

Laughlin Memorial Hospital Financial Assistance Policy

Revision 06/27/16

PURPOSE:

Laughlin Memorial Hospital (LMH) is committed to excellence in providing high quality health care while serving the diverse needs of those living within our service area. LMH is dedicated to the view that emergency and other non-elective medically necessary care should be accessible to all, regardless of age, gender, geographic location, cultural background, physical mobility, or ability to pay. LMH is committed to providing health care services and acknowledges that in some cases an individual will not be financially able to pay for the services received. This policy is intended to comply with Section 501(r) of the Internal Revenue Code and the regulations promulgated thereunder and shall be interpreted and applied in accordance with such regulations.

In the event that third-party coverage is not available, an allocation is made each year for funds to be available for financial assistance. Whenever possible, a determination of eligibility for assistance will be initiated prior to or at the time of service. This policy identifies those circumstances when LMH may provide care without charge or at a discount based on the financial need of the individual.

The LMH Corporate Compliance Department provides organizational oversight for the provision of financial assistance and the policies/processes that govern the financial assistance process.

This policy has been adopted by the Board of Directors of Laughlin Memorial Hospital, Inc.

POLICY:

Emergency and Other Non-Elective Care

LMH provides emergency and other non-elective medically necessary care to individual patients without discrimination regardless of their ability to pay, ability to qualify for financial assistance, or the availability of third-party coverage. Non-elective services are defined as a medical condition that without immediate medical attention would place the health of the individual in serious jeopardy and/or cause serious impairment to bodily functions or serious dysfunction to a bodily organ.

The financial assistance policy provides guidelines for financial assistance to patients receiving emergency and other non-elective medically necessary services based on financial need (full write-off and discounted care) and is in addition to other discount processes offered by LMH (prompt-pay discounts).

This financial assistance policy also provides guidelines for amounts that may be charged to patients who receive medically necessary services that are not considered emergent or non-elective. Financial assistance discounts based upon financial need will not be provided for elective procedures, except as may be determined in the sole discretion of the LMH Financial Assistance Committee on a case-by-case basis.

Eligible Visit Types

Eligible patient visit types assumed to be covered by this definition include:

1. Emergency Department Outpatients
2. Emergency Department Admissions
3. IP/OP follow-up related to previous Emergency visit

Emergency and non-elective medically necessary care may be considered for financial assistance if patient presents with any of the following conditions:

1. No third-party coverage is available.
2. Patient is already eligible for assistance (e.g. Medicaid), but the particular services are not covered.
3. Medicare or Medicaid benefits have been exhausted and the patient has no further ability to pay.
4. Third party coverage is available, but patient demonstrates need for assistance with copay, deductibles and other non-covered amounts.

Income Guidelines for Eligibility

To be eligible for a 100% reduction from gross charges (i.e. full write-off) the individual's household income must be at or below 200% of the current Federal Poverty Guidelines. LMH will periodically review and incorporate federal poverty guidelines for updates published by the United States Department of Health and Human Services.

When determining an individual's income, the following terms apply:

1. Household size and income includes all members of the immediate family and other dependents in the household as follows:
 - a. An adult and, if married, a spouse.
 - b. Any natural or adopted minor children of the adult or spouse.
 - c. Any minor for whom the adult or spouse has been given the legal responsibility by a court.
 - d. Any student over 18 years old, dependent on the family for over 50% support (current tax return of the responsible adult is required).
 - e. Any other persons dependent on the family's income for over 50% support (current tax return of the responsible adult if required).
2. Income can be verified by using a personal financial statement or by obtaining copies of Form W-2, Form 1040, bank statements or any other form of documentation that supports reported income.
3. A credit report may be generated for the purpose of identifying additional expense, obligations and income to assist in developing a full understanding of the individual's financial circumstances. A third party scoring tool may be used to justify financial assistance eligibility.
 - a. Documentation supporting income verification and available assets will be maintained in patient files for future reference.

Presumptive Eligibility

The same actions described throughout this policy for individuals who have submitted a completed Financial Assistance Application Form would additionally apply for any individual presumed to be eligible for financial assistance in accordance with this policy.

Presumptive eligibility for individuals who are uninsured and are represented by one or more of the following may be considered eligible for the most generous financial assistance in the absence of a completed Financial Assistance Application Form:

1. Individual is homeless.
2. Individual is deceased and has no known estate able to pay hospital debts.
3. Individual has been incarcerated for a felony.
4. Individual is currently eligible for Medicaid, but was not at the date of service; or is eligible in a state that LMH does not maintain a Medicaid enrollment.
5. Individual is eligible by the State to receive assistance under the Violent Crimes Victims Compensation Act or the Sexual Assault Victims Compensation Act.
6. Participant in Women's, Infants and Children's programs (WIC), food stamp eligibility or school lunch program eligibility.
7. Family address is a low income or subsidized housing property.

