist patients to apply for such programs.

It is preferred but not required that a request for charity and a determination of financial need occur prior to non-emergent, medically necessary services. However, the documentation may be done at any point in the collection cycle. A patient's application for charity care will be valid for six (6) months from the date of the determination but the need for financial assistance may be re-evaluated at any time if JCMH has reason to believe the patient's financial situation has changed.

Approval authority: All charity adjustments must be approved by the Revenue Cycle Director and a member of Senior Management

- E. Notification to patient** Notification of financial assistance determinations will be mailed to the patient within 3 business days of the determination. Reasonable payment arrangements consistent with the responsible party's ability to pay will be extended for amounts owed by the patient after all discounts have been applied.
- F. Communication of the Charity Program to Patients and Community** Notification about charity available from JCMH, which shall include a contact number, shall be disseminated by JCMH 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, the Conditions of Admission, at clinics, Patient Access department, Patient Accounting department, and Physician Billing department located on the hospital campus and at other public places as JCMH may elect. JCMH shall also publish a summary of this charity care policy. Information shall also be included on facility websites, in brochures available in patient access sites and at other places within the community served by the hospital as JCMH may elect. Such notices and summary information shall be provided in the primary languages spoken by the population served by JCMH. Referral of patients for charity may be made by any member of the JCMH staff including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors. A request for charity may be made by the patient, family member, close friend, or associate of the patient subject to applicable privacy laws.
- G. Relationship to Collection Policies** JCMH 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 collection actions and reporting to credit agencies) that take into account the extent to which the patient qualifies for charity, a patient's good faith effort to apply for a governmental program or for charity from JCMH, and a patient's good faith effort to comply with his/her payment agreements with JCMH. For patients who qualify for charity and who are cooperating in good faith to resolve their discounted hospital bills, JCMH may offer extended payment plans and will not send unpaid bills to outside collection agencies. To eligible patients, JCMH will not impose extraordinary collection actions such as wage garnishments, liens on primary residences or other legal action, will not send unpaid bills to outside collection agencies, and will cease all collection efforts 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 payment have been identified and billed by the hospital;
 2. Documentation that JCMH has or has attempted to offer the patient the opportunity to apply for charity care 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
- H. Regulatory Requirements** In implementing this policy, JCMH management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this policy.