

AUDUBON COUNTY MEMORIAL HOSPITAL ASSISTANCE POLICY

I. Policy

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

Accordingly, this written policy:

- Includes eligibility criteria for financial assistance -- free and discounted care
- Describes the method by which patients may apply for financial assistance
- Describes how the hospital will publicize the policy within the community served by the hospital
- Describes the actions the hospital may take in the event of nonpayment

Financial assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with ACMH'S procedures for obtaining 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 ACMH to provide the appropriate level of assistance to the greatest number of persons in need, the Board of Directors establishes the following guidelines for the provision of patient financial assistance.

II. Definitions

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

Extraordinary Collection Action: Collection activities requiring legal or judicial process. Extraordinary Collection Actions may include: liens, foreclosures, attachments or seizing bank accounts, civil actions, writs of attachment, wage garnishment, reports to credit agencies, sale of debt to third party, and other legal actions.

Financial Assistance: Financial assistance 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.

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).

III. Procedures

1. Patient Responsibilities, Payment Expectations and Discounts. Patients or their guarantor are expected to pay their full liability for services rendered or make account resolution arrangements with ACMH within thirty (30) days of receipt of their first bill.

A. Discounts (Uninsured and Prompt Pay). Discounts are available upon patient request. Uninsured patients will receive a 10% discount on all services. Patients with balances greater than \$500 will receive a 10% discount if the balance is paid within 20 days receipt of the first statement.

B. Hospital Payment Plans. Patients are expected to make monthly payments on their account with the balance being paid in full within 18 months. If the balance cannot be paid within this time, arrangements can be made with the Business Office Manager.

C. Missed Payments. There is no interest penalty for a missed payment. However, failure to make agreed upon payments under an installment plan may result in the cancellation of the payment arrangement and referral to a third party collection agency. Payment arrangements may be reinstated at the discretion of the CFO, and in all cases where a patient/ Guarantor pays all plan arrears by a ACMH approved date.

2. Financial Assistance Program. ACMH will provide financial assistance discounts for eligible services to qualifying patients and Guarantors.

A. Services Eligible under this Policy. For purposes of this policy, "financial assistance" refers to healthcare services provided by ACMH, Audubon Family Healthcare, and Exira Medical Clinic, without charge or at a discount to qualifying patients. The following healthcare services are eligible for financial assistance:

1. Emergency medical services provided in an emergency room setting;
2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
4. Medically necessary services, evaluated on a case-by-case basis at ACMH 's discretion.

B. Eligibility for Financial Assistance. Eligibility for financial assistance 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 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 or religious affiliation

C. Method by Which Patients May Apply for Financial assistance.

1. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may

- Include an application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need;
- If necessary, the patient or the patient's guarantor shall be provided with contact information for assistance with the financial assistance application process;
- Include reasonable efforts by ACMH to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs;
- Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.

2. It is preferred but not required that a request for financial assistance and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle. The need for financial assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed in the prior calendar year, or at any time additional information relevant to the eligibility of the patient for financial assistance becomes known.

3. ACMH'S values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of financial assistance. Requests for financial assistance shall be processed by assigned business office staff and submitted to the CFO for approval. The CFO shall notify the patient or applicant in writing within 30 days of receipt of a completed application.

D. Presumptive Financial Assistance Eligibility. There are instances when a patient may appear eligible for financial assistance discounts, but there is no financial assistance form 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, ACMH could use outside agencies in determining estimate income amounts for the basis of determining financial assistance eligibility and potential discount amounts. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

1. State-funded prescription programs;
2. Homeless or received care from a homeless clinic;
3. Participation in Women, Infants and Children programs (WIC);
4. Food stamp eligibility;
5. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down);
6. Low income/subsidized housing is provided as a valid address; and
7. Patient is deceased with no known estate.

E. Eligibility Criteria and Amounts Charged to Patients. Services eligible under this Policy will be made available to the patient on a discount/ sliding fee scale, in accordance with financial need. Those families with annual income at or below 250% of the Federal Poverty Guidelines (FPG) will qualify for a discount. Families with a FPG of 150% will receive a 100% discount. The discount/ sliding fee schedule is updated annually as the FPG is updated. Once a patient has been determined by ACMH to be eligible for financial assistance, the patient shall receive that discount on services for the remaining calendar year.

F. Communication of the Financial Assistance Program to Patients and Within the Community. Notification about financial assistance available from ACMH, which shall include a contact number, shall be disseminated by ACMH 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, in the Conditions of Admission form, admitting and registration departments, hospital business offices, and at other public places as ACMH may elect. ACMH also shall publish and widely publicize a summary of this financial assistance policy on facility websites. Such notices and summary information shall be provided in plain language, and in the primary languages spoken by the population serviced by ACMH. Referral of patients for financial assistance may be made by any member of the ACMH staff or medical staff. A request for financial assistance may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

G. Relationship to Collection Policies. ACMH 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 collections action and reporting to credit agencies) that 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 ACMH, and a patient's good faith effort to comply with his or her payment agreements with ACMH. For patients who qualify for financial assistance and who are cooperating in good faith to resolve their discounted hospital bills, ACMH may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts.

H. Regulatory Requirements. In implementing this Policy, ACMH 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.