8. The hospital will apply commercially developed tools that classify individuals into groups of varying economic means. Individuals scored in the lower quartile will be evaluated for presumptive eligibility. Alternatively, credit bureau scores may be used at the hospital's discretion.

Asset Test

In addition to an income level and economic means evaluation as outlined above, an asset means test may also be applied to determine eligibility for financial assistance. An asset test is applied only when assets owned by the family establish that the bill could be paid, even though current income is low. Asset tests will be applied to Medicare patients in accordance with federal Medicare law.

For the purposes of this policy, the amount of patient responsibility is 100% of the patient portion not to exceed the greater of:

1. Seven percent (7%) of available assets or,
2. Required payment per the financial assistance policy. "Available Assets" is defined as cash, cash equivalents and non-retirement investments.

Amounts Generally Billed

The amount charged to any Financial Assistance Policy eligible individual for emergency and all other medically necessary care will be based on Amounts Generally Billed to individuals who have insurance covering such care at LMH. An additional discount opportunity for prompt payment is available to patients receiving non-elective medically necessary care. The hospital will determine its Amounts Generally Billed by determining an Amounts Generally Billed percentage and multiplying that percentage by the gross charges for the services provided to the individual. LMH will utilize the look-back method as described in §1.501(r)-5(b)-(3) to determine Amounts Generally Billed. Individuals can contact a member of the hospital's Patient Accounts Department team at 423-787-5710 to obtain a free written information sheet stating the relevant Amounts Generally Billed percentage and an explanation of how the Amounts Generally Billed percentage was determined.

Upon request, an estimated charges letter will be provided to individuals who request a written description of estimated charges.

Hospital Responsibilities

LMH has a financial assistance policy to evaluate and determine an individual's eligibility for financial assistance. LMH and the individuals served are each accountable for the general processes related to the provision of financial assistance.

Financial Assistance Policies are transparent and available to the individuals served in compliance with the Language Assistance Services Act. LMH has a means of communicating the availability of financial assistance and discount information to all individuals in a manner that promotes full participation by the individual. Interpreters will be used, as indicated, to allow for meaningful communication with individuals who have limited English proficiency.

After receiving the individual's request for financial assistance LMH will:

1. Notify the individual of the eligibility determination within a reasonable period of time.
2. If eligibility is granted LMH will provide options for payment arrangements.
3. Uphold and honor individuals' right to appeal decisions and seek reconsideration.
4. Maintain (and require billing contractors to maintain) documentation that supports the offer, application for, and provision of financial assistance for a minimum period of seven years. Documents may be scanned and maintained in electronic form.

Notification of Existence of Financial Assistance Policies

Individuals will be notified of the existence of Financial Assistance Policies in the following ways:

1. Signage (in English and in the primary languages of any populations with limited proficiency in English that constitute more than 5% of the residents of the community served by LMH) will be displayed in the hospital facility at all points of admission and registration areas, including the Emergency Department. All signage denoting that financial assistance may be available will contain the following elements:
 - a. The hospital facility's website address where the Financial Assistance Policy and the Financial Assistance Application Form can be accessed.
 - b. The telephone number and office location that individuals can call or visit with any questions about the Financial Assistance Policy or the application process.
2. The hospital will offer paper copies of the Financial Assistance Policy, Financial Assistance Application Form and the Plain Language Summary to patients during the registration process without charge. Paper copies will be available in English and in the primary languages of any populations with limited proficiency in English that constitute more than 5% of the residents of the community served by LMH.
3. LMH will prominently and conspicuously post complete and current versions of the following on their website:
 - a. Financial Assistance Policy
 - b. Financial Assistance Application Form
 - c. Plain Language Summary of the Financial Assistance Policy
 - d. Contact information for LMH Financial Counselors and information for obtaining copies of any of the above documents.
4. Registration and pre-registration processes promote identification of individuals in need of financial assistance.
5. Social Service counselors will make best efforts to contact and provide personal financial counseling to all self-pay inpatients during the course of their stay or at time of discharge.
6. The hospital's Plain Language Summary will be offered along with the Financial Assistance Application Form to every individual before discharge from the hospital facility. For patient convenience, this may be provided in the discharge packet.
7. The hospital's billing statements will each include a notice that informs the recipient about the availability of financial assistance under the hospital's Financial Assistance Policy (including telephone number and direct web-site).
8. Reasonable attempts will be made to orally notify an individual about the LMH hospital facility's Financial Assistance Policy and how the individual may obtain assistance with the Financial Assistance Application Form and process.

Requests for Financial Assistance

An individual can obtain a copy of the LMH Financial Assistance Application Form by accessing it on the LMH website, by requesting that a free copy be mailed, by contacting the hospital's Patient Accounts Department, or by requesting a copy in person at any of the hospital's patient Admission/Registration locations.

A completed LMH Financial Assistance Application Form will be submitted to Patient Accounts Department for processing. Proof of income and available assets will be required from the individual. In addition, Medicare beneficiaries are subject to an additional asset test in accordance with federal law. A review is completed to determine individual eligibility based on the individual's total resources (including but not limited to family income level, assets (as required for Medicare patients) and other pertinent information).

In order to apply for financial assistance, the individual will complete the LMH Financial Assistance Application Form. The individual will provide all supporting data required to verify eligibility, including supporting documentation verifying income.

Requests for financial assistance may be received from multiple sources (including the patient, a family member, a community organization, a church, a collection agency, caregiver, Administration, etc.).

Requests received from third parties will be directed to a financial counselor. The financial counselor will work with the third party to provide resources available to assist the individual in the application process. In the case of collection agency request, the account will be returned to the hospital for evaluation and the agency will cease collection.

Timeline for Completed Application

The process of applying for financial assistance will be equitable, consistent and timely. To be considered for a 100% reduction in charges under the Financial Assistance Policy the individual must provide LMH with financial and other information needed to determine eligibility (this includes completing the required application forms and cooperating fully with the information gathering and assessment process). The individual also must cooperate with LMH to provide the information and documentation necessary to apply for other existing financial resources that may be available to pay for healthcare, such as Medicare, Medicaid, third-party liability, etc.

Requests for financial assistance will be honored up to 240 days after the date the first statement is remitted to the individual either by mail or electronic bill presentment.

The individual will be provided with at least one written notice (notice of actions that may be taken) that informs the individual that the hospital may take action to report adverse information about the individual to consumer credit reporting agencies/credit bureaus if the individual does not submit a Financial Assistance Application Form or pay the amount due by a specified deadline. This deadline cannot be earlier than 120 days after the first billing statement is sent to the individual. The notice must be provided to the individual at least 30 days before the deadline specified in the notice.

Complete Financial Assistance Application Submitted

If an individual submits a completed Financial Assistance Application Form during the application period (240 days after the first billing statement is sent), the hospital must take the following actions:

1. Suspend any extraordinary collection action.
2. Suspend any collection activity during the consideration of a completed LMH Financial Assistance Application Form. A note will be entered into the patient's account to suspend collection activity until the financial assistance process is complete. If the account has been placed with a collection agency, the agency will be notified to suspend collection efforts until a determination is made. This notification will be documented in the account notes.
3. Make and document the determination as to an individual's eligibility for financial assistance.
4. Notify the individual in writing generally within 60 days after receiving a completed Financial Assistance Application Form of the eligibility determination and the basis for the determination.
5. Provide the individual with a billing statement that indicates the amount owed as a Financial Assistance Policy eligible individual and describes how the individual can get information regarding the Amounts Generally Billed for care and how the hospital facility determined the amount the individual owes.
6. Refund any excess payments to the individual.
7. Take all reasonably available measures to remove from the individual's credit report any adverse information that was previously reported to a consumer credit agency/credit bureau and to reverse any other extraordinary collection action taken against the individual.
8. Provide a written notification of denial to any individual determined to not be Financial Assistance Policy eligible and include both a reason for denial and a process and contact information for filing an appeal. If an individual disagrees with the decision to deny the provision of financial assistance, the individual may request an appeal in writing within 45 days of the denial. The appeal must include any additional relevant information that may assist in the appeal evaluation. Requests for denial appeal will be reviewed on a monthly basis by the Financial Assistance Committee. Decisions reached by the

Financial Assistance Committee will be communicated to the individual within 60 days of the Committee's review and will reflect the Committee's final decision.

9. Upon receipt of a complete Financial Assistance Application Form, the hospital may postpone determination of an individual's eligibility under its Financial Assistance Policy if the individual has submitted an application for Medicaid assistance until such time as Medicaid eligibility has been determined.

Incomplete Financial Assistance Application Form Submitted

If an individual submits an incomplete Financial Assistance Application Form during the 240-day period following the date on which the first billing statement was sent to the individual (the application period), the hospital must take the following actions:

1. Suspend any extraordinary collection action and collection activity until consideration of the application is complete.
2. Provide the individual with a written notice that describes the additional information and/or documentation required under the Financial Assistance Policy or Financial Assistance Application Form that the individual must submit to complete his or her Financial Assistance Application Form and include the hospital's Plain Language Summary with the notice.
3. Provide the individual with at least one written notice that informs the individual that the hospital may engage in adverse reporting to consumer credit reporting agencies/credit bureaus if the individual does not complete the Financial Assistance Application Form or pay the amount due by a specified deadline. The deadline date must not be earlier than the last day of the application period or 30 days after the written notice is provided to the individual.

If the Financial Assistance Application Form is not completed by the specified deadline discussed above, the hospital may initiate adverse reporting to consumer credit reporting agencies/credit bureaus. Liens attached to insurance (auto, liability, life and health) are permitted in connection with the collection process. No other personal judgments or liens will be filed against Financial Assistance Policy eligible individuals.

Actions that May be Taken in the Event of Non-Payment

After a 120-day period beginning with the date that the first post-discharge billing statement is sent to an individual, the hospital may report outstanding debts for care provided to individuals to consumer credit reporting agencies or credit bureaus, or make a sale of debt that is considered an Extraordinary Collection Action.

Before initiating any extraordinary collection action, the hospital will provide

1. Written notice along with the Plain Language Summary at least 30 days prior to the Extraordinary Collection Action. The Plain Language Summary will indicate that financial assistance is available for eligible individuals and state the Extraordinary Collection Action that might be initiated after the stipulated deadline.
2. Reasonable attempt is made to orally notify an individual about the Financial Assistance Policy.

Payment Plans

Payment plans for partial financial assistance accounts under the Financial Assistance Policy will be individually developed with the individual patient. If an individual complies with the terms of his or her individually developed payment plan, no collection action will be taken.

All collection activities will be conducted in conformance with the federal and state laws governing debt collection practices. No interest will accrue to account balances while payments are being made unless the individual has voluntarily chosen to participate in a long term payment arrangement that bears interest applied by a third-party financing agent.

An individual who qualifies for a partial discount must:

1. Cooperate with the hospital to establish a reasonable payment plan and will be billed no more than the amount generally billed to individuals who have insurance covering such care.
2. Make good faith efforts to honor the payment plans for their discounted hospital bills. The individual is responsible to promptly notify LMH of any change in financial situation so that the impact of this change may be evaluated against financial assistance policies governing the provision of financial assistance, their discounted hospital bills, or provisions of payment plans.

Financial Assistance Committee

A summary of the financial assistance applications and resulting recommendations processed by Patient Accounts Department will be reviewed monthly by the hospital's Financial Assistance Committee.

1. The Financial Assistance Committee reviews all financial assistance recommendations, with a focused review on borderline or non-routine requests that require case-by-case review.
2. Provision of financial assistance that exceeds \$1,000 must be approved by the Financial Assistance Committee.

Patient Accounts Department

Following review and approval by the Financial Assistance Committee, the approved financial assistance will be applied to the individual's account by Patient Accounts Department.

Patient Accounts Department has the responsibility for determining that the hospital has made reasonable efforts to determine whether an individual is Financial Assistance Policy eligible and whether the hospital may take action to report adverse information to consumer credit agencies/credit bureaus.

Billing agencies that contract with LMH for collection services will follow this financial assistance policy with respect to all billing and collections matters.

Record-Keeping

A record, paper or electronic, will be maintained reflecting authorization of financial assistance along with copies of all application and worksheet forms. Such records may be scanned and maintained in electronic form.

Summary information regarding applications processed and financial assistance provided will be maintained for a period of seven years. Summary information includes the number of patients who applied for financial assistance at LMH, how many patients received financial assistance, the amount of financial assistance provided to each patient, and the total bill for each patient.

Providers Covered by Financial Assistance Policy

Please see the Addendum to this policy for a listing of all providers other than LMH that deliver care at the hospital. The Addendum specifies which providers are covered by the Financial Assistance Policy and which are not. The listing will be updated as significant changes occur and may be obtained on-line at the hospital's website. The date of the most recent update is included on the provider listing. A paper copy may be obtained at no cost from the patient accounting office.

Reporting Subordinate to Law

The cost of financial assistance will be reported annually in the Community Benefit Report. Financial Assistance (Charity Care) will be reported as the cost of care provided (not charges) using the most recently available operating costs and the associated cost to charge ratio.

The provision of financial assistance may now or in the future be subject to federal, state or local law. Such law governs to the extent it imposes more stringent requirements than this policy.